

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Hanfeng Evergreen Inc.
Suite 2510, Box 129
1 First Canadian Place
Toronto, Ontario M5X 1A4
Canada

Item 2 Date of Material Change

February 11, 2013

Item 3 News Release

A news release was issued on February 11, 2012 by Marketwire.

Item 4 Summary of Material Change

Hanfeng Evergreen Inc. ("Hanfeng" or the "Corporation") announced that Hanfeng, Mr. Xinduo Yu ("Mr. Yu") and 8310831 Canada Inc. (the "Purchaser"), a corporation wholly-owned by Mr. Yu, have entered into an arrangement agreement under which the Purchaser will acquire all of the outstanding common shares of the Corporation not already owned by Mr. Yu for cash consideration of CDN\$2.25 per share. The transaction is proposed to be effected by way of a court-approved statutory plan of arrangement under the Business Corporations Act (Ontario). Mr. Yu is the Corporation's Chief Executive Officer and beneficially owns, or has control or direction over, approximately 20.4% of Hanfeng's outstanding common shares.

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) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Niral V. Merchant
Chief Financial Officer
+1 (416) 368-8588

Item 9 Date of Report

February 22, 2013

For Immediate Release

Hanfeng Evergreen Enters into Agreement to be Taken Private at CDN\$2.25 in Cash per Share

TORONTO, Canada, February 11, 2013 – Hanfeng Evergreen Inc. (TSX:HF) ("Hanfeng" or the "Corporation") announced today that Hanfeng, Mr. Xinduo Yu ("Mr. Yu") and 8310831 Canada Inc. (the "Purchaser"), a corporation wholly-owned by Mr. Yu, have entered into an arrangement agreement under which the Purchaser will acquire all of the outstanding common shares of the Corporation not already owned by Mr. Yu for cash consideration of CDN\$2.25 per share (the "Consideration"). The transaction is proposed to be effected by way of a court-approved statutory plan of arrangement under the *Business Corporations Act* (Ontario) (the "Arrangement"). Mr. Yu is the Corporation's Chief Executive Officer and beneficially owns, or has control or direction over, approximately 20.4% of Hanfeng's outstanding common shares. This proposal by Mr. Yu to acquire Hanfeng (the "Privatization Proposal") was previously announced on January 8, 2013.

The Consideration offered under the Arrangement represents a premium of approximately 47% over the volume-weighted average price of the shares based on the Corporation's trading volume on the TSX over the 30 trading days prior to the initial announcement of the Privatization Proposal on January 8, 2013.

The Corporation has been advised that Agrium Inc., the beneficial owner of approximately 20% of Hanfeng's outstanding common shares and a significant company in the agricultural sector, has entered into a support agreement with the Purchaser pursuant to which it has agreed to vote its shares in favour of the Arrangement.

In order to consider the Arrangement, Hanfeng's annual and special meeting (the "Meeting") has been rescheduled to Friday, March 15, 2013, at 8:30 a.m. (Toronto time). In addition to the usual annual business, shareholders of the Corporation (the "Shareholders") will be asked to consider and if thought fit approve a special resolution in respect of the Corporation's proposed going-private transaction pursuant to the Arrangement.

Shareholders of record as of 5:00 p.m. (Toronto time) on January 15, 2013, the record date for the Meeting, are entitled to receive notice of and to attend, and to vote at, the Meeting or any adjournment or postponement of the Meeting.

As previously announced, the board of directors formed a special committee of independent directors (the "Special Committee"), comprised of Loudon Owen, David Thomson and Edwin Nordholm, to review and consider and make recommendations regarding the Privatization Proposal. The Special Committee engaged Deloitte LLP ("Deloitte") as its independent valuator and financial advisor, to prepare a valuation and fairness opinion with respect to the Transaction (the "Valuation and Fairness Opinion"). Subject to the qualifications, restrictions and assumptions set forth in the Valuation and Fairness Opinion, in the opinion of Deloitte, as of February 9, 2013, the consideration payable under the Arrangement is fair, from a financial point of view, to Shareholders other than Mr. Yu.

Having undertaken a thorough review of, and carefully considered, the Arrangement, including consulting with its independent legal and financial advisors, the Special Committee has unanimously determined that the Arrangement is in the best interests of the Corporation. Accordingly, the Special Committee unanimously recommended that the board of directors approve the Arrangement Agreement and recommend that Shareholders vote for the Arrangement Resolution.

