

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER
SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. c. C.43 (as amended)**

AND IN THE MATTER OF HANFENG EVERGREEN INC.

Applicant

**MOTION RECORD
(Returnable September 23, 2014)**

September 12, 2014

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Ernst & Young Inc.

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER
SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. c. C.43 (as amended)**

AND IN THE MATTER OF HANFENG EVERGREEN INC.

Applicant

**NOTICE OF MOTION
(Returnable September 23, 2014)**

Ernst & Young Inc., in its capacity as the Court-appointed Receiver (the “Receiver”) of Hanfeng Evergreen Inc. (“Hanfeng”) will make a motion to a judge presiding over the Commercial List on Tuesday, September 23, 2014 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order substantially in the form attached to the Motion Record at Tab 3, establishing a process to solicit and resolve any claims against Hanfeng and establishing a claims bar date:
2. Such further relief as counsel may request and this Honourable Court may grant.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- 1) the First Report of the Receiver; and
- 2) such further and other materials as counsel may advise and this Court may permit.

September 12, 2014

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IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE COURTS
OF JUSTICE ACT, R.S.O. c. C.43 (as amended)

Court File: . CV-14-10667-00CL

AND IN THE MATTER OF HANFENG EVERGREEN INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE SEPTEMBER 23, 2014)

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Lawyers for the Receiver
Ernst & Young Inc.

TAB 2

Court File No. CV-14-10667-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. c. C.43 (as amended)**

AND IN THE MATTER OF HANFENG EVERGREEN INC.

**FIRST REPORT OF THE RECEIVER
DATED SEPTEMBER 12, 2014**

INTRODUCTION

1. On August 20, 2014, pursuant to an order issued by the Ontario Superior Court of Justice, Ernst & Young Inc. was appointed as receiver and manager (the “Receiver”) of the assets, undertakings and properties of the Hanfeng Evergreen Inc. (“Hanfeng” or the “Company”), pursuant to section 101 of the Courts of Justice Act (Ontario).

PURPOSE

2. The purpose of this first report of the Receiver (the “First Report”) is to provide this Court with information in respect of the following:
 - status of the sale of the Company’s wholly owned subsidiary, Hanfeng Slow-Release Fertilizer Co., Ltd.; and
 - the Receiver’s request for an order establishing a process to resolve any claims against Hanfeng and establishing a claims bar date by which such claims must be filed.

TERMS OF REFERENCE

3. In preparing this First Report and making the comments herein, the Receiver has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, prepared by the Company's books and records, discussions with employees of the Company and information from other third-party sources (collectively, the "Information"). Except as described in this First Report:
 - (a) The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the Information; and
 - (b) The Receiver has prepared this First Report in its capacity as a court-appointed officer solely for the use of this Court and the stakeholders in these proceedings and will make a copy of this First Report available on the Receiver's website at www.ey.com/ca/hanfeng.
4. All monetary amounts contained herein are expressed in Canadian dollars, unless otherwise stated.

GENERAL BACKGROUND

5. The Company, through its wholly-owned subsidiaries, was a developer and producer of value-added fertilizers in the People's Republic of China ("China"). The Company is incorporated under the laws of Ontario with its registered head office in Toronto.
6. The Company has no independent operations and exists solely as a holding company for certain operating entities located in China. By mid-August 2014, the Company's principal remaining un-monetized asset was all the issued and outstanding shares of

Hanfeng Slow-Release Fertilizer Co., Ltd., a company legally registered and established in China (the “Chinese Subsidiary”).

7. On August 20, 2014, following an application by the Company, this Court:
 - issued an order appointing Ernst & Young Inc. as the receiver and manager of the Company (the “Receivership Order”); and
 - approved a share transfer agreement between the Company and Heilongjiang Harbin Pengcheng Fertilizer Co., Ltd. (the “Purchaser”) dated August 8, 2014 (the “Share Transfer Agreement”) in respect of the shares of the Chinese Subsidiary (the “Shares”) and the transaction contemplated therein (the “Share Transfer Transaction”) and provided for the vesting of all of the Shares in the Purchaser free and clear of any encumbrances upon the completion of the Share Transfer Transaction (the “Vesting Order”).
8. The Receiver has made various materials relating to the receivership available on its website at www.ey.com/ca/hanfeng.

SHARE TRANSFER TRANSACTION UPDATE

9. The Receivership Order provides, among other things, for the Receiver to close the Share Transfer Transaction and collect the purchase price payable thereunder.
10. The Receiver is proceeding to complete any necessary steps required for the closing of the Share Transfer Transaction, including coordinating with the Company’s Chinese counsel as needed.
11. Pursuant to the terms of the Share Transfer Agreement, RMB 12,400,000 (approximately \$2.2 million) has already been received from the Purchaser.
12. A further RMB 37,200,000 (approximately \$6.6 million) was due ten business days after the date of approval of the Share Transfer Transaction by this Court. The

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Receiver understands that the payment was delayed on account of regulatory clearance from China's State Administration of Foreign Exchange ("SAFE"). The Receiver further understands that SAFE clearance has now been obtained and expects receipt of the payment in the week ending September 19, 2014.

