

## Company Profile

Chemspec is a leading China-based contract manufacturer of highly engineered specialty chemicals and the largest manufacturer of fluorinated specialty chemicals in China based on sales. In manufacturing specialty chemicals, Chemspec also provides process design and process development services, which enable efficient and rapid production of specialty chemicals that are incorporated into the products of Chemspec's end users. Chemspec's customers and end users include top electronics, pharmaceutical and agrochemical companies, and the company's flexible manufacturing facilities allow it to adjust its product mix to reflect changes in the economic environment.

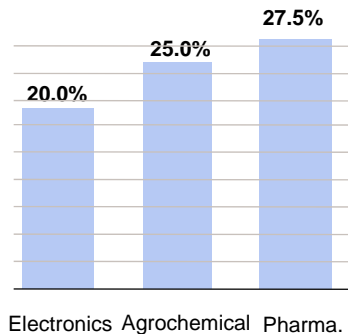
### Highlights

- 1 Multiple Growth Drivers in the Specialty Chemicals Market
- 2 #1 China-based Contract Manufacturer of Fluorinated Specialty Chemicals based on '07 & '08 sales, with 25% market share in 2008 <sup>(1)</sup>
- 3 Fast and Flexible Manufacturing Facilities; Strong Process Technology
- 4 Diversified "Blue Chip" End-User Base with Long-term Relationships
- 5 13-Year Track Record of Meeting & Exceeding Customer Requirements
- 6 Strong R&D, Operation Mgmt and Cost Control Create High Entry Barriers
- 7 Experienced and Knowledgeable Management Team
- 8 Strong Financial Performance

### Fluorinated Specialty Chemicals:

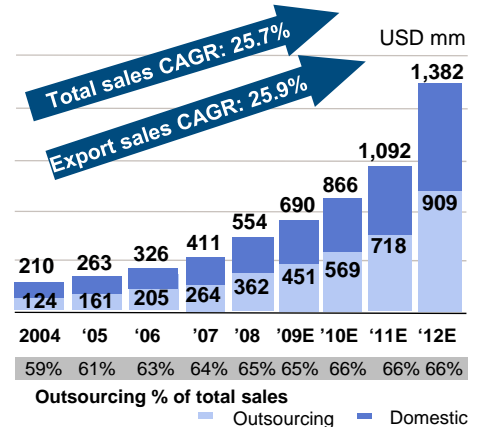
- Fluorine brings uniquely desired features to organic chemicals. Nowadays, fluorinated chemicals are increasingly used in agrochemicals, electronics and pharmaceutical industries.

2009-2012 Est. CAGR in Fluorinated Specialty Chemicals End Markets <sup>(2)</sup>



Note (1)(2)(3): Source - Frost & Sullivan

Fluorinated Specialty Chemicals Sales in China 2004-2012E <sup>(3)</sup>



### Corporate Data

Note (a): As of March 31, 2009

Founded:	1996
Employees:	1,247 (91 in R&D) <sup>(a)</sup>
CUSIP	163868102
ISIN	US1638681023
Depository Bank	Citibank
Auditor	KPMG

### Market Data

(as of August 14, 2009)

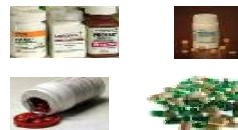
Exchange/Symbol:	NYSE: CPC
Date of IPO:	June 24, 2009
Share Price:	\$7.67
52 Week High:	\$10.50
52 Week Low:	\$6.70
Total Ordinary Shares Outstanding:	2,179,680,000
ADR Ratio:	1:60
Market Cap:	\$278.6M

### End Markets that Our Products Serve

#### Agrochemicals



#### Pharmaceuticals



#### Electronic chemicals



#### Benefits:

- Increasing biological activity of organic compounds
- Better metabolizing efficacy and higher efficiency
- Lower toxicity

#### Benefits:

- Larger LCD screen size
- Faster response time

Source: Frost & Sullivan

#### Market trend:

- More than 50% of the newly developed pharmaceuticals contain fluorine; the portion is expected to continue growing from 2009-2012
- Food safety and environmental awareness drive fluorinated agrochemicals to achieve 25% growth in the coming few years
- Fluorinated pesticide is regarded as the key growth area for the global agrochemical industry