Prior to voting on the Arrangement, Jonathan Pollack elected to resign as a director of the Corporation. The remaining members of the board of directors, following the recommendation of the Special Committee, unanimously resolved (with Mr. Yu not participating) to authorize the Corporation to enter

into the Arrangement agreement, submit the Arrangement to a vote of the Shareholders at the Meeting, and recommend to Shareholders that they vote in favour of the Arrangement. A copy of the Valuation and Fairness Opinion, the factors considered by the Special Committee in arriving at its recommendation, and other relevant background information will be included in the management information circular that will be sent to Shareholders in connection with the Meeting and will be filed on SEDAR at www.sedar.com.

The Corporation intends to apply to obtain an interim order from the Ontario Superior Court of Justice (Commercial List) on February 13, 2013, which provides for the calling and holding of the Meeting, the Shareholders' right to dissent from the Arrangement resolution and other procedural matters. The Corporation expects to mail the information circular and related materials for the Meeting shortly after obtaining the interim order.

Subject to the Corporation obtaining the Shareholders' approval for the Arrangement resolution, a hearing in respect of the final Court order is currently expected to take place on or about March 18, 2013. At the hearing, the Court will consider, among other things, the fairness and reasonableness of the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

If the Arrangement is completed, the common shares of the Corporation will be delisted from the Toronto Stock Exchange and the Corporation will also apply to the applicable Canadian securities regulatory authorities to cease to be a reporting issuer in each province in which it is currently a reporting issuer.

The board of directors cautions shareholders and others considering trading in shares of the Corporation that the completion of the Arrangement remains subject to a number of conditions including, but not limited to, receipt of all regulatory, court and shareholder approvals, including the approval of the Arrangement by (i) at least two-thirds (66⅔%) of the votes cast by the Shareholders present in person or represented by proxy at the Meeting and entitled to vote, and (ii) at least a majority of the votes cast by minority Shareholders (being Shareholders other than Mr. Yu, the Purchaser, their respective affiliates and associates and other joint actors excluded from voting by applicable law) present in person or represented by proxy at the Meeting. The closing of the Arrangement is subject to the satisfaction of certain other closing conditions customary in a transaction of this nature. Assuming these conditions are satisfied, it is expected that the closing of the Arrangement will be completed following the Meeting later in March, 2013.

The Corporation intends to file its interim financial statements and MD&A in respect of the second quarter of fiscal 2013 ended December 31, 2012, on SEDAR on February 14, 2013. Due to the current transaction, no conference call will be held.

This press release contains forward-looking statements based on current expectations, including but not limited to Hanfeng's plans, objectives and expectations, the Purchaser's plans, objectives and expectations with respect to Hanfeng and its business, statements regarding the timing of the Hanfeng Meeting and the closing of the proposed transaction, and the anticipated impact of the proposed transaction. 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. Additional important factors that could cause actual results to differ materially include, but are not limited to: the actual closing of the proposed transaction; the satisfaction or non-satisfaction as applicable of one or more conditions to the closing of the proposed transaction; delay of, or inability to receive Hanfeng Shareholders' approval or approval of the Ontario Superior Court of Justice. With respect to the forward-looking statements and information concerning the anticipated impact and completion of the proposed transaction and the anticipated timing for completion of the proposed transaction, the Purchaser and Hanfeng have provided such statements and information in reliance on certain assumptions that they

believe are reasonable at this time, including assumptions as to the time required to prepare and mail Shareholder Meeting materials to Hanfeng Shareholders, the ability of the parties to receive, in a timely manner, the necessary Ontario Superior Court of Justice and Hanfeng Shareholders' approval, and the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the proposed transaction. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. In light of the significant uncertainties inherent in the forward-looking information included herein, any such forward-looking information should not be regarded as representations by either the Purchaser or Hanfeng that its respective objectives or plans will be achieved. Investors are cautioned not to place undue reliance on any forward-looking information contained herein. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. In addition, these forward-looking statements relate to the date on which they are made. Hanfeng disclaims any intention or obligation to update or revise any forward-looking statements or the foregoing list of factors, whether as a result of new information, future events or otherwise, except to the extent required by law.

About Hanfeng Evergreen Inc.

Hanfeng is a leading producer and supplier of value-added fertilizer solutions in emerging markets. It is the largest producer of slow and controlled release fertilizer in two of world's most significant agricultural markets: the People's Republic of China ("China") and the Republic of Indonesia. As the first company to introduce slow and controlled release fertilizers into China's agriculture market, Hanfeng has established itself both as a market leader and innovator. A Canadian company, Hanfeng is headquartered in Toronto, Ontario and its shares trade on the Toronto Stock Exchange under the ticker HF.

For more information, please contact:

Loudon Owen
Chairman of the Board of Directors
Hanfeng Evergreen Inc.
(416) 368-8588
LOwen@mcleanwatson.com

Kevin O'Connor
Investor Relations
Spinnaker Capital Markets Inc.
(416) 962-3300
ko@spinnakercmi.com