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original, but all of which signed and taken together, shall constitute one document.

SECTION 7

GOVERNING LAW AND JURISDICTION

- 7.1 Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK OF THE UNITED STATES APPLICABLE TO CONTRACTS TO BE PERFORMED WHOLLY WITHIN SUCH JURISDICTION, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW OF ANY JURISDICTION.
- 7.2 Submission to Jurisdiction. Each of the parties hereto (i) will submit itself to the non-exclusive jurisdiction of any federal court located in the State of New York or any New York state court having subject matter jurisdiction in the event any dispute arises out of this Agreement, (ii) agrees that venue will be proper as to proceedings brought in any such court with respect to such a dispute, (iii) will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court and (iv) agrees to accept service of process at its address for notices pursuant to this Agreement in any such action or proceeding brought in any such court. With respect to any such action, service of process upon any party hereto in the manner provided herein for the giving of notices shall be deemed, in every respect, effective service of process upon such party.

7.3 Service of Process. Each of XD Engineering and Mr. Han hereby irrevocably designates and appoints Favor Sea (US) Inc. (()) (the "Process Agent"), as the authorized agent of XD Engineering and Mr. Han upon whom process may be served in any such suit or proceeding, it being understood that the designation and appointment of the Process Agent as such authorized agent shall become effective immediately without any further action on the part of XD Engineering and Mr. Han. Each of XD Engineering and Mr. Han hereby represents that it has notified the Process Agent of such designation and appointment and that the Process Agent has accepted the same in writing. Each of XD Engineering and Mr. Han hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Each of the Company, XD Engineering and Mr. Han further agrees that service of process upon the Process Agent and written notice of said service to XD Engineering or Mr. Han, as the case may be, mailed by prepaid registered first class mail or delivered to the Process Agent at its principal office, shall be deemed in every respect effective service of process upon XD Engineering or Mr. Han, as the case may be, in any such suit or proceeding. Nothing herein shall affect the right of any Party to serve process in any other manner permitted by law. Each of XD Engineering and Mr. Han further agrees to take any and all actions, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of the Process Agent in full force and effect so long as XD Engineering and Mr. Han have any outstanding obligations under this Agreement.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

MSPEA MODIFIED PLASTICS HOLDING LIMITED

By: /s/ Alan K. Jones
Name: Alan K. Jones
Title: Director

[Signature Page to Stockholders' Agreement]

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

XD. ENGINEERING PLASTICS COMPANY LIMITED

By: /s/ Jie Han
Name: Jie Han
Title: Director

/s/ Jie Han
JIE HAN

[Signature Page to Stockholders' Agreement]

EXHIBIT E
PLEDGE AGREEMENT

Final Form

PLEDGE AGREEMENT

THIS PLEDGE AGREEMENT (as amended, supplemented or modified in accordance with the terms hereof, this “Agreement”), dated as of [], 2011 is entered into by and between MSPEA Modified Plastics Holding Limited, a company incorporated and existing under the laws of Cayman Islands (the “Pledgee”) and XD. Engineering Plastics Company Limited, a corporation organized under the laws of the British Virgin Islands (the “Pledgor”).

WHEREAS, pursuant to the Securities Purchase Agreement, dated as of August 15, 2011 (the “Securities Purchase Agreement”), among the Pledgee, Mr. Jie Han, a citizen of the People’s Republic of China (“Mr. Han”), the Pledgor and China XD Plastics Company, a corporation organized and existing under Chapter 78 of the Nevada Revised Statutes of the State of Nevada (the “Company”), the Company has agreed to issue and sell to the Pledgee an aggregate of 16,000,000 shares of its series D junior convertible preferred stock, par value \$0.0001 per share (the “Series D Preferred Stock”);

WHEREAS, in connection with the transactions contemplated by the Securities Purchase Agreement, the parties hereto, Mr. Han and the Company have entered into other Transaction Documents (as defined in the Securities Purchase Agreement);

WHEREAS, the Pledgor is a stockholder of the Company;

WHEREAS, in order to induce the Pledgee to enter into the transactions contemplated by the Transaction Documents the Pledgor has agreed to grant to the Pledgee a security interest in certain shares of the common stock of the Company, par value \$0.0001 per share (the “Common Stock”) owned by the Pledgor as set forth in Schedule A attached hereto (the “Pledged Shares”) to secure the performance by the Company, Mr. Han and the Pledgor of their obligations under the Transaction Documents.

NOW, THEREFORE, in consideration of the premises and other consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgor hereby agrees with the Pledgee, as follows:

Section 1. Pledge. The Pledgor hereby pledges, assigns and grants to the Pledgee, a first priority security interest and lien in the following property (the “Collateral”) to secure the payment and performance of the Secured Obligations (as defined below):

- (a) any and all right, title interests in the Pledged Shares including, without limitation, all certificates, agreements or instruments, if any, representing the Pledged Shares, any options and other rights of any nature whatsoever which may be issued or granted to the Pledgor in respect of the Pledgor’s interest in the Pledged Shares while this Agreement is in effect; and, subject to Section 6 of this Agreement, all income and benefits, including, without limitation, dividends, distributions payable or distributable in cash, property, or stock, registration rights and subscription rights, instruments and other property (the “Proceeds”) from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledgor’s interest in any of the foregoing; and

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- (b) all additions, substitutes and replacements for and Proceeds of the property described in paragraph (a) above (including all shares or other proceeds arising out of conversions or splits of any securities described in paragraph (a) above). Any securities received by the Pledgor which shall constitute such additions, substitutes and replacements for, or Proceeds of, the property described in paragraph (a) above, shall, if delivered to the Pledgor, be held in trust by the Pledgor for the Pledgee and shall be delivered immediately to the Pledgee.

Section 2. Secured Obligations. The following obligations (collectively, the “Secured Obligations”) are secured by the Collateral under this Agreement:

- (a) The full and prompt payment when due (whether at stated maturity, by redemption or acceleration or otherwise) of all debts, obligations and liabilities of the Pledgor (including liabilities for which the Pledgor is jointly and severally liable) and Mr. Han owing to the Pledgee, whether now existing or hereafter incurred, arising under the Transaction Documents and any and all renewals, extensions and rearrangements thereof, and the due performance and compliance by the Company, the Pledgor and Mr. Han with all of the terms, conditions and agreements contained in the Transaction Documents; and
- (a) All reasonable costs and expenses incurred by the Pledgee, including, without limitation, reasonable attorney’s fees and expenses, to enforce this Agreement and maintain, preserve, collect and realize upon the Collateral; provided, however, that the Pledgee shall notify the Pledgor and Mr. Han in writing as soon as possible if such costs and expenses are reasonably estimated to have reached US\$100,000 (it being understood that no failure or delay of the Pledgee to so notify the Pledgor or Mr. Han shall prejudice the validity or status of the Secured Obligations).

Section 3. Procedure.

To the extent that the Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically (and without the taking of any action by the Pledgee) be pledged pursuant to Section 3 of this Agreement, and the Pledgor shall take such actions as the Pledgee shall reasonably request with respect thereto to perfect its security interest therein. The Pledgor shall deliver all investment securities and other instruments and documents which are a part of the Collateral and in the Pledgor’s possession to the Pledgee, in a form suitable for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank with signatures appropriately guaranteed in form and substance suitable to the Pledgee.

Section 4. Representations and Warranties. The Pledgor hereby represents and warrants to the Pledgee as follows:

- (a) The Pledgor has full power and capacity to execute and deliver this Agreement and to incur and perform the obligations provided for herein. No consent or approval of any governmental authority or other third party is or will be required as a condition to the enforceability of this Agreement.

- (b) This Agreement is duly authorized, executed and delivered by the Pledgor and is enforceable against the Pledgor in accordance with its terms.
- (c) The Pledgor is, and (as to any substitute Collateral) shall be, the sole record and beneficial owner of the Collateral, free and clear of any setoff, claim, restriction, pledge, lien, security interest, encumbrance or other charge of any type, except for (i) the security interest created by this Agreement and (ii) restrictions imposed by applicable laws, and, subject to the same exceptions, the Pledgor has and shall have the right to transfer such Collateral and to grant a security interest therein to the Pledgee as provided in this Agreement.
- (d) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor the fulfillment of, nor the compliance with, the terms, conditions or provisions hereof, will conflict with, result in a breach of, or constitute a default under (i) any relevant statute, law, ordinance, rule or regulation applicable to the Pledgor or the Collateral or (ii) any indenture, agreement or other instrument, or any judgment, order or decree, to which the Pledgor is a party or by which any of its assets including, without limitation, the Collateral, may be bound. There is no litigation, claim or judicial, administrative or governmental proceeding of which the Pledgor has been notified or, to the knowledge of the Pledgor, threatened with respect to the Collateral, nor is there any basis for any such litigation, claim or proceeding.
- (e) The pledge of the Collateral pursuant to this Agreement creates a valid security interest in the Collateral and a perfected first priority security interest in the Collateral, securing the performance of the Secured Obligations.
- (f) No financing statement or similar notice covering any Collateral is or shall be on file in any recording office, and no other pledge or assignment thereof has been made, or shall have been made, other than in favor of the Pledgee.

