

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 20-F/A**

AMENDMENT NO. 1

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2010

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

OR

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934'**

Date of event requiring this shell company report

Commission File Number: 001-34754

**China New Borun Corporation**

(Exact Name of Registrant as Specified in its Charter)

**Not applicable**

(Translation of Registrant's Name into English)

**Cayman Islands**

(Jurisdiction of Incorporation or Organization)

**Bohai Industrial Park, Yangkou Town, Shouguang, Shandong, People's Republic of China 262715**

(Address of principal executive offices)

**Ms. Bing (Ann) Yu**

**Chief Financial Officer**

**Telephone: +86 536 545 1026**

**E-mail: ann.yu@chinanewborun.com**

**Bohai Industrial Park, Yangkou Town**

**Shouguang, Shandong**

**People's Republic of China 262715**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
American Depositary Shares, each representing one ordinary shares, par value \$0.001 per share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act:

**None**

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

**None**

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

25,725,000 Ordinary Shares, par value \$0.001 per share, as of  
December 31, 2010

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of the Securities Exchange Act 1934.

Yes  No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S.GAAP

International Financial Reporting Standards as issued  
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicated by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

## **EXPLANATORY NOTE**

This Amendment No. 1 to the Annual Report on Form 20-F (this “Amended 20-F”) of China New Borun Corporation amends our Annual Report on Form 20-F for the year ended December 31, 2010 that was filed with the Securities and Exchange Commission on March 16, 2011 (the “Original 20-F”). This Amended 20-F is filed solely to add Exhibit 4.7, Counter-Guarantee (Mortgage) Agreement (006-4), and Exhibit 4.7A, Counter-Guarantee (Mortgage) Agreement (006-5), that were inadvertently omitted from the Original 20-F. Except as described above, no other amendments are being made to the Original 20-F. This Amended 20-F does not reflect events occurring after the Original 20-F or modify or update the disclosure contained therein in any way other than as required to reflect the amendments discussed above. The complete text of Item 19. Exhibits, as amended, is repeated in this Amended 20-F.

This Amended 20-F consists solely of the preceding cover page, this explanatory note, amended Item 19. Exhibits, the signature page and Exhibits 4.7 and 4.7A.

---

**ITEM 19. EXHIBITS.**

<b>Exhibit Number</b>	<b>Description</b>
1.1	Amended and Restated Articles of Association of the Registrant(1)
1.2	Certificate of Incorporation of China New Borun Corporation(1)
2.1	Form of American Depositary Receipt(1)
2.2	Specimen Certificate for Ordinary Shares(1)
2.3	Deposit Agreement among China New Borun Corporation, the Depository and owners and holders of American Depositary Shares issued thereunder, dated June 10, 2010(2)
2.4	Shareholders Agreement, dated March 31, 2010, by and among China New Borun Corporation, King River Holding Limited, Star Elite, Earnstar and TDR Advisors(1)
2.5	Amendment to Shareholders Agreement, dated June 8, 2010, by and among China New Borun Corporation, King River Holding Limited, Earnstar Holding Limited and TDR Advisors, Inc.(1)
4.1	Share Exchange Agreement, dated as of February 28, 2010, by and among China New Borun Corporation, Golden Direction Limited, Star Elite, Earnstar and TDR Advisors(1)
4.2	Share Exchange Agreement, dated March 15, 2010, by and among China New Borun Corporation, Mrs. Shan Junqin, Golden Direction Limited and China High Enterprises Limited(1)
4.3	Mortgage Contract, dated on or about November 12, 2010, by and between Daqing Borun and the Agricultural Development Bank of China(2)
4.4	Form of Independent Director Agreement(1)
4.5	Form of Indemnification Agreement(1)
4.6	Mortgage Contract, dated December 17, 2010 by and between Daqing Borun and China Construction Bank Stock Limited(2)
4.7	Counter-Guarantee (Mortgage) Agreement (006-4) (English translation attached)
4.7A	Counter-Guarantee (Mortgage) Agreement (006-5) (English translation attached)
8.1	Subsidiaries of Registrant(1)
12.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)(2)
12.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)(2)

