



Asian Bamboo

FY 2015 Interim Report

July to September

Q3 

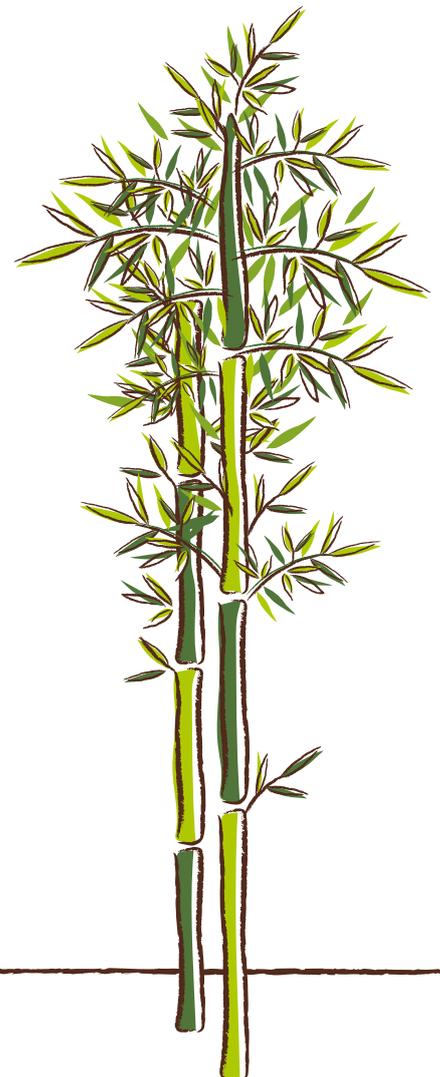
Disclaimer

As reported in the Company's ad hoc announced of 15 June 2015, the Hamburg District Court has appointed a strong provisional insolvency administrator. This has far-reaching implications for the Company and its decision-making bodies. Consequently, Asian Bamboo AG can no longer control the assets of the group. However, the Company is still required to fulfil its legal transparency and disclosure obligations. When reading this financial report for Q3 2015, we therefore ask you to take the following into account:

- Going concern: The continued survival of the Company is not assured as insolvency writs have been filed and insolvency proceedings may be opened which may end with the liquidation of the Company.
- Comparative numbers of 31 December 2014 are based upon the unaudited preliminary financial statements. A summary of the preliminary financial statements was announced on 6 March 2015 after completing the vast majority of the auditing work.
- The biological asset valuations of 31 December 2014, which are still preliminary, are used as the basis for calculating the cost of goods sold and the biological asset valuations in Q3 and Q1-Q3 2015.
- If the Company is liquidated it is possible that the value generated from selling all the plantations and other assets would be lower than the current balance sheet valuations. Furthermore, it is impossible for the Management Board to estimate the time needed for completing the process and how the market for bamboo plantations and other assets will develop in the future. It is possible that not all the plantations and other assets can be sold. The plantations which were sold in March 2015 were sold at prices which were in-line with the balance sheet valuations of the plantations at the end of 2014.
- The Company must fulfil its legal obligations in relation to the plantation leases. As a result of the insolvency situation, the Company is unable to sell plantations at the moment as potential buyers are aware of the Company's precarious situation and have adopted a wait-and-see attitude. Therefore the Company will have to begin reclamation work for the plantations in order to maintain the quality of the plantations, as they in the future will have to be either sold or returned, which will lead to considerable costs and a further decrease in the Company's cash balance.

Hamburg, November 2015

The Management Board



Contents



Introduction

- 03 Asian Bamboo at a glance
- 04 CEO's statement
- 05 Asian Bamboo share price
- 05 Macro-economic environment in 2015

Interim Group Management Report

- 07 Our plantations and operations
- 08 Revenue analysis
- 10 Financial position
- 10 Cash flow
- 11 Investments
- 11 Employees
- 11 Risk management
- 11 Trend information

Interim Consolidated Financial Statements and Notes

- 13 Consolidated statement of income and expenses
- 13 Consolidated statement of comprehensive income
- 14 Consolidated balance sheet
- 15 Consolidated statement of changes in equity
- 16 Consolidated statement of cash flow
- 17 Notes to the interim consolidated financial statements
- 19 Responsibility statement