Section 5. Pledgor's Covenants. Until the payment and performance in full of all of the Secured Obligations, the Pledgor covenants that, unless the Pledgee otherwise consents in writing:

- (a) The Pledgor shall defend the Collateral against all claims and demands of all persons at any time claiming any interest therein adverse to the Pledgee. The Pledgor shall keep the Collateral free from all claims, restrictions, encumbrances, security interests, pledges, liens, demands or charges of any type, except the security interest hereby created.
 - (b) Except as contemplated by the Transactional Documents, the Pledgor shall not sell, assign, transfer, lease, lend, assign or otherwise hypothecate, pledge or encumber the Collateral or any interest therein nor reduce the Pledgor's interest in any of the Collateral. The Pledgor shall not consent to the amendment to any document, instrument or agreement governing the terms of the Collateral or the rights of the Pledgor with respect thereto except with the consent of the Pledgee.
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- (c) The Pledgor shall pay all costs necessary to enforce the security interest created by this Agreement, including but not limited to taxes, assessments, reasonable attorney's fees, legal expenses and expenses of sales. Whether the Collateral is or is not in the Pledgee's possession, and without any obligation to do so and without waiving the Pledgor's default for failure to make any such payment, the Pledgee at its option may pay any such reasonable costs and expenses and discharge encumbrances on the Collateral, and such payments shall be a part of the Secured Obligations.
 - (d) The Pledgor shall sign and deliver, at its own cost, any instruments furnished by the Pledgee, including, without limitation, financing statements and continuation statements, which are necessary or desirable in the good faith and reasonable judgment of the Pledgee to obtain, create, maintain and perfect the security interest hereunder and to enable the Pledgee to comply with any federal or state law in order to obtain, create or perfect the Pledgee's interest in the Collateral or to obtain proceeds of the Collateral.
 - (e) The Pledgor shall notify the Pledgee immediately of any change in the Pledgor's place of business, and any change in any matter warranted or represented by the Pledgor in this Agreement.
 - (f) The Pledgor appoints the Pledgee and any officer thereof as the Pledgor's attorney-in-fact with full power in the Pledgor's name and on the Pledgor's behalf, from time to time after the occurrence and during the continuance of an "Event of Default", to do every act which Pledgor is obligated to do or may be required to do hereunder; however, nothing in this paragraph shall be construed to obligate the Pledgee to take any action hereunder nor shall the Pledgee be liable to the Pledgor for failure to take any action hereunder. This appointment shall be deemed a power coupled with an interest and shall not be terminable as long as any Secured Obligations are outstanding.
 - (g) No renewal or extensions of or any other indulgence with respect to the Secured Obligations or any part thereof, no modification of the terms of the Transaction Documents, no release of any security, no delay in enforcement of payment, and no delay or omission or lack of diligence or care in exercising any right or power with respect to the Secured Obligations or any security therefor or guaranty thereof or under this Agreement shall in any manner impair or affect the rights of the Pledgee under any law, hereunder or under any other Transaction Documents. The Pledgee shall not be required to file suit or assert a claim for personal judgment against any person for any part of the Secured Obligations or seek to realize upon any other security for the Secured Obligations, before foreclosing or otherwise realizing upon the Collateral. The Pledgor waives any right that can be waived to the benefit of or to require or control application of any other security or proceeds thereof, and agrees that the Pledgee shall have no duty or obligation to the Pledgor to apply to the Secured Obligations any such other security or proceeds thereof. The Pledgor waives any right to require that any action be brought against any other person or to require that resort be had to any other security. The Pledgor further waives any right of subrogation or to enforce any right of action against any other obligor on any Secured Obligations or other pledgor to the Pledgee of collateral for the Secured Obligations.
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- (h) Except to the extent required by the Transaction Documents, so long as any Secured Obligations remain outstanding, the Pledgor shall not create or incur or suffer to be created, incurred or exist any mortgage, pledge, lien, charge, security interest or other similar encumbrance of any kind upon the shares of the Common Stock held by the Pledgor that are not Pledged Shares.
- (i) Unless and until there shall have occurred an Event of Default, the Pledgor shall be entitled to exercise all voting rights, if any, attaching to any of the Collateral, and to give consents, waivers or ratifications in respect thereof; provided, that no such action shall violate or be inconsistent with the terms of the Transaction Documents. All such rights of the Pledgor to vote and to give consents, waivers and ratifications shall cease in the case that an Event of Default shall occur and Section 9 of this Agreement shall then become applicable.

Section 6. Dividends and Distributions. Unless and until there shall have occurred an Event of Default, all cash dividends, cash distributions, cash proceeds and other cash amounts payable in respect of the Collateral shall be paid to the Pledgor. The Pledgee shall be entitled to receive directly, and to retain as part of the Collateral all other or additional stock, notes, instruments or other securities or property (other than cash dividend or distribution) paid or distributed by way of dividend or otherwise in respect of the Collateral or by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate reorganization. All dividends, distributions or other payments which are received by the Pledgor contrary to this Section 6 shall be received in trust for the benefit of the Pledgee, shall be segregated from other property of the Pledgor and shall be forthwith paid over to the Pledgee as Collateral in the same form received (with any necessary endorsement).

Section 7. Preservation of Collateral.

- (a) The Pledgee shall give to the Collateral the same degree of care and protection which it gives to its own property, provided, however, that it shall have no liability to the Pledgor for any losses, costs, expenses or damages due to any acts or omissions of third parties, or due to any acts of God or other causes beyond its control. The Pledgee shall have no duty to preserve any rights with respect to any Collateral, including, without limitation, rights against prior parties, or to take, or to notify the Pledgor of the need to take, any action respecting any rights, privileges or options relating to any Collateral. To replace any certificates, however, the Pledgor shall not be required to supply any bond or other indemnity.
 - (b) The Pledgor shall furnish to the Pledgee, promptly upon receipt thereof, copies of all notices, requests and other documents received by the Pledgor relating to the Collateral unless the same were sent by the Pledgee.
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Section 8. Defaults. An “Event of Default” shall be deemed to have occurred hereunder if the Company, the Pledgor or Mr. Han, fails in any respect to perform its or his respective Secured Obligations, or if any representation or warranty made by the Company, the Pledgor or Mr. Han under any Transaction Document was untrue in any material respect when made; provided, however, if such default is curable, then an “Event of Default” shall be deemed to have occurred only if such default shall not have been cured within thirty (30) days after the occurrence of such default.

Section 9. Remedies. Upon and after the occurrence of any Event of Default:

- (a) The Pledgee may exercise its rights with respect to the Collateral, without regard to the existence of any other security or source of payment for the Secured Obligations, and may demand, sue for collection or make any other compromise or settlement with respect to other rights and remedies provided for herein or otherwise available to it, and the Pledgee shall have all of the rights and remedies of a secured party in New York under the Uniform Commercial Code.
- (b) Except as specifically reserved herein, the Pledgor waives all suretyship defenses at law and in equity, including waste and impairment of the Collateral, and further waives the requirement of any demand and presentment. Ten (10) days’ prior notice to the Pledgor at the address provided below or at such other address as the Pledgor shall provide to the Pledgee in writing for such purpose, of the time and place of any public sale of the Collateral, or of the time after which any private sale or any other intended disposition is to be made, shall constitute reasonable notification.
- (c) The Pledgee is authorized at any such sale (including without limitation any sale to itself or its affiliate, the same being expressly authorized and contemplated herein), if the Pledgee deems it advisable to do so, in order to comply with any applicable securities laws, to restrict the prospective bidders or purchasers to persons who will represent and agree that they are purchasing the Collateral for their own account for investment, and not with a view to the distribution or resale thereof. Sales made subject to such restriction shall not, solely by reason thereof, be deemed not to have been made in a commercially reasonable manner.
- (d) The Pledgee is specifically authorized, with respect to any Collateral that consists of security, to acquire such Collateral itself or to transfer such Collateral to any affiliate of the Pledgee at a price which shall be determined reasonably and in good faith by the mutual agreement of the Pledgor and the Pledgee. The Pledgor expressly waives any requirement that the Pledgee conduct a public or private sale with respect to such Collateral and agree that such a disposition is commercially reasonable.
- (e) In case of any sale of all or part of the Collateral on credit for future delivery, the Collateral so sold shall be retained by the Pledgee until the purchase price is paid. The Pledgee shall incur no liability in case of the failure of the purchaser to pay for the Collateral as so sold if the Collateral is recovered, or of the failure of the Pledgee to make any sale of the Collateral after giving notice thereof, and in case of any such failure, such Collateral may again be sold.

- (f) All cash proceeds received by the Pledgee in respect of any sale, collection or other enforcement or disposition of the Collateral shall be applied (after deduction of any amounts payable to the Pledgee for reasonable expenses of the sale, collection or disposition of the Collateral) against the Secured Obligations in such order as the Pledgee shall elect. Upon payment or performance in full of all of the Secured Obligations, the Pledgor shall be entitled to the return of all Collateral pledged by them and all proceeds thereof, which have not been used or applied toward the payment of the Secured Obligations as herein authorized.

The Pledgor specifically understands and agrees that any sale by the Pledgee of all or part of the Collateral pursuant to the terms of this Agreement may be effected by the Pledgee at times and in manners which could result in the proceeds of such sale being significantly and materially less than might have been received if such sale had occurred at different times or in different manners, and the Pledgor hereby releases the Pledgee and its officers and representatives from and against any and all obligations and liabilities arising out of or related to the timing or manner of any such sale.

Section 10. Waivers and Remedies. Except as otherwise provided herein or by law, the Pledgor waives presentment, demand, notice and protest, notice of acceptance of this Agreement, and except as provided in Section 9(b) notice of all action by the Pledgee in reliance hereon. No failure by the Pledgee to exercise, no delay by the Pledgee in exercising, and no single or partial exercise of, any right, remedy or power hereunder or under any other agreement relating to the Secured Obligations or to Collateral shall operate as a waiver thereof, or of any other right, remedy or power at any time. No amendment, modification or waiver of any provision of this Agreement shall be effective unless contained in a writing signed by the Pledgee. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The rights, remedies and powers of the Pledgee and the Pledgor, not only hereunder, but also under any other agreements of the Pledgor with the Pledgee including the Transaction Documents and applicable law, are cumulative and may be exercised successively, concurrently or alternatively.

Section 11. Term; Assignment; Binding Effect. This Agreement shall remain in full force and effect until the earlier of (i) the redemption in full of all of the Series D Preferred Stock held by the Pledgee pursuant to the Transaction Documents, or (ii) the conversion of all of the Series D Preferred Stock into Common Stock of the Company pursuant to the Transaction Documents, so long as there is no outstanding claim or dispute between the Investor and/or its affiliates, on the one hand, and the Company, the Pledgor and/or Mr. Han, on the other hand, under the Transaction Documents. The Pledgor may not assign this Agreement or any of its rights or duties hereunder to any Person. The Pledgee may not assign its rights hereunder except to an affiliate of the Pledgee to which the Pledgee has validly transferred some or all of the Series D Preferred Stock held by the Pledgee.