---

- 13.1 Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C Section 1350(2)
- 13.2 Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. Section 1350(2)
- 15.1 Consent of Frost & Sullivan(2)

- 
- (1) Previously filed with the Registrant's registration statement on Form F-1 and F-1/A (File No. 333- 166312).
  - (2) Previously filed with the Registrant's Annual Report on Form 20-F on March 16, 2011.
-

**SIGNATURE**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F/A and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: March 31, 2011

**CHINA NEW BORUN CORPORATION**

/s/ Jinmiao Wang

**Name :** Jinmiao Wang

**Title :** Chairman and Chief Executive Officer

---

No.: Zhong Lv Bao Di Zi 2010 [006-4]

Counter-Guarantee (Mortgage) Agreement

Mortgagor (Party A): Daqing Borun Biotechnology Co., Ltd.

Mortgagee (Party B): Zhong Lv Credit Guarantee Co., Ltd.

---

## Counter-Guarantee (Mortgage/Pledge) Agreement

**Mortgagor (Party A): Daqing Borun Biotechnology Co., Ltd.**

**Mortgagee (Party B): Zhong Lv Credit Guarantee Co., Ltd.**

To secure the realization of the working capital loan of the leading enterprises in the agribusiness, equal to RMB 50 million, which is applied by Daqing Borun Biotechnology Co., Ltd. (“**the Debtor**”) with Daqing Branch of Agricultural Development Bank of China (“**the Creditor**”) during the period from August 24, 2010 to August 23, 2011, and in the mean time to secure Party B’s exercise of right of recourse, as well as according to the “Entrustment Agreement on Guarantee” (No.: Zhong Lv Wei Bao Zi 2010[006]) signed between the Debtor and Zhong Lv Credit Guarantee Co., Ltd., Party A is willing to provide a counter-guarantee (mortgage) to Party B, therefore, the Parties enter into this Counter-guarantee Agreement (“**this Agreement**”) via equal negotiations.

### **1. Coverage of the (Mortgage) Counter-guarantee Provided by Party A**

- (1) The counter-guarantee shall secure all the debts that Party B shall pay off on behalf of the Debtor (including the principal, interest, penalty interest, compound interest, damages, liquidated damages payable by the Debtor, the property mortgage expense, the expenses for realizing the Creditor’s rights, etc.) as well as the occupancy fee for the compensatory fund which is payable by the Debtor to Party B. The occupancy fee for the compensatory fund shall be calculated at 1‰/day of all the debts which are paid off by Party B on the Debtor’s behalf from the repayment date on the Debtor’s behalf.
  - (2) The counter-guarantee shall secure all the liquidated damages, damages, attorney fees, guarantee fees and other fees payable by the Debtor to Party B under the “Entrustment Agreement on Guarantee”.
  - (3) The counter-guarantee shall secure all the fees for realizing Party B’s mortgage right, including but not limited to the litigation fee, arbitration fee, property preservation fee, attorney fee, appraisal fee, auction fee, enforcement fee, agent fee, notarization fee, consultation fee, travel expenses, etc.
2. Party A mortgages the properties which it has the right to dispose of. The mortgaged properties are listed in the “List of Mortgaged Properties” attached herein, which is an integral part of this Agreement.
-



