

NAVIN FLUORINE INTERNATIONAL LIMITED

CODE OF CONDUCT

I. Introduction

This Code of Conduct (the "Code") shall apply to all the Members of the Board of Directors and officers of the Company at the level of Deputy General Manager and above. The Code has been adopted by our Board of Directors and summarizes the standards that must guide our actions. While covering a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where decisions must be made on rational basis, but rather set forth the key guiding principles that represent the policies of the Company.

We must strive to foster a culture of integrity and accountability. Our commitment to the highest level of ethical conduct should be reflected in all the business activities of the Company including, but not limited to, manufacturing operations, Total Quality Management, Health Safety and Environment, maintaining of cordial relationships with employees, customers, suppliers, members of the public and our shareholders. All of our employees, officers and directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. Even well intentioned actions that violate the law or this Code may result in negative consequences for the Company and for the individuals involved.

One of our most valuable assets is our reputation for Ethical Management, integrity, professionalism, transparency and fairness. We should all recognize that our actions have a direct bearing of our reputation and adhering to this Code and applicable law is imperative.

II. Conflicts of Interest

Our employees, officers and directors have an obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company. All employees, officers and directors should endeavor to avoid situations that present a potential or actual conflict between their interest and the interest of the Company.

A "conflict of interest" occurs when a person's private interest interferes in any way, or even appears to interfere, with the business interest of the Company, including its subsidiaries and affiliates. A conflict of interest can arise when an employee, officer or director takes an action or has an interest that may make it difficult for him or her to perform his or her work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director (or his or her family members) receives improper personal benefits as a result of the employee's, officer's or director's position in the Company.

The following are a few examples of situations, which may be constituted as causing conflict of interest:

- Working, in any capacity, for a competitor, customer, supplier or other third party while employed by the Company.
- Competing with the Company for the purchase or sale of any property, products or services.
- Having an interest in a transaction of the Company, with its customer or supplier.

In the event an actual or apparent conflict of interest arises between the personal and professional relationship or activities of an employee, officer or director, the employee, officer or director involved is required to immediately inform the Chief Executive Officer of the Company about the concerned transaction and either withdraw himself from taking any further steps/actions in relation to the said transaction or handle such conflict of interest in an ethical manner in accordance with the provisions of this Code.

III. Quality of Public Disclosures

The Company has a responsibility to communicate effectively with shareholders and other statutory authorities and regulating agencies so that they are provided with full and accurate information, in all material respects, about the financial condition and results of operations of the Company. It is, therefore, the responsibility of all the employees, officers and Directors to ensure that the reports prepared and submitted by the Company and our other public communications include full, fair, accurate, timely and understandable disclosures.

IV. Compliance with Laws, Rules and Regulations

We are strongly committed to conducting our manufacturing operations and business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No employee, officer or director of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason.

V. Trading on Inside Information

The employees, officers and directors of the Company will be privy to certain confidential information about the manufacturing and financial operations of the Company which is likely to affect the price of its securities when made public. Using such confidential and price sensitive information to trade in securities, or providing a family member, friend or any other person with a "tip", is illegal. All such information should be considered inside information and should never be used for personal gain. You are required to familiarize yourself and comply with the Company's Code of Conduct for Prevention of Insider Trading, copies of which are distributed to all employees, officers and directors and are available from the Company Secretary. You should contact the Company Secretary with any questions about your ability to buy or sell securities.

VI. Protection of Confidential Proprietary Information

Confidential proprietary information generated and gathered in our business is a valuable asset. Protecting this information plays a vital role in our continued growth and ability to compete, and all proprietary information should be maintained in strict confidence, except when disclosure is authorized by the Company or required by law.

Proprietary information includes all confidential information that might be useful to competitors or that could be harmful to the Company or its customers if disclosed. Intellectual property such as details of manufacturing operations, patents, trademarks and copyrights, as well as business, research and new product or expansion plans, objectives and strategies, records, databases, salary and benefits data, employee medical information, customer, employee and

suppliers lists and any unpublished financial or pricing information must also be protected.

Unauthorized use or distribution of proprietary information could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions.

Your obligation to protect the Company's proprietary and confidential information continues even after you leave the Company, and you must return all proprietary information in your possession at the time of leaving the Company.

VII. Protection and Proper Use of the Company's Assets

Protecting the assets of the Company's against loss, theft or other misuse is the responsibility of every employee, officer and director. Loss, theft and misuse of the assets directly impact our profitability. Any suspected loss; misuse or theft should be reported to a manager/supervisor or the Chief Executive Officer.

The sole purpose of the Company's equipment, vehicles, supplies and electronic resources (including, hardware, software and the data thereon) is to enable the conduct of our business in a profitable manner. They must only be used for the Company's business and should not be put to any personal use unless specifically authorized by the Management.

VIII. Corporate Opportunities

Employees, officers and directors are prohibited from taking any advantage for themselves through the business opportunities that arise on account of the use of corporate property, information or position. No employee, officer or director may use corporate property, information or position for personal gain.

IX. Fair Dealing

Each employee, officer and director of the Company should endeavor to deal fairly with customers, suppliers, competitors, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No payment in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. The Company and the employee, officer or director involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this policy.

X. Compliance with This Code and Reporting of Any Illegal or Unethical Behavior

The Code will be strictly enforced and violations will be dealt with immediately, including subjecting persons to corrective and/or disciplinary action such as dismissal or removal from office. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities. The Chief Executive Officer of the Company will have primary authority and responsibility for the

enforcement of this Code, subject to the supervision of the Board of Directors and, in the case of accounting, internal accounting controls or auditing matters subject to the supervision of the Audit Committee of the Board of Directors. The Company will devote the necessary resources to enable the Chief Executive Officer to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with this Code. Questions concerning this Code should be directed to the Company Secretary.

The Company encourages all employees, officers and directors to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. The Company will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith. Open communication of issues and concerns by all employees, officers and directors without fear of retribution or retaliation is vital to the successful implementation of this Code. You are required to cooperate in internal investigations of misconduct and unethical behavior.

Employees, officers and directors should promptly report any concerns about violations of ethics, laws, rules, regulations or this Code, including by any senior executive officer or director, to their supervisors/managers or Chief Executive Officer.

The Chief Executive Officer shall notify the Board of Directors of any concerns about violations of ethics, laws, rules, regulations or this Code by any senior executive officer or director reported to him.

XI. Waivers and Amendments

Any waivers (including any implicit waivers) of the provisions in this Code for executive officers or directors may only be granted by the Board of Directors. Any amendment to this code will have to be approved by the Board of Directors.