HANFENG CLAIMS PROCESS

General

13. The Receiver seeks an order for the establishment and resolution of any claims against the Company (the "Claims Procedure Order").
14. The purpose of the proposed Claims Procedure Order is to:
 - establish a process to ensure that all parties with a claim or an alleged claim be called upon to advance their claim expeditiously;
 - to permit such claims to be processed and adjudicated efficiently; and
 - to analyze and consider the effect of any such alleged claims prior to any distribution of the remaining assets to Hanfeng's shareholders.
15. The Claims Procedure Order establishes a Claims Bar Date (as defined below) and sets out the procedures for the calling of proofs of claims and a process to lead to the final determination of the Claims (as defined in the Claims Procedure Order).

Claims Bar Date

16. The Receiver proposes that any Person (as defined in the Claims Procedure Order) asserting a Claim be required to file a proof of claim with the Receiver prior to 5:00 pm (prevailing Eastern time) on November 10, 2014 (the "Claims Bar Date").
17. Any Person that fails to file a Proof of Claim (as defined in the Claims Procedure Order) with the Receiver on or before the Claims Bar Date shall:

- be forever barred from making or enforcing any Claim against the Company; and
 - not be entitled to any further notice in these proceedings, and shall not be entitled to participate as a Claimant (as defined the Claims Procedure Order) in these proceedings.
18. The Receiver submits that the Claims Bar Date is reasonable. It provides parties with a claim or an alleged claim with 45 calendar days from the date of the proposed Claims Procedure Order to evaluate their Claims against Hanfeng and submit the necessary Proofs of Claim.

Notice of Claims Procedure

19. The Receiver will publish a Notice of Claims Procedure and Claims Bar Date (as defined in the Claims Procedure Order) in the Globe and Mail (National Edition), the National Post (National Edition) and a local newspaper in Heilongjiang province in China no later than September 30, 2014. A copy of the Notice of Claims Procedure and Claims Bar Date is attached as Schedule A to the Claims Procedure Order.
20. The Receiver will post an electronic copy of the Notice of Claims Procedure and Claims Bar Date on its website www.ey.com/ca/hanfeng as soon as practicable but by no later than September 30, 2014.
21. The Receiver will send a copy of the Claims Package (as defined in the Claims Procedure Order), which includes among other things, a Proof of Claim to each Known Creditor (as defined in the Claims Procedure Order) by regular mail, courier, facsimile, or electronic mail as soon as practicable but by no later than September 30, 2014. A copy of the Proof of Claim is attached as Schedule B to the Claims Procedure Order.

22. In addition, provided that such request is received by the Receiver prior to the Claims Bar Date, the Receiver will send a copy of the Claims Package to any Claimant as soon as reasonably possible after receipt of such a request for a package.
23. In the Receiver's view, the identification of Known Creditors, the mailing of the Claims Package, the publication of the Notice of Claims Procedure and Claims Bar Date described above will provide sufficient and timely notification to allow parties with a claim or an alleged claim to submit their Proofs of Claim prior to the Claims Bar Date.

Adjudication of Claims

24. The Receiver will review each Proof of Claim filed and at any time may:
 - a) request additional information from a Claimant;
 - b) attempt to consensually resolve the amount of the Proof of Claim with the Claimant;
 - c) accept (in whole or in part) the amount and/or status of the Claim;
 - d) by notice in writing, no later than 20 calendar days after receipt of the Proof of Claim, revise or disallow (in whole or in part) the amount and/or status of any Claim by delivering to the Claimant a notice of revision or disallowance (the "Notice of Revision or Disallowance"). A copy of the Notice of Revision or Disallowance is attached as Schedule C to the Claims Procedure Order; and/or
 - e) refer the Claim to a Claims Officer (as defined in the Claims Procedure Order) or to this Court for resolution;
25. Any Claimant who intends to dispute the amount of its Claim as set out in the Notice of Revision or Disallowance must file a Dispute Notice with the Receiver no later than 20 calendar days after the date of the Notice of Revision or Disallowance. A copy of the Dispute Notice is attached as Schedule D to the Claims Procedure Order.

26. The Receiver submits that the period of time to file a Dispute Notice is reasonable as most Claimants will have performed an evaluation of their Claim prior to submitting a Proof of Claim and therefore should be in a position to respond within the time period established.
27. The Receiver believes the appointment of Claims Officers (as defined in the Claims Procedure Order) to the extent necessary will greatly assist with the administration of the provisions of the Claims Procedure Order and provide an efficient and timely means of determining those claims that are disputed and which the Receiver is unable to resolve.
28. Upon receipt of a Dispute Notice, the Receiver may
 - a) attempt to consensually resolve the amount of the Claim with the Claimant;
 - b) refer the dispute to a Claims Officer for determination; and / or
 - c) bring the dispute before this Court for determination
29. If the Receiver refers the dispute to a Claims Officer for determination, the Claims Officer will determine the manner, if any, in which evidence may be brought before the Claims Officer by the parties as well as any other procedural or substantive manners.
30. The Claims Officer shall schedule and conduct a hearing to determine the validity, amount and/or classification of the Claim and as soon as practicable thereafter notify the Receiver and Claimant of his or her determination.
31. The Claimant and the Receiver each have the ability to appeal a determination of the Claims Officer by way of motion to this Court filed within 15 calendar days of delivery of such determination. If an appeal is not filed within such 15-day period, then the Claims Officer's determination shall, subject to a further order of this

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Court, be deemed to be final and binding and shall be a Proven Claim (as defined in the Claim Procedure Order).

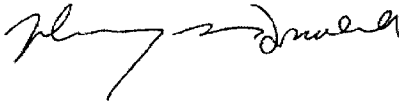
Conclusion

32. The Receiver believes that the Claim Procedure Order establishes a robust overall procedural framework that provides for an efficient mechanism for claims to be processed and adjudicated.