3. Party A covenants that:
    - (1) It has the legal ownership or disposal right to its mortgaged properties;
    - (2) During the mortgage period, Party A shall well keep the mortgaged properties, shall be responsible for the repair and maintenance work, and shall ensure the mortgaged properties safe and sound. If Party B requires learning about relevant information of the mortgaged properties, in which, Party A shall give full assistances.
    - (3) From the effectiveness date of this Agreement, Party A shall deliver the title certificate of the following mortgaged properties to Party B for its keeping (unless otherwise provided by the law):
      - (a) Thirteen house properties of the company, with total building areas of 23,502.94 square meters (see the "List of Mortgaged Properties").
      - (b) ;
      - (c) ;
    - (4) If Party B requires purchasing insurance for certain mortgaged properties, Party A shall handle and complete the insurance formalities before the effectiveness of this Agreement and shall ensure to renew the insurance policy upon the expiration.
    - (5) Party A shall be responsible for handling the appraisal, notarization, insurance, authentication, registration, transportation, keeping and other relevant issues under this Agreement and bear all related fees.
  4. During the mortgage period, if Party A has any activity causing the value of the mortgaged properties decreases, Party A shall mortgage additional properties or additionally provide other effective guarantee to Party B which is/are equal to the decreased value within 15 days after the value of the mortgaged properties decreases.
  5. During the mortgage period, if mortgaged properties have any damage which is covered by the insurance, or if any third party has any activity causing the value of the mortgaged properties decreases, any insurance compensation or damages shall be used to prepay the loan principal or shall be deposited to Party B's designated account.
  6. During the mortgage period, if Party A intends to lease the mortgaged properties, it shall obtain Party B's written approval.
  7. During the mortgage period, upon Party B's written approval, Party A may
-

transfer the mortgaged properties and the proceed therefrom shall be disposed of according to Option 1 as provided below:

- (1) Deposit it to Party B's designated account and Party A shall not make use of it during the mortgage period;
- (2) Party A agrees to use it to prepay the loan upon.

8. If Party A has any of the following events, it shall promptly notify Party B:

- (1) Its operation mode changes, such as implementing contracting, leasing, affiliation, merger (acquisition), split-up, shareholding reform, joint venture (cooperation) with foreign investment, etc.
- (2) Involve in litigations in connection with material economic disputes;
- (3) There is any dispute to the mortgaged right;
- (4) Bankruptcy, out of business, dissolution, being called for business suspension for rectification, with its business license or other licenses or qualification revoked or canceled;
- (5) There is any change to the legal representative, legal address and telephone number of the enterprise.

If any event provided in (1) above occurs, Party A shall notify Party B 30 days in advance; and for other events listed above, Party A shall notify Party B within 3 days after its occurrence.

9. If Party A breaches Article 4, 5, 7 or 8 and causes damages to Party B, of which, Party A shall be liable for the compensation.

10. If the loan is early recalled according to relevant provisions of the Loan Agreement signed between the Debtor and the Creditor (Bank), the creditor's rights under the Loan Agreement are not fully realized and Party B has to repay the debts on the Debtor's behalf, then Party B is entitled to early dispose of the mortgaged properties to recover its losses.

11. Upon the expiration of the performance term under the Loan Agreement, if the Debtor fails to pay off all the debts and Party B has to repay the debts on the Debtor's behalf, then Party B is entitled to realize its mortgage right and to get compensation by converting the mortgaged properties into money or seek preferential payments from the proceeds from the auction or sales of the mortgaged properties concerned.

## **12. Effectiveness**

- (1) This Agreement shall come into effect upon being signed and stamped by the Parties and shall end until all the secured debts are paid off.
  - (2) This Agreement shall be independent from the Primary Agreement and shall not be invalidated by the invalidity of the Primary Agreement. If the Primary Agreement becomes invalid, then the Mortgagor shall undertake joint and
-

several liabilities to pay off the debts arising from the Debtor's repayment/payment of the loan principal, interest and other compensations under the Primary Agreement.

### 13. Dispute Settlement

Any disputes arising from the performance of this Agreement may be solved via mutual negotiation. If no agreement on the dispute settlement is reached, then such dispute shall be handled according to Option (1) and (3) as provided below:

- (1) File a lawsuit with the people's court where Party B is located
  - (2) Submit the dispute to Beijing Arbitration Committee for arbitration (in Beijing) in accordance with its applicable arbitral rules at the time of the submission. The arbitral award is final and shall be binding on the Parties.
  - (3) If Party B files a law suit, all the attorney fee incurred shall be borne by Party A.
  - (4) During the litigation or arbitration period, other provisions under this Agreement which are not related to the dispute shall be performed as well.
14. **Special Agreement:** If Party A fails to perform its guarantee liability or fails to fully perform its guarantee liability, then Party A is willing to accept the enforcement according to the law.
15. This Agreement has 2 original copies for each Party to hold one, which shall have the same legal effect.

