This is **Appendix "H"**
to the Fifth Report of the Receiver
dated July 11, 2017

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.

THIRD REPORT OF THE RECEIVER DATED SEPTEMBER 24, 2015

INTRODUCTION

1. On August 20, 2014, following an application by Hanfeng Evergreen Inc. ("**Hanfeng**" or the "**Company**"), the Ontario Superior Court of Justice (the "**Court**") issued an order (the "**Approval Order**") approving a share transfer agreement (the "**Share Transfer Agreement**") dated August 8, 2014 and the transaction contemplated therein (the "**Share Transfer Transaction**").

2. The Approval Order provides for vesting in Heilongjiang Pengcheng Fertilizer Co., Ltd. (the "**Purchaser**") all the shares of Hanfeng Slow-Release Fertilizer Co., Ltd., the Company's wholly owned subsidiary in China (the "**Chinese Subsidiary**") upon the completion of the Share Transfer Transaction. A copy of the Approval Order is attached hereto as **Appendix** "**A**".

3. Pursuant to an order issued by this Court on August 20, 2014 (the "**Appointment Order**"), Ernst & Young Inc. was appointed as receiver and manager (the "**Receiver**") of the assets, undertakings and properties of the Company, pursuant to section 101 of the Courts of Justice Act (Ontario). A copy of the Appointment Order is attached hereto as **Appendix** "**B**".

4. On July 24, 2015 and July 31, 2015, following an application by the Receiver, this Court issued two Orders (collectively, the "**Clarification Orders**"), which, among other things:

- Confirmed the Receiver's power and authority to exercise the shareholder rights of Hanfeng with respect to the Chinese Subsidiary, including to replace Mr. Yu Xinduo ("**Mr. Yu**") with Mr. Hong Rong-kai ("**Mr. Hong**") as the legal representative and a director of the Chinese Subsidiary;
- Authorized the Receiver to take any necessary steps to assert its ownership of and effect control over the Chinese Subsidiary;
- Required Mr. Yu to provide unfettered access for Mr. Hong and his designates to the Chinese Subsidiary's offices and facilities and to the Chinese Subsidiary's books and financial records;
- Required Mr. Yu to surrender the chops and certain other business and legal documents of the Chinese Subsidiary to Mr. Hong and the Receiver;
- Required Mr. Yu to provide full and timely cooperation to the Receiver with respect to the above tasks; and
- Prohibited Mr. Yu, without the Receiver's approval, from executing any agreement with respect to the Chinese Subsidiary or causing it to make any payments.

Copies of the Clarification Orders are attached hereto as **Appendix "C".**

PURPOSE

5. The purpose of this third report of the Receiver (the "**Third Report**") is to report to this Court with respect to the following:

(a) the status of the Share Transfer Transaction;
(b) actions taken by the Receiver;
(c) a summary of receipts and disbursements; and

(d) the Receiver's motion for an Order approving this Third Report and the conduct and activities of the Receiver as described in the Third Report and the Second Report.

6. This Third Report is organized as follows:

(a) Terms of Reference;
(b) General Background;
(c) Share Transfer Transaction Update;
(d) Actions Taken by the Receiver and Ongoing Investigations;
(e) Summary of Receipts and Disbursements;
(f) Next steps; and
(g) Recommendation.

TERMS OF REFERENCE

7. In preparing this Third 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 books and records of the Company and the Chinese Subsidiary, discussions with employees of the Company and the Chinese Subsidiary and information from other third-party sources (collectively, the "**Information**"). Except as described in this Third 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 Third Report in its capacity as a court-appointed officer solely for the use of this Court and the stakeholders in these proceedings.

8. The Receiver has previously filed with this Court its first report dated September 12, 2014 and supplement to the first report dated September 22, 2014 (together referred to as the "**First Report**"), its second report dated July 17, 2015 and supplement to the second report dated July 22, 2015 (together referred to as the "**Second Report**"). The Receiver has made copies of the First Report and Second Report available on the Receiver's website at www.ey.com/ca/hanfeng. A copy of this Third Report has also been posted on the Receiver's website. Copies of the First Report and the Second Report (without appendices) are attached hereto as Appendices "**D**" & "**E**".

9. All monetary amounts contained herein are expressed in Canadian dollars, unless otherwise stated.

GENERAL BACKGROUND

Hanfeng and Chinese Subsidiary

10. Hanfeng has no independent operations and exists solely as a holding company for certain fertilizer producing entities located in China. Hanfeng is incorporated under the laws of Ontario with its registered head office in Toronto. By mid-August 2014, the Company's principal remaining un-monetized asset was all the issued and outstanding shares of the Chinese Subsidiary.

11. The Chinese Subsidiary is a Wholly Foreign-Owned Enterprise ("**WFOE**") that was established and is registered in China. Mr. Yu was and, despite the Receiver's efforts described in greater detail below, still is the current legal representative of the Chinese Subsidiary, a position that, under Chinese Laws, makes him responsible for the overall activities of the Chinese Subsidiary. The Chinese Subsidiary is managed

by Mr. Yu and a team of individuals designated by him (the "**Local Management Team**").

Share Transfer Transaction

12. The Share Transfer Agreement provides that the Purchaser will pay a total purchase price of RMB 248 million (approximately $49.6 million) for all the shares of the Chinese Subsidiary. The purchase price consists of cash consideration of RMB 198.4 million (approximately $39.7 million) and a promissory note to be assigned to Mr. Yu on account of Hanfeng's shares owned or controlled by him. Set out in the table below is a summary of the timing and amount of the payments and consideration provided for in the Share Transfer Agreement.

Description	Amount (RMB)	Time
5% of the total purchase price (the "**5% Deposit**")	12,400,000	Within 7 business days of the date of the Share Transfer Agreement
15% of the total purchase price (the "**15% Interim Payment**")	37,200,000	Within 10 business days of the Court approval of the Share Transfer Transaction
60% of the total purchase price (the "**Final Payment**")	148,800,000	Within 10 days upon closing of the Share Transfer Transaction
Total Cash Consideration	**198,400,000**	
20% of the total purchase price in promissory note ("**the Promissory Note**") to be assigned to Mr. Yu Xinduo on account of approximately 20.4% of the Company's shares owned or controlled by Mr. Yu	49,600,000	Within 10 days upon closing of the Share Transfer Transaction
Total Purchase Price	**248,000,000**	

SHARE TRANSFER TRANSACTION UPDATE

13. As discussed in the First Report, the Receiver received the 5% Deposit in the amount of RMB 12,400,000 (approximately $2.2 million) on August 28, 2014, which was 9 days after the due date pursuant to the Share Transfer Agreement.

14. As discussed in the Second Report, the Purchaser failed to make the 15% Interim Payment that was due September 3, 2014 pursuant to the Share Transfer Agreement.

15. After extensive negotiations with the Purchaser, in February 2015, the Receiver authorized Mr. Yu to execute an escrow agreement (the "**Escrow Agreement**") with the Purchaser and China Minsheng bank (the "**Escrow Bank**"). The Escrow Agreement provides that the Purchaser shall deposit the 15% Interim Payment (approximately $7.4 million) within 5 days after an escrow account (the "**Escrow Account**") is opened, and that the remaining cash purchase price shall be deposited within 10 days of the closing of the Share Transfer Transaction. All funds held in the Escrow Account shall be released to the Receiver once Chinese foreign exchange clearance is completed.

16. However, the Purchaser breached the Escrow Agreement by failing to make any payment in February 2015. On March 23, 2015, the Purchaser committed, in writing, to fund the 15% Interim Payment in 3 installments by April 30, 2015 (the "**March Commitment**"), which commitment the Purchaser again failed to meet.

17. The Receiver has not been able to close or advance the Share Transfer Transaction due to the Purchaser's continuing failure to make the required payments pursuant to the Share Transfer Agreement and the Escrow Agreement.

18. To date, the only purchase price payment received by the Receiver is the 5% Deposit of RMB 12.4 million (approximately $2.2 million). The Purchaser has still not funded the 15% Interim Payment (approximately $7.4 million), of which only RMB 10 million (approximately $2 million) (the "**Escrow Funds**") has been deposited into the Escrow Account. Set out in the table below is a summary of the funds either received by the Receiver or held in the Escrow Account as well as the remaining outstanding purchase price payments.

Description	RMB	Due Date Per Share Transfer Agreement	Due Date Per Esrow Agreement	March Commitment	Received Date	Note
Initial Deposit (5% of Purchase Price)	12,400,000	19-Aug-14	N/A	N/A	28-Aug-14	Received by Receiver
2nd Interim Payment (15% of Purchase Price)	5,000,000	03-Sep-15	16-Feb-15	03-Apr-15	03-Apr-15	Depoisited into the Escrow Account in China
	2,000,000	03-Sep-15	16-Feb-15	17-Apr-15	17-Apr-15	
	3,000,000	03-Sep-15	16-Feb-15	17-Apr-15	21-Apr-15	
	27,200,000	03-Sep-15	16-Feb-15	30-Apr-15	Outstanding	
Balance of Cash Purchase Price	148,800,000	10 business days days after Closing			Outstanding	
Total Cash Purchase Price	198,400,000					

19. As discussed in the Second Report, the Receiver has uncovered certain information from its ongoing investigations which resulted in significant skepticism over the Purchaser's purported identity, intent and ability to close the Share Transfer Transaction.

20. Following the date of the Second Report, the Receiver learned from its Chinese counsel, MayorBrown JSM ("**MayorBrown**"), that starting in the week of July 13, 2015, the Purchaser has repeatedly contacted the Escrow Bank requesting the Escrow Bank to return the Escrow Funds to the Purchaser.

21. On July 22, 2015, the Receiver received from the Purchaser an email, which, among other things, alleged that the Receiver was responsible for the delay of the Share Transfer Transaction. On July 28, 2015, the Purchaser sent another email, which repeated its previous allegations and demanded the return of all payments previously made being the 5% Deposit and the Escrow Funds.

22. On July 28, 2015, the Escrow Bank sent a notice notifying the parties to the Escrow Agreement, including the Receiver, that the Escrow Agreement was to be terminated effective August 4, 2015. The notice did not, however, provide details as to how the Escrow Funds will be released. Article 8.5 of the Escrow Agreement provides that "on the termination date for the escrow, the Escrow Bank shall deal with the balance of the escrow amount in accordance with the instructions in the written notice jointly issued by the buyer and the seller".

23. The Receiver, with assistance of MayorBrown, has provided the following correspondence to the Escrow Bank opposing any release of the Escrow Funds to the Purchaser:

(a) On July 15, 2015, the Receiver provided written notice to the Escrow Bank requesting it to abide by the terms and conditions of the Escrow Agreement and not to release the Escrow Funds to the Purchaser;

(b) On August 5, 2015, following the receipt of the termination notice from the Escrow Bank, the Receiver sent another letter to the Escrow Bank:

i. seeking clarification as to how the Escrow Funds will be released;

ii. advising that Mr. Yu can no longer execute any documents with respect to the Escrow Account without the Receiver's written authorization; and

iii. requesting to replace Mr. Yu with Mr. Guan Liu at Heilongjiang Honghui Law Firm ("**Mr. Guan**"), the Receiver's Chinese counsel in Harbin) as a signatory for any joint release instructions.

24. MayorBrown has continued to follow up with the Escrow Bank and provide it with information related to these receivership proceedings.

25. Given the Purchaser's repeated and continuing breaches under the Share Transfer Agreement and the Escrow Agreement for failure to fund the Escrow Account by the required dates, the Receiver will not consent to the designation of a successor account under the Escrow Agreement or release of the Escrow Funds back to the Purchaser.

26. The Receiver, with assistance of MayorBrown, has also notified the Purchaser that the Receiver will not return the Escrow Funds to the Purchaser.

27. On July 24, 2015, the Receiver wrote to the Purchaser to correct certain incorrect facts and false accusations contained in the Purchaser's email of July 22, 2015. In this letter, the Receiver reiterated its intent to complete the Share Transfer

Transaction. A copy of the Receiver's letter of July 24, 2015 and its Chinese translation is attached hereto as **Appendix "F"**.

28. The Receiver is of the view that it is entitled to keep the 5% Deposit due to the Purchaser's numerous and continuing breach and has obtained a legal opinion from Heilongjiang Honghui Law Firm ("**Honghui Law Firm**") confirming the Receiver's entitlement to the 5% Deposit under the Share Transfer Agreement and Chinese law. A copy of the legal opinion together with its translation is attached hereto as **Appendix "G"**.

29. On August 26, 2015, the Receiver sent a letter to the Purchaser strongly rejecting any argument the Receiver failed in any way to satisfy its obligations. The Receiver also stated that it holds the Purchaser responsible for all financial losses caused to Hanfeng and the Receiver by the Purchaser's breach. The Receiver also gave notice to the Purchaser that the Receiver is entitled to keep the 5% Deposit and also that the Escrow Funds must remain in escrow until the share transfer is completed in accordance with the terms of the Share Transfer Agreement. The Receiver has not received any further correspondence or response from the Purchaser. A copy of the Reciever's letter of August 26, 2015 is attached hereto as **Appendix "H"**.

ACTIONS TAKEN BY THE RECEIVER AND ONGOING INVESTIATIONS

Efforts to Take Control of the Chinese Subsidiary

30. As discussed in the Second Report, although Mr. Yu advised on several occasions that the Chinese Subsidiary has been dormant since around April 2014, the Receiver has become increasingly concerned about the status of the assets of the Chinese Subsidiary (the "**Heilongjiang Assets**") due to:

    (a) the Chinese Subsidiary incurring significantly more disbursements than what would be expected for a dormant manufacturing facility;

(b) very limited cooperation from Mr. Yu and the Local Management Team in providing supporting detailed information for the disbursements;

(c) financial and operational information received by the Receiver being inadequate and inconsistent with explanations and supporting or collaborative information; and

(d) discovery of lawsuits related to loans of the Chinese Subsidiary that were concealed from the Company and Receiver and subsequent settlements entered into by the Chinese Subsidiary without the Receiver's knowledge or agreement. Under these settlements the Chinese Subsidiary is required to pay to China Industrial Bank ("**Industrial Bank**") approximately RMB 161 million in principal and interest (approximately $32 million) (the "**Industrial Bank Settlements**"). This amount that far exceeds the Chinese Subsidiary's currently available cash of RMB 74 million (approximately $14.4 million) as at June 30, 2015 (all as described in greater detail in the Second Report).

31. As discussed in the Second Report, in order to preserve the Heilongjiang Assets, the Receiver undertook to reorganize the board of the Chinese Subsidiary by appointing:

(a) Mr. Guan as a director of the Chinese Subsidiary to fill in a vacancy in the Chinese Subsidiary's board due to a director having passed away.

(b) Mr. Hong as the legal representative and a director of the Chinese Subsidiary to replace Mr. Yu; and

(c) an associate of Mr. Hong as a director to replace the third director.

32. When registering Mr. Guan's directorship, local authorities requested clarifications in relation to the Receiver's power and authority to appoint the directors of the Chinese Subsidiary. On August 18, 2015, Harbin Administration of Industry and Commerce ("**HAIC**"), upon a review of the translation of the Clarification Orders, has approved and completed Mr. Guan's director registration.

33. Pursuant to the Clarification Orders, Mr. Hong and Mr. Guan are in the process of preparing the submission for the registration of Mr. Hong as the legal representative and a director of the Chinese Subsidiary. Both the Receiver and Mr. Hong have repeatedly provided written demand for Mr. Yu and the Local Management to sign/seal certain documents necessary for the submission and to surrender the corporate chops. Notwithstanding the requirements under the Clarification Orders and numerous attempts both by written correspondence and phone calls, Mr. Hong and the Receiver have been unable to obtain the necessary cooperation of Mr.Yu and the Local Management Team to complete the legal representative change. Further, Mr. Yu and the Local Management Team have not surrendered the chops, bank tokens or other business documents to Mr. Hong as required by the Clarification Orders.

Unsuccessful Access to the Chinese Subsidiary and Financial Records

34. The Receiver, with the assistance of Mr. Hong, Mr. Guan, MayorBrown and Stikeman Elliott LLP (the Receiver's Canadian Counsel) (collectively, the "**Receiver's Advisors**"), continue to conduct ongoing investigations into the financial affairs of the Chinese Subsidiary. The Receiver and Mr. Hong have made repeated written and verbal requests of Mr. Yu and the Local Management Team to provide certain financial information of the Chinese Subsidiary as well as to accommodate access to its facility as provided for in the Clarification Orders. However, as of the date of this Third Report, Mr. Yu and the Local Management Team have not accommodated any of these requests and Mr. Hong and Mr. Guan were denied entry to the Chinese Subsidiary's facility by the Chinese Subsidiary's security personnel.

35. The Chinese Subsidiary holds cash primarily in an account with the Harbin Zhufang Branch of China Construction Bank ("**Construction Bank**") based on bank statements provided by the Local Management Team. In April 2015, the Receiver obtained a bank confirmation directly from Construction Bank indicating the Chinese

Subsidiary had no indebtedness or other liabilities to Construction Bank as of February 28, 2015 (the "**Bank Confirmation**").

36. As part of the ongoing investigations, Mr. Hong and Mr. Guan met with representatives of Construction Bank and Industrial Bank and have obtained limited information and cooperation with respect to the Chinese Subsidiary as summarized below.

Construction Bank

37. Representatives of Construction Bank orally indicated to Mr. Hong that it is a creditor of the Chinese Subsidiary, contradicting information shown in the Bank Confirmation and in the internal financial statements of the Chinese Subsidiary provided to Hanfeng and the Receiver by Mr. Yu and the Local Management Team.

38. Notwithstanding multiple requests made by Mr. Hong and Receiver to clarify this matter, Construction Bank has yet to provide a response either confirming or denying any indebtedness of the Chinese Subsidiary to Construction Bank.

Industrial Bank

39. With respect to the Industrial Bank Settlements, none of the loans in question are reflected in the internal financial statements of the Chinese Subsidiary, and Mr. Yu and the Local Management Team continue to deny the undisclosed loans even after the Receiver obtained certain settlement documents from the court in Harbin. At the meetings with Mr. Hong and Mr. Guan, representatives of Industrial Bank have orally confirmed the loans and the settlements it entered into with the Chinese Subsidiary as previously described in the Receiver's Second Report. The Receiver understands that Industrial Bank indicated it would consider taking enforcement actions after August 31, 2015 if no payments are made. Industrial Bank, at one recent meeting, advised that Mr. Yu negotiated with Industrial Bank to extend the settlement payment to

October 31, 2015; however, the Receiver has been unable to obtain written confirmation from the bank or Mr. Yu.

RECEIPTS AND DISBURSEMENTS

40. Attached hereto as **Appendix "I"** is the Receiver's statement of receipts and disbursements for the period August 20, 2014 to September 20, 2015, which reflects the ending balances of approximately CDN$2,313,948 and USD$34,301 as of September 20, 2015. Further, unpaid professional fees owed to the Receiver and the Receiver's Advisors amounted to approximately $260,000 as at September 20, 2015. The Receiver has been using the Company's funds, including the 5% Deposit, to fund the administration of the estate and various activities by the Receiver and its Advisors in relation to the Share Transfer Transaction and ongoing investigations, as described in the Third Report and previous reports. The Receiver will continue to utilize the Company funds, including the 5% Deposit, to administer the receivership including undertaking the actions as outlined below.

NEXT STEPS

41. The Receiver intends to continue its investigation of Mr. Yu and the Purchaser to gather further information and evidence in order to evaluate courses of action against those responsible for damages to the Company and evaluate options to enforce its rights in China and in Canada.

42. The Receiver, in consultation with the Receiver's Advisors, also intends to continue its investigation into the financial status of the Chinese Subsidiary to identify and evaluate alternatives in preserving and realizing on the Heilongjiang Assets for the benefit of Hanfeng.

43. In order to continue the investigation as described in this Third Report and in the prior reports, the Receiver will continue to incur costs which will require the

utilization of a portion, and possibly a significant portion, of the Company's remaining funds, including the 5% Deposit.

RECOMMENDATIONS

44. Based on the foregoing, the Receiver respectfully requests this Court make an Order approving this Third Report and the conduct and activities of the Receiver as described in the Third Report and the Second Report.

All of which is respectfully submitted this 24^{tth} day of September 2015.

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

Per:

Murray A. McDonald
President

This is **Appendix "I"**
to the Fifth Report of the Receiver
dated July 11, 2017

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.

FOURTH REPORT OF THE RECEIVER DATED APRIL 4th, 2017

INTRODUCTION

1. On August 20, 2014, following an application by Hanfeng Evergreen Inc. ("**Hanfeng**" or the "**Company**"), the Ontario Superior Court of Justice (the "**Court**") issued an order (the "**Approval Order**") approving a share transfer agreement (the "**Share Transfer Agreement**") dated August 8, 2014 and the transaction contemplated therein (the "**Share Transfer Transaction**").

2. The Approval Order provided for vesting in HLJ Pengcheng (as defined below) all the shares of Hanfeng Slow-Release Fertilizer Co., Ltd. (the **"Chinese Subsidiary**"), the Company's wholly-owned subsidiary in China upon the completion of the Share Transfer Transaction. A copy of the Approval Order is attached hereto as **Appendix "A"**.

3. Pursuant to an order issued by this Court on August 20, 2014 (the "**Appointment Order**"), Ernst & Young Inc. ("**EY**") was appointed as receiver and manager (the **"Receiver**") of the assets, undertakings and properties (the **"Properties**") of the Company, pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended. A copy of the Appointment Order is attached hereto as **Appendix "B"**.

4. The Appointment Order authorized the Receiver to, among other things:

   (a) take any necessary steps required to complete the Share Transfer Transaction;

(b) take possession of and exercise control over the Properties and any and all proceeds, receipts and disbursements arising out of, or from, the Properties;

(c) engage counsel and advisors from time to time to assist with the exercise of the Receiver's powers and duties; and

(d) seek Court approval of and conduct a procedure for the solicitation, determination and resolution of claims against the Company.

5. On July 24, 2015 and July 31, 2015, following an application by the Receiver, this Court issued two Orders (collectively, the "**Clarification Orders**"), which, among other things:

(a) confirmed the Receiver's power and authority to exercise the shareholder rights of Hanfeng with respect to the Chinese Subsidiary, including the replacement of Mr. Yu Xinduo ("**Mr. Yu**") with Mr. Hong Rong-Kai ("**Mr. Hong**") as the legal representative and a director of the Chinese Subsidiary;

(b) authorized the Receiver to take any necessary steps to assert its ownership of and effect control over the Chinese Subsidiary;

(c) required Mr. Yu to provide unfettered access for Mr. Hong and his designates to the Chinese Subsidiary's offices and facilities and to the Chinese Subsidiary's books and financial records;

(d) required Mr. Yu to surrender the chops and certain other business and legal documents of the Chinese Subsidiary to Mr. Hong and the Receiver;

(e) required Mr. Yu to provide full and timely cooperation to the Receiver with respect to the above tasks; and

(f) prohibited Mr. Yu, without the Receiver's approval, from executing any agreement with respect to the Chinese Subsidiary or causing it to make any payments.

Copies of the Clarification Orders are attached hereto collectively as **Appendix "C"**.

PURPOSE

6. The purpose of this fourth report of the Receiver (the "**Fourth Report**") is to report to the Court in respect of:

   (a) the status of the Share Transfer Transaction;

   (b) the Receiver's efforts to gain control of the Chinese Subsidiary;

   (c) the current status of the Chinese Subsidiary;

   (d) the commencement and status of the claim by the Receiver against, *inter alia*, Mr. Yu;

   (e) the commencement and status of a proceeding brought by New Pengcheng (as defined below) against Hanfeng, the Chinese Subsidiary and EY in China;

   (f) the Receiver's other activities; and

   (g) the current financial position of the Company.