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, except to the extent that the perfection of the security interest granted hereby in respect of any item of the Collateral may be governed by the applicable law of another jurisdiction. Unless otherwise defined herein, all words and terms used in this Agreement shall have the meanings provided in the New York Uniform Commercial Code. If any provision of this Agreement, or the application thereof to any person or circumstance, is held invalid, such provision shall be deemed to be modified to comply with applicable law or if not able to be so modified, shall be deemed to be severed from the Agreement, the remaining provisions of which to be valid and enforceable.

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Section 13. Signatures. This Agreement may be executed in counterparts.

Section 14. Headings. The captions in this Agreement have been included for reference only and shall not define or limit the provisions hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

XD. Engineering Plastics Company Limited, as the Pledgor

By:

Name:

Title:

Address: Palm Grove House, P.O. Box 438, Road Town, Tortola
British Virgin Islands

[Signature Page to Pledge Agreement]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

MSPEA MODIFIED PLASTICS HOLDING LIMITED, as the
Pledgee

By:

Name:

Title:

Address: c/o Walkers Corporate Services Limited, Walker House, 87 Mary
Street George Town, Grand Cayman, Cayman Islands KY1-9005

[Signature Page to Pledge Agreement]

ANNEX A

SCHEDULE OF PLEDGED SHARES

- 16,000,000 shares of common stock, par value \$0.0001, in China XD Plastics Company Limited registered in the name of XD. Engineering Plastic Company Limited.
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EXHIBIT F

FORM INDEMNIFICATION AGREEMENT

Final Form

INDEMNIFICATION AGREEMENT

by and between

China XD Plastics Company Limited

and

[_____],
as Indemnitee

Dated as of [_____], 2011

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INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT (this "Agreement") is made as of [_____], 2011, by and between China XD Plastics Company Limited (the "Company") and [_____] ("Indemnitee"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in Article 1.

WHEREAS, the Company desires to attract and retain the services of highly qualified individuals, such as Indemnitee, to serve the Company;

WHEREAS, in order to induce Indemnitee to provide or continue to provide services to the Company, the Company wishes to provide for the indemnification of, and advancement of expenses to, Indemnitee to the fullest extent permitted by law;

WHEREAS, the Company and Indemnitee further recognize the substantial increase in corporate litigation in general, subjecting directors, officers, employees, agents and fiduciaries to expensive litigation risks at the same time as the availability and scope of coverage of liability insurance provide increasing challenges for the Company;

WHEREAS, the Company's Amended Articles of Incorporation (as the same may be amended and/or restated from time to time, the "Articles of Incorporation") and the Bylaws of the Company (the "Bylaws") require indemnification of the officers and directors of the Company, and Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the Nevada Revised Statutes (the "NRS"). The Articles of Incorporation, the Bylaws of the Company and the NRS expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts providing for indemnification may be entered into between the Company and members of the Board, executive officers and other key employees of the Company;

WHEREAS, this Agreement is a supplement to and in furtherance of the Articles of Incorporation and Bylaws of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder (regardless of, among other things, any amendment to or revocation of governing documents or any change in the composition of the Board or any Corporate Transaction); and

WHEREAS, Indemnitee will serve or continue to serve as a director, officer or key employee of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his resignation or is otherwise terminated by the Company.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

ARTICLE 1
DEFINITIONS

As used in this Agreement:

- 1.1. "Affiliate" shall have the meaning set forth in Rule 405 under the Securities Act of 1933, as amended (as in effect on the date hereof).
- 1.2. "Agreement" shall have the meaning set forth in the preamble.
- 1.3. "Articles of Incorporation" shall have the meaning set forth in the recitals.
- 1.4. "Beneficial Owner" and "Beneficial Ownership" shall have the meaning set forth in Rule 13d-3 under the Exchange Act (as in effect on the date hereof).
- 1.5. "Board" shall mean the Company's Board of Directors.
- 1.6. "Bylaws" shall have the meaning set forth in the recitals.
- 1.7. "Change in Control" shall mean, and shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:
 - (a) Acquisition of Stock by Third Party. Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 30% of the combined voting power of the Company's then outstanding Voting Securities, unless (i) the change in the relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, or (ii) such acquisition was approved in advance by the Continuing Directors and such acquisition would not constitute a Change in Control under part (c) of this definition;
 - (b) Change in Board of Directors. Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who were directors on the date hereof or whose election or nomination for election was previously so approved (collectively, the "Continuing Directors"), cease for any reason to constitute at least a majority of the members of the Board;

(c) Corporate Transactions. The effective date of a reorganization, merger or consolidation of the Company (a “Corporate Transaction”), in each case, unless, following such Corporate Transaction: (i) all or substantially all of the individuals and entities who were the Beneficial Owners of Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, more than 51% of the combined voting power of the then outstanding Voting Securities of the Company resulting from such Corporate Transaction (including, without limitation, a corporation that as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership of Voting Securities immediately prior to such Corporate Transaction; (ii) no Person (excluding any corporation resulting from such Corporate Transaction) is the Beneficial Owner, directly or indirectly, of 30% or more of the combined voting power of the then outstanding Voting Securities of the surviving corporation, except to the extent that such ownership existed prior to such Corporate Transaction; and (iii) at least a majority of the board of directors of the corporation resulting from such Corporate Transaction were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board, providing for such Corporate Transaction;

(d) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company’s assets, other than factoring the Company’s current receivables or escrows due (or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions); or

(e) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) under the Exchange Act, whether or not the Company is then subject to such reporting requirement.

1.8. “Company” shall have the meaning set forth in the preamble and shall also include, in addition to the resulting corporation or other entity, any constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger that, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation or other entity as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

1.9. “Continuing Directors” shall have the meaning set forth in Section 1.7(b).

1.10. “Corporate Status” shall describe the status as such of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise which such person is or was serving at the request of the Company.

1.11. “Disinterested Director” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

1.12. “Enterprise” shall mean the Company and any other corporation, constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned Subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.

1.13. “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

1.14. “Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or negotiating for the settlement of, responding to or objecting to a request to provide discovery in, or otherwise participating in, any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments, fines or penalties against Indemnitee.

1.15. “Fund Indemnitors” shall have the meaning set forth in Section 15.4.

1.16. “Indemnitee” shall have the meaning set forth in the preamble.

1.17. “Independent Counsel” shall mean a law firm, or a member of a law firm, that is of outstanding reputation, experienced in matters of corporation law and neither is as of the date of selection of such firm, nor has been during the period of three years immediately preceding the date of selection of such firm, retained to represent: (a) the Company or Indemnitee in any material matter (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (b) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto. For purposes of this definition, a “material matter” shall mean any matter for which billings exceeded or are expected to exceed \$100,000.

1.18. "NRS" shall have the meaning set forth in the recitals.

1.19. "Person" shall have the meaning set forth in Sections 13(d) and 14(d) of the Exchange Act (as in effect on the date hereof); provided, however, that the term "Person" shall exclude: (a) the Company; (b) any Subsidiaries of the Company; and (c) any employee benefit plan of the Company or a Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or of a Subsidiary of the Company or of a corporation or other entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

1.20. "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, including, without limitation, any and all appeals, whether brought by or in the right of the Company or otherwise and whether of a civil (including, without limitation, intentional or unintentional tort claims), criminal, administrative or investigative nature, whether formal or informal, in which Indemnitee was, is, will or might be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by or omission by Indemnitee, or of any action or omission on Indemnitee's part, while acting as a director or officer of the Company, or by reason of the fact that Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise; in each case whether or not acting or serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement or NRS 78.7502; including one pending on or before the date of this Agreement but excluding one initiated by Indemnitee to enforce Indemnitee's rights under this Agreement or NRS 78.7502.

1.21. "Subsidiary" with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

1.22. "Voting Securities" shall mean any securities of the Company (or a surviving entity as described in the definition of a "Change in Control") that vote generally in the election of directors (or similar body).

1.23. References to “fines” shall include any excise tax or penalty assessed on Indemnitee with respect to any employee benefit plan; references to “other enterprise” shall include employee benefit plans; references to “serving at the request of the Company” shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner “not opposed to the best interests of the Company” as referred to in this Agreement.

1.24. The phrase “to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law” shall include, but not be limited to: (a) to the fullest extent authorized or permitted by the provision of the NRS that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the NRS, and (b) to the fullest extent authorized or permitted by any amendments to or replacements of the NRS adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

ARTICLE 2 INDEMNITY IN THIRD-PARTY PROCEEDINGS

Subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Article 2 if Indemnitee is, was or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Subject to Article 8, to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law, Indemnitee shall be indemnified against all Expenses, judgments, fines, penalties and, subject to Section 10.3, amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful.

ARTICLE 3 INDEMNITY IN PROCEEDINGS BY OR IN THE RIGHT OF THE COMPANY

Subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee in accordance with the provisions of this Article 3 if Indemnitee is, was or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Subject to Article 8, to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee is not liable pursuant to NRS 78.138 or if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Article 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged (and not subject to further appeal) by a court of competent jurisdiction to be liable to the Company, except to the extent that any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

ARTICLE 4

INDEMNIFICATION FOR EXPENSES OF A PARTY WHO IS WHOLLY OR PARTLY SUCCESSFUL

Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. For the avoidance of doubt, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify, hold harmless and exonerate Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each resolved claim, issue or matter, whether or not Indemnitee was wholly or partly successful; provided, that Indemnitee shall only be entitled to indemnification for Expenses with respect to unsuccessful claims under this Article 4 to the extent Indemnitee is not liable pursuant to NRS 78.138 or Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that such conduct was unlawful. For purposes of this Article 4 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, or by settlement, shall be deemed to be a successful result as to such claim, issue or matter.

ARTICLE 5

INDEMNIFICATION FOR EXPENSES OF A WITNESS

Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified, held harmless and exonerated against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

ARTICLE 6

ADDITIONAL INDEMNIFICATION, HOLD HARMLESS AND EXONERATION RIGHTS

Notwithstanding any limitations in Articles 2, 3 or 4, but subject to Article 8, the Company shall indemnify, hold harmless and exonerate Indemnitee to the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law if Indemnitee is, was or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and, subject to Section 10.3, amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with the Proceeding. No indemnity shall be available under this Article 6 on account of Indemnitee's conduct that constitutes a breach of Indemnitee's duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law.