**Party A (Company Stamp): Daqing Borun Biotechnology Co., Ltd.**

Legal Representative:

Authorized Representative: Cui Xingjian

**Party B (Company Stamp): Zhong Lv Credit Guarantee Co., Ltd.**

Legal Representative:

Authorized Representative: Wang Yong

Date: August 23, 2010

Place for Execution:

Enclosed: "List of Mortgaged Properties" and other Annexes

---

Under the Counter-Guarantee (Mortgage/Pledge) Agreement ( Zhong Lv Bao Di Zi 2010 [006-4] ):

List of Mortgaged Properties

Unit: RMB 10,000

No.	Name of the Mortgaged Properties	Owner	Unit (m <sup>2</sup> )	Area	Number of the Title Certificate	Address where the Real Estate is located	Value of the Mortgaged Properties	Mortgaged Amount for Other Creditor's Rights	Remark
1	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	474.58	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 352399	Jubao Village, Zhusan Town, Datong District	47		
2	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	2769.35	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 352401	Jubao Village, Zhusan Town, Datong District	280		
3	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	2106.08	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 352402	Jubao Village, Zhusan Town, Datong District	210		
4	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	3694.99	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 352405	Jubao Village, Zhusan Town, Datong District	370		

5	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	580.02	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 352408	Jubao Village, Zhusan Town, Datong District	58
6	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	1771.35	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 352411	Jubao Village, Zhusan Town, Datong District	170
7	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	4281.48	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 352413	Jubao Village, Zhusan Town, Datong District	430
8	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	254.04	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 376588	Jubao Village, Zhusan Town, Datong District	25
9	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	391.03	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 376606	Jubao Village, Zhusan Town, Datong District	40
10	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	958.01	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 376591	Jubao Village, Zhusan Town, Datong District	90
11	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	1077.07	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 376587	Jubao Village, Zhusan Town, Datong District	110

12	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	3729.8	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 376616	Jubao Village, Zhusan Town, Datong District	370
13	House Property	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	1415.14	Qing Fang Quan Zheng Da Tong Qu Zi Di NA 376595	Jubao Village, Zhusan Town, Datong District	140
Total Amount:				<u>23502.94</u>			

**Mortgagor (Company Stamp): Daqing Borun Biotechnology Co., Ltd.**

Legal Representative:

Authorized Representative: Cui Xingjian

**Mortgagee (Company Stamp): Zhong Lv Credit Guarantee Co., Ltd.**

Legal Representative:

Authorized Representative: Wang Yong

Date: August 23, 2010

**No.: Zhong Lv Bao Di Zi 2010 [006-5]**

**Counter-Guarantee (Mortgage) Agreement**

**Mortgagor (Party A): Daqing Borun Biotechnology Co., Ltd.**

**Mortgagee (Party B): Zhong Lv Credit Guarantee Co., Ltd.**

---

## Counter-Guarantee (Mortgage/Pledge) Agreement

**Mortgagor (Party A): Daqing Borun Biotechnology Co., Ltd.**

**Mortgagee (Party B): Zhong Lv Credit Guarantee Co., Ltd.**

To secure the realization of the short-term loan for the cereals & oils of the leading enterprises in the agribusiness, equal to RMB 50 million, which is applied by Daqing Borun Biotechnology Co., Ltd. (“**the Debtor**”) with Daqing Branch of Agricultural Development Bank of China (“**the Creditor**”) during the period from August 24, 2010 to August 23, 2011, and in the mean time to secure Party B’s exercise of right of recourse, as well as according to the “Entrustment Agreement on Guarantee” (No.: Zhong Lv Wei Bao Zi 2010 [006]) signed between the Debtor and Zhong Lv Credit Guarantee Co., Ltd., Party A is willing to provide a counter-guarantee (mortgage) to Party B, therefore, the Parties enter into this Counter-guarantee Agreement (“**this Agreement**”) via equal negotiations.