7. The Fourth Report is organized as follows:

   (a) Terms of Reference;

   (b) General Background;

   (c) Update on the Share Transfer Transaction;

   (d) Update on Control over the Chinese Subsidiary;

   (e) Status of the Chinese Subsidiary;

   (f) Litigation Proceedings;

   (g) Summary of the Receiver's Other Activities; and

   (h) Hanfeng's Current Financial Position.

TERMS OF REFERENCE

8. In preparing the Fourth 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 from 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 the Fourth 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 the Fourth 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 the Fourth Report available on the Receiver's website at www.ey.com/ca/hanfeng.

9. The Receiver has previously filed with the court its first report dated September 12, 2014 (the "**First Report**"), the supplement to the first report dated September 22, 2014, the second report dated July 17, 2015 (the "**Second Report**") and the supplement to the second report dated July 22, 2015 and its third report dated September 25, 2015 (the "**Third Report**"). Copies of each of these reports are posted on the Receiver's website. Copies of the First Report with supplement, the Second Report and supplement (without appendices) and the Third Report (without appendices) are attached hereto as **Appendices "D", "E" and "F"**.

10. All monetary amounts contained herein are expressed in Canadian dollars, unless otherwise stated.

GENERAL BACKGROUND

Hanfeng and its Chinese Subsidiary

11. Hanfeng, through its wholly-owned subsidiaries, was a developer and producer of value-added fertilizers in the China. Hanfeng is incorporated under the laws of Ontario with its registered head office in Toronto.

12. Hanfeng has no independent operations and exists solely as a holding company for certain entities incorporated in China and, at the relevant times, were operating in China. By mid-August, 2014, the Company's principal remaining un-monetized asset was all the issued and outstanding shares of the Chinese Subsidiary (the "**Shares**"). The Chinese Subsidiary is a Wholly Foreign-Owned Enterprise ("**WFOE**") that was established and is registered in China.

13. In accordance with its articles of association, the board of the Chinese Subsidiary is required to have three directors. Until the board reorganization in June 2015 (described in greater detail below), the board consisted of the following members:

(a) Mr. Yu, founder and former CEO of the Company, who owns and controls approximately 20.4% of the Company's shares;

(b) Qi Zhida, General Manager of the Chinese Subsidiary; and

(c) a vacant seat.

14. On or about June 5, 2015, Mr. Guan Liu ("**Mr. Guan**") (a lawyer at Heilongjiang Honghui Law Firm ("**Honghui**"), the Receiver's Chinese counsel) was appointed to the Chinese Subsidiary's board of directors to fill the vacant seat.

15. Despite the Receiver's efforts described below, Mr. Yu remains both a director of the Chinese Subsidiary as well as the legal representative of the Chinese Subsidiary, a position that, under Chinese law, is responsible for the overall activities of the Chinese Subsidiary. The Chinese Subsidiary is managed by Mr. Yu and a team of individuals designated by him (collectively, the "**Local Management Team**"). The Local Management Team, by way of Mr. Yu's (as legal representative) delegation of

authority, controls the Chinese Subsidiary's business license, chop sets (which are company seals required for executing corporate documents and government registrations) and bank accounts.

16. As described in greater detail herein, notwithstanding the Clarification Orders, since the filing of the Third Report, the Receiver and its representatives have been unable to obtain any meaningful information from the Local Management Team with respect to the status of the Chinese Subsidiary, and also have been denied access to the Chinese Subsidiary's premises as well as its books and records. Based on the Receiver's investigations, substantial bank loans were taken out by the Chinese Subsidiary under Mr. Yu's authority. Mr. Yu, even after direct questioning by the Receiver, denied the existence of the loans and concealed from Hanfeng and the Receiver such indebtedness as well as other guarantees of indebtedness the Chinese Subsidiary had provided in respect of other Chinese company's under Yu's control but not related to Hanfeng. The Receiver has not been able to identify any evidence to suggest that the Chinese Subsidiary ever received the cash proceeds or other benefit of any of these loans.

Share Transfer Transaction

17. On or about June 16, 2014, Mr. Yu and Ms. Lei Li[1] ("**Ms. Li**") forwarded to Hanfeng a letter of intent to effect the Share Transfer Transaction from an entity that identified itself with a Chinese name that translates into Heilongjian Pengcheng Fertilizer Co. Ltd ("**HLJ Pengcheng**"). Prior to entering into any definitive agreement with HLJ Pengcheng, the Company conducted due diligence, including obtaining an independent report from Deloitte LLP, in respect of HLJ Pengcheng.

18. During the subsequent eight weeks, the Company and HLJ Pengcheng negotiated the terms of a Share Transfer Agreement and related documents. Each of the Chinese language drafts of these documents prepared by HLJ Pengcheng continued to refer to the buyer using the same corporate name of the buyer referred to in paragraph 16.

[1] Ms. Lei Li is the spouse of Mr. Yu and a former director and officer of Hanfeng.

19. However, in preparing the execution versions of the Share Transfer Agreement on August 8, 2014, the name of the buyer was switched from the Chinese language translation of "Heilongjian Pengcheng Fertilizer Co. Ltd." to the Chinese language translation of "Harbin Pengcheng Fertilizer Co. Ltd." ("**New Pengcheng**"). An English language translation of the Share Transfer Agreement is attached hereto as **Appendix "G".**

20. Unlike HLJ Pengcheng, a well-established company active in Heilongjiang Province of China, New Pengcheng appears to be a shell company with no operations that was only registered on August 4, 2014 (4 days before signing of the Share Transfer Agreement) and in respect of which very limited information is available to the public.

21. As discussed in the Second and Third Reports, the Receiver has significant skepticism over the New Pengcheng's purported identity, intent and ability to ever close the Share Transfer Transaction.

22. The Share Transfer Agreement provides that the total purchase price for all of the Shares is RMB 248 million (approximately $49.6 million), of which cash consideration is RMB 198.4 million. Set out in the table below is a summary of the timing and amount of the payments and consideration provided for in the agreement.

Description	**Amount**	**Time**
5% of the total purchase price	RMB 12,400,000	Within 7 business days of the date of the Share Transfer Agreement
15% of the total purchase price	RMB 37,200,000	Within 10 business days of the Court approval of the Share Transfer Transaction
60% of the total purchase price	RMB 148,800,000	Within 10 days upon closing of the Share Transfer Transaction
Total Cash Consideration	**RMB 198,400,000**	
20% of the total purchase price in promissory note to be assigned to Mr. Yu on account of approximately 20.4% of the Company's shares owned or controlled by Mr. Yu	RMB 49,600,000	Within 10 days upon closing of the Share Transfer Transaction
Total Purchase Price	**RMB 248,000,000**	

23. New Pengcheng paid the 5% deposit amount (the "**Deposit**") due in connection with the execution of the Share Transfer Agreement on August 28, 2014, being 9 days after it was due under the terms of the Share Transfer Agreement, but failed to make the 15% interim payment (the "**Interim Payment**") due on September 3, 2014, and failed to make any subsequent payments.

24. As described in the First and Second Report, the failure to make the Interim Payment was initially attributed to issues arising from the requirement for the Chinese regulatory authorities to authorize foreign exchange payments being remitted out of China.

25. In order to advance the Share Transfer Transaction and address the obstacles being raised by New Pengcheng regarding local regulatory requirements, after extensive negotiations, the Receiver subsequently agreed with New Pengcheng that the Interim Payment could be paid by it into escrow with a Chinese bank, and accordingly the parties entered into an escrow agreement (the "**Escrow Agreement**") dated February 13, 2015. Under the terms of the Escrow Agreement, New Pengcheng was required to deposit the Interim Payment within five days into an account (the "**Escrow Account**") at Minsheng Bank (the "**Escrow Bank**") under New Pengcheng's name. Although an account was opened by New Pengcheng at the Escrow Bank, the Interim Payment was not deposited when required under the Escrow Agreement.

26. On March 23, 2015, following numerous demands being made by the Receiver, New Pengcheng committed to a new timeframe for the deposit of the Interim Payment into the Escrow Account. New Pengcheng made deposits in the aggregate amount of RMB 10 million between April 3, 2015 and April 27, 2015 (the "**Escrow Funds**"). The remainder of the Interim Payment in the amount of RMB 27 million was due on April 30, 2015, but was never deposited.

27. The Receiver, with the assistance of its Chinese counsel and advisors, began investigations in China as a result of the numerous and ongoing breaches by New Pengcheng under the Share Transfer Agreement and the Escrow Agreement. As the

investigations progressed, the Receiver uncovered concerning information about the real identity of the New Pengcheng, the Chinese Subsidiary's status and the potential linkage between Mr. Yu and New Pengcheng (as described in detail in the Second and Third Reports and further below).

28. As a result of these findings and its concerns, as well as the lack of trust in New Pengcheng that was created by this course of action, the Receiver, in consultation with its Canadian and Chinese counsel, concluded that it should adhere strictly to the timing of the payment structure in the Share Transfer Agreement and it should not accede to further departures from its terms. Accordingly, the Receiver insisted that applications for regulatory approval be made only after New Pengcheng had rectified its various breaches, including depositing the remainder of the Interim Payment in the Escrow Account in accordance with the Escrow Agreement. In parallel, the Receiver, in accordance with the orders of this Court, also took further steps to attempt to gain control over the Chinese Subsidiary as discussed further herein.

29. As described in the Third Report, the Receiver was informed that starting in the week of July 13, 2015, New Pengcheng had repeatedly contacted the Escrow Bank requesting the Escrow Bank return the Escrow Funds to New Pengcheng.

30. On July 22, 2015, the Receiver received from New Pengcheng an email, which, among other things, alleged that the Receiver was responsible for the delay of the Share Transfer Transaction. On July 28, 2015, New Pengcheng sent another email, which repeated its previous allegations and demanded the return of all payments previously made, being the Deposit and the Escrow Funds.

31. The Receiver rejected New Pengcheng's allegations the Receiver had failed to meet its obligations in any way. The Receiver obtained a legal opinion from Honghui confirming the Receiver's entitlement to the Deposit under the Share Transfer Agreement and in accordance with Chinese law. A copy of the legal opinion together with its translation is attached hereto as **Appendix "H"**.

32. On July 28, 2015, the Escrow Bank sent a notice notifying the parties to the Escrow Agreement, including the Receiver that the Escrow Agreement was to be terminated

effective August 4, 2015. The notice did not, however, provide details as to how the Escrow Funds would be released. Article 8.5 of the Escrow Agreement provides that "on the termination date for the escrow, the Escrow Bank shall deal with the balance of the escrow amount in accordance with the instructions in the written notice jointly issued by the buyer and the seller". (emphasis added)

33. The Receiver informed the Escrow Bank and New Pengcheng that it would not consent to the designation of a successor account under the Escrow Agreement or release of the Escrow Funds back to New Pengcheng. The Receiver also instructed Mr. Yu that he was not to authorize or cause any change to the Escrow Funds without written instructions from the Receiver.

34. Despite the Receiver's clear instructions to Yu and the Escrow Bank, the Receiver's Chinese counsel found Mr. Yu had provided written consent on behalf of Hanfeng (which he was not authorized to do) to the Escrow Bank, resulting in the Escrow Funds being released back to New Pengcheng in August 2015.

Control of Chinese Subsidiary

35. As noted in the Second Report, the Chinese Subsidiary is managed by the Local Management Team under Mr. Yu's supervision. Although Mr. Yu advised on several occasions the Chinese Subsidiary had been dormant since around April 2014, the Receiver became increasingly concerned about the status of the assets of the Chinese Subsidiary (the "**Heilongjiang Assets**") due to:

(a) the Chinese Subsidiary incurring significantly more disbursements than what would be expected for a dormant manufacturing facility;

(b) the absence of any meaningful cooperation from Mr. Yu, Ms. Li and the Local Management Team and their continuing refusal to provide detailed supporting information for the disbursements;

(c) financial and operational information received by the Receiver being inadequate and inconsistent with explanations and supporting collaborative information; and

(d) discovery of lawsuits related to undisclosed loans of the Chinese Subsidiary that were concealed from the Company and Receiver and subsequent settlements entered into by the Chinese Subsidiary without the Receiver's knowledge or agreement. Under these settlements, the Chinese Subsidiary is obligated to pay to China Industrial Bank ("**Industrial Bank**") approximately RMB 161 million in principal and interest (approximately $32 million) (the "**Industrial Bank Settlements**") (all as described in greater detail in the Second Report).

36. As discussed in the Second Report, in order to preserve the Heilongjiang Assets, in June 2015, the Receiver undertook to reorganize the board and management of the Chinese Subsidiary by appointing:

(a) Mr. Guan Liu as a director of the Chinese Subsidiary to fill the vacancy in the Chinese Subsidiary's board;

(b) Mr. Hong[2] as the legal representative and a director of the Chinese Subsidiary to replace Mr. Yu; and

(c) an associate of Mr. Hong as a director to replace the third director.

UPDATE ON THE SHARE TRANSFER TRANSACTION

37. The Receiver remained intent on completing the Share Transfer Transaction. However, concerns mounted over New Pengcheng's ability and intent to complete the Share Transfer Transaction, as well as the real identity of New Pengcheng and Mr. Yu's role in the entire transaction in light of the following:

[2] Mr. Hong is a Canadian citizen who received his PhD degree from the University of Toronto. The Receiver understands Mr. Hong has extensive experience in restructuring, general management and operation management from his previous employment with several multinational companies. The Receiver is advised that Mr. Hong founded four companies (one in China, two in Taiwan and one in Toronto) and has provided freelance advisory services to a wide variety of clients. Mr. Hong is familiar with the transactional environment in China.

(a) New Pengcheng's continued failure to meet its obligations under the Share Transfer Agreement and Escrow Agreement;

(b) despite the Receiver's express instructions not to authorize or cause any change to the Escrow Funds, Mr. Yu provided written consent to the Escrow Bank for the release of the Escrow Funds back to New Pengcheng;

(c) misrepresentations by Mr. Yu and Ms. Li about the true identity and corporate history of New Pengcheng (as discussed further herein);

(d) the discovery of substantial undisclosed bank loans of the Chinese Subsidiary, which far exceeds the purchase price for the Share Transfer Transaction (as discussed further herein); and

(e) a lawsuit commenced by New Pengcheng against Hanfeng, the Chinese Subsidiary, Mr. Yu and EY in its personal capacity seeking to terminate the Share Transfer Agreement and the return of the Deposit that it had paid previously in the amount of RMB 12.4 million (as discussed further herein).

38. Based on the foregoing, the Receiver no longer has any remaining belief that New Pengcheng has the financial resources or desire to close the Share Transfer Transaction, or that the Share Transfer Transaction can be completed.

39. The Receiver believes that New Pengcheng's numerous and continuous breaches of the Share Transfer Agreement are the sole cause for the failure to close the Share Transfer Transaction. The Receiver also continues to believe that it is entitled to keep the Deposit pursuant to the Share Transfer Agreement.

40. In the Second and Third Reports, the Receiver advised this Court that it was critical to the estate to further both the investigation activities and efforts to preserve the assets of the Chinese Subsidiary. In the Third Report, the Receiver advised this Court that the remaining funds in the estate, including a portion or all of the Deposit, would be used by the Receiver to fund the next steps outlined in the Report. This Court approved the Third Report by an Order dated October 5, 2015, a copy of which is attached hereto as **Appendix "I"**. In accordance with this Order, the Receiver has

continued to use the Company's remaining funds, including the Deposit, to fund the various activities as further described herein.

UPDATE ON CONTROL OVER THE CHINESE SUBSIDARY

41. Mr. Guan's appointment as director was approved on August 18, 2015, by Harbin Administration of Industry and Commerce ("**HAIC**"), upon a review of the translation of the Clarification Orders.

42. In the Third Report, the Receiver reported it was in the process of preparing the submissions to HAIC for the registration of Mr. Hong as legal representative and a director of the Chinese Subsidiary. Despite the Clarification Orders and repeated demands by the Receiver and its representatives, Mr. Yu and the Local Management Team have refused to provide cooperation, including:

    (a) refusing to sign/seal certain documents necessary for a submission to register Mr. Hong as the legal representative and director of the Chinese Subsidiary and refusing to surrender the chops, bank tokens or other business documents;

    (b) failing to provide financial information and records of the Chinese Subsidiary; and

    (c) refusing to accommodate access to the Chinese Subsidiary's facility; in particular, Mr. Hong and Mr. Guan were denied entry to the Chinese Subsidiary's facility by security during the weeks of July 27, 2015 and June 6, 2016.

43. With respect to the replacement of Mr. Yu as the Chinese Subsidiary's legal representative, Honghui and Mr. Hong engaged in numerous discussions with HAIC, and learned that HAIC was not prepared to process the submissions without the documents being signed/sealed by Mr. Yu and the Chinese Subsidiary.

44. In order to address the non-cooperation of Mr. Yu and the Local Management Team, the Receiver, with assistance of Honghui, applied to the Harbin Intermediate People's

Court in Heilongjiang Province, China (the "**Harbin Court**") in November 2015, seeking, among other things,

(a) recognition of the Appointment Order and Clarification Orders; and

(b) endorsement of the Receiver's authority to exercise certain shareholder rights on behalf of Hanfeng in respect of the Chinese subsidiary, including changing the legal representative of the Chinese Subsidiary.

45. However, the Harbin Court was not prepared to hear the Receiver's application based on its review of the aforementioned Orders issued by this Court.

46. The Receiver, with assistance of Honghui and Mr. Hong, has also had several discussions with the banks of the Chinese Subsidiary, but without the cooperation of Mr. Yu, as legal representative, or the Local Management Team, has only been able to obtained limited information with respect to the Chinese Subsidiary (as further discussed below).

47. Since the filing of the Third Report, the Receiver has not been able to obtain any meaningful information from Mr. Yu and the Local Management with respect to the Chinese Subsidiary. There has also been no significant progress in effecting control over the Chinese Subsidiary and appointing Mr. Hong as the legal representative.

STATUS OF THE CHINESE SUBSIDIARY

48. Following the discovery of the Industrial Bank Settlements, the Receiver, with assistance of its Chinese counsel and Mr. Hong, uncovered additional bank loans of the Chinese Subsidiary which had been concealed from Hanfeng and the Receiver. The Receiver's further investigations reveal the Chinese Subsidiary has been carrying a significant amount of undisclosed indebtedness since long before the receivership proceedings.

49. According to information from the Corporate Credit Information Centre of the People's Bank of China (the central bank of China), the indebtedness of the Chinese Subsidiary amounted to over RMB 438 million (approximately $87.6 million) as of

March 31, 2016, which far exceeds the Chinese Subsidiary's available cash, as at June 30, 2015, of RMB 74 million (or the equivalent of $14.4 million) as reported by the Local Management Team. The Chinese Subsidiary has defaulted under certain of these bank loans, resulting in seizure and recovery actions being initiated in China by its lenders such as the Industrial Bank.

LITIGATION PROCEEDINGS

50. As a result of the issues discussed above with respect to the Share Transfer Transaction and control over the Chinese Subsidiary, the Receiver has become involved in two legal proceedings, both of which remain ongoing:

(a) the Receiver's action against Mr. Yu and Ms. Li in Canada; and

(b) the proceeding brought in China by New Pengcheng against Hanfeng, the Chinese Subsidiary, Mr. Yu and EY (the "**New Pengcheng Proceeding**").

Receiver's Action

51. On March 22, 2016, the Receiver commenced a claim (the "**Receiver's Action**") in the Ontario Superior Court of Justice against Mr. Yu and Ms. Li. Among other things, the Statement of Claim alleges Mr. Yu breached his fiduciary duties to Hanfeng and the Chinese Subsidiary by taking out a series of loans on behalf of the Chinese Subsidiary, which proceeds he converted for his own use or otherwise improperly dissipated from the Chinese Subsidiary, and/or were received by Ms. Li. In addition, the Statement of Claim alleges that Mr. Yu and Ms. Li fraudulently represented the true identity and corporate history of New Pengcheng.

52. In the Receiver's Action, the Receiver claims restitution or damages in the total amount of Canadian currency sufficient to purchase RMB 865,600,000 for breach of fiduciary duty, fraud, conversion, unjust enrichment, knowing assistance and knowing receipt and fraudulent misrepresentation and seeks a declaration that all monies belonging the Chinese Subsidiary and wrongfully obtained by Mr. Yu and/or Ms. Li are subject to a constructive trust in favor of the Receiver. The Receiver also asserts a claim for aggravated, exemplary and punitive damages in the amount of

$500,000 and special damages in an amount to be determined in advance of trial for costs associated with the Court approval and monitoring of the Share Transfer Agreement, delays to the Share Transfer Transaction and the costs to investigate Mr. Yu and Ms. Li's activities and to try and preserve the Chinese Subsidiary's assets.

53. After the Receiver delivered two responses to the defendants' Demand for Particulars, on January 5, 2017, Mr. Yu and Ms. Li delivered a defence to the action. The Statement of Defence broadly denies the allegations of the Receiver and claims certain allegations fail to disclose a cause of action against Mr. Yu and Ms. Li.

54. The next steps in this proceeding are expected to be as follows:

(a) the Receiver intends to file a reply to the Statement of Defence and has been given an indulgence with respect to service and filing. Accordingly, at this time pleadings are not closed;

(b) the defendants have stated they may file a motion to strike certain aspects of the Receiver's claim with respect to Ms. Li, but as of the date of this report, have not yet done so; and

(c) once pleadings have closed, a timetable will be established for discovery.

New Pengcheng Proceeding

55. On or about August 3, 2015, New Pengcheng commenced an action against Hanfeng, the Chinese Subsidiary, Mr. Yu and EY in its personal capacity in the Harbin Court, seeking to terminate the Share Transfer Agreement and the return of the Deposit that it had paid previously in the amount of RMB 12.4 million.

56. On February 15, 2017, the Harbin Court released its decision (backdated to December 29, 2016). Among other things, the decision included the following:

(a) the termination of the Share Transfer Agreement;

(b) the requirement for Hangfeng to return the deposit, plus interest, to the Purchaser; and

(c) a finding that EY, in its personal capacity, was not a party to the Share Transfer Agreement and not personally liable for the return of the deposit.

57. The Receiver does not believe that the Harbin Court reached the appropriate result with respect to the termination of the Share Transfer Agreement and the requirement for Hangfeng to return the deposit.

58. In forming its judgment, the Harbin Court held that the Share Transfer Agreement was entered into lawfully, but was ineffective, and therefore not binding upon the parties on account of the ultimate failure to obtain certain regulatory approval concerning foreign investment entities (the "**FIE Approval**"). The Receiver takes issue with this conclusion as, among other things, its Chinese counsel, Honghui, has advised that the proper interpretation of applicable Chinese law is that a lawfully established contract is legally binding on the parties regardless of whether such FIE Approval was obtained, in particular, the parties should be bound by the contractual obligations in respect of the steps towards applying for the FIE Approval.

59. In addition, the Harbin Court based its decision, in part, on Hanfeng's failure to apply for the FIE Approval. However, the Harbin Court failed to consider that Hanfeng was willing to apply for the FIE Approval, but did not do so as a result of New Pengcheng breaching its obligations pursuant to the terms of the Share Transfer Agreement, including payment of the required deposit, on numerous occasions.

60. The Receiver takes the position that these, and other grounds, constitute reasonable grounds to appeal the decision and intends to appeal same.

61. In order to appeal, Hanfeng is required to file written submissions within 30 days of formally receiving the Harbin Court's decision and make a payment to the court. At the time of this report, the Receiver has instructed Honghui to file the appeal submissions. Honghui has advised the Receiver that it may take three to five months before the appeal is decided.

SUMMARY OF THE RECEIVER'S OTHER ACTIVITES

62. In addition to the activities described above, since the filing of the Third Report, Receiver has taken various steps pursuant to the Appointment Order as detailed below:

(a) responded to inquiries from stakeholders;

(b) consulted certain stakeholders as appropriate with respect to the Share Transfer Transaction and Chinese Subsidiary; and

(c) suspended disbursements except for funding Chinese counsel and expenses related to the litigation activities in China in order to preserve liquidity.