Asian Bamboo at a Glance



Income statement

<i>In kEUR unless otherwise stated</i>	Q3 2015	Q3 2014	Change	Q1-Q3 2015	Q1-Q3 2014	Change
Continued operations						
Revenue	175	7,697	-98%	1,868	18,460	-90%
Cost of goods sold	(3,042)	(6,298)	-52%	(3,908)	(18,139)	-78%
FVBA*	(7,714)	1,049	-	(13,167)	7,110	-
Gross profit including FVBA*	(10,581)	2,448	-	(15,207)	7,431	-
Other income	33	118	-72%	100	7,044	-99%
Distribution expenses	(1)	(38)	-97%	(32)	(83)	-61%
Administrative expenses	(1,232)	(1,075)	15%	(4,029)	(3,717)	8%
Other expenses	(9)	(292)	-97%	(3,249)	(889)	265%
Profit/loss from operations	(11,790)	1,161	-	(22,417)	9,786	-
Finance net	(9)	(293)	-97%	(2)	(721)	-
Profit before tax for continued operations	(11,799)	868	-	(22,419)	9,065	-
Income tax	-	(31)	-100%	-	(77)	-
Profit for the period (fully attributable to owners of the parent company)	(11,799)	837	-	(22,419)	8,988	-
Discontinued operations						
Result of discontinued operations	(6)	(5)	20%	(18)	(15)	20%
Profit for the period (fully attributable to owners of the parent company)	(11,805)	832	-	(22,437)	8,973	-
Earnings per share						
For continued and discontinued operations						
Basic and diluted (EUR per share) [†]	(0.77)	0.05	-	(1.47)	0.59	-
For continued operations						
Basic and diluted (EUR per share) [†]	(0.77)	0.05	-	(1.47)	0.59	-

* FVBA is an abbreviation for gain/(loss) arising from changes in the fair value less estimated costs to sell of biological assets

[†] Computed on the basis of 15,281,100 shares

Cash flow

<i>In kEUR unless otherwise stated</i>	Q1-Q3 2015	Q1-Q3 2014	Change
Operating cash flow before movements in working capital	(8,183)	3,383	-
Net cash generated from operating activities	(8,160)	3,255	-
Cash flow used in investing activities	700	(351)	-
Cash flow from financing activities	-	(5,650)	-
Cash and cash equivalents at the end of the period	16,322	26,602	-39%

Simplified balance sheet and other selected data

<i>In kEUR unless otherwise stated</i>	30.09.2015	31.12.2014	Change
Biological assets	50,429	54,668	-8%
Lease prepayments	166,048	164,913	1%
Cash and cash equivalents	16,322	24,247	-33%
Other assets	26,403	26,735	-1%
Total assets	259,202	270,563	-4%
Total equity	59,928	91,953	-35%
Long-term provisions	162,565	143,353	13%
Borrowings	30,759	28,982	6%
Other liabilities	5,950	6,275	-5%
Total liabilities and equity	259,202	270,563	-4%
Total size of plantations (ha)	48,123	50,338	-4%
Employees	374	502	-25%



CEO's Statement



Dear shareholders,

Since the Q1-Q2 report was released the situation has further deteriorated. Currently the economics of the business means that we can no longer operate the plantations in an economically viable way, hence there were no revenue from the plantations in Q3 and there will not be any revenues in Q4 either. The only revenue in Q3 came from a consultancy assignment and that consultancy assignment will also generate revenue in Q4. In addition, the costs of operations rose sharply in Q3 as, in addition to the normal expenses, around EUR 2.9 million had to be spent on road repair work following the devastation caused by Super-typhoon Soudelor. This meant that the operating cash flow loss in Q3 was around EUR 4.7 million and that the total operating cash flow losses for the first nine months of the year were around EUR 8.2 million, which is higher than we previously anticipated.