ARTICLE 7
CONTRIBUTION IN THE EVENT OF JOINT LIABILITY

7.1. To the fullest extent not prohibited by (and not merely to the extent affirmatively permitted by) law, if the indemnification rights provided for in this Agreement are unavailable to Indemnitee in whole or in part for any reason whatsoever, in respect of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company, in lieu of indemnifying Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for judgments, liabilities, fines, penalties, amounts paid or to be paid in settlement and/or for Expenses, without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

7.2. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

7.3. The Company hereby agrees to fully indemnify, hold harmless and exonerate Indemnitee from any claims for contribution which may be brought by officers, directors or employees of the Company (other than Indemnitee) who may be jointly liable with Indemnitee.

ARTICLE 8
EXCLUSIONS

8.1. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity, contribution or advancement of Expenses in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy of the Company or its Subsidiaries or other indemnity provision of the Company or its Subsidiaries, except with respect to any excess beyond the amount paid under any insurance policy, contract, agreement, other indemnity provision or otherwise; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (or any similar successor statute) or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated or brought voluntarily by Indemnitee, including, without limitation, any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, other than a Proceeding initiated by Indemnitee to enforce its rights under this Agreement, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) or (ii) the Company provides the indemnification payment, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(d) for the payment of amounts required to be reimbursed to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, as amended, or any similar successor statute; or

(e) for any payment to Indemnitee that is finally determined to be unlawful under the procedures and subject to the presumptions of this Agreement.

The exclusion in Section 8.1(c) shall not apply to counterclaims or affirmative defenses asserted by Indemnitee in an action brought against Indemnitee.

ARTICLE 9 ADVANCES OF EXPENSES; SELECTION OF LAW FIRM

9.1. Subject to Article 8, the Company shall, unless prohibited by applicable law, advance the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within ten business days after the receipt by the Company of a statement or statements requesting such advances, together with a reasonably detailed written explanation of the basis therefor and an itemization of legal fees and disbursements in reasonable detail, from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Indemnitee shall qualify for advances, to the fullest extent permitted by applicable law, solely upon the execution and delivery to the Company of an undertaking providing that Indemnitee undertakes to repay the advance to the extent that it is ultimately determined by final judicial decision of a court of competent jurisdiction from which there is no further right to appeal that Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement. This Section 9.1 shall not apply to any claim made by Indemnitee for which an indemnification payment is excluded pursuant to Article 8.

9.2. If the Company shall be obligated under Section 9.1 hereof to pay the Expenses of any Proceeding against Indemnitee, then the Company shall be entitled to assume the defense of such Proceeding upon the delivery to Indemnitee of written notice of its election to do so. If the Company elects to assume the defense of such Proceeding, then unless the plaintiff or plaintiffs in such Proceeding include one or more Persons holding, together with his, her or its Affiliates, in the aggregate, a majority of the combined voting power of the Company's then outstanding Voting Securities, the Company shall assume such defense using a single law firm selected by the Company representing Indemnitee and other present and former directors or officers of the Company. The retention of such law firm by the Company shall be subject to prior written approval by Indemnitee, which approval shall not be unreasonably withheld, delayed or conditioned. If the Company elects to assume the defense of such Proceeding and the plaintiff or plaintiffs in such Proceeding include one or more Persons holding, together with his, her or its Affiliates, in the aggregate, a majority of the combined voting power of the Company's then outstanding Voting Securities, then the Company shall assume such defense using a single law firm selected by Indemnitee and any other present or former directors or officers of the Company who are parties to such Proceeding. After (x) in the case of retention of any such law firm selected by the Company, delivery of the required notice to Indemnitee, approval of such law firm by Indemnitee and the retention of such law firm by the Company, or (y) in the case of retention of any such law firm selected by Indemnitee, the completion of such retention, the Company will not be liable to Indemnitee under this Agreement for any Expenses of any other law firm incurred by Indemnitee after the date that such first law firm is retained by the Company with respect to the same Proceeding, provided, that in the case of retention of any such law firm selected by the Company (a) Indemnitee shall have the right to retain a separate law firm in any such Proceeding at Indemnitee's sole expense; and (b) if (i) the retention of a law firm by Indemnitee has been previously authorized by the Company, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between either (1) the Company and Indemnitee or (2) Indemnitee and another present or former director or officer of the Company also represented by such law firm in the conduct of any such defense, or (iii) the Company shall not, in fact, have retained a law firm to prosecute the defense of such Proceeding within thirty days, then the reasonable Expenses of a single law firm retained by Indemnitee shall be at the expense of the Company.

ARTICLE 10
PROCEDURE FOR NOTIFICATION; DEFENSE OF CLAIM; SETTLEMENT

10.1. Indemnitee shall, as a condition precedent to Indemnitee's right to be indemnified under this Agreement, give the Company notice in writing promptly of any claim made against Indemnitee for which indemnification will or could be sought under this Agreement, provided, however, that a delay in giving such notice shall not deprive Indemnitee of any right to be indemnified under this Agreement unless, and then only to the extent that, such delay is materially prejudicial to the defense of such claim. The omission or delay to notify the Company will not relieve the Company from any liability for indemnification which it may have to Indemnitee otherwise than under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

10.2. The Company will be entitled to participate in the Proceeding at its own expense.

10.3. The Company shall have no obligation to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any claim effected without the Company's prior written consent, provided the Company has not breached its obligations hereunder. The Company shall not settle any claim, including, without limitation, any claim in which it takes the position that Indemnitee is not entitled to indemnification in connection with such settlement, nor shall the Company settle any claim which would impose any fine or any obligation on Indemnitee, without Indemnitee's prior written consent. Neither the Company nor Indemnitee shall unreasonably withhold, delay or condition their consent to any proposed settlement.

ARTICLE 11
PROCEDURE UPON APPLICATION FOR INDEMNIFICATION

11.1. Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 10.1, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (a) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (b) if a Change in Control shall not have occurred, (i) by a majority vote of the Disinterested Directors (provided there is a minimum of three Disinterested Directors), even though less than a quorum of the Board, (ii) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors (provided there is a minimum of three Disinterested Directors), even though less than a quorum of the Board, or (iii) if there are less than three Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten business days after such determination. Indemnitee shall cooperate with the Person making such determination with respect to Indemnitee's entitlement to indemnification, including, without limitation, providing to such Person upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination, provided, that nothing contained in this Agreement shall require Indemnitee to waive any privilege Indemnitee may have. Any costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the Person making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

11.2. If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11.1 hereof, the Independent Counsel shall be selected as provided in this Section 11.2. If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten business days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Article 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty days after submission by Indemnitee of a written request for indemnification pursuant to Section 10.1 hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may seek arbitration for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the arbitrator or by such other person as the arbitrator shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11.1 hereof. Such arbitration referred to in the previous sentence shall be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association, and Article 13 hereof shall apply in respect of such arbitration and the Company and Indemnitee. Upon the due commencement of any judicial proceeding pursuant to Section 13.1 of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

ARTICLE 12 PRESUMPTIONS AND EFFECT OF CERTAIN PROCEEDINGS

12.1. In making a determination with respect to entitlement to indemnification hereunder, the Person making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10.1 of this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its Board, its Independent Counsel and its stockholders) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification or advancement of expenses is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its Board, its Independent Counsel and its stockholders) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

12.2. If the Person empowered or selected under Article 11 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (a) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (b) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such thirty-day period may be extended for a reasonable time, not to exceed an additional fifteen days, if the Person making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

12.3. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement (with or without court approval), conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee is liable pursuant to NRS 78.138 or Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee's conduct was unlawful.

12.4. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if, among other things, Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its Board of Directors, any committee of the Board of Directors or any director, or on information or records given or reports made to the Enterprise, its Board of Directors, any committee of the Board of Directors or any director, by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise, its Board of Directors, any committee of the Board of Directors or any director. The provisions of this Section 12.4 shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement. In any event, it shall be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

12.5. The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12.6. The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

ARTICLE 13 REMEDIES OF INDEMNITEE

13.1. In the event that (a) a determination is made pursuant to Article 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (b) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Article 9 of this Agreement, (c) no determination of entitlement to indemnification shall have been made pursuant to Section 11.1 of this Agreement within thirty days after receipt by the Company of the request for indemnification and of reasonable documentation and information which Indemnitee may be called upon to provide pursuant to Section 11.1, (d) payment of indemnification is not made pursuant to Articles 4, 5, 6, or Section 11.1 of this Agreement within ten business days after receipt by the Company of a written request therefor, (e) a contribution payment is not made in a timely manner pursuant to Article 7 of this Agreement, or (f) payment of indemnification pursuant to Article 3 or 6 of this Agreement is not made within ten business days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of Indemnitee's entitlement to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Nevada law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration. The award rendered by such arbitration will be final and binding upon the parties hereto, and final judgment on the arbitration award may be entered in any court of competent jurisdiction.

13.2. In the event that a determination shall have been made pursuant to Section 11.1 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Article 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Article 13, Indemnitee shall be presumed to be entitled to receive advances of Expenses under this Agreement and the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 11.1 of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Article 13, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Article 9 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal shall have been exhausted or lapsed).

13.3. If a determination shall have been made pursuant to Section 11.1 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Article 13, absent (a) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (b) a prohibition of such indemnification under applicable law.

13.4. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Article 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

13.5. The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten days after the Company's receipt of such written request) pay to Indemnitee, to the fullest extent permitted by applicable law, such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (a) to enforce his rights under, or to recover damages for breach of, this Agreement or any other indemnification, advancement or contribution agreement or provision of the Articles of Incorporation, or the Bylaws now or hereafter in effect; or (b) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee, regardless of the outcome and whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement, contribution or insurance recovery, as the case may be (unless such judicial proceeding or arbitration was not brought by Indemnitee in good faith).

13.6. Interest shall be paid by the Company to Indemnitee at the legal rate under Nevada law for amounts which the Company indemnifies, or is obliged to indemnify, for the period commencing with the date on which Indemnitee requests indemnification, contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company.