THE COMPANY'S CURRENT FINANCIAL POSITION

63. As described in the Second Report, the Receiver has received 17 non-equity claims with a total face value of $4,307,663 and 2 late claims for a total amount of $17,863 in the Claims Process.

64. The Receiver currently holds funds in the amount of CA$2,037,485 and US$7,901 in respect of the receivership of Hanfeng.

65. At the time of this Report, outstanding professional fees and disbursements are estimated at $525,000 before HST.

66. As described in more detail above, given the current status of the Share Transfer Transaction and that it is unlikely to proceed further, the Receiver intends to:

(a) proceed with pursuing the litigation as against Mr. Yu and Ms. Li in Canada; and

(b) proceed with the appeal of the Chinese Court decision in China in respect of the New Pengcheng lawsuit.

67. The Receiver, therefore, intends to return to this Court in the near future to seek approval of its activities and for payment of the Receiver's and Canadian counsel's

outstanding professional fees and disbursements in accordance with the Appointment Order.

All of which is respectfully submitted this April 4th, 2017

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

Per:

Murray A. McDonald
President

This is **Appendix "J"**
to the Fifth Report of the Receiver
dated July 11, 2017

CV-16-11325-00CL
Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

ERNST & YOUNG INC.
in its capacity as Court Appointed Receiver
of HANFENG EVERGREEN INC.

Plaintiff

- and -

YU XINDUO and LEI LI

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and $4,000.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and $400.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March 22, 2016

Issued by ______________________
Local registrar

Address of court office
330 University Avenue
7th Avenue
Toronto, Ontario

TO: YU XINDUO
306 Russell Hill Road
Toronto, ON M4V 2T6

LEI LI
306 Russell Hill Road
Toronto, ON M4V 2T6

CLAIM

1. The plaintiff claims:

   (a) as against the Defendant, Yu Xinduo ("**Yu**"):

      (i) restitution or damages, in the amount of Canadian currency sufficient to purchase Chinese Yuan Renminbi (RMB) 630,000,000 for breach of fiduciary duties owed to Hanfeng Evergreen Inc., fraud, conversion or unjust enrichment;

      (ii) damages for breach of fiduciary duty in an amount of Canadian currency sufficient to purchase RMB 235,600,000;

   (b) as against the Defendant, Lei Li ("**Lei**"):

      (i) restitution or damages, in the amount of Canadian currency sufficient to purchase RMB 630,000,000 for knowing assistance and knowing receipt;

   (c) as against both Defendants, jointly and severally:

      (i) damages for fraudulent misrepresentation in an amount of Canadian currency sufficient to purchase RMB 235,600,000;

      (ii) a declaration that all monies belonging to Hanfeng Slow-Release Fertilizer Co., Ltd. and wrongfully obtained by Yu and/or held by Lei are held in a constructive trust in favour of the Plaintiff;

      (iii) aggravated, exemplary and punitive damages in the amount of $500,000;

      (iv) special damages in an amount to be determined in advance of trial, for costs, including but not limited to those incurred by the Plaintiff in connection with Court approval and monitoring of the Share Transfer Agreement (defined below) and in connection with the delays to the Share Transfer Transaction (defined below) caused by Yu and Lei as well to investigate the activities of Yu and Lei and to preserve the assets of Hanfeng Slow-Release Fertilizer Co., Ltd.;

(v) the costs of this action plus applicable taxes;

(vi) prejudgment and postjudgment interest pursuant to the *Courts of Justice Act*, RSO 1990, c C.43 (***"CJA"***); and

(vii) such further relief and other relief as counsel may advise and this Honourable Court deem just.

Parties

2. Hanfeng Evergreen Inc. ("**Hanfeng**") is incorporated under the laws of Ontario with its registered head office in Toronto. Through its wholly-owned subsidiaries, Hanfeng was a developer and producer of value-added fertilizers in the People's Republic of China ("**China**"). Hanfeng has no independent operations and exists solely as a holding company for certain operating entities located in China.

3. Hanfeng Slow-Release Fertilizer Co., Ltd. ("**Hanfeng China**") provides slow-release fertilizer products for landscaping projects and agriculture in China. Hanfeng China is a wholly-owned subsidiary of Hanfeng.

4. Yu is a resident of Ontario and is the founder and former CEO of Hanfeng, who owns and controls approximately 20.4% of Hanfeng's shares. At all material times, Yu was a director of Hanfeng. Yu is also the legal representative of Hanfeng China, a position that makes Yu responsible for the overall activities of Hanfeng China under Chinese law.

5. Lei is the spouse of Yu, is a resident of Ontario and is a former director and officer of Hanfeng.

6. Ernst & Young Inc. is a professional services firm and was appointed as receiver and manager of Hanfeng (the "**Receiver**") on August 20, 2014 pursuant to an Order under section 101 of the *CJA* and in that capacity brings this action on behalf of Hanfeng and creditors of Hanfeng.

Overview

7. On or about August 8, 2014, Hanfeng entered into a share transfer agreement pursuant to which a purchaser would purchase its shares of Hanfeng China. Unbeknownst to Hanfeng, Yu and Lei fraudulently misrepresented the identity and corporate history of the purchaser with the result that Hanfeng believed it was entering into the share transfer agreement with an established and reputable company, when in fact the purchaser was a shell corporation established and controlled by Yu.

8. Prior to the appointment of the Receiver and during his tenure as a director of Hanfeng, Yu breached his fiduciary duties to Hanfeng and his duties to Hanfeng China by taking out a series of loans on behalf of Hanfeng China, the proceeds of which he converted for his own use or otherwise improperly dissipated to the detriment of Hanfeng and Hanfeng China.

9. Following the appointment of the Receiver, Yu continued to breach his duties to Hanfeng and Hanfeng China by frustrating the efforts of the Receiver to close the share transfer agreement, hindering the appointment of a new legal representative for Hanfeng China and improperly retaining and dissipating Hanfeng China property, all in breach of orders of this Court.

Background

The Share Transfer Agreement

10. In June 2014, Yu and Lei forwarded a letter of intent dated June 16, 2014 to the Board of Directors of Hanfeng (the "**Board**") on behalf of a potential purchaser (the "**Purchaser**") expressing interest in acquiring Hanfeng China from Hanfeng (the "**Letter of Intent**"). The Letter of Intent was purportedly authored by Heilongjiang

Pengcheng Fertilizer Co., Ltd. ("**HLJ Pengcheng**"), a well-known, well-capitalized and reputable fertilizer company in China. Yu and Lei also represented to the Board that the Purchaser was HLJ Pengcheng and that the Purchaser was a third party purchaser at arm's-length to Hanfeng China.

11. The Board retained Deloitte LLP to conduct due diligence on HLJ Pengcheng and prepare a fairness opinion with respect to the proposed transaction.

12. On August 8, 2014, following negotiations, Hanfeng and the Purchaser entered into a share transfer agreement (the "**Share Transfer Agreement**") and certain related agreements pursuant to which Hanfeng agreed to transfer all its equity shares of Hanfeng China to the Purchaser in consideration for payment of RMB 248,000,000 (approximately C$50 million) (the "**Share Transfer Transaction**"). Eighty percent of the purchase price was payable in cash and 20% was payable by way of a non-interest bearing promissory note to be issued by the Purchaser in favour of Hanfeng.

13. As detailed below, Yu and Lei misrepresented and concealed the true identity of the Purchaser. Contrary to the Defendants' representation, the Purchaser was not HLJ Pengcheng (Heilongjiang Pengcheng Fertilizer Co. Ltd.), but rather was a shell corporation with a confusingly similar name, Heilongjiang Harbin Pengcheng Fertilizer Co. Ltd. ("**Harbin Pengcheng**"), set-up by Yu and others.

14. The Receiver later discovered that although the Letter of Intent was purportedly authored by HLJ Pengcheng and its negotiations were purportedly conducted with authorized representatives of HLJ Pengcheng, in fact HLJ Pengcheng had no knowledge of the Letter of Intent or the Share Transfer Agreement and had no involvement in the negotiations with Hanfeng.

The Receivership Proceedings

15. On August 20, 2014, Hanfeng commenced an application (the "**Application**") in the Ontario Superior Court of Justice seeking appointment of Ernst and Young Inc. as receiver and manager of the assets, undertakings and property of Hanfeng pursuant to section 101 of the *CJA* (the "**Receivership Proceedings**").

16. At the time of the Application, Hanfeng's principal asset was the issued and outstanding shares of Hanfeng China. According to Hanfeng, it was unable to continue business as a going concern due to the significant business issues with Hanfeng China. Hanfeng China had lost its business relationship with its single largest customer, had no prospect of reviving that relationship and faced insurmountable operational challenges, including a lack of demand for its products and deteriorating facilities, inventories and other assets.

17. On the Application, Hanfeng also sought and obtained an order approving the Share Transfer Agreement and Share Transfer Transaction and providing 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.

Purchaser Fails to Make Payments

18. Under the terms of the Share Transfer Agreement, the Purchaser was obligated to make payment of the purchase price as follows:

(a) 5% of the total purchase price within seven business days of the date of the Share Transfer Agreement (the "**Deposit**");

(b) 15% of the total purchase price within ten business days of the date of Court approval of the Share Transfer Agreement (the "**Interim Payment**");

(c) 60% of the total purchase price within ten days upon the closing of the Share Transfer Transaction; and

(d) 20% of the total purchase price in promissory note to be assigned to Yu (on account of approximately 20.4% of Hanfeng China's shares owned or controlled by Yu) within ten days upon the closing of the Share Transfer Transaction.

19. The Deposit was paid, albeit late, on August 28, 2014.

20. The Purchaser failed to make the Interim Payment that was due on September 3, 2014 pursuant to the Share Transfer Agreement. The Purchaser initially blamed the failure to make the Interim Payment on its inability to obtain timely regulatory approvals required under Chinese law to procure and export foreign currency from China.

21. In the face of the Purchaser's failure to meet its payment obligations and given Yu's involvement in dealing with the Purchaser prior to the Receivership Proceedings, the Receiver engaged Yu to, among other things, facilitate communication with the Purchaser.

22. On February 11, 2015, in a good faith attempt to solve the purported regulatory issues and facilitate payment of the balance of the purchase price under the Share Transfer Agreement, the Receiver authorized Yu, on behalf of the Receiver, to enter into an escrow agreement (the "**Escrow Agreement**") with the Purchaser pursuant to which the Purchaser agreed to make the outstanding payments under the Share Transfer Agreement.

23. The Purchaser failed to make the payments required under the Escrow Agreement. The Receiver was initially informed by the Purchaser that the delay in funding the escrow account was caused by its office closure during the Chinese New Year holiday season between February 14 and March 6, 2015. However, the Purchaser later advised it was unable to make the Interim Payment on time due to its tight liquidity related to the seasonality of its business, and requested an extension of time to meet its obligations under the Escrow Agreement.

24. After numerous discussions, on March 23, 2015 the Purchaser committed to a new timeframe to fund the Interim Payment in three installments by April 30, 2015. The Purchaser again failed to meet this commitment.

Receiver's Continued Efforts to Close the Share Transfer Transaction

25. Notwithstanding the Purchaser's continued failure to meet its payment obligations under the Share Transfer Agreement, the Receiver made continued efforts to move the Share Transfer Transaction forward, including:

(a) engaging in extensive discussions with the Purchaser and Yu by phone and email in order to break through the purported impasse;

(b) meeting with Yu in person in Toronto on December 22, 2014 and May 4, 2015;

(c) requesting an in-person meeting with the Purchaser (the Purchaser requested to meet in Toronto, but subsequently advised that its representatives' visa applications were rejected by the Canadian Embassy in Beijing);

(d) requesting an in-person meeting in China, to which the Purchaser did not respond; and

(e) sending a letter dated May 22 to the Purchaser demanding the Purchaser fulfill its obligations under the Share Transfer Agreement and the Escrow Agreement.

New Information Concerning Identity of the Purchaser

26. During the course of its efforts to close the Share Transfer Transaction, the Receiver learned that contrary to the representations of Yu and Lei, the party it had been dealing with as Purchaser was not HLJ Pengcheng but rather was Harbin Pengcheng, a shell company with a confusingly similar name that is controlled by Yu.

27. Unlike HLJ Pengcheng, which is a well-established company, Harbin Pengcheng is not an operating company and was only registered on August 4, 2014 – four days before the Share Transfer Agreement was signed.

28. The Receiver further discovered that there is no connection whatsoever between HLJ Pengcheng and Harbin Pengcheng.

29. At all material times, Yu and Lei misrepresented the identity of the Purchaser and concealed Yu's personal connection to Harbin Pengcheng.

Yu Dissipates Hanfeng China's Assets

30. During the course of the Receivership Proceedings, Yu advised and assured the Receiver that Hanfeng China's operations had been dormant since April 2014. However, the Receiver discovered that between August 2014 and June 2015, Hanfeng China incurred millions of RMB in expenses, significantly more than would be expected for a nonproducing manufacturing facility (the "**Dissipated Funds**").

31. Despite requests from the Receiver and in breach of his obligations as legal representative and orders of this Court, Yu has refused to provide the Receiver with Hanfeng China's financial records and access to Hanfeng China's bank accounts. As a result, the Receiver has been unable to ascertain what happened to the Dissipated Funds, but it appears that Yu has absconded with them.

32. At least RMB 27 million has been dissipated from Hanfeng China during this period and the Receiver is concerned that the amount of the Dissipated Funds continues to grow.

33. The Receiver also discovered that under the control and direction of Yu, including while the company was purportedly dormant, Hanfeng China obtained approximately RMB 600,000,000 through various loans and other agreements as follows:

(a) RMB 170 million from the Harbin Branch of Industrial Bank Co., Ltd;

(b) RMB 220 million from China Construction Bank;

(c) RMB 190 million from China Merchants Bank;

(d) RMB 20 million from the Bank of East Asia (collectively the "**Loans**")

34. None of the Loans are reflected in the internal financial statements of Hanfeng China, and Yu has denied the existence of the Loans.

35. While the Receiver has determined based on available information that approximately RMB 600 million was borrowed by Hanfeng China under the Loans, none of the borrowed funds are (or ever have been) held by Hanfeng China. Due to Yu's actions, the Receiver has been unable to ascertain precisely what happened to these funds, but it appears that Yu has absconded with them.

36. The Loans are in default and remain outstanding liabilities for Hanfeng China. Lawsuits have been filed against Hanfeng China for recovery of the defaulted loan amounts.

Yu's Obligations

37. Yu was a member of the Board beginning in 2003. As a member of the Board, Yu owed Hanfeng fiduciary duties, including but not limited to a duty to act in good faith in the best interest of Hanfeng. Yu is also the legal representative of Hanfeng China, with responsibility under Chinese law for the administration of the company in accordance with its corporate purpose and authority to act on behalf of the company, e.g., to enter into third party transactions and other agreements.

38. In breach of his fiduciary duties to Hanfeng and his duties as legal representative of Hanfeng China, Yu failed to cooperate with the Receiver and failed to provide the Receiver with operational and financial information as requested.

39. In May 2015, as a result of Yu's failure to cooperate with the Receiver, the Receiver's ongoing investigation regarding Yu's connection to Harbin Pengcheng and concerns about deterioration of Hanfeng China's assets, the Receiver took steps to remove Yu as the legal representative and a director of Hanfeng China. Yu refused to cooperate with the Receiver's steps to register a new legal representative.

40. On July 24, 2015, in the course of the Receivership Proceedings, the Honourable Mr. Justice Conway ordered Yu to provide full and timely cooperation to the Receiver

including, but not limited to, providing the new legal representative with unfettered access to Hanfeng China's offices, facilities, books and financial records (the "**July 24th Order**").

41. On July 31, 2015, in the course of the Receivership Proceedings, the Honourable Mr. Justice Hainey further ordered Yu to provide full and timely cooperation to the Receiver including, but not limited to, surrendering of all of Hanfeng China's chops, and surrendering all of Hanfeng China's corporate licenses, certificates and registrations (the "**July 31st Order**").

42. Despite numerous requests, and in breach of both the July 24th Order and the July 31st Order, Yu has refused to co-operate with the appointment of a new legal representative, refused to provide the Receiver with access to the books and records of Hanfeng China, including financial records, bank accounts and loan information, excluded the Receiver's representatives from physically accessing Hanfeng China's facilities and otherwise prevented the Receiver from exercising any of the rights inherent in Hanfeng's ownership of Hanfeng China.

43. Yu has offered a number of purported excuses and justifications for Harbin Pengcheng's delay closing the Share Transfer Transaction and his own failure to co-operate with the Receiver. The explanations provided are not credible and are inconsistent with information gathered in the course of the Receivership Proceeding.

Breach of Fiduciary Duties

44. Yu breached his fiduciary duties to Hanfeng by misrepresenting the identity of the Purchaser in an attempt to secure Hanfeng China's assets for his own personal benefit. Yu further breached his fiduciary duties by frustrating the Receiver's efforts to protect Hanfeng China's assets for the benefit of Hanfeng and its shareholders while simultaneously dissipating Hanfeng China's assets for his personal gain. Hanfeng has suffered damages, the full particulars of which will be provided prior to trial, for which Yu is liable as a result of his breaches of fiduciary duty detailed herein.

Deceit and Fraudulent Misrepresentation

45. Despite his legal and/or equitable obligations to Hanfeng, Yu fraudulently misrepresented the identity of the Purchaser and actively concealed material facts about the true identity of the Purchaser and Yu's relationship to the Purchaser, all with intent to induce Hanfeng to enter into the Share Transfer Agreement, thereby injuring Hanfeng or knowing that injury was likely.

46. Lei fraudulently misrepresented the identity of the Purchaser and actively concealed material facts about the true identity of the Purchaser and Yu's relationship to the Purchaser, all with intent to induce Hanfeng to enter into the Share Transfer Agreement, thereby injuring Hanfeng or knowing that injury was likely.

47. Hanfeng entered into the Share Transfer Agreement with the Purchaser in reliance upon Yu and Lei's misrepresentations and as a result of their active concealment of material information.

48. Hanfeng has suffered damages, the full particulars of which will be provided prior to trial, for which Yu and/or Lei are liable as a result of the deceit or fraudulent misrepresentations committed by Yu and Lei and relied upon by Hanfeng and/or the Receiver as described herein.

Conversion

49. Yu caused Hanfeng China to spend or otherwise dissipate the Dissipated Funds, without any legitimate business purpose, thereby depriving Hanfeng of rightful possession. Yu further caused Hanfeng China to obtain the Loans, for which there was no legitimate business purpose, and absconded with the proceeds of the Loans, thereby depriving Hanfeng of rightful possession. Yu was not entitled to the benefit of any of the Dissipated Funds or the Loans.

50. Yu's subsequent transfer or use of the Dissipated Funds and the Loans amount to a conversion of funds for which Yu is liable.

Restitution

51. Yu has wrongfully obtained the funds advanced under the Loans and the Dissipated Funds. Yu is not entitled to these wrongfully obtained funds. The Receiver seeks restitution of all such amounts that Yu obtained.

Unjust Enrichment

52. Yu has been unjustly enriched by receipt of the funds advanced under the Loans and the Dissipated Funds, to the detriment of Hanfeng China and its sole shareholder Hanfeng. There is no juristic reason for Yu's enrichment since he has no legal or equitable right to these funds.

Knowing Assistance and Knowing Receipt

53. Lei knowingly received and retained the benefits of the Loans and Dissipated Funds, which Yu wrongfully obtained.

54. In addition, or in the alternative, Lei knowingly assisted Yu to wrongfully obtain the benefits of the Loans and the Dissipated Funds. Hanfeng has suffered harm as a result of Lei's knowing assistance and knowing receipt and is entitled to damages and/or restitution.

Punitive Damages

55. The misconduct of the Defendant as described herein has been high-handed, deliberate, officious and malicious as to justify an award of punitive damages.

Special Damages

56. In the circumstances described above, the Plaintiff is entitled to special damages for, *inter alia*, the cost of investigating the Defendants' conduct, costs associated with preserving Hanfeng China's assets in the face of Yu's dissipation thereof and costs incurred in Court approval and monitoring of the Share Transfer Transaction as well as costs incurred as a result of delays in closing that transaction.

57. The Receiver pleads and relies upon the *CJA*.

58. The Plaintiff proposes that this action be tried at Toronto.

March 22, 2016

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Plaintiff

and

Yu Xinduo et al.
Defendants

CV-16-11325-00CL
Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

STATEMENT OF CLAIM

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This is **Appendix "K"**
to the Fifth Report of the Receiver
dated July 11, 2017

Court File No.: CV16-11325-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

ERNST & YOUNG INC.
in its capacity as Court Appointed Receiver
of HANFENG EVERGREEN INC.

Plaintiff

-and-

YU XINDUO and LEI LI

Defendants

STATEMENT OF DEFENCE

A. INTRODUCTION

The nature of the claims being advanced in this case

1. This Statement of Defence is being filed in response to the Statement of Claim herein dated March 22, 2016 (hereinafter referred to as the "**SOC**") , as supplemented by the Plaintiff's Response to Demand for particulars dated June 15, 2016 ("**First Response**") and the Plaintiff's further Response to Demand for Particulars dated September 6, 2016 ("**Second Response**"). Cumulatively, the SOC, the First Response and the Second Response are referred to hereinafter as the "**Plaintiff's Pleadings**".

2. The Plaintiff's Pleadings seek to recover, among other things, damages equivalent to the cost required to purchase, in Canadian dollars, 235,000,000 and 630,000,000 Chinese Yuan Renmindi ("**RMB**"). At today's exchange rate these claims amount to $44,650,000 and $119,700,000 respectively. In addition, the Plaintiff seeks to recover punitive damages of $500,000 and unspecified special damages.

3. The above claims are based upon various causes of action advanced in different ways against the Defendants Xinduo Yu ("**Yu**") and Lei Li ("**Li**").

4. In substance, leaving aside the claims for punitive and special damages, the Plaintiff's claims fall into the following categories:

(1) **Damages against Yu and Li jointly**: These claims are based upon alleged fraudulent misrepresentations which the Plaintiff contends were made by Yu and Li in and before August 2014 regarding the identity of the purchaser in a Share Transfer Agreement ("**Share Transfer Agreement**") for the sale of the Plaintiff's shares in its wholly owned Chinese subsidiary, Hanfeng Slow-Release Fertilizer Co. ("**Hanfeng China**"). Said claims seek recovery of Canadian dollars in an amount sufficient to purchase 235,000,000 RMB, being the approximate difference between the purchase price in the Share Transfer Agreement and the deposit received to date by the Plaintiff under that agreement. These claims are advanced in paragraphs 10-29 and 45-48 of the SOC, as supplemented by the First and Second Responses.

(2) **Damages solely against Yu**: These claims are based upon the following causes of action alleged by the Plaintiff:

(a) breaches of fiduciary duty, conversion, unjust enrichment and restitution, for which the Plaintiff seeks recovery of Canadian dollars in an amount sufficient to purchase 635,000,000 RMB. These claims are advanced in paragraphs 30-36, 44 (b) and 49-52 of the SOC. In substance these claims are all based upon two basic assumptions, namely that according to the Plaintiff (i) Yu improperly caused Hanfeng China to dissipate "at least" 27,000,000 RMB for improper expenses and enter into 4 loans aggregating 600,000,000 RMB and (ii) Yu subsequently "absconded" with these funds.

(b) a further alleged breach of fiduciary duty seeking recovery in respect of the same 235,000,000 RMB referred to in paragraph 4(1) herein. This overlapping claim is based upon a contention in paragraph 44(a) of the SOC that the alleged misrepresentations by Yu also constituted a breach of his fiduciary duties to the Plaintiff.