Furthermore, the Company must fulfil its legal obligations in relation to the plantation leases. As a result of the insolvency situation, the Company is unable to sell plantations at the moment as potential buyers are aware of the Company's precarious situation and have adopted a wait-and-see attitude. Therefore the Company will have to begin reclamation work for the plantations in order to maintain the quality of the plantations, as they in the future will have to be either sold or returned, which will lead to considerable costs and a further decrease in the Company's cash balance.

Appointments to the Supervisory Board

On 16 September, Mr. Juergen Kullmann and Mr. Karsten Jennissen were appointed to the Supervisory Board by the District Court of Hamburg. They bring with them experience from management and insolvency situations. Mr. Thomas Gudel remains as chairman of the Supervisory Board.

Change of listing status

We've been in discussions with Deutsche Boerse and, in light of the insolvency situation, we've agreed to withdraw from Deutsche Boerse's 'Prime Standard' market segment in favour of the 'General Standard' market segment and thereby retaining the Company's listing status.

Outlook

The Management Board expects negative operating cash flows for the year of EUR 10 million, which is an increase from the previous estimate of EUR 5-6 million, caused by losses from the operations and road repair costs. The revenue guidance remains at EUR 2 million.

With my best regards,

Lin Zuojun
CEO and Founder

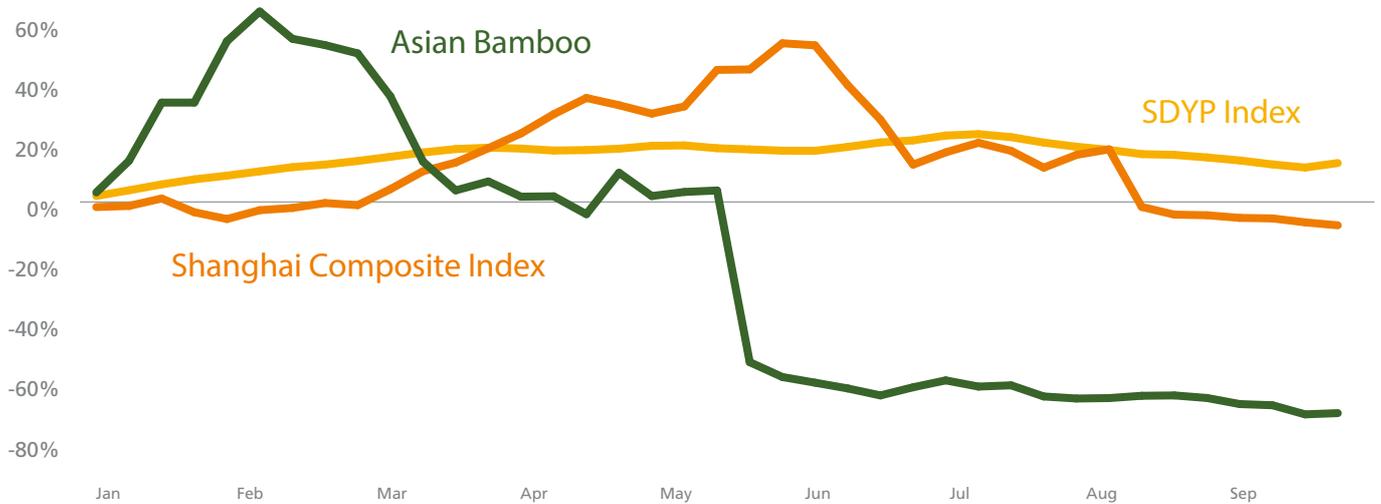
Asian Bamboo Share Price

The share price remained at historically low levels during the year affected by the filing of the insolvency writs by DEG and PROPARGO.

There were no investor relations activities in the first half of the year other than fulfilling the general transparency and

disclosure obligations. The AGM, which was supposed to be held on 14 July 2015, had to be postponed as the annual report cannot be completed before the insolvency issue, due to the filing of the insolvency writs by DEG and PROPARGO, has been resolved.