ARTICLE 14 SECURITY

Notwithstanding anything herein to the contrary, to the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

ARTICLE 15
NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; PRIMACY OF INDEMNIFICATION;
SUBROGATION

15.1. The rights of Indemnitee as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Articles of Incorporation, the Company's Bylaws, any agreement, a vote of stockholders, a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Articles of Incorporation, the Company's Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15.2. The NRS, the Articles of Incorporation and the Company's Bylaws permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements, including, but not limited to, providing a trust fund, letter of credit, or surety bond ("Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against Indemnitee or incurred by or on behalf of Indemnitee or in such capacity as a director, officer, employee or agent of the Company, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability under the provisions of this Agreement or under the NRS, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.

15.3. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managing members, fiduciaries, employees, or agents of the Company or of any other Enterprise which such person serves at the request of the Company, the Company shall cause Indemnitee to be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, trustee, partner, managing member, fiduciary, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

15.4. The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of Expenses and/or insurance provided by Morgan Stanley Private Equity Asia and certain of its Affiliates (collectively, the “Fund Indemnitors”). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance Expenses or to provide indemnification for the same Expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of Expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent not prohibited by (and not merely to the extent affirmatively permitted by) applicable law and as required by the terms of this Agreement and the Articles of Incorporation or Bylaws of the Company (or any other agreement between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms of this Section 15.4.

15.5. In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Fund Indemnitors), who shall execute all papers reasonably required and take all action reasonably necessary to secure such rights, including, without limitation, execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

15.6. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

15.7. The Company’s obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification payments or advancement of Expenses from such Enterprise. Notwithstanding any other provision of this Agreement to the contrary, (a) Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification advancement, contribution or insurance coverage among multiple parties possessing such duties to Indemnitee prior to the Company’s satisfaction and performance of all its obligations under this Agreement, and (b) the Company shall perform fully its obligations under this Agreement without regard to whether Indemnitee holds, may pursue or has pursued any indemnification, advancement, contribution or insurance coverage rights against any person or entity other than the Company.

ARTICLE 16
ENFORCEMENT AND BINDING EFFECT

16.1. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as a director, officer or key employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as a director, officer or key employee of the Company.

16.2. This Agreement shall be effective as of the date set forth on the first page and may apply to acts or omissions of Indemnitee which occurred prior to such date if Indemnitee was an officer, director, employee or other agent of the Company, or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise, at the time such act or omission occurred.

16.3. The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult to prove, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including, without limitation, temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Company hereby waives any such requirement of such a bond or undertaking.

ARTICLE 17
MISCELLANEOUS

17.1. Successors and Assigns. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's assigns, heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect successor by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

17.2. Section 409A. It is intended that any indemnification payment or advancement of Expenses made hereunder shall be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance issued thereunder (“Section 409A”) pursuant to Treasury Regulation Section 1.409A-1(b)(10). Notwithstanding the foregoing, if any indemnification payment or advancement of Expenses made hereunder shall be determined to be “nonqualified deferred compensation” within the meaning of Section 409A, then (i) the amount of the indemnification payment or advancement of Expenses during one taxable year shall not affect the amount of the indemnification payments or advancement of Expenses during any other taxable year, (ii) the indemnification payments or advancement of Expenses must be made on or before the last day of the Indemnitee’s taxable year following the year in which the expense was incurred, and (iii) the right to indemnification payments or advancement of Expenses hereunder is not subject to liquidation or exchange for another benefit.

17.3. Severability. In the event that any provision of this Agreement is determined by a court to require the Company to do or to fail to do an act which is in violation of applicable law, such provision (including, without limitation, any provision within a single Article, Section, paragraph or sentence) shall be limited or modified in its application to the minimum extent necessary to avoid a violation of law, and, as so limited or modified, such provision and the balance of this Agreement shall be enforceable in accordance with their terms to the fullest extent permitted by law.

17.4. Entire Agreement. Without limiting any of the rights of Indemnitee under the Articles of Incorporation or Bylaws of the Company as they may be amended from time to time, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

17.5. Modification, Waiver and Termination. No supplement, modification, termination, cancellation or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

17.6. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) if delivered by hand and received for by the party to whom said notice or other communication shall have been directed, or (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(i) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.

(ii) If to the Company, to:

No. 9 Dalian North Road
Haping Road Centralized Industrial Park
Harbin Development Zone, Heilongjiang Province, PRC 150060
Facsimile: 86-451-84346611
Attention: Mr. Jie Han
Telephone number: (86) 451-8434-6600

or to any other address as may have been furnished to Indemnitee in writing by the Company.

17.7. **Applicable Law.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, without regard to its conflict of laws rules.

17.8. **Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

17.9. **Headings.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

17.10. **Representation by Counsel.** Each of the parties has been represented by and has had an opportunity to consult legal counsel in connection with the negotiation and execution of this Agreement. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or arbitrator or any governmental authority by reason of such party having drafted or being deemed to have drafted such provision.

17.11. **Period of Limitations.** No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

17.12. **Additional Acts.** If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Company undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Company to fulfill its obligations under this Agreement.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Indemnification Agreement to be signed as of the day and year first above written.

COMPANY:

China XD Plastics Company Limited

By:

Name:

Title:

INDEMNITEE:

By:

Name:

Address:

c/o Morgan Stanley Private Equity

International Commerce Centre

1 Austin Road West

Kowloon

Hong Kong SAR

Facsimile: +852 34075936

EXHIBIT G
WRITTEN CONSENT OF MAJORITY STOCKHOLDERS

ACTION BY WRITTEN CONSENT OF
STOCKHOLDERS OF
CHINA XD PLASTICS COMPANY LIMITED
a Nevada corporation

Date: August 15, 2011

The undersigned, being the stockholders holding a majority of the shares of capital stock and voting power of China XD Plastics Company Limited (the “Company”), hereby adopt the following resolutions by written consent, without a meeting and in lieu thereof, pursuant to Section NRS 78.320 of the Nevada Revised Statutes, as amended (the “Nevada Revised Statutes”), the Articles of Incorporation of the Company, as amended (the “Articles”) and the Amended and Restated Bylaws of the Company. The following resolutions will be effective on the date that is no earlier than 20 days after the Information Statement in substantially the form attached hereto as Exhibit H is sent to all of the stockholders of the Company pursuant to Rule 14C of the Securities Exchange Act of 1934.

I. Approval of Transaction Documents

WHEREAS: Pursuant to the authority vested in the board of directors of the Company (the “Board”) by the Articles and the Nevada Revised Statutes, the Board has resolved to create a Series D Junior Convertible Preferred Stock, par value 0.0001 per share, in the capital of the Company (the “Series D Preferred Stock”) with the rights, preferences, privileges and restrictions set forth in the Certificate of Designation, Preferences and Rights of Series D Junior Convertible Preferred Stock in substantially the form attached hereto as Exhibit A (the “COD”), and to file the COD with the Secretary of State of the State of Nevada.

WHEREAS: The Company intends to enter into a Securities Purchase Agreement with MSPEA Modified Plastics Holding Limited (the “Investor”), XD. Engineering Plastics Company Limited (“XDE”) and Mr. Jie Han (“Mr. Han”) in substantially the form attached hereto as Exhibit B (the “SPA”), pursuant to which the Investor will purchase from the Company, and the Company will issue and sell to the Investor, 16,000,000 shares of Series D Preferred Stock upon the terms and conditions as set out in the SPA.

WHEREAS: In connection with the transactions contemplated by the SPA, the Company intends to enter into a Registration Rights Agreement in substantially the form attached hereto as Exhibit C (the “RRA”) with the Investor, pursuant to which the Company will grant to the Investor certain demand and other registration rights as set out in the RRA.

WHEREAS: In connection with the transactions contemplated by the SPA, Eddy Huang and Jun Xu will be appointed to the Board as the Series D Directors (as defined in the COD) and in connection with such appointment the Company intends to enter into an Indemnification Agreement with each of Eddy Huang and Jun Xu in substantially the form attached hereto as Exhibit D (each, an “Indemnification Agreement” and collectively, the “Indemnification Agreements”).

WHEREAS: In connection with the transactions contemplated by the SPA, the Investor, XDE and Mr. Han intend to enter into a Stockholders’ Agreement in substantially the form attached hereto as Exhibit E (the “SHA”).

WHEREAS: In connection with the transactions contemplated by the SPA, the Investor and XDE intend to enter into a Pledge Agreement in substantially the form attached hereto as Exhibit F (the “PA” and collectively with the COD, the SPA, the RRA and the SHA, the “Transaction Documents”), pursuant to which XDE will grant to the Investor a security

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interest in certain shares (the “Pledged Shares”) of common stock, par value \$0.0001 per share, of the Company (the “Common Stock”) owned by XDE upon the terms and conditions as set out in the PA to secure the performance by Mr. Han and XDE of their obligations under the Transaction Documents.

WHEREAS: The Board has approved the form, terms and conditions of the COD, the SPA, the RRA and the Indemnification Agreements, and has approved the transactions contemplated by the Transaction Documents.

NOW, THEREFORE, BE IT:

RESOLVED: That the form, terms and conditions of the COD, the SPA, the RRA and the Indemnification Agreements are hereby approved and ratified in all respects.

RESOLVED FURTHER: That the transactions contemplated by the Transaction Documents, including without limitation (i) the sale and issuance of 16,000,000 shares of the Series D Preferred Stock at a purchase price of \$6.25 per share, (ii) the issuance by the Company of shares of Common Stock as may be issuable upon the conversion of any and all of shares of the Series D Preferred Stock pursuant to the terms of the COD, and (iii) the potential additional issuance and sale of shares of Common Stock of the Company to the Investor by XDE and/or Mr. Han or the Company pursuant to the share adjustment mechanism set forth in Section 8.26 of the SPA, by XDE and/or Mr. Han pursuant to Sections 3.3 or 3.4 of the SHA and by XDE pursuant to the provisions of the PA, are hereby approved, ratified and confirmed in all respects.

II. Approval of Amendments to Articles of Incorporation

RESOLVED FURTHER: That the Second Amendment to Articles of Incorporation of the Company in substantially the form attached hereto as Exhibit G (the "Articles Amendment") is hereby approved, adopted, ratified and confirmed.

RESOLVED FURTHER: That the officers of the Company are hereby authorized to execute and file the COD and the Articles Amendment with the Nevada Secretary of State, and to take all further actions and execute all further documents necessary to carry out the intent of these resolutions.