(3) **Damages solely against Li**: This claim seeks recovery in respect of the same 635,000,000 RMB referred to in paragraph 4 (2) (a) above, based upon allegations that Li "knowingly assisted" Yu in the wrongful taking and/or "knowingly received" these funds. These claims are advanced in paragraphs 53-54 of the SOC.

5. As detailed hereinafter, the Plaintiff's claims are totally without merit.

The Defendants' position regarding the Plaintiff's Pleadings

6. The Defendants admit the allegations contained in paragraphs 2, 3, the first two sentences of paragraph 4, paragraphs 5, 6, 11, 12, 15, 16, 17, 19, the first sentence of paragraph 37, paragraphs 40, 57 and 58 of the SOC.

7. The Defendants deny the allegations contained in paragraph 1, the last sentence of paragraph 4, paragraphs 7-10, 13, 14, 18, 20-36, the last sentence of paragraph 37, and paragraphs 30-56 of the SOC.

The Parties

8. Hanfeng Evergreen Inc. ("**Hanfeng**") is incorporated under the laws of Ontario and has its head office in Toronto, Ontario. At all material times (a) Hanfeng had no independent operations and existed solely as a holding company for wholly-owned operating entities located in China, and (b) the business of Hanfeng was directed, managed and supervised by a Board of Directors ("**Board**") acting with the assistance, and on the advice of its external legal counsel (the Stikeman Elliot law firm) and the Receiver (after August 20, 2014) and numerous other professional advisors.

9. Hanfeng Slow-Release Fertilizer Co. Ltd. (**"Hanfeng China"**) is a wholly-owned subsidiary of Hanfeng, incorporated and operating in China in accordance with the laws, regulations, customs and practices of the People's Republic of China ("**PRC**"). Hanfeng appointed and supervised the Board of Directors and management team of Hanfeng

China. By August 20, 2014, Hanfeng China was the sole operating entity owned by Hanfeng.

10. On August 20, 2014, Ernst & Young Inc. was appointed receiver and manager of Hanfeng (the "**Receiver**") on application by Hanfeng, in part, to direct and oversee the sale by Hanfeng of its ownership interest in Hanfeng China to Heilongjiang Harbin Pengcheng Fertilizer Co. Ltd. ("**Harbin Pengcheng**").

11. Heilongjiang Pengcheng Fertilizer Co Ltd ("**Heilongjiang Pengcheng**") is the name of another entity which had been identified in earlier documentation, including the Letter of Intent referred to in paragraph 23 below.

12. One of the Plaintiff's contentions in this case is that this name was fraudulently changed in the Share Transfer Agreement by the Defendants prior to the above referenced Court Application (without the knowledge of the Plaintiff) to Harbin Pengcheng.

13. The Defendant Yu is a resident of Ontario and is a founder and director of Hanfeng. Yu owns and controls approximately 20.4% of Hanfeng shares. Although Yu was a member of the Board in 2014, from and after June 19, 2014, Yu did not participate in the due diligence and negotiations leading to Hanfeng's agreement to sell Hanfeng China to Harbin Pengcheng or the steps taken to implement the sale transaction as described below. The management and operation of Hanfeng China was not conducted by Yu but by local management, which was appointed by, and under the supervision and direction of, Hanfeng ("**Local Management**"). During the times material to the allegations in the SOC, Local Management was in possession of and controlled among other things the business and financial records and the chops and bank tokens of Hanfeng China.

14. The Defendant Li is the spouse of Yu and is a resident of Ontario. During the times material to the allegations in the SOC, Li was not a director, officer, or employee of, or advisor to, Hanfeng or Hanfeng China and did not participate in the decision-making or operations of either company. Li's sole connection with and involvement in the events which are the subject of this lawsuit was that from time to time, Li provided translation assistance on request to the only member of the Board who does not speak Chinese, Jonathan Pollack ("**Pollack**"). Occasionally, Li also transmitted documents to Hanfeng.

In addition, from time to time, Li provided translation assistance to her spouse, Yu, who does not speak or read English. In providing this assistance Li never made any misrepresentations to anyone. Throughout, her assistance was provided on an informal, ad hoc, and totally gratuitous basis.

Overview

15. Yu and Li made no representations regarding the identity and/or corporate history of the potential purchaser as alleged or at all, and to the extent they referred at all to the purchaser, they did so based upon their honest understandings and beliefs. In addition, contrary to what is alleged by the Plaintiff, the Defendants were not party to any scheme or trick to deceive Hanfeng or the Receiver by changing the name of the purchaser at the last minute.

16. Hanfeng entered into the Share Transfer Agreement with Harbin Pengcheng on or about August 8, 2014. This agreement was negotiated, accepted, and submitted for Court approval by the Independent Directors (as defined below) on the Board, acting with the assistance and on the advice of Hanfeng's Canadian and Chinese legal counsel, and other professional advisors.

17. The Independent Directors of Hanfeng and their professional advisors made such investigations and conducted such due diligence in regards to the potential purchaser as they deemed appropriate and necessary before entering into the Share Transfer Agreement with Hanfeng Pengcheng. Hanfeng then sought Ontario Court approval of the Share Transfer Agreement on August 20, 2016. By that time Hanfeng and its counsel were in fact aware that the party who had signed the Share Transfer Agreement was *Harbin* Pengcheng. Subsequently, Hanfeng affirmed the transactions and continued to deal with Harbin Pengcheng without objection. Ultimately, any alleged losses associated with this transaction were caused by decisions made and actions taken by Hanfeng itself for which the Defendants have no responsibility.

18. The claims and allegations made solely against Yu in paragraphs 1 (b) and (c) 30-36, 44(b), and 49-52 of the SOC are false. Yu denies any and all allegations made against him in respect of these matters. Moreover, these claims are unsupported by any pleading

of material facts and constitute bare, conclusory allegations. Said allegations are, by the Plaintiff's admission, purely speculation. Moreover, as pleaded, these paragraphs constitute an abuse of process, fail to disclose any cause of action, and should be struck out.

19. The claims and allegations made solely against Li in paragraphs 1(b) and (c), 53 and 54 of the SOC are false and are denied by Li in their entirety. Moreover, as pleaded these paragraphs disclose no reasonable cause of action, are frivolous, vexatious and an abuse of process. As such these claims and allegations should be struck out.

20. At all material times, Yu fulfilled any and all duties owed to Hanfeng and he cooperated with the Receiver as requested and complied with the Orders of the Court to the best of his ability.

B. THE JOINT CLAIMS OF FRAUDULENT MISREPRESENTATION AGAINST YU AND LI

The Share Transfer Agreement

21. With respect to the allegations contained in paragraphs 10-29, and 45-48 of the SOC, Yu and Li deny that they misrepresented or concealed the true identity of the purchaser as alleged or at all and put the Plaintiff to the strictest proof thereof. Yu and Li specifically deny that they made any misrepresentations regarding the identity and/or corporate history of the potential purchaser as alleged in the SOC and the particulars provided in the First Response and Second Response.

22. The Defendants plead that in early June 2014, a potential purchaser contacted Local Management of Hanfeng China regarding its interest in acquiring Hanfeng China. Local Management reported this contact to Yu who in turn notified Pollack of the expression of interest. Subsequently, a Letter of Intent for Acquisition dated June 16, 2014 addressed to Hanfeng China ("**Letter of Intent**") was forwarded without any representations from either Li or Yu to Hanfeng's Board of Directors ("**Board**"), together with a copy of the business license which had been provided by the potential purchaser ("**Business Licence**"). The Business License and the Letter of Intent identified the name of the potential purchaser as Heilongjiang Pengcheng.

23. The Defendants further plead that at all material times, neither Yu nor Li had any reason to question or doubt the identity and/or corporate history of the potential purchaser as indicated in the Letter of Intent and/or Business Licence.

24. At the time the Board received the Letter of Intent, Hanfeng and Hanfeng China's financial situation and business future were grim. Hanfeng China had lost its most significant customer which accounted for approximately 85% of Hanfeng's annual sales. Hanfeng China was under investigation by a regulatory authority in the PRC (the State Administration of Foreign Exchange, hereinafter "**SAFE**"), regarding a transfer of funds which had been made from Hanfeng China at Hanfeng's request and the company was subject to a risk warning letter from SAFE about this issue. Hanfeng's shares had been delisted by the TSX, permanent cease-trade orders had been issued by the securities commissions of British Columbia, Quebec, Manitoba, Alberta and Ontario, and its auditor had resigned. The Board had concluded it was unlikely to be able to appoint a new auditor and comply with public reporting requirements. In addition, the Board recognized that Hanfeng China's internal financial systems, controls and reporting procedures were weak. In this context, the Board had extensively explored options to sell Hanfeng China with potentially interested parties in China, concluded there was little serious interest in a purchase of Hanfeng China and abandoned such efforts.

25. Following his receipt of the Letter of Intent, on or about June 17, 2014, Pollack, the lead director of Hanfeng, conducted a conference call with Yanjia Ren ("**Ren**"), who identified himself to Pollack as the executive Vice President of the potential purchaser. At Pollack's request, Li provided translation assistance during the conference call and accurately translated the statements made by them to each other. At the time of this call, neither Li (nor Yu) made any representations regarding the identity and/or position of Ren as alleged in the SOC, First Response or Second Response or at all, and if any such representations were made, they were made by Ren himself. Further, and in any event, neither Yu nor Li had any reason to question statements made by Ren to Pollack.

26. On or about June 19, 2014, at a meeting of the Board, Pollack reported on the direct discussions he had had with Ren. In attendance were the members of the Hanfeng Board, namely: Pollack, Yu, Anthony Chang and Joanne Yan, all of whom were directors with

experience in conducting business in PRC. All of these directors, with the exception of Pollack, speak Chinese. Representatives of the Stikeman Elliot law firm were also in attendance and provided advice to the Board regarding the appropriate next steps in pursuing the expression of interest by the potential purchaser.

27. At the above meeting, Pollack advised the Board about some of the things Ren had told him. According to Pollack, Ren had advised him, among other things, that Ren was the Executive Vice-President of a potential purchaser which was serious about the opportunity to acquire Hanfeng China. The potential purchaser wanted to conduct initial due diligence and a valuation following which it would make a more definitive proposal and begin negotiations. In consideration of potential contingent liabilities, Ren wanted Yu to retain his 20% interest so that the potential purchaser could be assured of his continued involvement and assistance in maintaining relationships between Hanfeng China and local government in China. Pollack also reported that Ren had explained that while the Business Licence indicated that the purchaser had been incorporated in April 2013, the company had been in business for a long time and had gone through some form of restructuring the previous year.

28. The Board determined that it would be important for Hanfeng to confirm Ren's statements and to obtain the assistance of a financial advisory firm and a consulting firm to conduct a background check on the potential purchaser. Due to the potential for conflict of interest with Yu, the Board also decided that Pollack, Chang and Yan ("the **Independent Directors**") should take the lead role in negotiating terms of any transaction with the potential purchaser should a proposal be made. In addition, it was agreed that the General Manager of Hanfeng China would be the contact person on the due diligence and valuation work which was about to be undertaken. Following this meeting, and at the direction of the Board, Pollack called Ren and advised that the Board had approved the request from the potential purchaser to conduct due diligence on Hanfeng China.

29. Thereafter, all of the investigations, negotiations and preparation of documentation regarding the proposed sale were conducted by or on the instructions of the Independent Directors, with assistance and advice from Hanfeng's Canadian and Chinese legal

counsel and other professional advisors. During this period, the Independent Directors had direct and ongoing contact with representatives of the potential purchaser and its legal counsel and took such steps as they deemed necessary and reasonable to investigating the identity and corporate history of the potential purchaser.

30. The steps taken by or on behalf of the Independent Directors also included the following:

(1) On June 25, 2014, the Independent Directors and Hanfeng's Canadian legal counsel met to discuss the progress of the due diligence work and Pollack's conversation with the managing director of the potential purchaser regarding a forthcoming proposal, and to consider local advisors in China and the engagement of an advisor to conduct a background check on the potential purchaser;

(2) On June 29, 2014, the Independent Directors, Hanfeng's Canadian legal counsel and Yu, met to discuss, among other things, the status of the potential purchaser's proposal. Pollack again reported on his discussions with senior executives of the potential purchaser and their continuing interest in an acquisition and their insistence on Yu's continuing involvement. The Board decided that upon receipt of a formal proposal from the potential purchaser, Pollack and Yan would travel to China and negotiate the final deal. The Board received a report on the status of proposals from financial advisory and investigation firms and a local Chinese law firm with respect to conducting a background check on the potential purchaser. Yu advised the Board about certain demands the potential purchaser had made about Yu's continued involvement in Hanfeng China and on retaining 20% of Yu's indirect equity interest as a guarantee to mitigate any risks and potential liabilities which Hanfeng China might have. Yu felt there was no choice but to agree as there were no other likely buyers of Hanfeng China and

it would take too long and be more expensive to negotiate the liquidation of Hanfeng China under Chinese law;

(3) On July 11, 2014, the Independent Directors retained Deloitte LLP to conduct due diligence on the proposed transaction and prepare a fairness opinion;

(4) On July 16, 2014, Pollack, Yan, Hanfeng's Chinese counsel and Yu met with Lin Lin Wang, an official of the potential purchaser (and its legal counsel) to finalize the terms and conditions of the acquisition of Hanfeng China;

(5) On July 21, 2014, Pollack, Chang, Yan, Hanfeng's Canadian legal counsel and Yu met to, among other things, discuss the status of the negotiations (Yu's involvement was necessary because of the guarantee that he was being asked to sign in connection with the proposed transaction).

Between July 21 and August 6 there were additional meetings and conversations with and between the Independent Directors, counsel to Hanfeng, and representatives of the potential purchaser. The Defendants were not and are not privy to the details of all of the meetings, conversations and decisions during this period.

31. On August 8, 2014, at the request of Hanfeng, Yu executed the Share Transfer Agreement with Harbin Pengcheng, together with certain related agreements. These other agreements included a guarantee agreement pursuant to which Yu personally guaranteed (in favour of Harbin Pengcheng) all the potential risks up to the amount of RMB 49.6 million (approximately CAN$8.6 million) and agreed to remain with Hanfeng China for a transition period of twelve months, act as legal representative but not Board Chairman, make all commercial reasonable efforts during the transaction to safeguard the interest of Hanfeng China and protect it from risks, including employee severance, tax, environmental and accounts receivable risks.

32. Early on August 8, 2014 Hanfeng China emailed scanned copies of the signature pages of the Share Transfer Agreement and related agreements to Hanfeng and its legal counsel.

Shortly thereafter on the same day, a complete scanned copy of these documents was forwarded by Li to Hanfeng's Canadian legal counsel and the Board. These documents name and identify Harbin Pengcheng as the purchaser.

33. Contrary to the allegations stated or implied in the SOC and the Second Response, the addition of the word Harbin to the name of the purchaser who signed the Share Transfer Agreement was not secretly added or hidden by the Defendants. In fact, the name of the purchaser was not hidden or unknown at all. Rather, as detailed below, the name of Harbin Pengcheng was intentionally added by the Plaintiff to the Court materials filed by and on behalf of Hanfeng for the Court approval application which proceeded on August 20, 2014.

The Court Application for the Appointment of Ernst & Young

34. With respect to the allegations in paragraphs 15 to 17 and 26 to 29 of the SOC, on or about August 14, 2014, six days following the execution and return of the share transfer documentation, Hanfeng initiated an application to the Court for the appointment of Ernst & Young as Receiver and approval of the sale transfer transaction and Share Transfer Agreement between *Harbin* Pengcheng and Hanfeng ("**Application**").

35. This Application was specifically contemplated in the Share Transfer Agreement: this contract was expressly conditional upon Hanfeng obtaining either shareholder approval or court approval for its terms, as set out below:

> "3.4.1 Within 45-60 days of signing this agreement, Party A shall be responsible for convening Party A's shareholders' meeting to seek the approval of its shareholders for this transaction or Party A shall seek court approval in Canada for this transaction. Party B acknowledges that Party A intends to seek court approval for the completion of this transaction within two weeks after the execution of this Agreement.
>
> 3.4.2 In the event that the resolution of shareholders of Party A to approve this transaction fails to obtain the requisite approval at the shareholders meeting called to approve such resolution or the court fails to approve the completion of this transaction, then this agreement becomes invalid immediately and Party A shall return the 5% Performance Guarantee Bond paid by Party B in equal amounts within 3 business days." (Underlining added.)

36. In light of this provision, Hanfeng, its Independent Directors, its legal counsel, and other professional advisors, had a full opportunity between August 8 and August 20 to carefully review the Share Transfer Agreement. They did exactly that.

37. As a result of their review of the Share Transfer Agreement during the 12 day period between the receipt of the signed Share Transfer Agreement and August 20, 2014, the Board and its legal advisors, became fully aware that Heilongjiang Pengcheng had not signed the Share Transfer Agreement, and that the name of the contracting party was Heilongjiang **Harbin** Pengcheng Fertilizer Company Ltd. (the entity previously defined herein as "Harbin Pengcheng").

38. In this regard, the approval application submitted to the Court on August 20 was based upon the affidavit of Jonathon Pollock, the lead Independent Director. Yu had nothing to do with the preparation of this affidavit. Rather, it was the product of legal advice, assistance and support from the Stikeman Elliot law firm. Pollock's affidavit contained (for, example, in paragraph 61 and Exhibit Q thereto) **express** reference to ***Harbin*** Pengcheng (the entity who the Plaintiff now contends it was unaware of at the time).

39. The Pollack affidavit makes it clear that both Pollack and Hanfeng's legal counsel were fully aware of the identity of the purchaser prior to August 20, 2014, notwithstanding allegations to the contrary in the SOC.

40. Pollack's affidavit also described the dire situation of Hanfeng and Hanfeng China and the history of the share transfer transaction and the Share Transfer Agreement for which Hanfeng sought Court approval. Among other things, Pollack's affidavit stated as follows:

> "58. In light of the complexity of the issues presently facing Hanfeng and the Heilongjiang WFOE [**Hanfeng China**], I believe that Hanfeng will be unable to continue as a going concern, particularly in the long-term. With the termination of the Beidahuang business relationship and the lack, for the foreseeable future, of any other meaningful sales to other customers, I have serious concerns about whether the Heilongjiang WFOE will resume operations and achieve positive cash flow. As shown in the Draft FY2014 Statements, Hanfeng experienced negative cash flow of $38,794,000 in the year ending June 30, 2014.
>
> 59. Hanfeng has never generated revenue (other than indirectly through its subsidiaries). It now relies on the Heilongjiang WFOE to defray its expenses,

although transferring available cash to Hanfeng from China has proven challenging. Over the last few months, Mr. Yu has loaned money to Hanfeng to assist Hanfeng in paying expenses incurred in Canada given the difficulties in obtaining funds from the Heilongjiang WFOE. If Hanfeng's circumstances do not materially improve in the near term (which I believe is very unlikely), the cash resources of Heilongjiang WFOE will eventually be exhausted and the solvency of Hanfeng, on a consolidated basis, will inexorably and inevitably be eroded so that there will be no prospect of any return for Hanfeng's shareholders through a distribution.

60. As a result, the Board has entered into a share purchase agreement with respect to its shares in the Heilongjiang WFOE (described below) and commenced this application to appoint a receiver to implement the sale, run a claims process and distribute the proceeds of sale and any other assets to Hanfeng's stakeholders.

61. In early June 2014, Heilongjiang Harbin Pengcheng Fertilizer Co., Ltd. (as previously defined, the "Purchaser") contacted local management of the Heilongjiang WFOE to express interest in potentially acquiring the Heilongjiang WFOE from Hanfeng. Management of the Heilongjiang WFOE reported this contact to Mr. Yu, who notified me of the Purchaser's potential interest on or about June 16, 2014. Following preliminary discussion with the Purchaser, the Purchaser's proposal for acquiring the Heilongjiang WFOE was delivered to the Board on June 18, 2014.

62. On August 8, 2014, following negotiations between the parties, Hanfeng and the Purchaser entered into a share transfer agreement (the "Share Transfer Agreement") and certain related agreements (collectively, the "Transaction Documents")." (Underlining added.)

41. Court approval was obtained on the strength of these materials and on or about August 28, 2014, Harbin Pengcheng made the first payment of the purchase price under the Share Transfer Agreement in the amount of $2.2 million to Hanfeng.

42. With respect to paragraphs 20 to 25 of the SOC, the Receiver, together with its legal and professional advisors, communicated directly with Harbin Pengcheng and its counsel regarding additional interim payments under the Share Transfer Agreement, and the required banking and regulatory approvals. From time to time, and as requested by the Receiver, Yu provided assistance to facilitate communications with Harbin Pengcheng.

43. Despite the knowledge of the identity of the purchaser who signed the Share Transfer Agreement, in so far as the Defendants are aware, prior to August 20, 2014 no complaint was made, no questions were asked and no due diligence was undertaken. Rather, the Plaintiff was content to proceed and did proceed knowing the identity of the purchaser

was Harbin Pengcheng and that this name was different than the name which had been referred to in the Letter of Intent.

44. After to August 20, 2014 the Plaintiff did not allege that it had been tricked into signing the Share Transfer Agreement with a previously unknown party, nor did it take any steps to resile from or repudiate the Share Transfer Agreement on the basis of the alleged clandestine switch of names now alleged in this lawsuit. Rather, following the court approval on August 20, 2014, the Plaintiff continued to knowingly deal with Harbin Pengcheng for another 8 months before raising any such issue.

45. Several additional provisions of the Share Transfer Agreement are relevant to what happened during this period:

(1) The definition of "**Chinese law and regulations**" contained in Clause 1.5 of the Share Transfer Agreement:

> 1.5 Chinese Law and Regulations
>
> Existing laws, regulations, and legally binding rules, measures, and other forms of normative documents promulgated by the government of the People's Republic of China and its various departments before this agreement comes into effect (including the date of signing this agreement), including but not limited to Company Law of the People's Republic of China, Contract Law of the People's Republic of China, and Foreign Investment Enterprise Law of the People's Republic of China.

(2) The definition of "**Completion of Transaction**" contained in Clause 1.6 of the Share Transfer Agreement:

> 1.6 Completion of Transaction
>
> The transaction will be deemed completed when the shares of the Target Company originally registered under the name of Party A in Harbin Administration for Industry and Commerce are legally transferred to Party B or its designated subsidiary.

(3) The following representations and warranties by Hanfeng under Clause 2 of the Share Transfer Agreement:

> 2.1.4 Party A guarantees that it will be the sole shareholder of the Target Company until the completion of the share transfer. No other person enjoys right of first refusal to the Agreement Object. After this agreement comes into effect, Party A will use its commercially reasonable efforts to assist Party B to deal with all the procedures involved in the transfer of the

Agreement Object, including but not limited to amending the Articles of Association of the Target Company, restructuring the Board of Directors, and filing documents related to equity change with relevant authorities.

2.1.5 Party A guarantees that, before the formal transfer of shares of the Target Company between Party A and Party B, the Target Company has acquired the important government permits, approvals, and authorizations for its normal production operation, which are all currently in force. Party A shall ensure that none of such government permits, approvals or authorizations is invalid prior to the completion of the transaction.

(4) The following positive obligations of Hanfeng:

3.4.3 Within 30 days following the date that Party A's shareholders approve the completion of this transaction or the court approves the completion of this transaction, Party A shall use its commercially reasonable efforts to assist Party B to complete the reorganization of the Board of Directors of the Target Company, and complete all legal documents for the purpose of share transfer.

3.4.4 In accordance with Clause 3.4.3 of this agreement, within 3 days of completion of all legal documents for the share transfer, Party A shall file the application to the approval authority, and assist Party B to comply with <u>Chinese law and regulations</u> in registering the share transfer with the relevant authorities in a timely manner. [Underlining added.]

(5) The parties' agreement to "conform to Chinese Law" contained Clause 8 of the Share Transfer Agreement:

"... Both parties agree to conform to the laws of the People's Republic of China."