Share price and relevant index comparison chart



Macro-economic Environment in 2015

In the first three quarters of the year China’s GDP growth remained at historically low levels. The GDP growth in Q1 and Q2 was 7% and for Q3 the number was 6.9%. These are the lowest quarterly growth rates since Q1 2009. The Management Board believes China’s GDP growth in Q4 will show a small rebound and that growth for the full year 2015 will be around 7%.

The annual consumer price index (‘inflation’) remained below 2% on a monthly basis during the first three quarters of the year, which are historically low numbers.

As a response to the economic slowdown, the Chinese government implemented monetary easing policies. Most notably the People’s Bank of China (PBOC) has lowered its benchmark, one-year lending rate six times. Beginning 23 October the rate is 4.35%. In the Management Board’s view it is likely that the interest rates will be further cut in order to support the economy.

The Management Board believes that there will be continued measures from the Chinese government with the aim of promoting growth and to shift the economy from relying upon manufacturing and exports to become a more service oriented economy.

Interim Group Management Report



Our Plantations and Operations

The Company currently possesses 48,123 ha of plantations after completing the sale of the plantations in Kangda and Sirong. The Company has the intention of further selling plantations in Shaowu (Minxian, Minda and Yinxin), Shunchang (Wufang), Sanming (Wucun), Wuyishan (Chongan) and Longyan (Hongshan) in line with previous announcements.

In addition, the Management Board also intends to sell a plot of land in Mawei, the site of the Company's first bamboo shoot processing plant, for around EUR 3 million, as well as the bamboo shoot processing plant in Longyan for around EUR 2 million.

As a result of the insolvency situation, the Company is unable to sell plantations and other assets at the moment as potential buyers are aware of the Company's precarious situation and have adopted a wait-and-see attitude.



Revenue Analysis

As we have extensively reported in the past, we continue to face a number of structural headwinds. The cost of operating in China has gone up very seriously and the industry has now reached a point where these costs, in connection with the ever dwindling supply of farm labour, make it financially impossible to operate the plantation business at all.

In Q3 total revenue decreased 98%, year-on-year, to EUR 0.2 million (Q3 2014: EUR 7.7 million). There were no sales at all of bamboo trees and bamboo shoots. The revenue of EUR 0.2 million is generated from a consultancy assignment.

In Q1-Q3 total revenue decreased 90%, year-on-year, to EUR 1.9 million (Q1-Q3 2014: EUR 18.5 million). Sales of winter bamboo shoots, spring bamboo shoots, processed bamboo shoots decreased by 45% to EUR 0.6 million (Q1-Q3 2014: EUR 1 million), 89% to EUR 0.6 million (Q1-Q3 2014: EUR 5.5 million), 97% to EUR 0.2 million (Q1-Q3 2014: 5.6 million). There were no sales of dried bamboo shoots in Q1-Q3 2015 (Q1-Q3 2014: EUR 1.9 million). The 'other' category relates to consultancy fees the Company received.

<i>kEUR</i>	Q3 2015	Q3 2014	Change	Q1-Q3 2015	Q1-Q3 2014	Change
Bamboo trees	–	4,360	-100%	–	4,360	-100%
Fresh spring bamboo shoots	–	–	–	631	5,521	-89%
Fresh winter bamboo shoots	–	–	–	569	1,028	-45%
Processed bamboo shoots	–	2,307	-100%	170	5,564	-97%
Dried bamboo shoots	–	962	-100%	–	1,919	-100%
Other	175	68	157%	498	68	632%
Total	175	7,697	-98%	1,868	18,460	-90%

Cost of goods sold

In Q3 cost of goods sold decreased by 52% to EUR 3 million (Q3 2014: EUR 6.3 million).

In Q1-Q3 cost of goods sold decreased by 78% to EUR 3.9 million (Q1-Q3 2014: EUR 18.1 million).

Gain/loss arising from changes in fair value less estimated costs to sell of biological assets (FVBA)

Mainly as a result of lower harvesting rates there were losses in the fair value of biological assets as follows:

- Q3 2015: EUR 7.7 million (Q3 2014: gain of EUR 1 million)
- Q1-Q3 2015: EUR 13.2 million (Q1-Q3 2014: gain of EUR 7.1 million)

The biological asset valuations are based upon the unaudited 2014 preliminary financial statements of which a summary was announced on 6 March 2015. The biological asset valuations in the 2014 preliminary financial statements are, as usual, based upon a report from the independent valuer – Sallmanns.