III. Increase in Number of Authorized Directors

RESOLVED: That effective immediately prior to the closing of the sale of the Series D Preferred Stock to the Investor and the filing by the Company of the COD with the Secretary of State of the State of Nevada, the number of authorized directors which shall constitute the Board shall be increased from seven (7) to nine (9).

IV. Appointment of New Accounting Firm

WHEREAS: The Audit Committee of the Board has determined that it is in the best interest of the Company that the Company engage KPMG as its independent registered public accounting firm and replace Moore Stephens Hong Kong, the existing auditor of the Company, and the Board has ratified the Audit Committee's approval of the appointment of KPMG as the Company's independent registered public accounting firm, effective as of August 15, 2011.

RESOLVED: That the appointment of KPMG as the Company's independent registered public accounting firm hereby be ratified.

V.

General Omnibus Resolutions

RESOLVED: That each of the officers of the Company and the Chairman of the Board are hereby authorized to execute and deliver, for and on behalf of the Company, all such instruments, documents and certificates and to take all such further action in connection with resolutions above as they may deem necessary, advisable or proper to effectuate the intent and purposes of the foregoing resolutions.

RESOLVED FURTHER: That all acts and things heretofore done by any officer, the Chairman of the Board or any agent of the Company, on or prior to the date hereof, in connection with the transactions contemplated by these resolutions are hereby ratified, confirmed, approved and adopted as acts on behalf of the Company in all respects.

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IN WITNESS WHEREOF, the undersigned members of the Company have executed this Action by Written Consent as of the date first set forth below.

/s/ Jie Han
Jie Han

August 15, 2011
Date

/s/ Jie Han
XD. Engineering Plastic Company
Limited

August 15, 2011
Date

STOCKHOLDER CONSENT SIGNATURE PAGE

EXHIBIT H
AMENDED AND RESTATED BYLAWS
AMENDED AND RESTATED BYLAWS
OF
CHINA XD PLASTICS COMPANY LIMITED

ARTICLE I
NAME AND PRINCIPAL OFFICE

Section 1. The name of this Corporation is:

CHINA XD PLASTICS COMPANY LIMITED.

Section 2. The principal office of the Corporation shall be located at such place as shall be designated by the Board of Directors (the "Board of Directors" or the "Board"), and the Corporation may maintain branch offices or agents elsewhere, within or without the State of Nevada, as the Board of Directors may from time to time determine.

Section 3. The Corporation shall at all times maintain a registered office and registered agent within the State of Nevada, at such place within said State as shall be designated by the Board of Directors.

ARTICLE II
CAPITAL STOCK

Section 1. The Preferred Stock of the Corporation may be issued in one or more series, and the preferences, rights and powers of such Preferred Shares shall be determined in the discretion of the Board of Directors as set forth in a resolution adopted by the Board of Directors and in a Certificate of Designation for each series which shall be filed with the Nevada Secretary of State. The capital stock of the Corporation shall be evidenced by stock certificates issued in the name of the Corporation and signed by the President and Secretary of the Corporation under the corporate seal.

Section 2. Said shares of capital stock shall be transferable only on the books of the Corporation or its authorized registration and transfer agent. The stock transfer records shall be kept by the Corporation or the appropriate designee of the Corporation as may be determined by the Board of Directors.

Section 3. Shares of capital stock may be represented at all stockholder meetings by the stockholders of record or by written proxy directed to any other person or legal entity and filed with the Secretary of the Corporation prior to the beginning of any stockholder meeting. No person, however, shall be entitled to vote any shares of stock in person or by proxy at any such meeting unless the same shall have been transferred to him/her on the books of the Corporation at least 30 days prior to the said meeting.

Section 4. Before a new stock certificate shall be transferred or issued to replace a lost certificate, proof of loss together with proper indemnification procedures, including an indemnification bond, if requested by the Board of Directors, shall be furnished by the applicant for the new stock certificate. Any cost of reissuing and indemnifying the Corporation for reissuing lost stock certificates shall be paid by the applicant.

Section 5. The stockholder as reflected on the books of the Corporation, subject to the provisions of Section 3 of this Article II and any other provision of the Corporation's Articles of Incorporation (including any Certificate of Designation), shall be entitled to one vote for each share of stock owned by him/her. No cumulative voting shall be allowed.

Section 6. The Corporation shall not be allowed to vote any Treasury stock held by it.

Section 7. The Board of Directors may fix a date or dates at which time or times the persons reflected on the books of the Corporation as stockholders shall receive dividends or distributions of the corporate assets.

Section 8. The Corporation shall be entitled to treat the stockholder of record of any share or shares of stock as the stockholder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Nevada.

Section 9. Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaws of such corporation may prescribe or, in the absence of such provision, as the board of directors of such corporation may determine. Shares standing in the name of a deceased person may be voted by the executor or administrator of such deceased person, either in person or by proxy. Shares standing in the name of a guardian, conservator or trustee may be voted by such fiduciary, either in person or by proxy, but no such fiduciary shall be entitled to vote shares held in such fiduciary capacity without a transfer of such shares into the name of such fiduciary. Shares standing in the name of a receiver may be voted by such receiver. A stockholder whose shares are pledged shall be entitled to vote such shares, unless, in the transfer by the pledgor on the books of the corporation, he/she has expressly empowered the pledgee to vote thereon, in which case only the pledgee or his/her proxy may represent the stock and vote thereon.

Section 10. There shall be issued no fractional shares of the Corporation. In the event a stockholder shall be entitled to a fractional share by virtue of the declaration of a stock dividend or stock split or otherwise, the Corporation shall issue to said stockholder a certificate, called scrip, acknowledging the right of said stockholder to said fractional share. At any time that a stockholder shall become the holder of sufficient scrip to total one or more whole shares, then, at the request of said stockholder, the Corporation shall issue said whole share or shares to said stockholder. No holder of any scrip shall be entitled to any vote on account thereof.

Section 11. All issued shares of the Corporation shall be fully paid and nonassessable; there shall be issued no partially paid shares of the Corporation.

Section 12. Shares of the Corporation shall be issued for such consideration as shall be fixed from time to time by the Board of Directors; provided, however, that no such shares shall be issued for consideration less than the par value of such shares.

Section 13. Treasury shares may be disposed of by the Corporation for such consideration as may be fixed from time to time by the Board of Directors.

ARTICLE III
MEETINGS OF STOCKHOLDERS

Section 1. An annual meeting of the stockholders shall be held annually, within five (5) months of the end of each fiscal year of the Corporation. The annual meeting shall be held at such time and place and on such date as the Board of Directors shall determine from time to time and as shall be specified in the notice of the annual meeting; at which time the stockholders shall elect a Board of Directors and transact such other business as may be properly brought before the annual meeting. Notwithstanding the foregoing, the Board of Directors may cause the annual meeting of stockholders to be held on such other date in any year as they shall determine to be in the best interests of the Corporation; and any business transacted at said meeting shall have the same validity as if transacted on the date designated herein.

Notice of the annual meeting, stating the time and place thereof, shall be mailed to each stockholder at his/her address as shown on the records of the Corporation not less than ten (10) days and not more than sixty (60) days prior to such meeting.

Section 2. For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or stockholders entitled to receive payment of dividends, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders, such date in any case to be not less than ten (10) nor more than sixty (60) days prior to the date on which the particular action requiring such determination of stockholders is to be taken. If no record date is fixed for the determination of stockholders entitled to notice of or to vote at a meeting of stockholders, or stockholders entitled to receive payment of dividends, the date on which notice of the meeting is mailed, or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this Section, such determination shall apply to any adjournment thereof.

Section 3. A simple majority of the capital stock issued and outstanding, represented in person or by proxy, shall constitute a quorum for the transaction of business at any stockholders' meeting.

Section 4. A special meeting of the stockholders may be called at any time by the President or as directed by a majority vote of the Board of Directors. The same notice shall be given of special meetings as is herein provided for the annual meeting, except that, in the case of special meetings, the notice shall state the objective and the purpose for which the special meeting is called (including the matters that will be presented to the stockholders for action), and no matters may be considered except those set forth in said notice.

Section 5. A special meeting of the stockholders shall be called by the Corporation upon the written request of the holders of not less than twenty-five (25%) percent of the outstanding shares of the Corporation. Such written request shall be presented to the Secretary of the Corporation. The Secretary shall then comply with the provisions of this Article III regarding notice to stockholders of any special or annual meeting.

Section 6. Notice of stockholder meetings, both annual and special, may be waived by any stockholder, and his/her presence at such meetings will constitute such a waiver.

Section 7. At all meetings of stockholders, all questions shall be determined by a majority vote of the holders of each class of capital stock entitled to vote, present in person or by proxy, unless otherwise provided for by these Bylaws, the Corporation's Articles of Incorporation or by the Nevada Revised Statutes, as amended.

Section 8. Any action required or permitted to be taken at a meeting of stockholders may be taken without a meeting if, before or after the action, a written consent thereto is signed by stockholders holding not less than the number of shares required to take such action at a meeting of stockholders.

Section 9. At the option of the Board of Directors, and subject to compliance with applicable laws, including U.S. Federal and Nevada state securities laws, stockholders may participate in a meeting of stockholders by means of a telephone conference or similar methods of communication by which all persons participating in the meeting can hear each other. Participation in a stockholder meeting pursuant to this Section shall constitute presence in person at the meeting.

Section 10. The Board of Directors may adopt whatever rules it deems necessary or desirable for the orderly transaction of business at any meeting of stockholders; provided that such rules shall be in writing and shall be distributed to the stockholders prior to or at the beginning of said meeting, and provided further that such rules shall not abrogate any right of the holders of capital stock as defined by statute or by these Bylaws.

ARTICLE IV BOARD OF DIRECTORS

Section 1. The business and affairs of the Corporation shall be managed by its Board of Directors, which may exercise all powers of the Corporation as are not, by the Nevada Revised Statutes, as amended, by the Articles of Incorporation or by these Bylaws, directed or required to be exercised or done by the stockholders.