46. The Defendants are not privy to all of the communications which passed between Hanfeng and Harbin Pengcheng and their respective representatives between October 2014 and July 2015.

47. However, between October 2014 and May 2015 numerous issues were raised and disputes arose between Hanfeng and Harbin Pengcheng regarding the above provisions and whether Hanfeng China had fulfilled its obligations to enable further payments to be made, including making commercially reasonable efforts to satisfy all of the Chinese regulatory and other requirements to necessary for the lawful completion of the share transfer and other steps provided for in the Share Transfer Agreement.

48. The state of affairs with respect to the regulatory and other issues under Chinese law were described by the Receiver in its Second Report to the Ontario Superior Court dated July 22, 2015 in the following manner:

> "18. The regulatory framework in China governing a share transfer transaction in connection with a WFOE is complex. Further, the Receiver understands there is uncertainty in how laws and regulations in China may be applied in a particular instance, which leads to a lack of certainty in the documentation requirements and review criteria of the local authorities.
>
> 19. It is the Receiver's understanding the Share Transfer Transaction is subject to multiple regulatory approvals in China, which include the two following milestones:
>
> (a) approval by Harbin Economic Cooperation Promotion Bureau ("HECPB") (the "HECPB Approval"); and
>
> (b) updating of the business license of the Chinese Subsidiary by HAIC upon registration of the purchaser as the shareholder of the Chinese subsidiary (the "Business License Registration"). Under Chinese law, the registration of a new business license marks the completion of transfer of ownership and in this case also represents the closing of the Share Transfer Transaction (the "Closing").
>
> 20. The Receiver further understands HECPB Approval is a prerequisite of the review by China's other regulatory bodies, which are generally expected to follow the decision of HECPB. While it is difficult to estimate the time required to clear all necessary regulatory approvals, after the HECPB Approval is issued, it is possible to complete the other regulatory approvals in relatively short order (as quick as approximately 2 to 3 weeks), assuming all required documentation is in order.
>
> 21. Further, remittance of the purchase price proceeds from China to Canada is subject to regulatory clearance by China's State Administration of Foreign Exchange ("SAFE")."

As at date of the above Report, despite these unresolved issues, Harbin Pengcheng had made further interim payments of 10,000,000 RMB (in escrow), but was unwilling to pay additional funds unless and until Hanfeng complied with all of its obligations under the Share Transfer Agreement.

49. For its part, through its Receiver, Hanfeng intentionally decided not to comply with all of the steps required under Chinese law as mandated by the Share Transfer Agreement, including the delivery of a Board resolution of Hanfeng China, and it was in this context that the Receiver first raised any issue about the identity of the purchaser.

50. The transactions set out in the Share Transfer Agreement never closed, and Harbin Pengcheng sued the Receiver and Yu in China. As a result, so far as the Defendants are aware, Hanfeng has retained Harbin Pengcheng's initial deposit and has not been paid the balance of the purchase price under the Share Transfer Agreement.

51. As a result of the position taken by the Receiver, Hanfeng's failure to comply with its obligations under the Share Transfer Agreement, and the non-completion of the share transfer and other transactions provided for therein, on August 5, 2015 Harbin Pengcheng commenced a civil complaint in the Harbin Intermediate People's Court ("**People's Court**").

52. This proceeding was accepted by the People's Court on October 10, 2015, and assigned Court File No. (2015) HSWSCZ No 7. In this case, Harbin Pengcheng seeks the cancelation of the Share Transfer Agreement, return of the deposit of $12,400,000 RMB, and costs from Hanfeng, Ernst & Young, Hanfeng China, and Yu. In Yu's case, the claim was based upon his guarantee signed by him in connection with the Share Transfer Agreement.

53. The Defendants plead that this outcome has nothing whatsoever to do with any misrepresentations alleged in this lawsuit. Rather, it is a result of the positions taken by the Receiver, its decision not to comply with Hanfeng's obligations under the Share Transfer Agreement, and its attempts to force Harbin Pengcheng to proceed without regard to the applicable Chinese law and regulations, contrary to the Share Purchase Agreement.

54. In the alternative, if the alleged or any representations were made, which is not admitted but is denied, at the time of making the alleged representations, the Defendants honestly believed the same to be true and did not make them knowingly or fraudulently or with any intention to deceive or defraud or to induce Hanfeng to enter into an agreement or to rely upon them.

55. In the further alternative, if the alleged or any representatives were made, which is not admitted but is denied, the Defendants deny that Hanfeng was induced by, or relied on, the said representations to enter into the Share Transfer Agreement. At all material times

Hanfeng was represented by independent and experienced directors and retained professional advisors to conduct such due diligence and investigations regarding the potential purchaser as it deemed necessary, including confirmation of the identity and corporate history of the potential purchaser or such other representations the potential purchaser may have made. Hanfeng entered into the Share Transfer Agreement in reliance on its own judgment and upon its own inquiries and upon the reports of the advisors employed by it and not upon any statement or representation made by the Defendants.

56. Further, the Defendants deny that Hanfeng suffered the alleged or any damage or that if damage was suffered by Hanfeng, which is not admitted and is denied, it was caused by the representations as alleged in the SOC. If Hanfeng has sustained damage, such damage was caused solely as a result of the acts and omissions of Hanfeng and their legal and professional advisors, including but not limited to negligence in conducting due diligence and negotiations with Harbin Pengcheng. The Defendants further state that if Hanfeng and its legal and professional advisors formed conclusions or assumptions regarding the potential purchaser, they did so without taking appropriate steps to verify those conclusions or assumptions.

57. In summary, the Defendants plead that they never made any misrepresentations, that the Plaintiff sought and obtained court approval for the Share Transfer Agreement with full knowledge of the identity of the purchaser, that Hanfeng and the Receiver subsequently affirmed the Share Transfer Agreement with this knowledge, and that the failure of the Plaintiff to realize the purchase price under the Share Transfer Agreement (on which the claim for damages for misrepresentation is based) resulted from decisions taken by the Receiver and the Plaintiff, for which the Defendants have no responsibility.

C. CLAIMS AND CAUSES OF ACTION ADVANCED SOLELY AGAINST YU

58. The Plaintiff seeks damages of 630,000,000 RMB based upon a series of causes of action, advanced without pleading material facts, alleging that Yu is guilty of unlawfully dissipating assets belonging to Hanfeng China, and that Yu has "absconded" with these assets.

59. These claims are all based upon two common assumptions, namely (i) that the assets of Hanfeng China have been improperly dissipated and (ii) that Yu has misappropriated the assets in question.

60. The Plaintiff makes these allegations in paragraphs 30-36 of the SOC, under the heading "Yu Dissipates Hanfeng China's Assets." In these paragraphs, the Plaintiff alleges two types of improper dissipation of Hanfeng China's assets.

61. First, according to the Plaintiff "at least 27 million" RMB was dissipated from Hanfeng China during the period August 2014 – June 2015 in connection with unspecified expenses (defined as "Dissipated Funds" in the SOC).

62. Unless this figure has been plucked out of the air, it must be comprised of specific disbursements which the Plaintiff alleges (i) were actually made and (ii) were improper. However, no facts are pleaded in the SOC to show the date, amounts, purpose or anything else about any of the expenses and related disbursement of funds which presumably comprise this lump sum claim.

63. Similarly, the Plaintiff has not pleaded any material facts supporting the conclusion that Yu had any involvement in the disbursement of any part of the 27,000,000 RMB claimed on this account.

64. Finally, the Plaintiff has not pleaded any material facts to support the allegations that Yu received any of the so-called "Dissipated Funds" comprising the 27,000,000 RMD. Rather, the Plaintiff has acknowledged that <u>it has been unable to ascertain what happened</u> to the "Dissipated Funds". In the result, the Plaintiff's claim that Yu has stolen these funds is based upon speculation, without any supporting material facts: according to the SOC, the Plaintiff simply states that "**it appears** that Yu has absconded" with the Dissipated Funds.

65. As pleaded, these claims constitute bald, conclusory allegations without any supporting material facts, constitute an abuse of process, and fail to disclose any cause of action.

66. Without prejudice to the above, Yu states and the fact is that, so far as he is aware any and all expenses incurred by Hanfeng China during whatever period is in issue were incurred by Local Management for proper purposes. Further, to the extent funds were

disbursed by Hanfeng China for such expenses, this was done properly by Local Management. Yu denies any involvement in any improper expenses or disbursements by Hanfeng China.

67. Yu further denies that he has improperly benefited from any disbursements on account of expenses incurred by Hanfeng China, and he denies that he has "absconded" with any such funds, contrary to the speculative assumption contained in paragraph 31 of the SOC.

68. The second element of the Plaintiff's allegations under this heading relates to certain "Loans" which are referred to, but not properly identified, in paragraphs 33-36 of the SOC.

69. According to paragraph 33 of the SOC, during an unspecified period of time, Hanfeng China obtained "approximately RMB 600,000,000" through "various loans and other agreements." Paragraph 33 then lists 4 loans with 4 separate banks ("Loans", as defined in the SOC). However the SOC does not provide any facts relating to the dates or terms of the Loans nor does it plead any material facts relating to any alleged involvement by Yu in negotiating, arranging, accepting or otherwise participating in the Loans.

70. As in the case of the so-called "Dissipated Funds" referred to in the SOC, the Plaintiff also pleads no material facts to support any receipt, use, or other benefit of any kind obtained by Yu in connection with the "Loans". Rather, as in the case of the "Dissipated Funds", the Plaintiff states that it has been unable to ascertain precisely what happened to any proceeds derived from the Loans, but once again simply asserts that it "**appears**" that "Yu has absconded with them."

71. The above claims are based on bald conclusions without any supporting facts, are an abuse of process, and fail to disclose any causes of action.

72. Without prejudice to the above, Yu denies that any of the Loans were improper, in the alternative denies that that he was involved in any improper Loans, and in any event denies having received any benefit, payment or use of funds as a result of any of the Loans.

73. The Plaintiff's claims against Yu for breach of fiduciary duty, conversion, unjust enrichment, and restitution are contained, respectively, in paragraphs 44, 49-50, 51 and 52 of the SOC.

74. None of these paragraphs contain any material facts to support the causes of action advanced, and all of them are based upon the same bald allegations and speculative assumptions referred to above. As such, the paragraphs of the SOC asserting these claims do not disclose any causes of action and are an abuse of process.

75. Without prejudice to the above, Yu denies that he has dissipated any of Hanfeng China's assets for his personal gain. Contrary to the SOC, Yu did not cause Hanfeng China to dissipate the unspecified "Dissipated Funds", nor did he cause Hanfeng China to enter into any improper Loans. Yu further denies that he transferred, used, or obtained any funds or benefits of any kind whatsoever with respect to the Dissipated Funds or Loans alluded to in paragraph 49 of the SOC. Yu also pleads that he did not obtain any of the funds in issue, and was not enriched (unjustly or otherwise) to the detriment of Hanfeng China or Hanfeng.

76. Yu further denies that Hanfeng has suffered damages as a result of any breach of duty alleged against him, which breaches are not admitted but denied, and states that if Hanfeng suffered damages, they were the result of, or in the alternative were contributed to by, the acts and omissions and/or negligence of the Independent Directors, and their legal and professional advisors and by the Receiver.

77. Yu states and the fact is that all of these claims are without any factual basis and should be dismissed.

D. ADDITIONAL ALLEGATIONS AGAINST YU: PARAGRAPHS 37-43 OF THE SOC

78. With respect to paragraph 37 of the SOC, Yu acknowledges that he was a director of Hanfeng from time to time and that as a consequence he had a duty to act in good faith and a duty to cooperate with the Receiver. Yu states and the fact is that he has complied with these duties.

79. Paragraph 37 of the SOC also alleges that Yu had certain responsibilities under Chinese Law with respect to Hanfeng China. While at all material times Yu complied with his obligations to Hanfeng China, any issues, claims, or allegations about any alleged breaches of duty to Hanfeng China arise under Chinese Law and are not properly before the Court.

80. Paragraphs 38-43 of the SOC allege, in substance, that Yu failed to cooperate with the Receiver. These claims are false. Contrary to the allegations contained in these paragraphs, Yu did cooperate with and assist the Receiver, to the best of his ability.

81. In this regard, from and after the appointment of the Receiver on August 20, 2014, Yu attended numerous meetings, participated in countless telephone calls and conferences and had extensive liaison from time to time with the Receiver and/or its counsel, in the interests of Hanfeng and in furtherance of, among other things, (i) implementing the Share Transfer Agreement, (ii) attempting to ensure that Hanfeng complied with its obligations under the Share Transfer Agreement, and (iii) facilitating appropriate communications with Harbin Pengcheng.

82. The above steps and efforts included, for example, numerous attempts by Yu during the month of March 2015 to cause Harbin Pengcheng to make further equity payments under the Share Transfer Agreement.

83. On or about May 4, 2015, Yu attended a meeting with the Receiver to provide information and answer questions about the Share Transfer Agreement and related matters. Yu fully cooperated with the Receiver at this meeting.

84. Yu pleads that the decisions made and conclusions reached by the Receiver on May 4, 2015 were inaccurate and unwarranted. Nonetheless, at all material times subsequent to May 4, 2015, Yu fully cooperated with the Receiver, acted on instructions from the Receiver, gave directives to Local Management of Hanfeng China in accordance with the Receiver's requests, and adhered to his obligations under the court orders.

85. Yu pleads that, to the knowledge of the Receiver, at all material times after May 4, 2015, Yu acted as summarized in paragraph 84 herein. Yu further pleads that, to the knowledge of the Receiver, this occurred during extensive periods when he was (at the request of the

Receiver) back in China, as well as on other occasions while he was hospitalized in China for treatment for a serious medical condition which had been diagnosed in November 2014.

86. In particular, to the knowledge of the Receiver:

(1) On or about **May 5, 2015**, Yu assisted the Receiver in ongoing strategy discussions and communications with Harbin Pengcheng, including recognition of and cooperation with the Receiver's decision to designate Ye Ying as the new point of contact with Harbin Pengcheng;

(2) On or about **June 5, 2015**, Yu returned to China at the Receiver's request to facilitate the appointment of a new director of Hanfeng China to replace a deceased director, in order to comply with certain regulatory requirements under the Share Transfer Agreement;

(3) Yu continued to instruct Local Management of Hanfeng China to comply with the Receiver's ongoing requests, including for monthly financial statements, bank vouchers, expense details and related information. These requests were in fact complied with from time to time, including, for example on or about **June 15 and 24, 2015**;

(4) On or about **June 18, 2015**, Yu confirmed the Receiver's instructions and request to Local Management of Hanfeng China (General Manager Zhida Qi) to make retainer payments to new local counsel Guan Liu;

(5) On or about **June 23, 2015**, while in hospital in China, Yu arranged for documentation necessary for the appointment of the replacement director to be provided to Local Management (Hong Yong Li) for sealing;

(6) On or about **June 30, 2015**, Yu assisted Local Management (Hong Ying Li) in the completion of further business documentation regarding the appointment of the replacement director;

(7) On or about **July 13, 2015**, Yu followed the direction of the Receiver to make written demand to Harbin Pengcheng for the payment of further funds to Hanfeng and to confirm to Harbin Pengcheng that Ronghai Hong was being appointed the new legal representative of Hanfeng China;

(8) As of **July 22, 2015**, Yu remained involved (together with the Receiver) in ongoing contacts and discussions with Harbin Pengcheng regarding the payment of additional funds under the Share Transfer Agreement;

(9) On or about **August 3, 2015**, Yu directed Local Management to provide full support to the Receiver regarding several steps and decisions taken and made by the Receiver in July, 2015, and in relation to the order of this Court dated July, 30, 2015, and,

(10) On or about **August 12, 2015**, while in hospital in China recovering from an operation, Yu directed Local Management (General Manager Zhida Qi) to provide information and other materials then in the possession and control of Local Management (stamps, seals, and other corporate property) to the Receiver or its representatives.

87. Yu states and the fact is that although the above facts were known to the Receiver, they were not contained in the Court materials filed in relation to the Court orders referred to in paragraphs 40 and 41 of the SOC, and have never been communicated to the Court. In this regard, Yu pleads that at the time of these court attendances he was, to the knowledge of the Receiver, in China and undergoing medical treatment. Yu further pleads that on and after the commencement of proceedings against him (and the Receiver and Hanfeng) in China by Harbin Pengcheng, on his guarantee as a result of the alleged breach of the

Share Transfer Agreement by the Receiver, referred to herein, he was not permitted to leave China for an extended period of time and this further impaired his ability to assemble the above facts, instruct counsel, and file materials regarding these issues with the Ontario Superior Court.

88. Yu pleads that the allegations in the SOC that he failed to cooperate with the Receiver or otherwise disobeyed any Court orders are inaccurate, that the description of the Court orders and proceedings in the SOC are incomplete and inaccurate, and that at all material times he attempted to cooperate and did cooperate with the Receiver to the best of his ability, despite the difficulties caused by some of the circumstances referred to above.

E. CLAIMS AND CAUSES OF ACTION ADVANCED SOLELY AGAINST LI

89. As noted above, the Plaintiff's claims of wrongful dissipation of Hanfeng China's assets, conversion, unjust enrichment, and restitution have not been advanced against Li.

90. Instead, the Plaintiff contends that Li is guilty of "knowing receipt" and "knowing assistance" in respect of the allegedly Dissipated Funds and Loans. The sum total of the Plaintiff's sparse pleading of these causes of action against Li is set out in paragraphs 53 and 54 of the SOC:

> "53. Li knowingly received and retained the benefits of the Loans and Dissipated Funds, which Yu wrongfully obtained.
>
> 54. In addition, or in the alternative, Li knowingly assisted Yu to wrongfully obtain the benefits of the Loans and the Dissipated Funds. Hanfeng has suffered harm as a result of Li's knowing assistance and knowing receipt and is entitled to damages and/or restitution."

91. This pleading is fatally flawed for three reasons;

(1) first, it is predicated upon an assumption that Li's co-defendant Yu misappropriated 635,000,000 RMB. As set out above, the Plaintiff has failed to plead the material facts required to substantiate any such causes of action against Yu and has admitted that its allegations that Yu took the money amount to speculative assumptions;

(2) second, the Plaintiff has failed to plead the any of the constituent elements of the torts of “knowing assistance” and “knowing receipt”; and,

(3) third, the Plaintiff has failed to plead any material facts in support of any conclusion that Li is culpable of or participated in any of the (unpleaded) constituent elements of these torts.

92. In these circumstances, the claims against Li in the SOC alleging “knowing receipt” and “knowing assistance” are nothing more that bald, conclusory allegations which disclose no cause of action, and are an abuse of process.

93. Without prejudice to the above, Li states and the fact is that she has no knowledge of nor did she have any involvement in any of the alleged actions of Yu in any dissipation or wrongful taking of funds belonging to Hanfeng China. Li further pleads that both of the underlying assumptions and the allegations implicit in these claims are totally without any factual basis and should be dismissed in their entirety.

94. The Defendant Li denies that she obtained Loans or Funds fraudulently or in breach of any fiduciary duty or otherwise and/or that Li has received or retained, knowingly or at all, the benefits of the Loans or Funds as alleged in paragraph 53 of the SOC. Li puts the Plaintiff to the strictest proof thereof of these allegations. In the alternative, if Li received and retained such Loans or Funds, which is not admitted but is denied, Li had no knowledge that the Loans or Funds were obtained by Yu fraudulently or in breach of any fiduciary duty.

95. The Defendant Li denies that Yu obtained Loans or Funds fraudulently or in breach of fiduciary duty and/or that Li assisted, knowingly or otherwise, in the breach of any such duty, which is not admitted but is denied. Li further states that she had no knowledge of any fraudulent conduct or any breach of any fiduciary duty by Yu, which breach is not admitted but is denied.

F. ADDITIONAL PLEADINGS

96. The decisions made and positions taken by Ernst & Young and Hanfeng, the failure of Hanfeng to honor its obligations under the Share Transfer Agreement, the collapse of the

transactions provided for in the Share Transfer Agreement and the Chinese legal proceedings referred to herein have caused damages to Yu.

97. Yu and Li have also been harmed by the Receiver's actions, including damages resulting from the publication of the unfounded allegations of fraud contained in the SOC.

98. Normally Yu and Li would institute a counterclaim and/or third party proceedings by reason of the above matters. However, paragraphs 8 and 9 of the August 20, 2014 Court Order prevent the commencement of such proceedings unless consent or Court Approval is obtained.

99. Accordingly, this Statement of Defence is being delivered without prejudice to the ability of Yu and Li to commence such proceedings upon fulfillment of the conditions contained in paragraphs 8 and 9 of the August 20, 2014 order.

100. Yu and Li further plead that if the Plaintiff has suffered any damages for which the Defendants are liable, which is not admitted but denied, they are entitled to a set off in respect of any such claims by reason of the damages caused by Hanfeng to them.

101. The Defendants further plead that the Plaintiff has failed to take any steps to mitigate any alleged damages suffered by the Plaintiff, which damages are not admitted but denied. In this regard, no steps have been taken to liquidate Hanfeng China. According to the fairness report filed on the return of the August 20, 2014 approval motion, the liquidation of Hanfeng China would have yielded net proceeds of 204,944,172 RMB. The Defendants plead that the Receiver and Hanfeng had a duty to take reasonable steps to implement such a liquidation. The Defendants plead that the failure to take any steps to do so over the past two years (a) constitutes a breach of the Plaintiff's duty to mitigate its alleged damages and (b) has harmed Yu and caused damages to Yu for which Yu would normally seek recovery, but for the provisions of the August 20, 2014 Order referred to above.

102. The Defendants further plead and rely on the Negligence Act, R.S.O. 1990 c.N.1.

103. In the event the claims pleaded in the Statement of Claim pertain to alleged acts or omissions which occurred prior to March 21, 2014, Hanfeng discovered or ought reasonably to have discovered the cause of action by March 21, 2014, more than two

years prior to the commencement of this action on March 22, 2016. The Defendants plead that those claims are statute barred by the provisions of the Limitations Act, 2002, S.O. 2002, c. 24, Sched. B.

104. The Defendants therefore submit that this action should be dismissed as against them with costs on a full indemnity basis.

January 5, 2017

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Plaintiff

- and -

Yu Xinduo and Lei Li

Defendants

Court File No. CV16-11325-00CL

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SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings Commenced at Toronto

STATEMENT OF DEFENCE

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Lawyers for the Defendants

This is **Appendix "L"**
to the Fifth Report of the Receiver
dated July 11, 2017

MOORE BARRISTERS

Professional Corporation

393 University Avenue
Suite 1600
Toronto, Ontario
M5G 1E6

Tel: (416) 581-1818
Fax: (416) 581-1279

FACSIMILE COVER PAGE

TO:	**Mel Hogg**
FIRM:	**Stikeman Elliott**
FAX:	**(416) 947-0866**

FROM:	**David Moore**	
DATE:	**May 12, 2017**	**NO. PAGES (inclusive): 3**
RE:	**Yu and Lei ats Ernst & Young** **Court File No. CV-16-11325-00CL**	

If there is any problem receiving this transmission, please call Julie Thorburn at 416-581-1818 ext. 229

MOORE BARRISTERS
PROFESSIONAL CORPORATION

David C. Moore, B.Sc., LL.B.
Karen M. Mitchell, B.A., LL.B.
Kenneth G. G. Jones, LL.B.
Diana M. Soos, B.Sc., M.B.A., LL.B.
Nicholas P. Reinkeluers, B.A., J.D.

Suite 1600
393 University Avenue
Toronto, Ontario
M5G 1E6
Tel: 416-581-1818
Fax: 416-581-1279

May 12, 2017

VIA FAX (416) 360-2646 and email mhogg@stikeman.com

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9

Attention: Mel Hogg

Dear Ms. Hogg:

Re: Yu Xinduo et al ats Ernst & Young
Court File No. CV16-11325-00CL

1. I acknowledge receipt of your letter dated May 11, 2017, which I will answer under separate cover.

2. I will also be writing to you with respect to several issues arising from the contents of the Fourth Report of the Receiver.