Gross profit including FVBA changes (gross profit)

In Q3 gross profit was negative EUR 10.6 million (Q3 2014: positive EUR 2.4 million).

In Q1-Q3 gross profit was negative EUR 13.2 million (Q1-Q3 2014: EUR 7.4 million).

The biological asset valuations are based upon the unaudited 2014 preliminary financial statements of which a summary was announced on 6 March 2015. The biological asset valuations in the 2014 preliminary financial statements are, as usual, based upon a report from the independent valuer – Sallmanns.

Other income

In Q3 other income was kEUR 33 (Q3 2014: kEUR 118) and in Q1-Q3 other income was kEUR 100 (Q1-Q3 2014: EUR 7 million).

On 24 April 2014 the Company announced the agreement to give up the rights to certain plantations, which resulted in an accounting gain of EUR 6.9 million in Q2 2014. These plantations were located in Buyun, Hongshan and Miaoqian and amounted, in total, to around 62,600 mu (4,173 ha).

Administrative expenses

In Q3 administrative expenses increased by 15% to EUR 1.2 million (Q3 2014: EUR 1.1 million).

In Q1-Q3 administrative expenses increased by 8% to EUR 4 million (Q1-Q3 2014: EUR 3.7 million).

Other expenses

Other expenses were negligible in Q3, however in Q1-Q3 2015 they were EUR 3.2 million (Q1-Q3 2014: EUR 0.9 million). The Q1-Q3 2015 number includes a EUR 1.4 million write-off on initial deposits made on the plantations which were sold in Q1 2015. These deposits were made to guarantee the payment of various infrastructure related repairs and damages and are forfeited when the leases are sold. In addition, adverse currency movements, as the USD strengthened against the EUR and a part of the Company's debt is denominated in USD, led to a foreign exchange related non-cash cost of EUR 1.8 million in Q1-Q3 2015.

Finance net

In Q3 the finance net was negative kEUR 9 (Q3 2014: negative kEUR 293).

In Q1-Q3 the finance net was negative kEUR 2 (Q1-Q3 2014: negative kEUR 721).

Net profit/loss

In Q3, the net loss was EUR 11.8 million (Q3 2014: net profit EUR 0.8 million).

In Q1-Q3, the net loss was EUR 22.4 million (Q1-Q3 2014: net profit EUR 9 million).

Financial Position

<i>kEUR</i>	30.09.2015	31.12.2014	Change
Biological assets	50,429	54,668	-8%
Lease prepayments	166,048	164,913	1%
Cash and cash equivalents	16,322	24,247	-33%
Other assets	26,403	26,735	-1%
Total assets	259,202	270,563	-4%
Total equity	59,928	91,953	-35%
Long-term provisions	162,565	143,353	13%
Borrowings	30,759	28,982	6%
Other liabilities	5,950	6,275	-5%
Total liabilities and equity	259,202	270,563	-4%

At the end of Q3 biological assets were EUR 50.4 million (31 December 2014: EUR 54.7 million) and lease prepayments were EUR 166 million (31 December 2014: EUR 164.9 million).

Cash and cash equivalents decreased 33% to EUR 16.3 million primarily due to the following reasons:

- Negative operating cash flow before movements in working capital in Q1-Q2 of around EUR 3.6 million
- Negative operating cash flow before movements in working capital, excluding road repair costs, in Q3 of around EUR 1.8 million
- Road repair costs of around EUR 2.9 million incurred in Q3

The Company's Management Board, as well as its main creditors – DEG and PROPARCO, have filed insolvency writs in the first half of the year, therefore it is uncertain if the Company can continue its operations and insolvency proceedings may begin which may end with a liquidation of the Company.

