FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 —— Name and Address of Company:

Hanfeng Evergreen Inc.
8 King Street East, Suite 838
Toronto, Ontario M5C 1B5

ITEM 2 —— Date of Material Change:

February 23, 2006

ITEM 3 —— News Release:

February 23, 2006 via Canada News Wire

ITEM 4 —— Summary of Material Change:
Hanfeng Evergreen Inc. has has closed debt financing of USD$10.5 million with Export Development Canada (EDC) and Bank of China (Canada) (BOCC) to fund the completion of Hanfeng's 100,000 tonne per annum slow-release sulfur coated urea (SCU) fertilizer plant in Jiangyan, Jiangsu Province, China. Hanfeng has received an initial advance of USD$5.25 million, and the remaining 50% will be advanced subject to completion of the SCU plant. The loan has a five year term.

ITEM 5 —— Full Description of Material Change:

Please see the attached Schedule "A" which is incorporated by reference.

ITEM 6 —— Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

n/a

ITEM 7 —— Omitted Information:

n/a

ITEM 8 —— Executive Officers:

Kim Oishi
President
Tel: (416) 368-8588
Fax: (416) 368-5688

DATED this 23rd day of February, 2006

SCHEDULE "A"

Hanfeng Evergreen Inc.
www.hanfengevergreen.com

FOR IMMEDIATE RELEASE **TSX Symbol: HF**

HANFENG CLOSES DEBT FINANCING OF US$10.5 MILLION WITH EXPORT DEVELOPMENT CANADA AND BANK OF CHINA (CANADA)

TORONTO, ON, February 23, 2006 – Hanfeng Evergreen Inc. is pleased to announce that it has closed debt financing of USD$10.5 million with Export Development Canada (EDC) and Bank of China (Canada) (BOCC) to fund the completion of Hanfeng's 100,000 tonne per annum slow-release sulfur coated urea (SCU) fertilizer plant in Jiangyan, Jiangsu Province, China. Hanfeng has received an initial advance of USD$5.25 million, and the remaining 50% will be advanced subject to completion of the SCU plant. The loan has a five year term.

The SCU plant uses propriety technology Hanfeng licensed from Nu-Gro Corp. (please refer to Nov. 10/2004 press release for additional information), which was recently purchased by Agrium Inc. Hanfeng commenced construction of the SCU plant in April 2005 and received an award from the Chinese government recognizing its superior construction quality. The SCU plant has begun the commissioning period, and is on schedule and on budget to start production by the end of March 2006.

"During this process, Hanfeng has established good relationships with two major international financial partners that can support the rapid expansion of our fertilizer business," said Mr. Xinduo Yu, CEO and Chairman of Hanfeng. "The completion of this debt is an important step in realizing our financial strategy of using an optimal combination of debt and equity to fund our growth."

Export Development Canada Vice-President, Mr. Norman Low said, "EDC is pleased to close this financing for Hanfeng Evergreen's plant operations in Jiangyan. This marks the first time that EDC has provided financing for foreign direct investment in China. This loan underscores and is evidence of the strong role that Canadian technology and industrial expertise can play in China's future growth. Furthermore, as more Canadian exporters and investors are looking at global supply chains in various markets including China, EDC is responding to their needs with innovative commercial solutions like this transaction"

"There is a lot demand in China for improved fertilizer quality and efficiency with strong support from the Chinese government in the 11th Five Year Plan. Canada has the very advanced fertilizer technology which is very useful in China" said Dr. Dashu Zhu, CEO of BOCC. "The Bank of China (Canada) supports bilateral trade and investment activities between Canada and China, and this loan agreement with Hanfeng is an example of our commitment."

About Hanfeng Evergreen
Hanfeng is positioned to be a leading provider of value-added fertilizer to China's agricultural and urban greening sectors. Headquartered in Toronto, Canada and with operations in Shanghai, Jiangsu and Heilongjiang, China, Hanfeng has its own value-added fertilizer production facilities in China and also imports products sourced from leading North American and European suppliers of fertilizers and horticultural products.

This press release contains forward-looking statements based on current expectations. These forward-looking statements entail various risks and uncertainties that could cause actual results to differ materially from those reflected in these forward-looking statements. Risks and uncertainties about Hanfeng's business are more fully discussed in the company's disclosure materials, including its annual information form and MD&A, filed with the securities regulatory authorities in Canada.

SCHEDULE "A"

About Export Development Canada
EDC is Canada's export credit agency, offering innovative commercial solutions to help Canadian exporters and investors expand their international business. EDC's knowledge and partnerships are used by 7,000 Canadian companies and their global customers in up to 200 markets worldwide each year. EDC is financially self-sustaining and is a recognized leader in financial reporting, economic analysis and human resource managements.

About Bank of China (Canada)
Established in 1912, Bank of China is the oldest bank in China, and has played an important role in promoting China's economic and social progress through its active involvement in the country's international trade and financial activities. The Bank of China has been included in the Fortune Global 500 for 15 consecutive years, the latest being 2004 and is the first and the only Chinese bank that has presence in all major continents. The bank offers financial services through its global network of 603 overseas offices in 25 countries and regions.

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