3. As you know, in paragraphs 78-88 of the January 5, 2017 Statement of Defence delivered in the Receiver's Action, Mr. Yu denies the allegations of non-cooperation contained in paragraphs 37-43 of the Statement of Claim in that proceeding.

4. Given, among other things, the continuing allegations in the Fourth Report, I am instructed to request that you deliver to me whatever documentation the Receiver claims Mr. Yu needs to sign to register a replacement legal representative and/or director of the Chinese subsidiary. I would ask that said documents be in English and in Mandarin, so that I can forward them directly to Mr. Yu without having to arrange for a translation.

5. Leaving aside any and all historical disputes about what has occurred previously, I am further instructed that Mr. Yu is ready and willing to sign such documents, and will do so and return them to me immediately. This is on the basis of paragraph 6 below, and of course assumes that the contents of the documents are not controversial (i.e. by this I mean that the documents do not include allegations and/or preambles that are in dispute).

6. The above request, and Mr. Yu's execution of the documents in question (a) do not constitute any admission or agreement that Mr. Yu has improperly failed to sign any documents or otherwise failed to cooperate in the past, and (b) more generally, are without prejudice to Mr. Yu's position as set out in the above Statement of Defence.

7. I look forward to receiving the requested documents at your earliest convenience.

Sincerely,

MOORE BARRISTERS

David Moore

David C. Moore
DCM/ rn

This is **Appendix "M"**
to the Fifth Report of the Receiver
dated July 11, 2017

STIKEMAN ELLIOTT

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

Mel Hogg
Direct: (416) 869-6826
E-mail: mhogg@stikeman.com

BY EMAIL david@moorebarristers.ca July 7, 2017

Moore Barristers PC
Suite 1600
393 University Avenue
Toronto, Ontario
M5G 1E6

Attention: David Moore

Dear Mr. Moore:

Re: Hanfeng Evergreen Inc. (Re)
Court File No. CV16-11325-00CL (the "Receivership Proceeding")

We write in response to your letter of May 12, 2017 in which you requested that the Receiver deliver to you the documentation needed to register a replacement for Mr. Yu as Legal Representative and/or Director of Hanfeng Slow-Release Fertilizer Co., Ltd ("Hanfeng China"). We acknowledge the without prejudice conditions listed at paragraph 6 to that letter.

As you are aware, pursuant to the Order of Justice Conway dated July 24, 2015 and the Order of Justice Hainey dated July 31, 2015 (together the "**Clarification Orders**") Mr. Yu was ordered to:

- Provide full and timely cooperation to the Receiver
- Provide unfettered access for Mr. Rong-Kai Hong and his company Formosa Supply Services Co., Ltd. and his designates to the Chinese Subsidiary's offices and facilities and books and financial records
- Attend at Harbin Administration of Industry and Commerce in order to facilitate the change of legal representative of the Chinese Subsidiary
- Take any steps within Mr. Yu's control and permitted by law to effect the surrender of all chops, including the company chop and finance chops relating to the Chinese Subsidiary and any of its subsidiaries to the New Legal Representative
- Take any steps within Mr. Yu's control and permitted by law to effect the surrender of all online banking tokens of the Chinese Subsidiary to the New Legal Representative

TORONTO
MONTRÉAL
OTTAWA
CALGARY
VANCOUVER
NEW YORK
LONDON
SYDNEY

- Take any steps within Mr. Yu's control and permitted by law to effect the surrender to the New Legal Representative all corporate licenses, certificates and registrations of the Chinese Subsidiary and any of its subsidiaries, including the original business license, replicate business license, organizational code certificate, tax certificate and safe registration

Despite the Clarification Orders and numerous requests from the Receiver, Mr. Yu has failed to comply with their provisions. In particular, the Receiver has previously sought Mr. Yu's assistance and cooperation in obtaining necessary financial and operational information with respect to Hanfeng China. Despite repeated requests, the Receiver has not been provided with such information for over two years. The Receiver reiterates its demand that Mr. Yu provide the following information and cooperation:

1. Copies of bank statements for all bank accounts of Hanfeng China for the period from July 2015 to June 2017
2. Copies of all agreements in connection with bank loans, credit facilities, factoring entered into and guarantees provided by Hanfeng China in the past five years
3. List of all legal proceedings, settlements, creditor enforcement actions (regardless of the status of these proceedings) during the period from August 2014 to June 2017
4. Internal monthly financial statements and trial balances for the period from June 2015 to June 2017
5. Payment/cheque register for the period from August 2014 to June 2017;
6. Accounts receivable sub ledger including transaction details for the period from August 2014 to June 2017
7. Authorization permitting the Receiver and Receiver's representative(s) to access and/or confirm information directly with banks (including but not limited to: China Construction Bank, China Merchant Bank, Industrial Bank, The Bank of East Asia and Minsheng Bank), the Chinese Court, Harbin Administration of Industrial and Commerce and other local authorities including:
    a. Authorization letters stamped with Hanfeng China's corporate chop. For your reference, attached hereto at **Tabs 9, 10 and 11** are copies of the draft authorization letters in Chinese (with informal translation for reference only);
    b. A copy of the Hanfeng China's business license stamped with Hanfeng China's corporate chop; and
    c. Written confirmation by Hanfeng China regarding its current legal representative.

For convenience, the above list is repeated in Mandarin below:

1. 2015 年 7 月到 2017 年 6 月期间汉枫缓释肥料有限公司（“汉枫缓释”）全部银行账户的对账单
2. 过去 5 年中汉枫缓释所签署的所有贷款、保理、担保的合约和文件
3. 2014 年 8 月到 2017 年 6 月期间汉枫缓释所涉及的所有法律诉讼、调解和债权人执行的清单（无论这些法律程序的状态如何）

4. 2015 年 6 月到 2017 年 6 月期间按月的内部财务报表和试算表
5. 2014 年 8 月到 2017 年 6 月期间所有费用支出和支票的登记薄
6. 2014 年 8 月到 2017 年 6 月期间应收账款明细账目(包含交易明细)
7. 授权接管人和其代表直接与银行(包含但不仅限于：建设银行、招商银行、兴业银行、东亚银行和民生银行)、法院、工商管理局以及其它相关部门获取或确认相关信息。于薪铎先生应该使汉枫缓释提供
    - 加盖汉枫缓释公章的授权书 。 随附草拟的授权书（英文翻译仅供参考
    - 加盖汉枫缓释公章的营业执照
    - 法人代表的身份证明

We note that these items do not require attendance at any banks or government offices and, accordingly, should be quickly and easily provided.

Further, in your letter dated May 12, 2017 you note that Mr. Yu is now "ready and willing" to sign documents to register a replacement legal representative and/or director of the Hanfeng China. We are advised that the following documents must be executed and registered to effect the change:

- 原董事会成员职务撤销书 Notice of Removal of Board Directors **(Tab 1)**
- 董事会决议 Board Resolution to Appoint New Chairman and Directors **(Tab 2)**
- 董事委派书 Appointment Letter for the Chairman and Directors **(Tab 3)**
- 新董事会成员名单及签字样本 Names and signatures of New Directors **(Tab 4)**
- 法定代表人信息表（含身份证复印件）Legal Representative Information Form (attach a copy of the Legal Rep's photo ID) **(Tab 5)**
- 董事、监事、经理信息表（含身份证复印件）Information of Director, Secretary and Manager (attach photocopies of photo ID) **(Tab 6)**
- 指定代表或共同代理人授权委托书 Authorization of Representative **(Tab 7)** 外资公司登记（备案）申请书 Registration Form of Directors for Foreign Investment Companies **(Tab 8)**

Some of the documents must be stamped with the corporate chops for Hanfeng China in order to be valid. As previously requested by the Receiver, the best and most efficient way to complete these documents is for Mr. Yu, Mr. Qi Zhida and/or an appropriate Hanfeng China representative to bring the physical licenses, chops and additional corporate documents that may be required and meet with the Receiver's counsel, Mr. Guan Liu, at the office of Heilongjiang Honghui Law Firm in Harbin, China. Mr. Yu, Mr. Qi and/or the Hanfeng China representative should also be prepared to attend the office of Harbin Administration for Industry and Commerce at the request of Mr. Guan Liu if it is necessary.

Attached hereto are copies of the documents in Chinese (with informal translations embedded for reference only). Once you have reviewed the documents, Mr. Yu can attend at the offices of Mr. Guan as above to complete and finalize the plain Chinese versions with the chop and other attachments as appropriate.

Please confirm that Mr. Yu is prepared to take the above steps necessary to change the Legal Representative of Hanfeng China.

It is the Receiver's position that Mr. Yu is obligated to provide all of the assistance and cooperation listed above pursuant to the Clarification Orders in the Receivership proceeding. Be advised that the Receiver intends to rely upon this correspondence.

We look forward to Mr. Yu's cooperation. Please feel free to call me should you need clarification or further information.

Regards,

Mel Hogg

MH/

cc. Brian Pukier, *Stikeman Elliott LLP*
Maria Konyukhova, *Stikeman Elliott LLP*
Murray McDonald, *Ernst & Young*
Brent Beekenkamp, *Ernst & Young*
Allen Yao, *Ernst & Young*

INDEX OF ENCLOSED DOCUMENTS

TAB 1

汉枫缓释肥料有限公司

Hanfeng Slow Release Fertilizer Co., Ltd.

原董事会成员职务撤销书

Dismissal Letter of Original Board Member

根据设立汉枫缓释肥料有限公司的章程的有关条款规定，我公司研究决定，特撤销于薪铎汉枫缓释肥料有限公司董事长职务。

特此声明。

It is hereby declared that according to the relevant provisions of the Articles of Association of Hanfeng Slow Release Fertilizer Co., Ltd., our company has decided to remove Yu Xinduo from his position as Chairman of Hanfeng Slow Release Fertilizer Co., Ltd.

投资者名称（章）：

Name of Investor (Seal):

年　　月　　日

DD,　MM,　YY

撤销书附件

Attachment to the Dismissal Letter

姓名：于薪铎　　性别：男　出生日期：　　　　国籍：

Name: Yu Xinduo　Gender: male　Date of Birth:　　　　Nationality:

有效身份证件复印件粘贴处

Attach the valid copy of the ID document here

TAB 2

汉枫缓释肥料有限公司

Hanfeng Slow Release Fertilizer Co., Ltd.

董事会决议

Board Resolution

根据《中华人民共和国公司法》及本公司章程的有关规定，汉枫缓释肥料有限公司董事会于　　年　　月　　日在本公司会议室召开会议。出席本次董事会董事成员应到　　人，实到　　人，所作出决议经出席会议董事成员一致通过。

According to the relevant provisions of the *Company Law of the People's Republic of China* and the Articles of Association of the company, Hanfeng Slow Release Fertilizer Co., Ltd. held a meeting in the company's conference room on dd, mm, yy. ___ directors should attend the meeting and ___directors attended the meeting. All directors present at the meeting unanimously passed a resolution.

决议如下:

The resolution is as follows:

同意任命洪荣凯为公司董事长(法定代表人)，免去于薪铎董事长(法定代表人)职务。

It is agreed that Hong Rongkai will be appointed as Chairman (legal representative) of the company and Yu Xinduo will be removed from his position as chairman (legal representative).

全体董事签名:

Signatures of all directors:

年　　月　　日

DD,　　MM,　　YY

TAB 3

汉枫缓释肥料有限公司

Hanfeng Slow Release Fertilizer Co., Ltd.

董事委派书

Appointment Letter of Director

根据设立汉枫缓释肥料有限公司的章程的有关条款规定，我公司研究决定，特委派 洪荣凯出任汉枫缓释肥料有限公司董事会董事（其中含董事长或副董事长），任期   年。

特此声明并委派。

It is hereby declared that according to the relevant provisions of the Articles of Association of Hanfeng Slow Release Fertilizer Co., Ltd., our company has decided to appoint Hong Rongkai as a member (including chairman or vice chairman) of the Board of Directors of Hanfeng Slow Release Fertilizer Co., Ltd., with a term of office of __ years.

投资者名称（章）：

Name of Investor (Seal):

年　　月　　日

DD,　MM,　YY

董事委派书附件

Attachment to the Appointment Letter of Director

姓名：洪荣凯　　性别：男　出生日期：　　　　国籍：

Name: Hong Rongkai　Gender: male　Date of Birth:　　　Nationality:

有效身份证件复印件粘贴处

Attach the valid copy of the ID document here

本人签字：

Signature:

TAB 4

汉枫缓释肥料有限公司

Hanfeng Slow Release Fertilizer Co., Ltd.

新董事会成员名单及签字样本

List of new board members and their specimen signatures

根据本公司章程规定，本公司董事会由　　人组成，具体名单及签字样本如下：

According to the Articles of Association of the company, the Board of Directors of the company shall be composed of ___ persons, with a specific list and specimen signatures as follows:

姓名	性别	职务	签名样本
Name	Gender	Position	Specimen signature

以上为本公司最新的董事会成员名单及签字样本，本公司保证上述成员名单及签字样本真实、有效。

The above are the latest list of board members of the company and their specimen signatures, and the company guarantees that the above list and specimen signatures are true and effective.

汉枫缓释肥料有限公（章）

Hanfeng Slow Release Fertilizer Co., Ltd. (Seal)

年　月　日

DD,　MM,　YY

TAB 5

Attached Table 1

Information about Legal Representative

Name		Fixed-line Tel	
Mobile Tel		Email	
ID Document Type		ID Document Number	
(Attach the copy of the ID document here)			

TAB 6

Attached Table 2

Information about Directors, Supervisors and Managers

Name______________ Country (Region)___________ ID Document Type___________ ID Document Number_________ Position__________ Mode of Generation___________ (Attach the copy of the ID document here)
Name______________ Country (Region)___________ ID Document Type___________ ID Document Number_________ Position__________ Mode of Generation___________ (Attach the copy of the ID document here)
Name______________ Country (Region)___________ ID Document Type___________ ID Document Number_________ Position__________ Mode of Generation___________ (Attach the copy of the ID document here)

TAB 7

Power of Attorney for Appointed Representative or Jointly Entrusted Agent

Applicant: ________________

Appointed Representative or Entrusted Agent: __________________________

Entrusted Matters and Permissions:

1. Handle the □Name Prior Approval □Establishment □Change □Cancellation □Filing □Change Registration Revocation □Equity Pledge (□Establishment □Change □Cancellation □Revocation) □Other ____________Procedures of __________ (Enterprise Name).

2. Agree □ Disagree□ check the copy in the registration materials and sign check opinion;

3. Agree □ Disagree□ correct the mistakes in the self-prepared documents of the enterprise;

4. Agree □ Disagree□ correct the form filling mistakes;

5. Agree □ Disagree□ obtain business license and related documents;

Validity Period of Appointment or Entrustment: from dd /mm / yy to dd / mm /yy

Information about Appointed Representative or Entrusted Agent or Handler	Signature:
	Fixed-line Tel:
	Mobile Tel
(attach the copy of the ID document of appointed representative or entrusted agent or handler here)	

(Signature or Seal of Applicant)

DD, MM, YY

TAB 8

Application Form for Registration (Filing) of Foreign-funded Enterprises

Note: Please carefully read the *Instructions for Filling* in the application form and fill in the form as required.

<table>
<tr><td colspan="8">□ Basic Information</td></tr>
<tr><td>Name</td><td colspan="7"></td></tr>
<tr><td>Name Prior Approval Document No./Registration No./ Uniform Social Credit Code</td><td colspan="2"></td><td colspan="2">Country (Region)</td><td colspan="3"></td></tr>
<tr><td>Address</td><td colspan="7">No.___ Village (Road/Community)__ Township(Ethnic Township/Town/Street)__ County (Autonomous County/Banner/Autonomous Banner/City/District)__City (Region/ Prefecture/Autonomous Prefecture)__Province (Municipality / Autonomous Region)</td></tr>
<tr><td>Place of Operation</td><td colspan="7">No.___ Village (Road/Community)__ Township(Ethnic Township/Town/Street)__ County (Autonomous County/Banner/Autonomous Banner/City/District)__City (Region/ Prefecture/Autonomous Prefecture)__Province (Municipality / Autonomous Region)</td></tr>
<tr><td>Tel.</td><td colspan="2"></td><td colspan="2">Postcode</td><td colspan="3"></td></tr>
<tr><td colspan="8">□ Establishment</td></tr>
<tr><td rowspan="2">Legal Representative</td><td>Name</td><td colspan="3"></td><td colspan="2">Country (Region)</td><td></td></tr>
<tr><td>Position</td><td colspan="6">□ Chairman □Executive director □Manager</td></tr>
<tr><td>Total Investment Amount (Ten Thousand)</td><td></td><td>Currency</td><td></td><td>Amount in USD (Ten Thousand)</td><td></td><td>Registered Capital (Ten Thousand)</td><td></td></tr>
<tr><td>Type of Ownership</td><td colspan="2"></td><td colspan="2">Mode of Establishment (To be filled by a stock company)</td><td colspan="3">□ Promotion □ Stock Floatation</td></tr>
<tr><td>Business Scope</td><td colspan="7"></td></tr>
<tr><td>Operation Term</td><td colspan="3">□____ Years □ Long-term</td><td colspan="3">Number of License Application Copies</td><td></td></tr>
</table>

□ Alteration

Alteration Items	Original Registration Contents	Registration Content Alteration Involved in the Application

□ Filing

<table>
<tr><td rowspan="2">Branch
□Establishment
□ Cancellation</td><td>Name</td><td></td><td>Registration No./ Uniform Social Credit Code</td><td></td></tr>
<tr><td>Registration Agency</td><td></td><td>Registration Date</td><td></td></tr>
<tr><td rowspan="2">Liquidation Team</td><td>Member</td><td colspan="3"></td></tr>
<tr><td>Person in Charge</td><td></td><td>Tel.</td><td></td></tr>
<tr><td>Other</td><td colspan="4">□Director □ Supervisor □Manager □Articles of Association
□ Amendment to Articles of Association □Person in Charge of Finance □ Liaison officer
□Foreign Investors' Agent for Service of Process</td></tr>
</table>

□ Declaration by Applicant

In accordance with the relevant stipulations of the *Company Law* and the *Company Registration Regulations*, we hereby apply for the approval to our application for registration and filing and undertake that all the documents submitted by us are true and valid. The liaison officer will log in the enterprise credit information publicity system and submit enterprise information to the registration authority for public review. We undertake that all the information provided and published by us are true and valid.

Signature of Legal Representative： Company Seal

(Signature of Person in Charge of the Liquidation Team):

DD, MM, YY

TAB 9

授　权　委　托　书

Power of Attorney

（法人或其他组织当事人的委托代理人用）

(For use by the legal person or the entrusted agents of the litigants of other organizations)

委托单位名称：　汉枫缓释肥料有限公司

Name of Trustor: **Hanfeng Slow Release Fertilizer Co., Ltd**.

所在地址：黑龙江省尚志市经济开发区

Address: **Shangzhi Economic Development Zone of Heilongjiang province**

法定代表人或代表人姓名：于薪铎　　职务：董事长

Name of Legal Representative or Representative: **Yu Xinduo**

Position: **Chairman**

联系方式：

Contact Information:

受委托人姓名：高士强律师

Name of Trustee: **Lawyer Gao Shiqiang**

工作单位：黑龙江宏珲律师事务所

Work Unit: **Heilongjiang Honghui Law Firm**

联系方式 ：13804555975

Contact Information: 13804555975

现委托**高士强**代表我公司到贵处调取本公司相关信息。委托权限如下：**查阅、复印全部本公司相关信息**

Gao Shiqiang is hereby entrusted to obtain relevant information of the company from you on behalf of our company, with the scope of power entrusted as follows: **consulting and copying all relevant information about our company.**

委托单位：**汉枫缓释肥料有限公司**

Trustor: **Hanfeng Slow Release Fertilizer Co., Ltd.**

年　　月　　日

DD,　　MM,　　YY

注：　本委托书供法人或其他组织等当事人的委托代理人用。
委托单位应该按有关法律规定，写明委托权限。

Note: This Power of Attorney is for use by legal person or the entrusted agents of the litigants of other organizations.

The trustor shall clearly state the scope of power entrusted according to relevant legal provisions.

TAB 10

授 权 委 托 书

Power of Attorney

（法人或其他组织当事人的委托代理人用）

(For use by the legal person or the entrusted agents of the litigants of other organizations)

委托单位名称： 汉枫缓释肥料有限公司

Name of Trustor: **Hanfeng Slow Release Fertilizer Co., Ltd.**

所在地址：黑龙江省尚志市经济开发区

Address: **Shangzhi Economic Development Zone of Heilongjiang province**

法定代表人或代表人姓名：于薪铎　　职务：董事长

Name of Legal Representative or Representative: **Yu Xinduo**

Position: **Chairman**

联系方式：

Contact Information:

受委托人姓名：焦开军律师

Name of Trustee: **Lawyer Jiao Kaijun**

工作单位：黑龙江宏珲律师事务所

Work Unit: **Heilongjiang Honghui Law Firm**

联系方式 ：18646388500

Contact Information: 18646388500

现委托**焦开军**代表我公司到贵法院调取相关卷宗材料。委托权限如下：**查阅、复印全部卷宗材料**

Jiao Kaijun is hereby entrusted to obtain relevant case materials from your court on behalf of our company, with the scope of power entrusted as follows: **consulting and copying all relevant case materials.**

委托单位：**汉枫缓释肥料有限公司**

Trustor: **Hanfeng Slow Release Fertilizer Co., Ltd**.

年　　月　　日

DD,　　MM,　　YY

注：　本委托书供法人或其他组织等当事人的委托代理人用。

委托单位应该按有关法律规定，写明委托权限。

Note: This Power of Attorney is for use by legal person or the entrusted agents of the litigants of other organizations.

The trustor shall clearly state the scope of power entrusted according to relevant legal provisions.

TAB 11

授　权　委　托　书

Power of Attorney

（法人或其他组织当事人的委托代理人用）

(For use by the legal person or the entrusted agents of the litigants of other organizations)

委托单位名称：　汉枫缓释肥料有限公司

Name of Trustor: **Hanfeng Slow Release Fertilizer Co., Ltd**.

所在地址：黑龙江省尚志市经济开发区

Address: **Shangzhi Economic Development Zone of Heilongjiang province**

法定代表人或代表人姓名：于薪铎　　职务：董事长

Name of Legal Representative or Representative: **Yu Xinduo**

Position: **Chairman**

联系方式：

Contact Information:

受委托人姓名：高士强律师

Name of Trustee: **Lawyer Gao Shiqiang**

工作单位：黑龙江宏珲律师事务所

Work Unit: **Heilongjiang Honghui Law Firm**

联系方式 ：13804555975

Contact Information: 13804555975

现委托高士强代表我公司到贵行调取本公司相关信息。委托权限如下：查阅、复印全部本公司相关信息

Gao Shiqiang is hereby entrusted to obtain relevant information of the company from you on behalf of our company, with the scope of power entrusted as follows: **consulting and copying all relevant information about our company.**

委托单位：汉枫缓释肥料有限公司

Trustor: **Hanfeng Slow Release Fertilizer Co., Ltd.**

年　　月　　日

DD,　　MM,　　YY

注：　本委托书供法人或其他组织等当事人的委托代理人用。
委托单位应该按有关法律规定，写明委托权限。

Note: This Power of Attorney is for use by legal person or the entrusted agents of the litigants of other organizations.

The trustor shall clearly state the scope of power entrusted according to relevant legal provisions.

This is **Appendix "N"**
to the Fifth Report of the Receiver
dated July 11, 2017

MOORE BARRISTERS
PROFESSIONAL CORPORATION

David C. Moore, B.Sc., LL.B.
Karen M. Mitchell, B.A., LL.B.
Kenneth G. G. Jones, LL.B.
Diana M. Soos, B.Sc., M.B.A., LL.B.
Nicholas P. Reinkeluers, B.A., J.D.