Cash Flow

The filing of the insolvency writs made the situation go from bad to worse, as there are obvious uncertainties about the Company's ability to survive and to carry on its business. Therefore the Company will post the first year with a negative operating cash flow since its listing and the revenues for the year will be very low. In addition, Super-typhoon Soudelor caused damage to the plantations which added around EUR 2.9 million in road repair costs and there will be significant additional costs for reclamation work on the plantations.

In Q1-Q3 operating cash flow before movements in working capital was negative EUR 8.2 million (Q1-Q3 2014: positive EUR 3.4 million).

In Q1-Q3 net cash generated from operating activities was negative EUR 8.2 million (Q1-Q3 2014: positive EUR 3.3 million).

Investments

During the first half of the Management Board sold four bamboo plantations. The Company has the intention of further selling plantations in Shaowu (Minxian, Minda and Yinxin), Shunchang (Wufang), Sanming (Wucun), Wuyishan (Chongan) and Longyan (Hongshan) in line with previous announcements.

In addition, the Management Board also intends to sell a plot of land in Mawei, the site of the Company's first bamboo shoot processing plant, for around EUR 3 million, as well as the bamboo shoot processing plant in Longyan for around EUR 2 million.

As a result of the insolvency situation, the Company is unable to sell plantations and other assets at the moment as potential buyers are aware of the Company's precarious situation and have adopted a wait-and-see attitude.

Employees

As part of the Management Board's cost control, the total number of employees has been reduced to 374 (31 December 2014: 502) in order to cut costs. The farmers working in harvesting are not direct employees of the Company therefore they are not included in this number. The number of employees will continue to decrease.

Risk Management

The Group's results are affected by the development of the bamboo plantation business, which also affects the valuation of the biological assets. In other words when the expectations of future revenue and profits fall or rise, this has an influence on the value of biological assets and provisions for onerous lease contracts.

For a comprehensive description of our risk and opportunity management system as well as possible risks and opportunities, please see the Risk Report section in our FY 2013 Annual Report. Save for the next paragraph, there were no significant changes in risks and opportunities in 2014 and in the first nine months of 2015.

DEG and PROPARCO as well as the Management Board have filed insolvency writs. Subsequently the district court Hamburg appointed a strong preliminary insolvency administrator. The continued survival of the Company is not assured and insolvency proceedings may be opened which may end with the liquidation of the Company.

Trend Information

The Management Board expects negative operating cash flows for the year of EUR 10 million, which is an increase from the previous estimate of EUR 5-6 million, caused by losses from the operations and road repair costs. The revenue guidance remains at EUR 2 million.

Interim Consolidated Financial Statements and Notes



Consolidated Statement of Income and Expenses

for the period from 1 January to 30 September 2015

	Q3 2015 kEUR	Q3 2014 kEUR	Q1-Q3 2015 kEUR	Q1-Q3 2014 kEUR
Continued operations				
Revenue	175	7,697	1,868	18,460
Cost of goods sold	(3,042)	(6,298)	(3,908)	(18,139)
Loss arising from changes in fair value of biological assets	(7,714)	1,049	(13,167)	7,110
Gross profit including revaluations	(10,581)	2,448	(15,207)	7,431
Other income	33	118	100	7,044
Distribution expenses	(1)	(38)	(32)	(83)
Administrative expenses	(1,232)	(1,075)	(4,029)	(3,717)
Other expenses	(9)	(292)	(3,249)	(889)
Profit/loss from operations	(11,790)	1,161	(22,417)	9,786
Finance income	22	6	130	259
Finance cost	(31)	(299)	(132)	(980)
Profit before tax for continued operations	(11,799)	868	(22,419)	9,065
Income tax	–	(31)	–	(77)
Profit for the period (fully attributable to owners of the parent company)	(11,799)	837	(22,419)	8,988
Discontinued operations				
Result of discontinued operations	(6)	(5)	(18)	(15)
Profit for the period (fully attributable to owners of the parent company)	(11,805)	832	(22,437)	8,973
Earnings per share				
For continued and discontinued operations				
Basic and diluted (EUR per share)*	(0.77)	0.05	(1.47)	0.59
For continued operations				
Basic and diluted (EUR per share)*	(0.77)	0.05	(1.47)	0.59