All of which is respectfully submitted this 12th day of September 2014.

ERNST & YOUNG INC.
In its capacity as Receiver of
Hanfeng and not in its personal or corporate capacity

Per:

A handwritten signature in black ink, appearing to read 'Murray A. McDonald', written over a horizontal line.

Murray A. McDonald
President

TAB 3

Court File No. CV-14-10667-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE ●	)	TUESDAY, THE 23RD
	)	
JUSTICE ●	)	DAY OF SEPTEMBER, 2014

**IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE COURTS OF
JUSTICE ACT, R.S.O. c. C.43 (as amended)**

AND IN THE MATTER OF HANFENG EVERGREEN INC.

**ORDER
(Claims Procedure Order)**

THIS MOTION, made by Ernst & Young Inc., in its capacity as the receiver (the "**Receiver**") of Hanfeng Evergreen Inc. ("**Hanfeng**"), for an order approving a procedure for the identification, determination and resolution of claims against Hanfeng, in accordance with the terms of the Claims Procedure Order (as these terms are defined below), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the First Report of the Receiver dated September 12, 2014, and on hearing the submissions of counsel to the Receiver, no one appearing for any other person on the Service List, although properly served as appears from the affidavit of service, filed:

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and Motion Record in respect of this Motion is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. THIS COURT ORDERS that, for purposes of this Order establishing a claims procedure for Hanfeng (the "**Claims Procedure Order**"), in addition to terms defined elsewhere herein, the following terms shall have the following meanings:
 - (a) "**9:30 Appointment**" means a chambers appointment with a Justice of the Court which may be scheduled for 9:30 a.m. on any day on which the Court is sitting;
 - (b) "**Appointment Order**" means the Order of the Honourable Madam Justice Matheson dated August 20, 2014, as extended and amended from time to time;
 - (c) "**Assessments**" means Claims of Her Majesty the Queen in Right of Canada or of any Province or Territory or Municipality or any other taxation authority in any Canadian jurisdiction, including, without limitation, amounts which may arise or have arisen under any notice of assessment, notice of reassessment, notice of appeal, audit, investigation, demand or similar request from any taxation authority;
 - (d) "**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
 - (e) "**Claim**" means:
 - (i) any right or claim of any Person against Hanfeng, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of Hanfeng in existence prior to the Date of Receivership, and any accrued interest thereon and costs payable in respect thereof to the Date of Receivership, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or

in part on facts which existed prior to the Date of Receivership, and includes any claims that would have been claims provable in bankruptcy had Hanfeng become bankrupt on the Date of Receivership (each a **"Pre-Filing Claim"**, and collectively the **"Pre-Filing Claims"**); and

- (ii) any existing or future right or claim of any Person against Hanfeng in connection with any indebtedness, liability or obligation of any kind whatsoever owed by Hanfeng to such Person arising on or after the Date of Receivership as a result of any disclaimer, resiliation, termination or breach on or after the Date of Receivership of any contract, lease, permit, authorization or other agreement existing on the Date of Receivership whether written or oral and whether such disclaimer, resiliation, termination or breach took place or takes place before or after the date of this Claims Procedure Order, including any accrued interest thereon and costs payable in respect thereof to the date of such disclaimer, resiliation, termination or breach, to the extent provided for in the contract, lease, permit, authorization or other agreement, each a **"Restructuring Claim"**, and collectively the **"Restructuring Claims"**);
- (f) **"Claimant"** means a Person asserting a Claim;
- (g) **"Claims Bar Date"** means 5:00 p.m. (Toronto Time) on **November 10, 2014**;
- (h) **"Claims Officer"** means any individual designated by the Receiver or approved by the Court pursuant to paragraph 35 of this Claims Procedure Order;
- (i) **"Claims Package"** means the package of documents which shall include a copy of this Order, the Notice of Claims Procedure and Claims Bar Date, the Proof of Claim and any other materials that the Receiver may consider appropriate;
- (j) **"Claims Procedure"** means the procedures outlined in this Order, including the Schedules;
- (k) **"Claims Procedure Order"** means this Order;
- (l) **"Court"** means the Ontario Superior Court of Justice (Commercial List) in the City of Toronto, in the Province of Ontario;
- (m) **"Date of Receivership"** means August 20, 2014;
- (n) **"Dispute Package"** has the meaning ascribed to that term in paragraph 19(b) of this Claims Procedure Order;

- (o) **"Excluded Claim"** means any Claim secured by any of the charges granted in the Appointment Order, including the Receiver's Charge as therein defined, or any charges granted in subsequent Orders of the Court;
- (p) **"Known Creditor"** means a Person who the Receiver received actual notice may have a Pre-Filing Claim against Hanfeng, or that the books and records of Hanfeng show as owed an amount prior to the Appointment Order;
- (q) **"Notice of Claims Procedure and Claims Bar Date"** means the notice for publication, substantially in the form attached as **Schedule "A"** hereto;
- (r) **"Notice of Dispute"** means a notice substantially in the form attached as **Schedule "D"** hereto;
- (s) **"Notice of Revision or Disallowance"** means a notice substantially in the form attached as **Schedule "C"** hereto;
- (t) **"Orders"** means any and all orders issued by the Court, including the Appointment Order;
- (u) **"Person"** means any individual, partnership, firm, joint venture, trust, entity, corporation, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or similar entity, howsoever designated or constituted;
- (v) **"Pre-Filing Claim"** has the meaning ascribed to that term in paragraph 2(f)(i) of this Claims Procedure Order;
- (w) **"Proof of Claim"** means the form substantially in accordance with the form attached hereto as **Schedule "B"**;
- (x) **"Proven Claim"** means the amount of a Claim and its classification as a secured Claim or an unsecured Claim, as finally determined in accordance with this Claims Procedure;
- (y) **"Receiver"** means Ernst & Young Inc., in its capacity as the Court-appointed Receiver of Hanfeng;
- (z) **"Receiver's Website"** means <http://www.ey.com/ca/hanfeng>.
- (aa) **"Restructuring Claim"** has the meaning ascribed to that term in paragraph 2(f)(ii) of this Claims Procedure Order.