Section 2. The number of Directors which shall constitute the whole Board shall be not less than one (1) nor more than fifteen (15). Such number of Directors shall from time to time be fixed and determined by the Directors, subject to the approval of the stockholders, and shall be set forth in the notice of any meeting of stockholders held for the purpose of electing Directors. Provided a quorum of stockholders is present in person or by proxy, at the Annual Meeting of Stockholders, a vote of the stockholders shall be taken to confirm the number of Directors fixed by the Board and to be elected. If holders of a majority of the shares entitled to vote do not approve the number of Directors fixed by the Board, then the number of Directors to be elected shall revert to the number of Directors elected at the previous year's Annual Meeting of Stockholders until the next Annual Meeting of Stockholders. Directors shall be elected at the Annual Meeting of the Stockholders, except as provided in Section 3 of this Article IV, and each Director elected shall hold office until his/her successor shall be elected and shall qualify, or his/her resignation or removal. Except as provided otherwise herein, Directors must be natural persons at least 18 years of age, but need not be residents of Nevada or stockholders of the Corporation. Notwithstanding the foregoing, neither the Board nor any subsequent stockholder action shall have the effect of eliminating any Director position(s) with respect to which any series of Preferred Stock has the authority under the Articles of Incorporation (including any Certificate of Designation) to elect the Director to serve in such position.

Section 3. Any Director may resign at any time by written notice to the Board of Directors. Any such resignation shall take effect at the date of receipt of such notice or any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If any vacancy occurs on the Board of Directors caused by death, resignation, retirement, disqualification or removal from office of any Director or otherwise, or if any new directorship is created by an increase in the authorized number of Directors, a majority of the Directors then in office, though less than a quorum, or a sole remaining Director may choose a successor or fill the newly created directorship; and a Director so chosen shall hold office until the next annual meeting and until his/her successor shall be duly elected and shall qualify or his/her resignation or removal, unless sooner displaced.

Section 4. An annual meeting of the Board of Directors shall be held each year, without other notice than this Bylaw, at the place of and immediately following the annual meeting of stockholders, and regular meetings of the Board of Directors shall be held each year, at such time and place as the Board of Directors may provide, by resolution, either within or without the State of Nevada, without other notice than such resolution.

Section 5. A special meeting of the Board of Directors may be called by the President and shall be called by the Secretary on the written request of any two Directors. The President so calling, or the Directors so requesting, any such meeting shall fix the time and place, either within or without the State of Nevada, as the place for holding such meeting.

Section 6. Written notice of special meetings of the Board of Directors shall be given to each Director at least twenty-four (24) hours prior to the time of any such meeting. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any special meeting of the Board of Directors needs to be specified in the notice or waiver of notice of such meeting, except that notice shall be given of any proposed amendment to the Bylaws if it is to be adopted at any special meeting or with respect to any other matter where notice is required by the Nevada Revised Statutes, as amended.

Section 7. A simple majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by the Nevada Revised Statutes, as amended, by the Corporation's Articles of Incorporation or by these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Unless otherwise restricted by the Corporation's Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof, as provided in Article V of these Bylaws, may be taken without a meeting; provided that a written consent thereto is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Section 9. Directors, as such, shall not be entitled to any stated salary for their services unless approved by a vote by the Board of Directors. By resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each annual, regular or special meeting of the Board of Directors or any meeting of a committee of the Board Directors. No provision of these Bylaws shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefore.

Section 10. Members of the Board of Directors, or any committee designated by such Board, may participate in a meeting of such Board or committee by means of telephone conference or similar methods of communication by which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

ARTICLE V COMMITTEES OF DIRECTORS

Section 1. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, including, if it shall so determine, an Executive Committee. Each such committee shall consist of two or more of the Directors of the Corporation, which shall have and may exercise such of the powers of the Board of Directors in the management of the business and affairs of the Corporation as may be provided in this Article and may authorize the seal of the corporation to be affixed to all papers which may require it. Each committee may also include one or more non-Directors as determined by a resolution of the Board of Directors. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. Such committee or committees shall have such name or names and such authority as may be determined from time to time by resolution adopted by the Board of Directors.

Section 2. In the event the Board of Directors shall, pursuant to Section 1 of this Article V, designate an Executive Committee to have and exercise the full powers of the Board of Directors, such power shall extend to the full limit of the powers of the entire Board of Directors, except that no committee of Directors shall have or exercise any of the following powers: amend the Corporation's Articles of Incorporation; undertake any actions toward merger or consolidation of the Corporation; recommend the lease, sale or exchange of all or substantially all of the assets of the Corporation; amend these Bylaws; declare any dividend; or authorize the issuance of any of the stock of the Corporation.

Section 3. Each committee of the Board of Directors shall keep regular minutes of its proceedings and report same to the Board of Directors when required.

Section 4. Members of special or standing committees may be allowed compensation for attending committee meetings, if the Board shall so determine.

ARTICLE VI
NOTICE

Section 1. Whenever, under the provisions of the Nevada Revised Statutes, as amended, the Articles of Incorporation or these Bylaws, notice is required to be given to any Directors, members of any committee or stockholders, such notice shall be in writing, signed on behalf of the Corporation as required by the Nevada Revised Statutes, as amended, and shall be delivered personally or mailed to such Director, member of any committee or stockholder or, in the case of a Director or a member of any committee, may be delivered in person or given orally by telephone. The notice to the stockholders must state the purpose or purposes for which the meeting is called, the time when and the place where it is to be held, and the means of electronic communications, if any, by which the stockholders and proxies shall be deemed to be present in person and vote. If mailed, notice to a Director, member of a committee or stockholder shall be deemed to be given when deposited in the United States mail in a sealed envelope, with postage thereon prepaid, addressed, in the case of a stockholder, to the stockholder at the stockholder's address as it appears on the records of the Corporation or, in the case of a Director or a member of a committee, to such person at his/her business address. Any notice to stockholders given by the Corporation is also effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. The consent is revocable by the stockholder by written notice to the Corporation. Electronic transmission includes: (a) by facsimile machine to a number at which the stockholder has consented to receive notice, (b) by electronic mail to an electronic mail address at which the stockholder has consented to receive notice, (c) by posting on an electronic network with separate notice to the stockholder of the specific posting, and (d) by any other form of electronic transmission when directed to the stockholder.

Section 2. Whenever any notice is required to be given under the provisions of the Nevada Revised Statutes, as amended, the Corporation's Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VII
OFFICERS

Section 1. The officers of the Corporation must include a President, a Secretary and a Treasurer. The Corporation may also have one or more Vice Presidents, any one or which may be designated Executive Vice President and the Board of Directors may appoint such other officers and agents, including Assistant Secretaries and Assistant Treasurers, as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined by the Board. Any two or more offices may be held by the same person. The President shall be elected from among the Directors. With that exception, none of the other officers need be a Director, and none of the officers need be a stockholder of the Corporation.

Section 2. The officers of the Corporation shall be elected annually by the Board of Directors at its annual meeting held after the annual meeting of stockholders or as soon thereafter as conveniently possible. Each officer shall hold office until his/her successor shall have been chosen and shall have qualified, or until his/her death or the effective date of his/her resignation or removal, or until he/she shall cease to be a Director in the case of the President.

Section 3. Any officer or agent elected or appointed by the Board of Directors may be removed with or without cause by affirmative vote of a majority of the Board of Directors whenever, in its judgment, the best interests of the Corporation shall be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any officer may resign at any time by giving written notice to the Corporation. Any such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors or pursuant to its direction, and no officer shall be prevented from receiving such salary by reason of his/her also being a Director.

Section 6. The President shall be the chief executive officer of the Corporation and subject to the control of the Board of Directors, shall generally supervise and control the business and affairs of the Corporation. The President shall preside at all meetings of the Board of Directors and the stockholders. He/She shall have the power to appoint and remove subordinate officers, agents and employees, except those elected or appointed by the Board of Directors. The President shall keep the Board of Directors and the Executive Committee fully informed and shall consult with them concerning the business of the Corporation. The President may sign, with the Secretary or any other officer of the Corporation thereunto authorized by the Board of Directors, certificates for shares of the Corporation and any deeds, bonds, mortgages, contracts, checks, notes, drafts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated by these Bylaws or by the Board of Directors to some other officer or agent of the Corporation, or shall be required by law to be otherwise executed. The President shall vote, or give a proxy to any other officer of the Corporation to vote, all shares of stock of any other Corporation standing in the name of the Corporation and, in general, shall perform all other duties incident to the office of President and such other duties as may be prescribed by the Board of Directors or the Executive Committee from time to time.

Section 7. In the absence of the President, or in the event of his/her inability or refusal to act, the Executive Vice President (or, in the event there shall be no Vice President designated Executive Vice President, any Vice President designated by the Board) shall perform the duties and exercise the powers of the President. The Vice Presidents shall perform such other duties as from time to time may be assigned to them by the President, the Board of Directors or the Executive Committee.

Section 8. The Secretary shall: (a) keep the minutes of the meetings of the stockholders, the Board of Directors and the committees of the Board Directors; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by the Nevada Revised Statutes, as amended; (c) be custodian of the corporate records and of the seal of the Corporation, and see that the seal is affixed to all stock certificates for shares or a facsimile thereof is affixed to all stock certificates for shares prior to the issuance thereof and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws or the Nevada Revised Statutes, as amended; (d) keep or cause to be kept a register of the post office address of each stockholder as furnished by each stockholder; (e) sign, with the President, stock certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the Corporation; and (g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President, the Board of Directors or the Executive Committee.

Section 9. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Corporation; (b) receive and give receipts for monies due and payable to the Corporation from any source whatsoever and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; (c) prepare or cause to be prepared, for submission at each regular meeting of the Directors, at each annual meeting of the stockholders and at such other times as may be required by the Directors, the President or the Executive Committee, a statement of financial condition of the Corporation in such detail as may be required; and (d) in general, perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President, Board of Directors or Executive Committee.

Section 10. The Assistant Secretaries and Assistant Treasurers shall, in general, perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President, Board of Directors or Executive Committee. The Assistant Secretaries and Assistant Treasurers shall, in the absence of the Secretary or Treasurer, respectively, perform all functions and duties which such absent officers may delegate, but such delegation shall not relieve the absent officer from the responsibilities and liabilities of his/her office. The Assistant Treasurers shall, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

ARTICLE VIII CONTRACTS, CHECKS AND DEPOSITS

Section 1. Subject to the provisions of these Bylaws, the Board of Directors may authorize any officer or officers and agent or agents to enter into any contract or execute and deliver any such instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. All checks, demands, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers or such agent or agents of the Corporation and in such manner as may be determined by the Board of Directors.