### **1. Coverage of the (Mortgage) Counter-guarantee Provided by Party A**

- (1) The counter-guarantee shall secure all the debts that Party B shall pay off on behalf of the Debtor (including the principal, interest, penalty interest, compound interest, damages, liquidated damages payable by the Debtor, the property mortgage expense, the expenses for realizing the Creditor’s rights, etc.) as well as the occupancy fee for the compensatory fund which is payable by the Debtor to Party B. The occupancy fee for the compensatory fund shall be calculated at 1‰/day of all the debts which are paid off by Party B on the Debtor’s behalf from the repayment date on the Debtor’s behalf.
  - (2) The counter-guarantee shall secure all the liquidated damages, damages, attorney fees, guarantee fees and other fees payable by the Debtor to Party B under the “Entrustment Agreement on Guarantee”.
  - (3) The counter-guarantee shall secure all the fees for realizing Party B’s mortgage right, including but not limited to the litigation fee, arbitration fee, property preservation fee, attorney fee, appraisal fee, auction fee, enforcement fee, agent fee, notarization fee, consultation fee, travel expenses, etc.
2. Party A mortgages the properties which it has the right to dispose of. The mortgaged properties are listed in the “List of Mortgaged Properties” attached herein, which is an integral part of this Agreement.
-



3. Party A covenants that:
    - (1) It has the legal ownership or disposal right to its mortgaged properties;
    - (2) During the mortgage period, Party A shall well keep the mortgaged properties, shall be responsible for the repair and maintenance work, and shall ensure the mortgaged properties safe and sound. If Party B requires learning about relevant information of the mortgaged properties, in which, Party A shall give full assistances.
    - (3) From the effectiveness date of this Agreement, Party A shall deliver the title certificate of the following mortgaged properties to Party B for its keeping (unless otherwise provided by the law):
      - (a) Two pieces of lands of the company, with total areas of 79,837.4 square meters (see the "List of Mortgaged Properties").
      - (b) ;
      - (c) ;
    - (4) If Party B requires purchasing insurance for certain mortgaged properties, Party A shall handle and complete the insurance formalities before the effectiveness of this Agreement and shall ensure to renew the insurance policy upon the expiration.
    - (5) Party A shall be responsible for handling the appraisal, notarization, insurance, authentication, registration, transportation, keeping and other relevant issues under this Agreement and bear all related fees.
  4. During the mortgage period, if Party A has any activity causing the value of the mortgaged properties decreases, Party A shall mortgage additional properties or additionally provide other effective guarantee to Party B which is/are equal to the decreased value within 15 days after the value of the mortgaged properties decreases.
  5. During the mortgage period, if mortgaged properties have any damage which is covered by the insurance, or if any third party has any activity causing the value of the mortgaged properties decreases, any insurance compensation or damages shall be used to prepay the loan principal or shall be deposited to Party B's designated account.
  6. During the mortgage period, if Party A intends to lease the mortgaged properties, it shall obtain Party B's written approval.
  7. During the mortgage period, upon Party B's written approval, Party A may
-

transfer the mortgaged properties and the proceed therefrom shall be disposed of according to Option 1 as provided below:

- (1) Deposit it to Party B's designated account and Party A shall not make use of it during the mortgage period;
- (2) Party A agrees to use it to prepay the loan upon.

8. If Party A has any of the following events, it shall promptly notify Party B:

- (1) Its operation mode changes, such as implementing contracting, leasing, affiliation, merger (acquisition), split-up, shareholding reform, joint venture (cooperation) with foreign investment, etc.
- (2) Involve in litigations in connection with material economic disputes;
- (3) There is any dispute to the mortgaged right;
- (4) Bankruptcy, out of business, dissolution, being called for business suspension for rectification, with its business license or other licenses or qualification revoked or canceled;
- (5) There is any change to the legal representative, legal address and telephone number of the enterprise.