Suite 1600
393 University Avenue
Toronto, Ontario
M5G 1E6
Tel: 416-581-1818
Fax: 416-581-1279

May 19, 2017

VIA FAX (416) 360-2646 and email mhogg@stikeman.com

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9

Attention: Mel Hogg

Dear Ms. Hogg:

Re: Yu Xinduo et al ats Ernst & Young
Court File No. CV16-11325-00CL

1. This letter identifies several questions and requests with respect to the contents of the "Fourth Report of the Receiver dated April 4th, 2017" (hereinafter the "**Fourth Report**") filed in the Court File No. CV-14-10667-00CL (the "**Receivership Proceedings**").

LITIGATION PROCEEDINGS

(a) Action No. CV-16-11325-00CL: Ernst & Young Inc. et al v. Yu Xinduo and Lei Li (hereinafter the "**2016 Litigation**")

2. Paragraphs 51 – 54 of the Fourth Report refer to the claim commenced by the Receiver on March 22, 2016 in the 2016 Litigation.

3. This is the first and only disclosure about the 2016 Litigation in the Receivership Proceedings.

4. The Fourth Report does not attach the March 22, 2016 Statement of Claim or the January 5, 2017 Statement of Defence in the 2016 Litigation. The Fourth Report also does not

attach or provide any details of the Demand for Particulars, the Defendants' motion or any of the subsequent Court documents regarding same.

5. Instead, Paragraph 53 of the Fourth Report provides the following "report" to the Court:

> "53. After the Receiver delivered two responses to the defendants' Demand for Particulars, on January 5, 2017, Mr. Yu and Ms. Li delivered a defence to the action. The Statement of Defence broadly denies the allegations of the Receiver and claims certain allegations fail to disclose a cause of action against Mr. Yu and Ms. Li."

6. In my view, this "disclosure" is incomplete, inaccurate and unfair.

7. This concern is increased by the contents of the Receiver's Website.

8. In this regard, sometime after the delivery of our Request to Admit dated September 13, 2016, the Receiver decided to create a new category of documents on the Receiver's Website, entitled "**Litigation – Hanfeng v. Yu and Li**" and posted a copy of its March 22, 2016 Statement of Claim. As of today's date, this is the only document from the 2016 Litigation that has been posted on the Receiver's Website.

9. The Receiver's Website was established pursuant to paragraph 21 of the August 20, 2014 Appointment Order (Appendix B to the Fourth Report), which directs that "a Case Website shall be established in accordance with the Protocol with the following URL "http: //www.ey.com/ca/hanfeng."

10. In my view, the incomplete Website posting in respect of the 2016 Litigation does not comply with the principles set out in the Protocol.

11. In my view, it is appropriate that the Receiver take immediate steps to provide appropriate disclosure with respect to, *inter alia,* the 2016 Litigation.

12. Accordingly, please respond to the following requests and questions as soon as possible.

13. **<u>REQUEST/QUESTION #1:</u> Is the Receiver willing to forthwith update the Receiver's Website by posting the Statement of Defence, as well as (i) the Notice of Motion dated June 23, 2016, (ii) the Affidavit of Karen Mitchell sworn June 24, 2016, and (iii) the First and Second Reponses of the Receiver, dated June 16, 2016 and September 6, 2016, respectively?**

14. **<u>REQUEST/QUESTION #2:</u> Is the Receiver willing to file a Supplementary Report to the Court attaching the above referenced documents from the 2016 Litigation?**

(b) "**<u>New Pencheng Proceeding</u>**"

15. Under the above heading, paragraphs 55 – 61 of the Fourth Report refer to an action stated to have been commenced in the Harbin Court on or about August 3, 2015 (hereinafter the "**Harbin Legal Action**")

16. I note that:

    (1) The above paragraphs constitute the first and only disclosure of the Harbin Legal Action to the Court;

    (2) As in the case of the 2016 Litigation, neither the decision of the Harbin Court ("**Harbin Decision**") nor any of the other documents filed in the Harbin Legal Action is attached to the Fourth Report;

    (3) Similarly, the Receiver's Website does not contain any posting with respect to these proceedings.

17. **<u>REQUEST/QUESTION #3:</u> When did the Receiver, or any of its legal counsel, first become aware of the Harbin Legal Action?**

18. **<u>REQUEST/QUESTION #4:</u> Please treat this letter as a formal request that the Receiver file a further Report to the Court in the Receivership Proceedings as soon as practicable attaching the relevant documents from the Harbin Legal Action, including but not limited to, the Harbin Decision and any documents filed by way of appeal from this decision. Is the Receiver willing to do this?**

19. **<u>REQUEST/QUESTION #5:</u> Please treat this letter as a formal request that the Receiver update the Receiver Website by creating a new category "Harbin Court – Chinese Legal Proceedings" and by posting thereunder the relevant documents from the Harbin Legal Proceedings, including but not limited to the Harbin Decision. Is the Receiver willing to do this?**

20. My understanding is that the Receiver and Hanfeng Evergreen Inc. actively participated in the "New Pengcheng Proceeding", including appearing and making submissions through

legal counsel thereby responding to and contesting the substance of the claims advanced therein.

21. **<u>REQUEST/QUESTION #6:</u> Please confirm the accuracy of my understanding as outlined in paragraph 20 above.**

22. A copy of the Harbin Decision and an English translation thereof are attached to this letter as TABS A and B respectively.

23. The Harbin Decision directs that the deposit paid to the Receiver pursuant to the Share Transfer Agreement (as defined in the Receiver's Prior Reports) in the amount of 12,400,000 RMB, be returned to the purchaser in the Share Transfer Agreement, as well as interest and costs. This deposit exceeds CDN$2,400,000 at the currently prevailing exchange rate.

24. The Fourth Report contains the following statements:

(1) In sub-paragraphs 56(a), (b) and (c):

> "56. On February 15, 2017, the Harbin Court released its decision (backdated to December 29, 2016). Among other things, the decision included the following:
>
> (a) the termination of the Share Transfer Agreement;
> (b) the requirement for Hangfeng to return the deposit, plus interest, to the Purchaser; and
> (c) a finding that EY, in its personal capacity, was not a party to the Share Transfer Agreement and not personally liable for the return of the deposit."

(2) In paragraph 62:

> "62. In addition to the activities described above, since the filing of the Third Report, Receiver has taken various steps pursuant to the Appointment Order as detailed below:
>
> (a) responded to inquiries from stakeholders;
> (b) consulted certain stakeholders as appropriate with respect to the Share Transfer Transaction and Chinese Subsidiary; and
> (c) suspended disbursements except for funding Chinese counsel and expenses related to the litigation activities in China in order to preserve liquidity."

(3) In paragraphs 65 and 66:

"65. At the time of this Report, outstanding professional fees and disbursements are estimated at $525,000 before HST.

66. As described in more detail above, given the current status of the Share Transfer Transaction and that it is unlikely to proceed further, the Receiver intends to:

(a) proceed with pursuing the litigation as against Mr. Yu and Ms. Li in Canada; and
(b) proceed with the appeal of the Chinese Court decision in China in respect of the New Pengcheng lawsuit."

(4) In paragraph 67:

"67. The Receiver, therefore, intends to return to this Court in the near future to seek approval of its activities and for payment of the Receiver's and Canadian counsel's outstanding professional fees and disbursements in accordance with the Appointment Order."

25. In addition, the Fourth Report contains the following statements:

"39. The Receiver believes that New Pengcheng's numerous and continuous breaches of the Share Transfer Agreement are the sole cause for the failure to close the Share Transfer Transaction. <u>The Receiver also continues to believe that it is entitled to keep the Deposit pursuant to the Share Transfer Agreement.</u>

40. In the Second and Third Report, the Receiver advised this Court that it was critical to the estate to further both the investigation activities and efforts to preserve the assets of the Chinese Subsidiary. In the Third Report, the Receiver advised this Court that the remaining funds in the estate, including a portion or all of the Deposit, would be used by the Receiver to fund the next steps outlined in the Repot. This Court approved the Third Report by an Order dated October 5, 2015, a copy of which is attached hereto as Appendix "I". <u>In accordance with this Order, the Receiver has continued to use the Company's remaining funds, including the Deposit, to fund the various activities as further described herein.</u>" [underlining added]

26. As of today's date, there is a shortfall of over CDN$400,000 between the funds which are required to be returned under the Harbin Decision (in excess of CDN$2,400,000) and the funds currently held by the Receiver, as set out in paragraph 64 of the Fourth Report (approximately CDN$2,048,325).

27. The shortfall referred to in paragraph 26 above will be increased by:

   (1) the payment of the $525,000 fees plus HST, referred to in paragraph 65 of the Fourth Report, and,

   (2) the payment of any additional legal and other professional fees incurred by the Receiver in furtherance of the intended courses of action set out in sub-paragraphs 66 (a) and (b) of the Fourth Report.

28. **REQUEST/QUESTION #7: Does the Receiver or Hanfeng take the position that any form of stay exists in respect of the Harbin Decision? If so, on what basis?**

29. **REQUEST/QUESTION #8: Does the Receiver take the position that it is entitled to use the funds on hand for the purposes and with the effects noted above, notwithstanding the Harbin Decision?**

30. **REQUEST/QUESTION #9: How does the Receiver intend to return the deposit and other funds as ordered by the Harbin Court, in light of the above?**

31. **REQUEST/QUESTION#10: Does either of (a) Hanfeng or (b) the Receiver take the position that it is entitled to use the funds it has on hand for the above purposes mentioned above, notwithstanding the directions resulting from the Harbin Decision? If so, on what basis?**

(c) Further Chinese Legal Application

32. Paragraphs 44 – 45 of the Fourth Report state that "**the Receiver...applied to the Harbin Intermediate People's Court**" for "**among other things**" the relief set out in paragraphs 44 (a) and (b) of the Fourth Report, but that "**...the Harbin Court was not prepared to hear the Receiver's application...**".

33. As in the case of the other lawsuits and litigation, in my view, all of the Court documents in this application should immediately be posted on the Receiver Website and attached to a further Report to be filed, as soon as practicable, in the Receivership Proceedings.

34. **REQUEST/QUESTION #11: Is the Receiver prepared to proceed in this manner?**

NEW ALLEGATIONS-- FAILURE TO COOPERATE

35. The Fourth Report attaches copies of the Second Report of the Receiver dated July 17, 2015 (as Appendix E), and the Third Report of the Receiver dated September 24, 2015 (as Appendix F). These (and other) prior Reports contain numerous allegations of non-cooperation by Xinduo Yu. With the exception of the Fourth Report, these reports were filed prior to the commencement of the 2016 Litigation.

36. Paragraphs 37 – 43 of the Statement of Claim in the 2016 Litigation (under the heading "Yu's Obligations") make allegations of non-cooperation against **Xinduo Yu** and refer to certain of the Court Orders in the Receivership Proceedings made on July 24 and 31, 2015. On or about January 5, 2017, a Statement of Defence was delivered on behalf of Mr. Yu which contained (at paragraphs 78 – 88 thereof) a detailed response to the Receiver's allegations of non-cooperation. To date, no Reply has been delivered to the Statement of Defence.

37. In so far as the Defendant Lei Li is concerned, the Statement of Claim in the 2016 Litigation does not make any allegations of non-cooperation. Similarly, no such allegations against Lei Li are contained in any prior Reports filed in the Receivership Proceedings.

38. The Fourth Report contains new allegations of non-cooperation:

(a) against Mr. Yu, in paragraph 34 thereof:

> "34. Despite the Receiver's clear instructions to Yu and the Escrow Bank, the Receiver's Chinese counsel found **Mr. Yu had provided written consent on behalf of Hanfeng** (which he was not authorized to do) to the Escrow Bank, resulting in the Escrow Funds being released back to New Pengcheng in August 2015." [underlining added]

(b) against Ms. Li, in paragraph 35(b) thereof:

> "35(b) The absence of any meaningful cooperation from Mr. Yu, **Ms. Li** and the Local Management Team and their continuing refusal to provide detailed supporting information for the disbursements."[underlining added]

39. No documentation relevant to the above allegations has been attached to the Fourth Report.

40. **<u>REQUEST/QUESTION #12:</u> Please provide a copy of the "written consent" referred to in paragraph 34 of the Fourth Report.**

41. **<u>REQUEST/QUESTION #13</u>: Please provide any documents and/or any material facts that the Receiver contends support the inclusion of the allegation of non-cooperation against Ms. Lei made in paragraph 35 (b) of the Fourth Report.**

CONCLUSION

42. We are continuing to review the contents of the Fourth Report, and I have additional questions which will be detailed shortly.

43. In the meantime, I look forward to your response to the above requests and questions at your earliest convenience.

Yours very truly,

MOORE BARRISTERS

David Moore

David C. Moore
DCM/ rn

Enclosures (2)

This is **Appendix “O”**
to the Fifth Report of the Receiver
dated July 11, 2017

STIKEMAN ELLIOTT

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

Mel Hogg
Direct: (416) 869-6826
E-mail: mhogg@stikeman.com

BY EMAIL david@moorebarristers.ca June 6, 2017

Moore Barristers PC
Suite 1600
393 University Avenue
Toronto, Ontario
M5G 1E6

<u>Attention: David Moore</u>

Dear Mr. Moore:

Re: Hanfeng Evergreen Inc. (Re)
Court File No. CV16-11325-00CL (the "Receivership Proceeding")

And Re: Ernst & Young Inc. v. Yu Xinduo *et al.*
Court File No. CV16-11325-00CL (the "Receiver's Action")

I write in response to your letter dated May 19, 2017 which contains numerous requests and questions for the Receiver (the "**May 19 Letter**"). Capitalized terms not defined herein have the meaning set out the Fourth Report of the Receiver dated April 4, 2017 (the "**Fourth Report**") filed in the Receivership Proceeding.

The Receiver is an officer of the Court and not subject to cross-examination or interrogatories except in very limited circumstances.[1] The responses below are intended as a courtesy in keeping with the "3 Cs" of the Commercial List and are not to be construed as waiver of the Receiver's right to refuse cross-examination or its discretion with respect to the content of its reports.

In addition, Mr. Yu entered a claim into the estate in the amount of $125,000. The Receiver has reviewed this claim and disallowed it on the basis set out in the attached notice of disallowance. Accordingly, the Receiver considers Mr. Yu to be a stranger to the Receivership Proceeding. As a consequence, Mr. Yu may not have standing or interest to challenge any of the matters raised in your letter and our response thereto is not to be construed as accepting such standing or interest.

TORONTO
MONTRÉAL
OTTAWA
CALGARY
VANCOUVER
NEW YORK
LONDON
SYDNEY

---

[1] *Re Anvil Range Mining Corp.* (2001), 21 CBR (4th) 194 (Ont Sup Ct).

a) Litigation Documents

In the May 19 Letter, you made numerous requests that the Receiver post documents on the case website relating to (i) the Receiver's Action, (ii) the ongoing litigation commenced by New Pengcheng against the Receiver (among others) in the Harbin Court on or about August 3, 2015 (the "**Harbin Legal Action**") and (iii) the "Further Chinese Legal Application" (as described in para 32 of the May 19 Letter) and file same with the Court in a supplement to the Fourth Report.

The Receiver has updated the case website in respect of the Receiver's Action such that it currently includes the following documents:

1. Statement of Claim dated March 22, 2016;
2. Demand for Particulars dated May 11, 2016;
3. Response to Demand for Particulars dated June 15, 2016;
4. Second Response to Demand for Particulars dated September 6, 2016;
5. Request to Admit dated September 13, 2016;
6. Statement of Defence dated December 5, 2016;
7. Response to Request to Admit dated December 6, 2016; and
8. Reply to the Statement of Defence dated May 30, 2017.

However, the Receiver will not be posting documents relating to the Harbin Legal Action or the Further Chinese Legal Application at this time. These documents are in Chinese and the Receiver has not gone to the expense of having an official translation prepared. In the Receiver's view, the information regarding the Harbin Legal Action and the Further Chinese Legal Application provided by the Receiver in its reports is sufficient and it is not necessary to post the Chinese language documents. In addition, as a party to the litigation mentioned above, Mr. Yu has had access to the requested documents.

Similarly, the Receiver will not file a supplemental report attaching the further documents requested in the May 19 Letter (unless those documents become more directly relevant to any relief being sought in the Receivership Proceeding in the future). The content of reports to the Court are at the Receiver's discretion and the Receiver has filed, and will continue to file, reports that it believes effectively communicate necessary or useful information to the Court.

The Fourth Report was intended to update the court with respect to the ongoing litigation, not provide a comprehensive record of the documents in each proceeding. The Fourth Report was not filed in conjunction with any motion, and no relief directly relating to the Receiver's Action, the Harbin Legal Action or the Further Chinese Legal Application is being sought at this time in the Receivership

Proceeding. The Receiver does not believe it is necessary or useful to file with the court pleadings in ancillary proceedings that are not before the Court for determination.

b) The Harbin Legal Action

The May 19 Letter also includes a number of questions regarding the Receiver's position on the decision of the Harbin Court in the Harbin Legal Action.

Mr. Yu has claimed on numerous occasions that he is not cooperating with nor otherwise connected to New Pengcheng. As such, it is unclear what interest Mr. Yu has in New Pengcheng's ability to enforce any order it obtains in the Harbin Legal Action.

As the Fourth Report noted, the Receiver intends to bring a motion seeking the approval of its fees and disbursements on notice to interested parties and is of the view that payment of such fees is appropriate at this time.

c) Mr. Yu and Ms. Lei's failure to cooperate

The May 19 Letter requests that the Receiver provide further documents and information with respect to its allegations of Ms. Lei's failure to cooperate. These issues are properly before the Court in the Receiver's Action, and should be dealt with in that proceeding.

As noted above, the Fourth Report provided the Court with an update regarding the Receiver's Action but was not filed in support of any request for relief in respect of Mr. Yu, Ms. Li or the Receiver's Action.

To the extent the materials and information requested are relevant to the Receiver's Action, they may be requested/produced in the regular court process relating to that proceeding. The Receivership Proceeding is not an appropriate forum to seek or obtain such discovery.

Regards,

Mel Hogg

MH/

cc. Brian Pukier, *Stikeman Elliott LLP*
Maria Konyukhova, *Stikeman Elliott LLP*
Murray McDonald, *Ernst & Young*
Brent Beekenkamp, *Ernst & Young*
Allen Yao, *Ernst & Young*

NOTICE OF REVISION OR DISALLOWANCE

(All capitalized terms not otherwise defined will have the meanings ascribed to them in the September 23, 2014 Court Order.)

Name of Claimant
Xinduo Yu

The Receiver previously sent you a letter dated November 18, 2014, advising of the status of the review of your Proof of Claim dated October 4, 2014 (the "Claim"). Pursuant to the Claims Procedure Order, the Receiver hereby gives you notice that it has completed its review and has rejected your Claim on the basis that, among other things, (a) you have not provided an employment agreement or any other evidence to substantiate any entitlement to a severance payment in the amount claimed, and, (b) should you be entitled to any severance payment, that amount is set off against the amount you owe to the Receiver as damages in respect of its claims against you for breach of fiduciary duty, fraud, conversion or unjust enrichment, as set out in greater detail in the Statement of Claim of the Receiver dated March 22, 2016, Court file number: CV16-11325-00CL. A copy of the Statement of Claim is attached hereto as Appendix "A".

The reasons set out above, with respect to the disallowance of your claim, are not exhaustive and the Receiver reserves rights to raise additional issues if the matter progresses to adjudication.

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

	Claim per Proof of Claim	**Claim per Allowed as Revised**
Xinduo Yu	$125,000	$nil

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 p.m. (Eastern Daylight Saving Time) on June 26, 2017.** If you do not file the enclosed Notice of Dispute by **June 26, 2017,** your claim shall be as set out above for distribution purposes.

DATED at Toronto, Ontario, Canada this 5th day of June, 2017.

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

Per:

Allen Yao
Encl.

CV-16-11325-00CL
Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

ERNST & YOUNG INC.
in its capacity as Court Appointed Receiver
of HANFENG EVERGREEN INC.

Plaintiff

- and -

YU XINDUO and LEI LI

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and $4,000.00 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and $400.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date March 22, 2016

Issued by ______________________
Local registrar

Address of court office
330 University Avenue
7th Avenue
Toronto, Ontario

TO: YU XINDUO
306 Russell Hill Road
Toronto, ON M4V 2T6

LEI LI
306 Russell Hill Road
Toronto, ON M4V 2T6

CLAIM

1. The plaintiff claims:

   (a) as against the Defendant, Yu Xinduo ("**Yu**"):

      (i) restitution or damages, in the amount of Canadian currency sufficient to purchase Chinese Yuan Renminbi (RMB) 630,000,000 for breach of fiduciary duties owed to Hanfeng Evergreen Inc., fraud, conversion or unjust enrichment;

      (ii) damages for breach of fiduciary duty in an amount of Canadian currency sufficient to purchase RMB 235,600,000;

   (b) as against the Defendant, Lei Li ("**Lei**"):

      (i) restitution or damages, in the amount of Canadian currency sufficient to purchase RMB 630,000,000 for knowing assistance and knowing receipt;

   (c) as against both Defendants, jointly and severally:

      (i) damages for fraudulent misrepresentation in an amount of Canadian currency sufficient to purchase RMB 235,600,000;

      (ii) a declaration that all monies belonging to Hanfeng Slow-Release Fertilizer Co., Ltd. and wrongfully obtained by Yu and/or held by Lei are held in a constructive trust in favour of the Plaintiff;

      (iii) aggravated, exemplary and punitive damages in the amount of $500,000;

      (iv) special damages in an amount to be determined in advance of trial, for costs, including but not limited to those incurred by the Plaintiff in connection with Court approval and monitoring of the Share Transfer Agreement (defined below) and in connection with the delays to the Share Transfer Transaction (defined below) caused by Yu and Lei as well to investigate the activities of Yu and Lei and to preserve the assets of Hanfeng Slow-Release Fertilizer Co., Ltd.;

(v) the costs of this action plus applicable taxes;

(vi) prejudgment and postjudgment interest pursuant to the *Courts of Justice Act*, RSO 1990, c C.43 ("*CJA*"); and

(vii) such further relief and other relief as counsel may advise and this Honourable Court deem just.

Parties

2. Hanfeng Evergreen Inc. ("**Hanfeng**") is incorporated under the laws of Ontario with its registered head office in Toronto. Through its wholly-owned subsidiaries, Hanfeng was a developer and producer of value-added fertilizers in the People's Republic of China ("**China**"). Hanfeng has no independent operations and exists solely as a holding company for certain operating entities located in China.

3. Hanfeng Slow-Release Fertilizer Co., Ltd. ("**Hanfeng China**") provides slow-release fertilizer products for landscaping projects and agriculture in China. Hanfeng China is a wholly-owned subsidiary of Hanfeng.

4. Yu is a resident of Ontario and is the founder and former CEO of Hanfeng, who owns and controls approximately 20.4% of Hanfeng's shares. At all material times, Yu was a director of Hanfeng. Yu is also the legal representative of Hanfeng China, a position that makes Yu responsible for the overall activities of Hanfeng China under Chinese law.

5. Lei is the spouse of Yu, is a resident of Ontario and is a former director and officer of Hanfeng.

6. Ernst & Young Inc. is a professional services firm and was appointed as receiver and manager of Hanfeng (the "**Receiver**") on August 20, 2014 pursuant to an Order under section 101 of the *CJA* and in that capacity brings this action on behalf of Hanfeng and creditors of Hanfeng.

Overview

7. On or about August 8, 2014, Hanfeng entered into a share transfer agreement pursuant to which a purchaser would purchase its shares of Hanfeng China. Unbeknownst to Hanfeng, Yu and Lei fraudulently misrepresented the identity and corporate history of the purchaser with the result that Hanfeng believed it was entering into the share transfer agreement with an established and reputable company, when in fact the purchaser was a shell corporation established and controlled by Yu.