INTERPRETATION

3. **THIS COURT ORDERS** that all references as to time herein shall mean local time in Toronto, Ontario, Canada, and any references to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day, unless otherwise indicated herein.
4. **THIS COURT ORDERS** that all references to the word "including" shall mean "including without limitation".
5. **THIS COURT ORDERS** that all references to the singular herein include the plural, the plural include the singular, and any gender includes the other gender.

GENERAL PROVISIONS

6. **THIS COURT ORDERS** that the Receiver is hereby authorized to (a) use reasonable discretion as to the adequacy of compliance with respect to the manner in which any Proof of Claim is completed, and may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Claims Procedure Order as to the completion and execution of such Proof of Claim, and (b) request such further documentation from a Claimant that the Receiver may reasonably require in order to enable them to determine the validity of a Claim. Notwithstanding anything contained herein, the Receiver shall not have any discretion to accept any Claim submitted subsequent to the Claims Bar Date.
7. **THIS COURT ORDERS** that any Pre-Filing Claim denominated in a foreign currency shall be converted to Canadian dollars for the purposes of this Claims Procedure on the basis of the Bank of Canada Canadian dollar noon exchange rate on the Date of Receivership and that any Restructuring Claim denominated in a foreign currency shall be converted to Canadian dollars for the purposes of this Claims Procedure on the basis of the Bank of Canada Canadian dollar noon exchange rate on the date that such Restructuring Claim arose.
8. **THIS COURT ORDERS** that interest and penalties that would otherwise accrue after the Date of Receivership shall not be included in any unsecured Claim. Amounts claimed in Assessments whether issued before or after the Date of

Receivership shall be subject to this Claims Procedure Order and there shall be no presumption of validity or deeming of the amount due in respect of the Claim set out in any Assessment.

RECEIVER'S ROLE

9. **THIS COURT ORDERS** that the Receiver, in addition to its rights, duties, responsibilities and obligations under the Orders, is hereby directed and empowered to take such other actions and fulfill such other roles as are contemplated by this Claims Procedure Order and are incidental thereto.
10. **THIS COURT ORDERS** that the Receiver, in carrying out the terms of the Claims Procedure Order, shall have all of the protections given to it by the Order or as an officer of this Court, including the stay of proceedings in its favour, shall incur no liability or obligation as a result of the carrying out of its obligations under this Claims Procedure Order, shall be entitled to rely on the books and records of Hanfeng, and any information provided by Hanfeng or a Claimant, and shall not be liable for any claims or damages resulting from any errors or omissions in such books, records, or information.

GENERAL CLAIMS PROCEDURE

Notice of Claims Bar Date

11. **THIS COURT ORDERS** that:
 - (a) The Receiver shall cause the Notice of Claims Procedure and Claims Bar Date to be placed in each of the *Globe and Mail* (national edition), the *National Post* (national edition), and a local newspaper in Heilongjiang province in the People's Republic of China as soon as practicable after the date of this order and in any event within five (5) Business Days of the date hereof;
 - (b) The Receiver shall cause the Notice of Claims Procedure and Claims Bar Date to be posted on the Receiver's Website as soon as practicable after the date of this Order and in any event within three (3) Business Days of the date hereof and cause it to remain posted thereon until its discharge as Receiver of Hanfeng;

- (c) Within three (3) Business Days of the date of this Order, the Receiver shall send a Claims Package to Known Creditors by mail, courier, facsimile transmission or electronic mail; and
- (d) The Receiver will send a copy of the Claims Package by mail, courier, facsimile transmission or electronic mail as soon as practicable following receipt of a request for a package, to any Claimant requesting such material prior to the Claims Bar Date.

Deadline for Submitting a Claim

- 12. **THIS COURT ORDERS** that any Person that wishes to assert a Claim must deliver to the Receiver on or before the Claims Bar Date a completed Proof of Claim form, together with all relevant supporting documentation in respect of such Claim, in the manner set out in this Claims Procedure Order.
- 13. **THIS COURT ORDERS** that any Person who does not file a Proof of Claim with the Receiver in accordance with this Order by the Claims Bar Date shall be forever barred from asserting or enforcing such Claim against Hanfeng and Hanfeng shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by Hanfeng or the Receiver.

ADJUDICATION OF CLAIMS

Adjudication of Claims

- 14. **THIS COURT ORDERS** that the Receiver shall review the information filed by each Claimant with respect to a Pre-Filing Claim or a Restructuring Claim that is received by the Claims Bar Date and may accept, revise or disallow such Pre-Filing Claim or Restructuring Claim, in whole or in part. At any time, the Receiver may request additional information from the Claimant with respect to any Pre-Filing Claim or Restructuring Claim.
- 15. **THIS COURT ORDERS** that the Receiver may attempt to consensually resolve the classification (as secured or unsecured) and amount of any Pre-Filing Claim or Restructuring Claim with the Claimant prior to accepting, revising or disallowing such Pre-Filing Claim or Restructuring Claim.