## Multi-Purpose and Flexible Production Facilities

### Existing Production Facilities

■ 4 Facilities in Shanghai, Zhejiang and Jiangsu provinces with a total production capacity of 1.1 million liters as of March 31, 2009

### Production Facilities Under Development:

■ 2 facilities with approximately 1.7 million liters of production capacity by end of 2009

### R&D Center

■ Shanghai: 91 research scientists as of March 31, 2009

■ New R&D center will commence in 2H2009 which can support up to 350 scientists



## Loyal "Blue Chip" End-Users

4 of the top 10 global pharmaceutical companies

2 globally leading TFT-Liquid Crystal suppliers

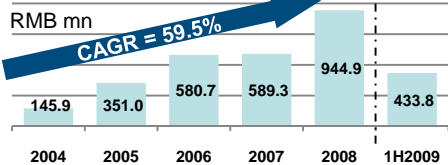
1 of the top global agrochemical companies

Return customers increase order size and product numbers

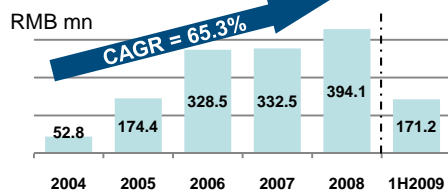
## Strong R&D and Operation Management

- Strong R&D, high entry barriers and sustained profitability
- Tailoring products to changing technologies, specifications and safety & environmental requirements
- Deep understanding of chemical process development and technologies
- Leveraging core fluorination technologies for various end-market applications

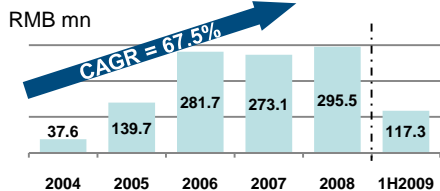
## Sales



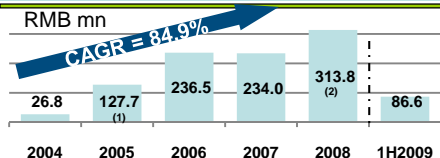
## Gross Profit



## Income from Operations



## Net Income for Shareholders



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Key Balance Sheet Items (RMB' million)	31-Dec		31-Mar	30-Jun
	2007	2008	2009	2009
Cash	56.9	180.1	161.6	473.7
Accounts receivable	86.7	142.5	116.4	143.7
Inventories	111.1	197.7	197.9	192.9
Bank borrowings	40.0	60.0	55.0	15.0
Accounts payable	43.1	77.8	66.0	69.9
Shareholders' equity <sup>(3)</sup>	387.0	721.2	759.1	1,144.9
Total assets	563.5	1,014.9	1,029.9	1,436.2

Key Cash Flow Items (RMB' million)	FY2007	FY2008	1H2008	1H2009
Operating cash flow	169.9	297.1	104.7	109.9
Capital expenditure	(93.5)	(127.5)	(54.5)	(116.1)
Financing cash flow	(50.1)	(52.2)	(24.6)	307.6

Notes to the charts of this page (data for FY2007 and FY2008 audited, for quarterly/semi-annual unaudited)

- (1) 2005 net income included RMB 15.3mn gain on acquisition of remaining equity interest in a subsidiary
- (2) 2008 net income included RMB 58.8mn tax refund
- (3) Excluding non-controlling interest



**Dr. Jianhua Yang**  
Chairman and CEO

- More than 20 years of experience in fluorinated specialty chemicals industry
- PhD from the Chinese Academy of Sciences



**Dr. David Yunhung Tang**  
Director, Executive Vice  
President of Marketing and R & D

- More than 30 years of experience in fluorinated specialty chemicals industry
- PhD from Indiana University, USA



**Bing Zhu**  
Chief Financial Officer

- Over 22 years of financial and banking experience
- Former CFO of NASDAQ-listed Canadian Solar Inc.