

FORM 51-102F3 - MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Hanfeng Evergreen Inc.
2 St. Clair Avenue West, Suite 610
Toronto, Ontario
M4V 1L5

2. **Date of Material Change**

May 27, 2014.

3. **News Release**

The news release was issued through Marketwired on May 27, 2014.

4. **Summary of Material Change**

Hanfeng Evergreen Inc. (TSX:HF) ("Hanfeng" or the "Company") announced that it had agreed to sell its wholly-owned subsidiary Hanfeng Slow-Release Fertilizer (Jiangsu) Co., Ltd. ("Jiangsu") to Tianjin Bohai Dadi Hi-Tech Co., Ltd. (the "Purchaser"), an arm's length third party, for cash consideration of RMB 30 million (approximately CDN\$5.2 million).

5. **Full Description of Material Change**

5.1 Full Description of Material Change

The Company announced that it had agreed to sell Jiangsu to the Purchaser for cash consideration of RMB 30 million (approximately CDN\$5.2 million). In accordance with the terms of the definitive agreement governing the sale, RMB 9 million (approximately CDN. \$1.6 million) will be paid by the Purchaser within 5 days and the balance (RMB 21 million or approximately CDN. \$3.6 million) will be paid upon the transfer of the shares having been properly registered with the applicable regulatory authorities and becoming effective in accordance with Chinese law, or, in any event, within sixty days. The transaction is expected to close by the end of July 2014. All expenses and costs in connection with the transaction, including charges incurred in connection with filings and registrations at relevant authorities, will be borne by the Purchaser.

The Company's Jiangsu facility had been serving as the R&D base and training center for the Company's Indonesia Joint Venture (the "Indonesian Joint Venture") which was sold in April 2014. Given the sale of the Company's interest in the Indonesia Joint Venture, the production level at the Jiangsu facility over the past few years and the liabilities that were associated with the Jiangsu subsidiary, the Company decided that it was in its best interests to sell Jiangsu for cash.

The common shares of the Company remain subject to cease trade orders issued by Canadian securities regulatory authorities and are scheduled to be delisted from the Toronto Stock Exchange effective at the close of market on June 9, 2014.

5.2 Disclosure for Restructuring Transactions

Not applicable.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

Lei Li
Corporate Secretary
416 368-8588

9. **Date of Report**

May 29, 2014.