16. **THIS COURT ORDERS** that if the Receiver determines to revise or disallow a Pre-Filing Claim or Restructuring Claim, the Receiver shall notify the Claimant by sending a Notice of Revision or Disallowance to the Claimant as provided in this Order by no later than 5:00 p.m. (Toronto time) on a date that is twenty (20) days after receipt of the relevant Proof of Claim or such later date as the Court may order.
17. **THIS COURT ORDERS** that if a Claimant disputes the classification or amount of its Pre-Filing Claim or Restructuring Claim as set forth by the Receiver, then such Claimant may dispute such revision or disallowance by sending a Notice of Dispute so that it is received by no later than 5:00 p.m. (Toronto time) on a day that is 20 days after the date of the Notice of Revision or Disallowance or such later date as the Court may order.
18. **THIS COURT ORDERS** that any Claimant who fails to dispute a revision or disallowance by the deadline shall be deemed to accept the classification and amount of its Pre-Filing Claim or Restructuring Claim as set out in the Notice of Revision or Disallowance, and the Pre-Filing Claim or Restructuring Claim as set out in the Notice of Revision or Disallowance shall constitute a Proven Claim.
19. **THIS COURT ORDERS** that if a Claimant disputes a revision or disallowance of its Pre-Filing Claim or Restructuring Claim as set out in the Notice of Revision or Disallowance, the Receiver may:
 - (e) attempt to consensually resolve the classification and the amount of the Pre-Filing Claim or Restructuring Claim with the Claimant;
 - (f) deliver a package to the Claims Officer consisting of that Claimant's Proof of Claim, the Notice of Revision or Disallowance, the Notice of Dispute and any other materials which may be relevant for the determination of the dispute to the Claims Officer (the "**Dispute Package**"); and/or
 - (g) schedule a 9:30 Appointment with the Court for the purpose of scheduling a motion to resolve the Pre-Filing Claim or Restructuring Claim. At such motion the Claimant shall be deemed to be the applicant and the Receiver shall be deemed to be the respondent.

CLAIMS OFFICERS

20. **THIS COURT ORDERS** that the Receiver may appoint Claims Officers for the purposes of the Claims Procedure described herein.
21. **THIS COURT ORDERS** that if a Claim is referred to a Claims Officer for resolution, the Claims Officer shall determine the validity, amount and classification of disputed Claims in accordance with this Claims Procedure Order. A Claims Officer shall determine all procedural matters which may arise in respect of his or her determination of these matters, including the manner in which any evidence may be adduced. A Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before a Claims Officer shall be paid.
22. **THIS COURT ORDERS** that, notwithstanding anything to the contrary herein, the Receiver may at any time refer a Claim to a Claims Officer or to the Court for resolution, where in the Receiver's view such a referral is preferable or necessary for the resolution of the Claim.
23. **THIS COURT ORDERS** that upon receipt of a Dispute Package or referral for resolution pursuant to paragraphs x or x hereof, as applicable, the Claims Officer shall schedule and conduct a hearing to determine the validity, amount and/or classification of the Claim and shall as soon as practicable thereafter notify the Receiver and the Claimant of his or her determination.
24. **THIS COURT ORDERS** that the Receiver or the Claimant may appeal the Claims Officer's determination to this Court within 15 days of the date on which notification is deemed to have been received of the Claims Officer's determination of such Claim by serving upon the Receiver or the Claimant, as applicable, and filing with this Court a notice of motion returnable on a date to be fixed by this Court. Such an appeal is to be based on the record before the Claims Officer and will not be a hearing *de novo*. If an appeal is not filed within such 15-day period, then the Claims Officer's determination shall, subject to a further order of the Court, be deemed to be final and binding and shall be a Proven Claim.
25. **THIS COURT ORDERS** that the Receiver shall pay the reasonable professional fees and disbursements of each Claims Officer in connection with such appointment as

Claims Officer on presentation and acceptance of invoices from time to time. Each Claims Officer shall be entitled to a reasonable retainer against his or her fees and disbursements which shall be paid by the Receiver upon request. Any dispute as to fees and disbursements shall be resolved by the Court.

SET-OFF

26. **THIS COURT ORDERS** that the Receiver may set off (whether by way of legal, equitable or contractual set-off) against the Claims of any Claimant, any claims of any nature whatsoever that Hanfeng may have against such Claimant arising prior to the Date of Receivership, provided that it satisfies the requirements for legal, equitable or contractual set-off as may be determined by the Court if there is any dispute between the Receiver and the applicable Claimant. However, neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by Hanfeng of any such claim that Hanfeng may have against such Claimant.

NOTICE OF TRANSFEREES

27. **THIS COURT ORDERS** that if, after the Date of Receivership, the holder of a Claim transfers or assigns the whole of such Claim to another Person, the Receiver shall not be obligated to give notice or otherwise deal with the transferee or assignee of such Claim in respect thereof unless and until actual notice of transfer or assignment, together with satisfactory evidence of the existence and validity of such transfer or assignment, shall have been received and acknowledged by the Receiver in writing. Thereafter, such transferee or assignee shall for the purposes hereof constitute the "Claimant" in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Claims Procedure Order prior to receipt and acknowledgment by the Receiver of satisfactory evidence of such transfer or assignment. A transferee or assignee of a Claim takes the Claim subject to any right of set-off to which Hanfeng may be entitled with respect to such Claim. For greater certainty, a transferee or assignee of a Claim is not entitled to set off, apply, merge, consolidate or combine

any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such Person to Hanfeng.