If any event provided in (1) above occurs, Party A shall notify Party B 30 days in advance; and for other events listed above, Party A shall notify Party B within 3 days after its occurrence.

9. If Party A breaches Article 4, 5, 7 or 8 and causes damages to Party B, of which, Party A shall be liable for the compensation.

10. If the loan is early recalled according to relevant provisions of the Loan Agreement signed between the Debtor and the Creditor (Bank), the creditor's rights under the Loan Agreement are not fully realized and Party B has to repay the debts on the Debtor's behalf, then Party B is entitled to early dispose of the mortgaged properties to recover its losses.

11. Upon the expiration of the performance term under the Loan Agreement, if the Debtor fails to pay off all the debts and Party B has to repay the debts on the Debtor's behalf, then Party B is entitled to realize its mortgage right and to get compensation by converting the mortgaged properties into money or seek preferential payments from the proceeds from the auction or sales of the mortgaged properties concerned.

## **12. Effectiveness**

- (1) This Agreement shall come into effect upon being signed and stamped by the Parties and shall end until all the secured debts are paid off.
  - (2) This Agreement shall be independent from the Primary Agreement and shall not be invalidated by the invalidity of the Primary Agreement. If the Primary Agreement becomes invalid, then the Mortgagor shall undertake joint and
-

several liabilities to pay off the debts arising from the Debtor's repayment/payment of the loan principal, interest and other compensations under the Primary Agreement.

### 13. Dispute Settlement

Any disputes arising from the performance of this Agreement may be solved via mutual negotiation. If no agreement on the dispute settlement is reached, then such dispute shall be handled according to Option (1) and (3) as provided below:

- (1) File a lawsuit with the people's court where Party B is located
  - (2) Submit the dispute to Beijing Arbitration Committee for arbitration (in Beijing) in accordance with its applicable arbitral rules at the time of the submission. The arbitral award is final and shall be binding on the Parties.
  - (3) If Party B files a law suit, the attorney fee which shall be calculated at 10% of the amount secured by Party B for the Debtor, shall be borne by Party A.
  - (4) During the litigation or arbitration period, other provisions under this Agreement which are not related to the dispute shall be performed as well.
14. **Special Agreement:** If Party A fails to perform its guarantee liability or fails to fully perform its guarantee liability, then Party A is willing to accept the enforcement according to the law.
15. This Agreement has 2 original copies for each Party to hold one, which shall have the same legal effect.

**Party A (Company Stamp): Daqing Borun Biotechnology Co., Ltd.**

Legal Representative:

Authorized Representative: Cui Xingjian

**Party B (Company Stamp): Zhong Lv Credit Guarantee Co., Ltd.**

Legal Representative:

Authorized Representative: Wang Yong

Date: August 23, 2010

Place for Execution:

Enclosed: "List of Mortgaged Properties" and other Annexes

---

**Under the Counter-Guarantee (Mortgage/Pledge) Agreement ( Zhong Lv Bao Di Zi 2010 [006-5]):**

**List of Mortgaged Properties**

Unit: RMB 10,000

No.	Name of the Mortgaged Properties	Owner	Unit (m <sup>2</sup> )	Area	Number of the Title Certificate	Legal Address	Value of the Mortgaged Properties	Mortgaged Amount for Other Creditor's Rights	Remark
1	Land	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	61432.8	06-008-061-0004-000	Jubao Village, Zhusan Town, Datong District			
2	Land	Daqing Borun Biotechnology Co., Ltd.	(m <sup>2</sup> )	18404.6	06-008-061-0003-000	Jubao Village, Zhusan Town, Datong District			
Total Amount:				<u>79837.4</u>					

**Mortgagor (Company Stamp): Daqing Borun Biotechnology Co., Ltd.**

Legal Representative:

Authorized Representative: Cui Xingjian

**Mortgagee (Company Stamp): Zhong Lv Credit Guarantee Co., Ltd.**

Legal Representative:

Authorized Representative: Wang Yong

Date: August 23, 2010

---