* Computed on the basis of 15,281,100 shares

Consolidated Statement of Comprehensive Income

for the period from 1 January to 30 September 2015

	Q3 2015 kEUR	Q3 2014 kEUR	Q1-Q3 2015 kEUR	Q1-Q3 2014 kEUR
Profit for the period	(11,805)	832	(22,437)	8,973
Items which under certain conditions in the future will be reclassified in the statement of income and expenses				
Exchange differences arising from currency translations	(2,801)	9,604	(9,588)	7,551
Reclassification due to during the financial year disposed foreign business operations				
Other comprehensive income	(2,801)	9,604	(9,588)	7,551
Total comprehensive income for the period (fully attributable to owners of the parent company)	(14,606)	10,436	(32,025)	16,524

Consolidated Balance Sheet

for the period ending 30 September 2015

	30.09.2015 kEUR	31.12.2014 kEUR
ASSETS		
Non-current assets		
Property, plant and equipment	5,383	5,392
Biological assets	50,429	54,668
Lease prepayments	166,048	164,913
Other financial assets	2,752	3,771
	224,612	228,743
Current assets		
Inventories	66	84
Trade and other receivables	369	331
Other financial assets	4,675	4,257
Lease and other prepayments	13,158	12,900
Cash and cash equivalents	16,322	24,247
	34,590	41,819
Total assets	259,202	270,563
EQUITY AND LIABILITIES		
Share capital	15,425	15,425
Par value of own shares	(144)	(144)
Issued capital	15,281	15,281
Capital reserves	131,953	131,953
Equity-settled employee benefits reserve	679	679
Foreign currency translation reserve	40,788	50,376
Statutory reserves of subsidiaries	9,007	9,007
Retained earnings	(137,780)	(115,343)
Total equity	59,928	91,953
Non-current liabilities		
Provisions	162,565	143,353
	162,565	143,353
Current liabilities		
Provisions	4,709	4,475
Borrowings	30,759	28,982
Trade payables	32	193
Other liabilities	1,098	1,960
Current tax liabilities	111	(353)
	36,709	35,257
Total liabilities	199,274	178,610
Total liabilities and equity	259,202	270,563

Consolidated Statement of Changes in Equity

for the period from 1 January to 30 September 2015

	Issued capital kEUR	Capital reserves kEUR	Statutory reserves of subsidiaries kEUR	Equity- settled benefits reserve kEUR	Foreign currency translation reserve kEUR	Retained earnings kEUR	Total kEUR
1 January 2014	15,281	131,953	9,007	679	41,797	(112,037)	86,680
Consolidated profits for the period	–	–	–	–	–	8,973	8,973
Other comprehensive income for the period net of income taxes	–	–	–	–	7,551	–	7,551
Total comprehensive income for the period	–	–	–	–	7,551	8,973	16,524
Balance as of 30 September 2014	15,281	131,953	9,007	679	49,348	(103,064)	103,204
1 January 2015	15,281	131,953	9,007	679	50,376	(115,343)	91,953
Consolidated profits for the period	–	–	–	–	–	(22,437)	(22,437)
Other comprehensive income for the period net of income taxes	–	–	–	–	(9,588)	–	(9,588)
Total comprehensive income for the period	–	–	–	–	(9,588)	(22,437)	(32,025)
Balance as of 30 September 2015	15,281	131,953	9,007	679	40,788	(137,780)	59,928