28. **THIS COURT ORDERS** that if a Claimant or any subsequent holder of a Claim, who in any such case has previously been acknowledged by the Receiver as the holder of the Claim, transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person, such transfers or assignments shall not create separate Claims and such Claims shall continue to constitute and be dealt with as a single Claim notwithstanding such transfers or assignments. The Receiver shall not, in each case, be required to recognize or acknowledge any such transfers or assignments and shall be entitled to give notices to and otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim, provided such Claimant may, by notice in writing delivered to the Receiver, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be dealt with by a specified Person and in such event, such Person shall be bound by any notices given or steps taken in respect of such Claim with such Claimant in accordance with the provisions of this Order.
29. **THIS COURT ORDERS** that Hanfeng and the Receiver are not under any obligation to give notice to any Person holding a security interest, lien or charge in, or a pledge or assignment by way of security in, a Claim, as applicable in respect of any Claim.

SERVICE AND NOTICES

30. **THIS COURT ORDERS** any notice, notification or communication required to be delivered by the Receiver pursuant to this Order may be delivered by mail, courier, facsimile transmission or electronic mail to the address or number contained in the books and records of Hanfeng or as included in the Proof of Claim.
31. **THIS COURT ORDERS** that any notice, notification, dispute, or communication required to be delivered by a Claimant pursuant to the terms of this Order will be sufficiently given only if delivered by prepaid registered mail, courier, personal delivery, facsimile transmission or email addressed to:

Ernst & Young Inc.
Attn: Robert Ferguson
222 Bay Street, P.O. 251
Toronto, ON M5K 1J7, Canada

Or by courier to:

Ernst & Young Inc.
Attn: Robert Ferguson
222 Bay Street, Suite 2100
Toronto, ON M5K 1J7, Canada

Or by facsimile transmission to:
416-943-3300

Or by email to:
hanfeng.receiver@ca.ey.com

32. **THIS COURT ORDERS** that if during any period during which notices or other communications are being given pursuant to this Claims Procedure Order, a postal strike or postal work stoppage of general application should occur, such notices, notifications or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Claims Procedure Order.
33. **THIS COURT ORDERS** that any notice delivered to a Claimant via personal delivery, email, or facsimile transmission shall be deemed to have been received by such Claimant on the date and at the time that it was sent, as evidenced by the time and date stamp on the email or facsimile transmission as applicable, if sent prior to 5:00 p.m. (local time) on a Business Day, or if sent after 5:00 p.m. on a Business Day or on a non-Business Day, on the next following Business Day.
34. **THIS COURT ORDERS** that any notice delivered to a Claimant by mail or courier shall be deemed to have been received by such Claimant on the third Business Day after the notice was mailed, or couriered.

35. **THIS COURT ORDERS** that in the event that this Claims Procedure Order is amended by further Order of the Court, the Receiver may post such further Order on the Receiver's website and send an email to any Known Creditors and any Claimant who has submitted a Proof of Claim who is affected by such amendment and such posting and emailing shall constitute adequate notice to Claimants of such amended claims procedure.

MISCELLANEOUS

36. **THIS COURT ORDERS** that notwithstanding any other provisions of this Claims Procedure Order, the solicitation by the Receiver of Claims and the filing by any Claimant of any Claims shall not, for that reason only, grant any person any standing in these proceedings.
37. **THIS COURT ORDERS** that the forms of notice to be provided in accordance with this Claims Procedure Order shall constitute good and sufficient service and delivery of notice of this Claims Procedure Order and the Claims Bar Date on all Persons who may be entitled to receive notice and who may assert a Claim and no other notice or service need be given or made and no other documents or material need be sent to or served upon any Person in respect of this Claims Procedure Order. The form and substance of each of the Notice of Claims Procedure and Claims Bar Date, Proof of Claim, Notice of Revision or Disallowance, and Notice of Dispute substantially in the forms attached as Schedules "A", "B", "C", and "D" respectively to this Order are hereby approved. Despite the foregoing, the Receiver may, from time to time, make minor, non-substantive changes to such forms as the Receiver considers necessary or desirable.
38. **THIS COURT ORDERS** that notwithstanding the terms of this Claims Procedure Order, the Receiver may apply to this Court from time to time for directions from this Court with respect to the Claims Procedure Order, or for such further Order or Orders as it may consider necessary or desirable to amend, supplement or clarify the terms of this Claims Procedure Order.

39. **THIS COURT ORDERS AND RESPECTFULLY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the People's Republic of China to give effect to this Order and to act in aid of and to assist the Receiver and this Court in carrying out the terms of this Claims Procedure Order.
-

SCHEDULE A

NOTICE TO CREDITORS
of HANFENG EVERGREEN INC.
(hereinafter referred to as the "Company")

RE: NOTICE OF CLAIMS PROCEDURE FOR THE COMPANY PURSUANT TO AN APPLICATION
UNDER SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. c. C.43 (as amended)

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario made [DATE] (the "Claims Procedure Order"). Any capitalized term used but not defined herein shall have the meaning ascribed to it in the Claims Procedure Order.