Section 3. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE IX
DIVIDENDS

Section 1. Dividends upon the capital stock of the Corporation may be declared by the Board of Directors at any regular or special meeting in accordance with Section 78.288 of the Nevada Revised Statutes, as amended. Dividends may be paid in cash, in property or in shares of capital stock.

Section 2. Before payment of any dividends, there may be set aside out of any funds the Corporation available for dividends such sum or sums as the Directors may from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, for equalizing dividends, for repairing or maintaining any property of the Corporation or for such other purpose as the Directors deem conducive to the best interests of the Corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X
INDEMNIFICATION

Section 1. The Corporation shall indemnify each person who is or was a director, officer, employee or agent of the Corporation (including the heirs, executors, administrators or estate of such person) or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the fullest extent permitted under the Nevada Revised Statutes, as amended, or any successor law or laws. Any such indemnification shall be made in accordance with the provisions of the Nevada Revised Statutes, as amended, or any successor law or laws.

Section 2. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any of the above-referenced parties against any liability, cost, payment or expense, whether or not the Corporation would have the power to indemnify such person against such liability.

ARTICLE XI
FISCAL YEAR

The fiscal year of the Corporation shall be set by resolution of the Board of Directors.

ARTICLE XII
AMENDMENTS TO BYLAWS

At any regular meeting of the Board of Directors or at any meeting of the Board of Directors specially called for said purpose, with each Director having been provided with proper notice of said meeting and a copy of the proposed changes in the Bylaws, these Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted in accordance with the copy of the proposed changes provided to the Directors, by a vote of a majority of said Board of Directors.

I HEREBY CERTIFY that the foregoing Amended and Restated Bylaws were duly adopted by the Board of Directors of the Corporation on the 15th day of August, 2011.

s/ _____
Secretary

EXHIBIT I
SECOND AMENDMENT TO ARTICLES OF INCORPORATION

SECOND AMENDMENT TO ARTICLES OF INCORPORATION
OF
CHINA XD PLASTICS COMPANY LIMITED

China XD Plastics Company Limited, a corporation organized and existing under the laws of the State of Nevada, hereby certifies as follow:

1. The name of the Corporation is China XD Plastics Company Limited. The date of filing of its original Articles of Incorporation with the Secretary of State of Nevada was December 1, 2005.
2. The Articles of Incorporation were amended by a Certificate of Amendment filed with the Secretary of State of Nevada on April 20, 2009.
3. This Second Amendment to Articles of Incorporation further amends the provisions of Articles I through VII of the Articles of Incorporation of this Corporation but shall not amend the terms of any outstanding Certificate of Designation.
4. The text of Articles I through VII of the Articles of Incorporation is hereby amended to read as herein set forth in full:

I.

The aggregate number of shares of all classes of stock which the Corporation shall have authority to issue is 550,000,000, consisting of two classes to be designated, respectively, "Common Stock" and "Preferred Stock," with all such shares having a par value of \$.0001 per share. The total number of shares of Common Stock that the Corporation shall have authority to issue is 500,000,000 shares. The total number of shares of Preferred Stock that the Corporation shall have authority to issue is 50,000,000 shares. The Preferred Stock may be issued in one or more series, each series to be appropriately designated by a distinguishing letter or title, prior to the issuance of any shares thereof.

The designations and preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption of the shares of each class of stock are as follows:

A. PREFERRED STOCK

Preferred Stock may be issued from time to time by the Board of Directors as shares of one or more series. The description of shares of Preferred Stock, including, without limitation, any preferences, conversion and other rights, voting powers, restrictions, limitations, qualifications, dividend rights, terms and conditions of redemption shall be as set forth in resolutions adopted by the Board of Directors, and Certificates of Designation shall be filed as required by Chapter 78 of the Nevada Revised Statutes, as amended, with respect to issuance of such Preferred Stock, prior to the issuance of any shares of Preferred Stock.

The Board of Directors is expressly authorized, at any time, by adopting resolutions providing for the issuance of, dividing of such shares of Preferred Stock into series or providing for a change in the number of, shares of any Preferred Stock and to the extent required by Chapter 78 of the Nevada Revised Statutes, as amended, by the filing of Certificates of Designation, or amendments thereto, in the manner prescribed therein, with stockholder approval if required by Nevada law, to increase or decrease the number of shares included in the Preferred Stock, but not below the number of shares then issued, and to set or change in any one or more respects the designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications, or terms and conditions of redemption relating to the shares of Preferred Stock. The authority of the Board of Directors with respect to the Preferred Stock shall include the authority granted under Chapter 78 of the Nevada Revised Statutes, as amended, including, without limitation, setting or changing the following:

1. the annual dividend rate, if any, on shares of Preferred Stock, which may be cumulative or noncumulative, the conditions or time for payment of dividends, and the preference or relation of such dividends to dividends payable on any other class or series of capital stock;
2. whether the shares of Preferred Stock shall be subject to redemption and, if so, the times, redemption price, rates, adjustments and the other terms and conditions of such redemption;
3. whether shares of Preferred Stock shall be convertible into, or exchangeable for, shares of stock of any other class or series of capital stock or for any other securities, property or assets of the Corporation and, if so, the terms and conditions of such conversion or exchange, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustment, if any;
4. whether the shares of any series of Preferred Stock shall have voting rights, which may be full or limited, may vary over time, and which may be applicable generally or only upon any stated fact or event;
5. the rights of holders of shares of Preferred Stock in the event of voluntary or involuntary liquidation, dissolution or winding-up of the affairs of the Corporation; and
6. any other relative rights, powers, preferences, qualifications, limitations or restrictions thereof relating to the Preferred Stock.

The shares of Preferred Stock of any one series shall be identical with each other in all respects except as to the dates from and after which dividends thereon shall cumulate, if the dividends are cumulative.

B. COMMON STOCK

Subject to all of the rights of the holders of the Preferred Stock expressly provided herein, by Chapter 78 of the Nevada Revised Statutes, as amended, or by the Board of Directors pursuant to this Article I, the Common Stock of the Corporation shall possess all such rights and privileges as are afforded to capital stock by applicable Nevada law in the absence of any express grant of rights or privileges in the Corporation's Articles of Incorporation, including, but not limited to, the following rights and privileges:

1. dividends may be declared and paid or set apart for payment to the holders of the Common Stock out of any assets or funds of the Corporation available for the payment of dividends under Nevada law;
2. the holders of Common Stock shall be entitled to one vote for each share of Common Stock in connection with the election of directors and on all other matters requiring stockholder approval; and
3. upon the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of Common Stock shall share equally and ratably in the Corporation's assets available for distribution.

The Common Stock authorized by this Article I shall be issued for such consideration as shall be fixed, from time to time, by the Board of Directors.

C. NON-ASSESSMENT OF CAPITAL STOCK.

The capital stock of the Corporation, after the amount of the subscription price has been fully paid, shall not be assessable for any purpose, and no stock issued as fully paid shall ever be assessable or assessed, and these Articles of Incorporation shall not be amended in this particular. No stockholder of the Corporation is individually liable for the debts or liabilities of the Corporation by reason of being a stockholder.

II.

The governing board of the Corporation shall be styled as a "Board of Directors," and any member of said Board shall be styled as a "Director."

The number of directors of the Corporation may be fixed, increased or decreased in the manner provided in the Bylaws of the Corporation; provided, that the number of directors shall never be less than one. In the interim between elections of directors by the stockholders entitled to vote, all vacancies, including vacancies caused by an increase in the number of directors and including vacancies resulting from the removal of directors by the stockholders, may be filled by the remaining directors, though less than a quorum.

III.

The liability of Directors and officers of the Corporation shall be eliminated to the fullest extent permitted by Chapter 78 of the Nevada Revised Statutes, as amended.

IV.

The Corporation shall, to the fullest extent permitted by Chapter 78 of the Nevada Revised Statutes, as amended, indemnify and hold harmless any and all persons (including, without limitation, directors, officers, employees and agents) whom it shall have power to indemnify from and against any and all expenses, liabilities, or other matters permitted thereunder, and the indemnification shall not be deemed exclusive of any other rights to which those indemnified persons may be entitled under any Bylaw, agreement, vote of the Corporation's stockholders, or otherwise, both as to actions in his or her official capacity and as to actions in another capacity, and shall continue as to an indemnified person who has ceased to be a director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such indemnified persons, to the extent permitted by Nevada law.

Any repeal or modification of Articles III and IV of these Articles of Incorporation approved by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the liability of a director, officer, employee, or agent of the Corporation existing as of the time of such repeal or modification.

V.

Any shares of capital stock reacquired by the Corporation, in accordance with Nevada law, may be restored to the status of authorized and unissued shares without an amendment to the Articles of Incorporation or may be disposed of for such consideration as the Board of Directors may determine.

Subject to the terms of these Articles of Incorporation (including any applicable Certificate of Designation), and to the fullest extent permitted by the Nevada Revised Statutes, as amended, the Corporation shall be expressly permitted to redeem, repurchase or make distributions on shares of its capital stock in all circumstances other than where doing so would cause the Corporation to be unable to pay its debts as they become due in the usual course of business. Without limiting the application of the foregoing, and for the avoidance of doubt, the foregoing sentence is intended to satisfy the requirements of Section 78.288(2)(b) of the Nevada Revised Statutes, as amended, with respect to the specific allowance of distributions that may not otherwise meet the standard set forth in such provision.

VI.

The Corporation reserves the right to amend or delete any provision contained in these Articles of Incorporation in accordance with Chapter 78 of the Nevada Revised Statutes, as amended, and any and all rights conferred herein on the stockholders of the Corporation are granted subject to this reservation.

VII.

The Board of Directors is hereby authorized to take any and all actions without stockholder approval that are permitted to be so taken by the Nevada Revised Statutes, as amended, these Articles of Incorporation or any Certificate of Designation. The Board of Directors is hereby expressly granted the power to make, amend, alter or repeal the Bylaws of the Corporation.

