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

April 1, 2007

Item 3 News Release

A news release was issued on April 2, 2007 by Canada News Wire.

Item 4 Summary of Material Change

Hanfeng Evergreen Inc. (“Hanfeng”) has entered into separate agreements with Agrium Advanced Technologies (“Agrium”), a business segment of Agrium Inc., and PetroChina Ningxia Petrochemical Company (“PetroChina”), a division of PetroChina Petrochemical Company.

Hanfeng’s agreement with Agrium forms the basis of an alliance in which the two companies will work cooperatively to further develop their businesses in new markets through joint development strategies, product selection, product research and development, field trials, and production and distribution. In connection with this alliance, Agrium will acquire approximately 19.9 percent of Hanfeng’s outstanding shares.

Hanfeng’s agreement with PetroChina will form the basis for a joint venture to construct facilities that would utilize urea produced by PetroChina and Hanfeng’s proprietary technology to produce sulphur-coated urea. In connection with this joint venture, PetroChina will acquire approximately 1.6 percent of Hanfeng’s outstanding shares.

These treasury issues will provide Hanfeng in aggregate with approximately $80.6 million of new equity capital.

Item 5 Full Description of Material Change

Hanfeng Evergreen Inc. (“Hanfeng”) has entered into separate agreements with Agrium Advanced Technologies (“Agrium”), a business segment of Agrium Inc., and PetroChina Ningxia Petrochemical Company (“PetroChina”), a division of PetroChina Petrochemical Company, to further expand its fertilizer business in the domestic market in China and into international markets, including North America.

Agrium

Hanfeng has entered into a memorandum of understanding with Agrium in which they agreed to work cooperatively to develop and enhance their product offerings to both companies' customers.

Hanfeng has agreed to issue from treasury to a wholly-owned subsidiary of Agrium Inc. (which is also referred to as "Agrium" for purposes of this report) 11,959,000 common shares of Hanfeng at a cash subscription price of $6.22 per share, totaling approximately $74.4 million. Agrium's ownership will represent approximately 19.6 percent of the outstanding shares of the Company after giving effect to both issues. This ownership will be approximately equal to that of Mr. Xinduo Yu, Hanfeng's largest shareholder and CEO.

Pursuant to the terms of the subscription agreement:

- two nominees of Agrium will join Hanfeng's board of directors and Agrium will be entitled to maintain board representation proportionate to its ownership;

- if Hanfeng issues shares in the future, with certain exceptions, Agrium will have the right to subscribe to maintain its proportionate interest in Hanfeng;

- each of Agrium and Mr. Yu have granted the other a right of first refusal if either wishes to sell their Hanfeng shares in any significant quantity over the next five years;

- each of Agrium and Mr. Yu have also agreed to a provision preventing either of them from acquiring more than 25 percent of the outstanding shares of Hanfeng, except pursuant to an offer for all shares;

- Oakwest Corporation Limited ("Oakwest"), a company of which Robert Beutel, Hanfeng's Chairman, is a principal, which currently owns approximately 2.3 percent of Hanfeng, has also agreed to a provision not to increase its ownership beyond 5 percent for the next two years; and

- each of Mr. Yu and Oakwest have agreed not to dispose of more than 25 percent of their shares without Agrium's consent, for five years in Mr. Yu's case and two years in Oakwest's case.

Agrium and Hanfeng have an existing exclusive licensing agreement in place regarding production technologies for sulphur-coated urea (SCU). In connection with this new alliance, the Board of Directors of Hanfeng has approved amendments to that SCU agreement. Hanfeng will establish a new wholly–owned subsidiary ("Holdco") which will hold the rights to the SCU agreement. The purpose of the Holdco will be to explore new SCU projects and joint venture opportunities in China. Hanfeng has granted to Agrium an option to acquire 50 percent of Holdco. The option may be exercised by Agrium at any time between six and 24 months after closing.

PetroChina

Hanfeng has agreed to enter into a joint venture agreement with PetroChina. Through their joint venture, the companies intend to construct facilities that would utilize urea produced by PetroChina and Hanfeng's proprietary technology to produce SCU.

Hanfeng has agreed to issue from treasury to PetroChina 1,000,000 common shares of Hanfeng at a cash subscription price of $6.22 per share, totaling approximately $6.2 million. PetroChina's ownership will represent approximately 1.6 percent of the outstanding shares of Hanfeng, after giving effect to both issues.

Proceeds from the two share issuances will be utilized by Hanfeng to fund additional fertilizer production facilities, to reduce debt, and to fund expansions at the Company's Heilongjiang and Jiangsu facilities. Hanfeng is currently in the process of completing feasibility studies.

Forward-looking Statements

This report 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. Readers are cautioned not to place undue reliance on forward-looking statements. Hanfeng assumes no obligation to update the forward-looking statements. Risks and uncertainties about Hanfeng's business are more fully discussed in its disclosure materials, including its annual information form and MD&A, filed with the securities regulatory authorities in Canada, available at www.sedar.com.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Madeline Yu
Chief Financial Officer
(416) 368-8588

Item 9 Date of Report

April 11, 2007