Pursuant to the Claims Procedure Order, Claim Packages will be sent to creditors by mail, on or before [DATE], if those creditors are known to the Company, and if the Company has a current address. Creditors may also obtain a copy of the Claims Procedure Order and Claim Packages from the website of Ernst & Young Inc., Court-appointed Receiver of the Company (the "Receiver"), at "www.ey.com/ca/hanfeng", or by contacting the Receiver by telephone (1-416-943-7142 or by fax (1-416-943-3300 or by email at hanfeng.receiver@ca.ey.com).

Proofs of Claim must be submitted to the Receiver for any claim against the Company, whether unliquidated, contingent or otherwise, in each case where the claim (i) arose prior to August 20, 2014, or (ii) arose on or after August 20, 2014 as a result of the restructuring, termination, repudiation or disclaimer of any lease, contract, or other agreement or obligation. Please consult the Claims Package for more details.

Completed Proofs of Claim must be received by the Receiver by 5:00 p.m. (prevailing Eastern Time) on NOVEMBER 10, 2014 (the "Claims Bar Date"). It is your responsibility to ensure that the Receiver receives your Proof of Claim by the Claims Bar Date.

CLAIMS WHICH ARE NOT RECEIVED BY NOVEMBER 10, 2014 WILL BE BARRED AND EXTINGUISHED FOREVER.

SCHEDULE B

PROOF OF CLAIM OF HANFENG EVERGREEN INC.

CLAIMS PROCEDURE

Pursuant to an Order of the Ontario Superior Court of Justice dated [DATE] the court appointed Receiver of Hanfeng Evergreen Inc. has been authorized to conduct a claims procedure. The Court Order, a copy of which is enclosed, shall govern the claims procedure, notwithstanding any of the instructions contained herein.

(All capitalized terms not otherwise defined will have the meanings ascribed to them in the [DATE] court order.)

FOR CLAIMANTS SUBMITTING A PROOF OF CLAIM

If you believe that you have a claim against Hanfeng Evergreen Inc. you must file this Proof of Claim. **The Proof of Claim must be received by the Receiver by 5:00 p.m. (Eastern Daylight Savings Time) November 10, 2014 (the "Claims Bar Date").**

If you do not file your claim by the Claims Bar Date you shall be forever barred from asserting or enforcing such Claim against Hanfeng Evergreen Inc. and Hanfeng Evergreen Inc. shall not have any liability whatsoever in respect of such Claim and such Claim shall be extinguished without any further act or notification by Hanfeng Evergreen Inc. or the Receiver.

GENERAL INSTRUCTIONS FOR COMPLETING THE PROOF OF CLAIM

The Proof of Claim must be completed by an individual, or an individual acting on behalf of a corporation. The individual acting for a corporation or other person must state the capacity in which he/she is acting, such as "Credit Manager", "Treasurer", "Authorized Agent", etc. The individual completing the Proof of Claim must have knowledge of the circumstances connected with the Claim. All Proofs of Claim must be signed, dated and witnessed.

The full legal name of the Claimant must be filled out in its entirety. A statement of account containing full details of the Claim must be attached to the Proof of Claim. The Proof of Claim should include all amounts owing to you for any goods or services provided to Hanfeng Evergreen Inc and shall be reduced by the application of any volume or other discounts in respect thereof and any other credits that are properly applicable against the Claim.

If the Claimant holds security for the indebtedness, a statement of the value and nature of the security must accompany the Proof of Claim.

If the Claimant holds a contingent or unliquidated claim, the details of the guarantee or reasons for the claim must be provided in addition to the basis upon which the claim has been valued.

If the Claim or a portion thereof has been sold or assigned, the name of the party purchasing the Claim, the amount of the Claim sold or assigned, as well as supporting documentation, must be attached to the Proof of Claim submitted. The Claim can be completed by either the original Claimant or by the assignee, but not both. Claimants and assignee(s) must determine amongst themselves who will file the Proof of Claim.

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Please carefully read the instructions above before completing this Proof of Claim. Please print legibly.

Please indicate if this Proof of Claim is an (please check one):

- ☐ Original Proof of Claim, OR
☐ Amended Proof of Claim

A. PARTICULARS OF CLAIMANT

1. Full Legal Name of Claimant: _____ - (the "Claimant").
(Full legal or Corporate name should be the name of the original Claimant of Hanfeng Evergreen Inc., notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred. Do not file separate Proofs of Claim by division of the same Claimant.)

2. Full Mailing Address of the Claimant (the original Claimant not an Assignee):

3. Telephone Number of Claimant: _____

4. Facsimile Number of Claimant: _____

5. Attention (Contact Person): _____

6. Has the Claim been sold or assigned by Claimant to another party?
 Yes___ No___ (If yes please complete section D)

B. PROOF OF CLAIM:

I, _____ [Name of Claimant or Representative of the Claimant, do hereby certify:

A) that I am (please check one):

___ the Claimant of Hanfeng Evergreen Inc.; or
 ___ hold the following position of _____ of the Claimant of Hanfeng Evergreen Inc.

and have knowledge of all the circumstances connected with the Claim described herein;

B) Hanfeng Evergreen Inc. is indebted to the Claimant in the amount of \$_____ Cdn

(A Pre-Filing Claim (as defined in the Claims Process Order) in a foreign currency should be converted to Canadian dollars on the basis of the Bank of Canada Canadian dollar noon exchange rate on August 20, 2014.)

(A Restructuring Claim (as defined the Claims Process Order) in a foreign currency should be converted to Canadian dollars on the basis of the Bank of Canada Canadian dollar noon exchange rate on the date that such Restructuring Claim arose.)