Consolidated Statement of Cash Flow

for the period from 1 January to 30 September 2015

	Q1-Q3 2015 kEUR	Q1-Q3 2014 kEUR
Profit before tax	(22,437)	9,050
Depreciation of property, plant and equipment	402	352
(Gain)/loss arising from changes in fair value of biological assets	13,167	(7,110)
Amortisation of lease prepayments	10,148	1,822
Interest income	(130)	(259)
Interest expense	132	980
Decreases due to harvest	(5,792)	6,194
Interest received	130	259
Interest paid	(124)	(854)
Income taxes paid	(196)	(189)
Non cash affecting (income)/expenses	(3,483)	(6,862)
Operating cash flow before movements in working capital	(8,183)	3,383
(Increase)/decrease in inventories trade receivables, other financial assets and prepayments unless they are allocated to investing or financing activities	579	(1,328)
(Increase)/decrease in trade payables and other liabilities unless they are classified as investing or financing activities	(556)	1,200
Net cash generated from operating activities	(8,160)	3,255
Cash flow from investing activities		
Prepayments for property, plant and equipment	(98)	(351)
Proceeds from disposal of property, plant and equipment	798	–
Net cash used in investing activities	700	(351)
Cash flow from financing activities		
Repayments of borrowings	–	(5,650)
Cash flow from financing activities	–	(5,650)
Net increase in cash and cash equivalents	(7,460)	(2,746)
Cash and cash equivalents at the beginning of the year	24,247	28,474
Foreign exchange differences	(465)	874
Cash and cash equivalents at the end of the period	16,322	26,602

Notes

for the period from 1 July to 30 September 2015

General

The interim consolidated financial statements for the period 1 January to 30 September 2015 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 (Hong Kong) Industrial 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 financial statements are prepared as condensed financial statements with selected explanatory notes as stipulated by IAS 34 'Interim Financial Reporting'. 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 lease prepayments which account for approximately 84% 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 2013. For further details, reference is made to these consolidated financial statements, which can be found in the notes of the Company's FY 2013 Annual report at www.asian-bamboo.com.

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.

Functional and presentation currency

The currency of the Group is the euro. The functional currency of the foreign subsidiaries is the Chinese renminbi (RMB), since nearly all transactions are done in RMB. The following exchange rates from RMB to EUR have been applied:

<i>Exchange rates from RMB to EUR</i>	Q1-Q3 2015	31.12.2014	Q1-Q3 2014
	RMB/EUR	RMB/EUR	RMB/EUR
End of period	7.1608	7.5358	7.7262
Average during period	6.8951	8.1857	8.3579

Seasonality or cyclicity of interim operations

There are distinct harvesting cycles during the year. Winter bamboo shoots are harvested in Q1 and Q4, spring bamboo shoots are harvested in Q1 and Q2 and bamboo trees are primarily harvested in Q3 and Q4.

Material events subsequent to the end of the interim period

No events of material importance for the Group requiring disclosure have occurred.

Contingent liabilities and contingent assets

There have been no significant changes in contingent liabilities and assets in comparison with the 2013 annual consolidated financial statements and they can be classified as immaterial overall.

Related parties transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, are eliminated from the interim consolidated financial statements insofar as the subsidiaries are consolidated. In addition, business relations are maintained with companies over which Asian Bamboo AG can exercise a significant influence (associated companies). Such relationships do not have a material influence on the interim consolidated financial statements of the Group. Related persons are mainly the members of the Management Board and the Supervisory Board. The remuneration received by this group of persons is disclosed annually in the remuneration report. There were no other material transactions with related parties.

Auditor's review

The interim consolidated financial statements and the interim management report for the period 1 January to 30 September 2015 were not reviewed or audited by the auditor.

Hamburg, Germany, 27 November 2015

On behalf of the management



Lin Zuojun
CEO

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, 27 November 2015

On behalf of the management

A handwritten signature in black ink, appearing to read 'Lin Zuojun', written over a large, thin, curved line that serves as a signature line.

Lin Zuojun
CEO

Asian Bamboo AG

China

26th Floor, Xin-Ri-Xian Centre
No.98-1, Jiangbin East Avenue
Mawei District, Fuzhou 350015
P.R.China

Tel +86 (0) 591 8802 6008

Fax +86 (0) 591 8802 6898

Hong Kong

Room 1708, Dominion Centre
43-59 Queen's Road East
Wanchai, Hong Kong

Tel +852 2851 0260

Fax +852 2543 3343

Germany

Stadthausbrücke 1-3, 20355 Hamburg

Tel +49 (0) 40 37644 798

Fax +49 (0) 40 37644 500

Listed on: Frankfurt Stock Exchange, Prime Standard

Stock Code: 5AB

ISIN: DE000A0M6M79

www.asian-bamboo.com