C. PARTICULARS OF CLAIM:

Description of transaction or agreement giving rise or relating to the Claim:

If the claim is contingent, or unliquidated, state the basis upon which the claim has been valued:

Names of any guarantors which have guaranteed the Claim:

Description of security, if any, granted to the Claimant or assigned by Claimant in respect of the Claim:

Estimated value of security outlined above as at the date of the claim:

A DETAILED, COMPLETE STATEMENT OF ACCOUNT MUST BE ATTACHED TO THE PROOF OF CLAIM WHICH MUST SHOW THE DATE, THE NUMBER AND THE AMOUNT OF EACH INVOICE OR CHARGE, TOGETHER WITH THE DATE, THE NUMBER AND THE AMOUNT OF ALL CREDITS, COUNTERCLAIMS, DISCOUNTS, PAYMENTS, ETC. TO

WHICH HANFENG EVERGREEN INC. IS ENTITLED. PLEASE ATTACH ADDITIONAL SHEETS.

D. PARTICULARS OF ASSIGNEE(S) (IF ANY):

1. Full Legal Name of Assignee(s) of Claim (if all or a portion of the claim has been sold). If there is more than one assignee, please attach separate sheets with the following information:

(the "Assignee(s)")

Amount of Total Claim Assigned \$ _____

Amount of Total Claim Not Assigned \$ _____

Total Amount of Claim \$ _____

(should equal "Total Claim" as entered on Section B)

2. Full Mailing Address of Assignee(s):

3. Telephone Number of Assignee(s): _____
4. Facsimile Number of Assignee(s): _____
5. Attention (Contact Person): _____

The duly completed Proof of Claim together with supporting documentation must be returned and received by the Receiver, no later than 5:00 pm (Eastern Daylight Savings Time) on August 20, 2014, to the following address or facsimile:

By mail to: Ernst & Young Inc. Attn: Robert Ferguson 222 Bay Street, P.O. 251 Toronto, ON M5K 1J7, Canada	By courier to: Ernst & Young Inc. Attn: Robert Ferguson 222 Bay Street, Suite 2100 Toronto, ON M5K 1J7, Canada
Or by facsimile transmission to: 416-943-3300	Or by email to: hanfeng.receiver@ca.ey.com

DATED at _____ this _____ day of _____, 20__.

(Signature of Witness)

(Signature of individual completing this form)

(please print name)

(please print name)

SCHEDULE C

NOTICE OF REVISION OR DISALLOWANCE

(All capitalized terms not otherwise defined will have the meanings ascribed to them in the [DATE] court order.)

Name of Claimant _____

Pursuant to the Claims Procedure Order, the Receiver gives you notice that it has reviewed your Proof of Claim dated _____ and has revised or rejected your claim ("Claim") for the following reason(s):

Subject to further dispute by you in accordance with the provisions of the Claims Procedure Order, the Claim will be allowed as follows:

	<u>Claim per Proof of Claim</u>	<u>Claim per Allowed as Revised</u>
[COMPNY-A]	\$ _____	\$ _____

Please be advised that if you disagree with the revision or disallowance of your claim as it is set out above, you must complete and return the enclosed Notice of Dispute to the Receiver, to be received by the Receiver **by no later than 5:00 p.m. (Eastern Daylight Saving Time) on [DATE]**. If you do not file the enclosed Notice of Dispute by [DATE] your claim shall be as set out above for distribution purposes.

DATED at Toronto, Ontario, Canada this _____ day of _____, 20__.

ERNST & YOUNG INC., in its capacity as Receiver of
Hanfeng Evergreen Inc. and not in its personal capacity.

Per: _____

Encl.

SCHEDULE D

DISPUTE NOTICE

(All capitalized terms not otherwise defined will have the meanings ascribed to them in the [DATE] court order.)

Pursuant to the Claims Procedure Order dated [DATE], we hereby give you notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number _____ and dated _____, 20__ issued by Ernst & Young Inc. in its capacity as court appointed Receiver of Hanfeng Evergreen Inc. in respect of our claim.

Name of Claimant: _____

	<u>Notice of Revision or Disallowance</u>	<u>Claim per Claimant</u>
Claim per	\$ _____	\$ _____

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary): ____

Signature of Individual completing this claim

Date

(Please print name)

Telephone Number: () _____ Facsimile Number: () _____

Full Mailing Address: _____

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THIS FORM AND SUPPORTING DOCUMENTATION TO BE RETURNED BY PERSONAL SERVICE, MAIL, FACSIMILE OR COURIER AND TO BE RECEIVED NO LATER THAN [DATE] TO:

Ernst & Young Inc. in its capacity as
Receiver of Hanfeng Evergreen Inc.

By mail to: Ernst & Young Inc. Attn: Robert Ferguson 222 Bay Street, P.O. 251 Toronto, ON M5K 1J7, Canada	By courier to: Ernst & Young Inc. Attn: Robert Ferguson 222 Bay Street, Suite 2100 Toronto, ON M5K 1J7, Canada
Or by facsimile transmission to: 416-943-3300	Or by email to: hanfeng.receiver@ca.ey.com

IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE COURTS
OF JUSTICE ACT, R.S.O. c. C.43 (as amended)

Court File: . CV-14-10667-00CL

AND IN THE MATTER OF HANFENG EVERGREEN INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto

MOTION RECORD
(RETURNABLE SEPTEMBER 23, 2014)

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Lawyers for the Receiver
Ernst & Young Inc.