8. Prior to the appointment of the Receiver and during his tenure as a director of Hanfeng, Yu breached his fiduciary duties to Hanfeng and his duties to Hanfeng China by taking out a series of loans on behalf of Hanfeng China, the proceeds of which he converted for his own use or otherwise improperly dissipated to the detriment of Hanfeng and Hanfeng China.

9. Following the appointment of the Receiver, Yu continued to breach his duties to Hanfeng and Hanfeng China by frustrating the efforts of the Receiver to close the share transfer agreement, hindering the appointment of a new legal representative for Hanfeng China and improperly retaining and dissipating Hanfeng China property, all in breach of orders of this Court.

Background

The Share Transfer Agreement

10. In June 2014, Yu and Lei forwarded a letter of intent dated June 16, 2014 to the Board of Directors of Hanfeng (the "**Board**") on behalf of a potential purchaser (the "**Purchaser**") expressing interest in acquiring Hanfeng China from Hanfeng (the "**Letter of Intent**"). The Letter of Intent was purportedly authored by Heilongjiang

Pengcheng Fertilizer Co., Ltd. ("**HLJ Pengcheng**"), a well-known, well-capitalized and reputable fertilizer company in China. Yu and Lei also represented to the Board that the Purchaser was HLJ Pengcheng and that the Purchaser was a third party purchaser at arm's-length to Hanfeng China.

11. The Board retained Deloitte LLP to conduct due diligence on HLJ Pengcheng and prepare a fairness opinion with respect to the proposed transaction.

12. On August 8, 2014, following negotiations, Hanfeng and the Purchaser entered into a share transfer agreement (the "**Share Transfer Agreement**") and certain related agreements pursuant to which Hanfeng agreed to transfer all its equity shares of Hanfeng China to the Purchaser in consideration for payment of RMB 248,000,000 (approximately C$50 million) (the "**Share Transfer Transaction**"). Eighty percent of the purchase price was payable in cash and 20% was payable by way of a non-interest bearing promissory note to be issued by the Purchaser in favour of Hanfeng.

13. As detailed below, Yu and Lei misrepresented and concealed the true identity of the Purchaser. Contrary to the Defendants' representation, the Purchaser was not HLJ Pengcheng (Heilongjiang Pengcheng Fertilizer Co. Ltd.), but rather was a shell corporation with a confusingly similar name, Heilongjiang Harbin Pengcheng Fertilizer Co. Ltd. ("**Harbin Pengcheng**"), set-up by Yu and others.

14. The Receiver later discovered that although the Letter of Intent was purportedly authored by HLJ Pengcheng and its negotiations were purportedly conducted with authorized representatives of HLJ Pengcheng, in fact HLJ Pengcheng had no knowledge of the Letter of Intent or the Share Transfer Agreement and had no involvement in the negotiations with Hanfeng.

The Receivership Proceedings

15. On August 20, 2014, Hanfeng commenced an application (the "**Application**") in the Ontario Superior Court of Justice seeking appointment of Ernst and Young Inc. as receiver and manager of the assets, undertakings and property of Hanfeng pursuant to section 101 of the *CJA* (the "**Receivership Proceedings**").

16. At the time of the Application, Hanfeng's principal asset was the issued and outstanding shares of Hanfeng China. According to Hanfeng, it was unable to continue business as a going concern due to the significant business issues with Hanfeng China. Hanfeng China had lost its business relationship with its single largest customer, had no prospect of reviving that relationship and faced insurmountable operational challenges, including a lack of demand for its products and deteriorating facilities, inventories and other assets.

17. On the Application, Hanfeng also sought and obtained an order approving the Share Transfer Agreement and Share Transfer Transaction and providing 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.

Purchaser Fails to Make Payments

18. Under the terms of the Share Transfer Agreement, the Purchaser was obligated to make payment of the purchase price as follows:

(a) 5% of the total purchase price within seven business days of the date of the Share Transfer Agreement (the "**Deposit**");

(b) 15% of the total purchase price within ten business days of the date of Court approval of the Share Transfer Agreement (the "**Interim Payment**");

(c) 60% of the total purchase price within ten days upon the closing of the Share Transfer Transaction; and

(d) 20% of the total purchase price in promissory note to be assigned to Yu (on account of approximately 20.4% of Hanfeng China's shares owned or controlled by Yu) within ten days upon the closing of the Share Transfer Transaction.

19. The Deposit was paid, albeit late, on August 28, 2014.

20. The Purchaser failed to make the Interim Payment that was due on September 3, 2014 pursuant to the Share Transfer Agreement. The Purchaser initially blamed the failure to make the Interim Payment on its inability to obtain timely regulatory approvals required under Chinese law to procure and export foreign currency from China.

21. In the face of the Purchaser's failure to meet its payment obligations and given Yu's involvement in dealing with the Purchaser prior to the Receivership Proceedings, the Receiver engaged Yu to, among other things, facilitate communication with the Purchaser.

22. On February 11, 2015, in a good faith attempt to solve the purported regulatory issues and facilitate payment of the balance of the purchase price under the Share Transfer Agreement, the Receiver authorized Yu, on behalf of the Receiver, to enter into an escrow agreement (the "**Escrow Agreement**") with the Purchaser pursuant to which the Purchaser agreed to make the outstanding payments under the Share Transfer Agreement.

23. The Purchaser failed to make the payments required under the Escrow Agreement. The Receiver was initially informed by the Purchaser that the delay in funding the escrow account was caused by its office closure during the Chinese New Year holiday season between February 14 and March 6, 2015. However, the Purchaser later advised it was unable to make the Interim Payment on time due to its tight liquidity related to the seasonality of its business, and requested an extension of time to meet its obligations under the Escrow Agreement.

24. After numerous discussions, on March 23, 2015 the Purchaser committed to a new timeframe to fund the Interim Payment in three installments by April 30, 2015. The Purchaser again failed to meet this commitment.

Receiver's Continued Efforts to Close the Share Transfer Transaction

25. Notwithstanding the Purchaser's continued failure to meet its payment obligations under the Share Transfer Agreement, the Receiver made continued efforts to move the Share Transfer Transaction forward, including:

(a) engaging in extensive discussions with the Purchaser and Yu by phone and email in order to break through the purported impasse;

(b) meeting with Yu in person in Toronto on December 22, 2014 and May 4, 2015;

(c) requesting an in-person meeting with the Purchaser (the Purchaser requested to meet in Toronto, but subsequently advised that its representatives' visa applications were rejected by the Canadian Embassy in Beijing);

(d) requesting an in-person meeting in China, to which the Purchaser did not respond; and

(e) sending a letter dated May 22 to the Purchaser demanding the Purchaser fulfill its obligations under the Share Transfer Agreement and the Escrow Agreement.

New Information Concerning Identity of the Purchaser

26. During the course of its efforts to close the Share Transfer Transaction, the Receiver learned that contrary to the representations of Yu and Lei, the party it had been dealing with as Purchaser was not HLJ Pengcheng but rather was Harbin Pengcheng, a shell company with a confusingly similar name that is controlled by Yu.

27. Unlike HLJ Pengcheng, which is a well-established company, Harbin Pengcheng is not an operating company and was only registered on August 4, 2014 – four days before the Share Transfer Agreement was signed.

28. The Receiver further discovered that there is no connection whatsoever between HLJ Pengcheng and Harbin Pengcheng.

29. At all material times, Yu and Lei misrepresented the identity of the Purchaser and concealed Yu's personal connection to Harbin Pengcheng.

Yu Dissipates Hanfeng China's Assets

30. During the course of the Receivership Proceedings, Yu advised and assured the Receiver that Hanfeng China's operations had been dormant since April 2014. However, the Receiver discovered that between August 2014 and June 2015, Hanfeng China incurred millions of RMB in expenses, significantly more than would be expected for a nonproducing manufacturing facility (the "**Dissipated Funds**").

31. Despite requests from the Receiver and in breach of his obligations as legal representative and orders of this Court, Yu has refused to provide the Receiver with Hanfeng China's financial records and access to Hanfeng China's bank accounts. As a result, the Receiver has been unable to ascertain what happened to the Dissipated Funds, but it appears that Yu has absconded with them.

32. At least RMB 27 million has been dissipated from Hanfeng China during this period and the Receiver is concerned that the amount of the Dissipated Funds continues to grow.

33. The Receiver also discovered that under the control and direction of Yu, including while the company was purportedly dormant, Hanfeng China obtained approximately RMB 600,000,000 through various loans and other agreements as follows:

(a) RMB 170 million from the Harbin Branch of Industrial Bank Co., Ltd;

(b) RMB 220 million from China Construction Bank;

(c) RMB 190 million from China Merchants Bank;

(d) RMB 20 million from the Bank of East Asia (collectively the "**Loans**")

34. None of the Loans are reflected in the internal financial statements of Hanfeng China, and Yu has denied the existence of the Loans.

35. While the Receiver has determined based on available information that approximately RMB 600 million was borrowed by Hanfeng China under the Loans, none of the borrowed funds are (or ever have been) held by Hanfeng China. Due to Yu's actions, the Receiver has been unable to ascertain precisely what happened to these funds, but it appears that Yu has absconded with them.

36. The Loans are in default and remain outstanding liabilities for Hanfeng China. Lawsuits have been filed against Hanfeng China for recovery of the defaulted loan amounts.

Yu's Obligations

37. Yu was a member of the Board beginning in 2003. As a member of the Board, Yu owed Hanfeng fiduciary duties, including but not limited to a duty to act in good faith in the best interest of Hanfeng. Yu is also the legal representative of Hanfeng China, with responsibility under Chinese law for the administration of the company in accordance with its corporate purpose and authority to act on behalf of the company, e.g., to enter into third party transactions and other agreements.

38. In breach of his fiduciary duties to Hanfeng and his duties as legal representative of Hanfeng China, Yu failed to cooperate with the Receiver and failed to provide the Receiver with operational and financial information as requested.

39. In May 2015, as a result of Yu's failure to cooperate with the Receiver, the Receiver's ongoing investigation regarding Yu's connection to Harbin Pengcheng and concerns about deterioration of Hanfeng China's assets, the Receiver took steps to remove Yu as the legal representative and a director of Hanfeng China. Yu refused to cooperate with the Receiver's steps to register a new legal representative.

40. On July 24, 2015, in the course of the Receivership Proceedings, the Honourable Mr. Justice Conway ordered Yu to provide full and timely cooperation to the Receiver

including, but not limited to, providing the new legal representative with unfettered access to Hanfeng China's offices, facilities, books and financial records (the "**July 24th Order**").

41. On July 31, 2015, in the course of the Receivership Proceedings, the Honourable Mr. Justice Hainey further ordered Yu to provide full and timely cooperation to the Receiver including, but not limited to, surrendering of all of Hanfeng China's chops, and surrendering all of Hanfeng China's corporate licenses, certificates and registrations (the "**July 31st Order**").

42. Despite numerous requests, and in breach of both the July 24th Order and the July 31st Order, Yu has refused to co-operate with the appointment of a new legal representative, refused to provide the Receiver with access to the books and records of Hanfeng China, including financial records, bank accounts and loan information, excluded the Receiver's representatives from physically accessing Hanfeng China's facilities and otherwise prevented the Receiver from exercising any of the rights inherent in Hanfeng's ownership of Hanfeng China.

43. Yu has offered a number of purported excuses and justifications for Harbin Pengcheng's delay closing the Share Transfer Transaction and his own failure to co-operate with the Receiver. The explanations provided are not credible and are inconsistent with information gathered in the course of the Receivership Proceeding.

Breach of Fiduciary Duties

44. Yu breached his fiduciary duties to Hanfeng by misrepresenting the identity of the Purchaser in an attempt to secure Hanfeng China's assets for his own personal benefit. Yu further breached his fiduciary duties by frustrating the Receiver's efforts to protect Hanfeng China's assets for the benefit of Hanfeng and its shareholders while simultaneously dissipating Hanfeng China's assets for his personal gain. Hanfeng has suffered damages, the full particulars of which will be provided prior to trial, for which Yu is liable as a result of his breaches of fiduciary duty detailed herein.

Deceit and Fraudulent Misrepresentation

45. Despite his legal and/or equitable obligations to Hanfeng, Yu fraudulently misrepresented the identity of the Purchaser and actively concealed material facts about the true identity of the Purchaser and Yu's relationship to the Purchaser, all with intent to induce Hanfeng to enter into the Share Transfer Agreement, thereby injuring Hanfeng or knowing that injury was likely.

46. Lei fraudulently misrepresented the identity of the Purchaser and actively concealed material facts about the true identity of the Purchaser and Yu's relationship to the Purchaser, all with intent to induce Hanfeng to enter into the Share Transfer Agreement, thereby injuring Hanfeng or knowing that injury was likely.

47. Hanfeng entered into the Share Transfer Agreement with the Purchaser in reliance upon Yu and Lei's misrepresentations and as a result of their active concealment of material information.

48. Hanfeng has suffered damages, the full particulars of which will be provided prior to trial, for which Yu and/or Lei are liable as a result of the deceit or fraudulent misrepresentations committed by Yu and Lei and relied upon by Hanfeng and/or the Receiver as described herein.

Conversion

49. Yu caused Hanfeng China to spend or otherwise dissipate the Dissipated Funds, without any legitimate business purpose, thereby depriving Hanfeng of rightful possession. Yu further caused Hanfeng China to obtain the Loans, for which there was no legitimate business purpose, and absconded with the proceeds of the Loans, thereby depriving Hanfeng of rightful possession. Yu was not entitled to the benefit of any of the Dissipated Funds or the Loans.

50. Yu's subsequent transfer or use of the Dissipated Funds and the Loans amount to a conversion of funds for which Yu is liable.

Restitution

51. Yu has wrongfully obtained the funds advanced under the Loans and the Dissipated Funds. Yu is not entitled to these wrongfully obtained funds. The Receiver seeks restitution of all such amounts that Yu obtained.

Unjust Enrichment

52. Yu has been unjustly enriched by receipt of the funds advanced under the Loans and the Dissipated Funds, to the detriment of Hanfeng China and its sole shareholder Hanfeng. There is no juristic reason for Yu's enrichment since he has no legal or equitable right to these funds.

Knowing Assistance and Knowing Receipt

53. Lei knowingly received and retained the benefits of the Loans and Dissipated Funds, which Yu wrongfully obtained.

54. In addition, or in the alternative, Lei knowingly assisted Yu to wrongfully obtain the benefits of the Loans and the Dissipated Funds. Hanfeng has suffered harm as a result of Lei's knowing assistance and knowing receipt and is entitled to damages and/or restitution.

Punitive Damages

55. The misconduct of the Defendant as described herein has been high-handed, deliberate, officious and malicious as to justify an award of punitive damages.

Special Damages

56. In the circumstances described above, the Plaintiff is entitled to special damages for, *inter alia*, the cost of investigating the Defendants' conduct, costs associated with preserving Hanfeng China's assets in the face of Yu's dissipation thereof and costs incurred in Court approval and monitoring of the Share Transfer Transaction as well as costs incurred as a result of delays in closing that transaction.

57. The Receiver pleads and relies upon the *CJA*.

58. The Plaintiff proposes that this action be tried at Toronto.

March 22, 2016

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova LSUC# 52880V
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Fax: 416-360-2646

Lawyers for the Plaintiff

CV-16-11325-00CL
Court File No.

Ernst & Young Inc., in its capacity as Court Appointed Receiver of Hanfeng Evergreen Inc.
Plaintiff

and

Yu Xinduo et al.
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

STATEMENT OF CLAIM

STIKEMAN ELLIOTT LLP
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Fax: 416-360-2646

Lawyers for the Plaintiff

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: ____

	Notice of Revision or Disallowance	Claim per Claimant
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: ____

____

____

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

This is **Appendix “P”**
to the Fifth Report of the Receiver
dated July 11, 2017

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 N/A and dated June 5, 2017 issued by Ernst & Young Inc. in its capacity as court appointed Receiver of Hanfeng Evergreen Inc. in respect of our claim.

Name of Claimant: Xinduo Yu

	Notice of Revision or Disallowance	Claim per Claimant
Claim per	$ 0.00	$ 125,000

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):
See Appendix "A"

Signature of Individual completing this claim

Date: June 26, 2017

Xinduo Yu per Moore Barristers per David Moore
(Please print name)

Telephone Number: 416 581 - 1818 ext 222 Facsimile Number: (416) 581 - 1279

Full Mailing Address: Moore Barristers Professional Corporation
393 University Ave., Suite 1600, Toronto, ON M5G 1E6
Attn: David Moore (Email: david@moorebarristers.ca)

APPENDIX "A"

(XINDUO YU NOTICE OF DISPUTE DATED JUNE 26, 2017)

1. As to paragraph (a) in the Notice of Disallowance, the Receiver has previously acknowledged that Xinduo Yu was engaged by the Receiver and Hanfeng to act as a consultant for an indefinite term, and is fully aware of the terms of this engagement. Said terms include an express or implied term that the consultation engagement could not be terminated without reasonable notice, absent just and sufficient cause. No such cause existed.

   Xinduo Yu further states that the purported reason for the rejection of his claim is not the real reason for said rejection. Rather, the Receiver rejected Yu's claim to disadvantage Yu in the receivership proceedings, including to prevent or impair Yu's ability to ask questions about and challenge the validity and bona fides of the Receiver's conduct therein.

2. As to paragraph (b) of the Notice of Disallowance, the allegations in the Statement of Claim are without merit. However, Xinduo Yu agrees that the claims between himself, including but not limited to the Disallowed Claim, and the Receiver should be adjudicated together before a Court of competent jurisdiction, and will seek appropriate directions from the Court directing and/or permitting this to occur.

3. Any and all further notices and communications with respect to the Disallowed Claim of Xinduo Yu should be sent to Moore Barristers at the coordinates noted below.

4. Xinduo Yu reserves the right to rely upon such further grounds as counsel may advise.

This is **Appendix "Q"**
to the Fifth Report of the Receiver
dated July 11, 2017

Court File No.: CV16-11325-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N :

ERNST & YOUNG INC.
in its capacity as Court Appointed Receiver
of HANFENG EVERGREEN INC.

Plaintiff

-and-

YU XINDUO and LEI LI

Defendants

NOTICE OF MOTION

(Motion to Strike dated June 12, 2017)

THE DEFENDANTS, will make a motion to a Judge of the Superior Court of Justice (Commercial List) at a time and a date to be fixed by the Court, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: This motion is to be heard orally.

THE MOTION IS FOR:

1. An order striking out and dismissing the claims against the Defendant Lei Li set out in paragraphs 1 (b) (c) (ii) and 53-54 of the Plaintiff's Statement of Claim;
2. An order striking out and dismissing the claims against the Defendant Yu Xinduo set out in paragraphs 1 (a) (i) and (ii), 1 (c) (ii), 30-36, 44, and 49-52 of the Plaintiff's Statement of Claim;
3. Costs of this motion; and
4. Such further and other relief as the Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. The Statement of Claim herein was issued on March 22, 2016.

2. The Defendants served a Notice of Intent to Defend on April 21, 2016.

3. Following certain interlocutory proceedings and steps, the Defendants served their Statement of Defence on January 5, 2017.

4. The Plaintiff delivered a Reply on May 30, 2017.

With respect to the Defendant Lei Li ("Li")

5. In paragraphs 1(b) and 53-54 of the Statement of Claim, the Plaintiff has sought the following relief and has purported to advance the following causes of action against Li:

> "1. The plaintiff claims:
>
> (b) as against the Defendant, Lei Li ("Lei"):
>
> (i) Restitution or damages, in the amount of Canadian currency sufficient to purchase RMB 630,000,000 for knowing assistance and knowing receipt;"
>
> ...
>
> "Knowing Receipt and Knowing Assistance
>
> 53. Lei knowingly received and retained the benefits of the Loans and Dissipated Funds, which Yu wrongfully obtained.
>
> 54. In addition, or in the alternative, Lei knowingly assisted Yu to wrongfully obtain the benefits of the Loans and the Dissipated Funds. Hanfeng has suffered harm as a result of Lei's knowing assistance and knowing receipt and is entitled to damages and/or restitution."

6. In her Statement of Defence, Li pleaded as follows:

> "19. The claims and allegations made solely against Li in paragraphs 1(b) and (c), 53 and 54 of the SOC are false and are denied by Li in their entirety. Moreover, as pleaded these paragraphs disclose no reasonable cause of action, are frivolous, vexatious and an abuse of process. As such these claims and allegations should be struck out."
>
> ...
>
> "89. As noted above, the Plaintiff's claims of wrongful dissipation of Hanfeng China's assets, conversion, unjust enrichment, and restitution have not been advanced against Li.
>
> 90. Instead, the Plaintiff contends that Li is guilty of "knowing receipt" and "knowing assistance" in respect of the allegedly Dissipated Funds and Loans. The sum total of the Plaintiff's sparse pleading of these causes of action against Li is set out in paragraphs 53 and 54 of the SOC:
>
> > '53. Li knowingly received and retained the benefits of the Loans and Dissipated Funds, which Yu wrongfully obtained.
> >
> > 54. In addition, or in the alternative, Li knowingly assisted Yu to wrongfully obtain the benefits of the Loans and the Dissipated Funds. Hanfeng has suffered

harm as a result of Li's knowing assistance and knowing receipt and is entitled to damages and/or restitution.'

91. This pleading is fatally flawed for three reasons;

(1) first, it is predicated upon an assumption that Li's co-defendant Yu misappropriated 635,000,000 RMB. As set out above, the Plaintiff has failed to plead the material facts required to substantiate any such causes of action against Yu and has admitted that its allegations that Yu took the money amount to speculative assumptions;

(2) second, the Plaintiff has failed to plead the any of the constituent elements of the torts of "knowing assistance" and "knowing receipt"; and,

(3) third, the Plaintiff has failed to plead any material facts in support of any conclusion that Li is culpable of or participated in any of the (unpleaded) constituent elements of these torts.

92. In these circumstances, the claims against Li in the SOC alleging "knowing receipt" and "knowing assistance" are nothing more that bald, conclusory allegations which disclose no cause of action, and are an abuse of process."

7. Paragraphs 93-95 of the Statement of Defence delivered by Li further pleaded as follows:

"93. Without prejudice to the above, Li states and the fact is that she has no knowledge of nor did she have any involvement in any of the alleged actions of Yu in any dissipation or wrongful taking of funds belonging to Hanfeng China. Li further pleads that both of the underlying assumptions and the allegations implicit in these claims are totally without any factual basis and should be dismissed in their entirety.

94. The Defendant Li denies that she obtained Loans or Funds fraudulently or in breach of any fiduciary duty or otherwise and/or that Li has received or retained, knowingly or at all, the benefits of the Loans or Funds as alleged in paragraph 53 of the SOC. Li puts the Plaintiff to the strictest proof thereof of these allegations. In the alternative, if Li received and retained such Loans or Funds, which is not admitted but is denied, Li had no knowledge that the Loans or Funds were obtained by Yu fraudulently or in breach of any fiduciary duty.

95. The Defendant Li denies that Yu obtained Loans or Funds fraudulently or in breach of fiduciary duty and/or that Li assisted, knowingly or otherwise, in the breach of any such duty, which is not admitted but is denied. Li further states that she had no knowledge of any fraudulent conduct or any breach of any fiduciary duty by Yu, which breach is not admitted but is denied."

8. Subsequently, the Plaintiff has not made any amendments to the Statement of Claim but has delivered a Reply dated May 30, 2017.

9. The Plaintiff's Reply does not remedy the defects in the Statement of Claim. Instead, paragraph 6 of the Reply simply states as follows:

"6. Contrary to the allegation at paragraph 14 of the Defence, Lei was a paid consultant to Hanfeng at all material times, and was the most senior management representative in the Toronto office of Hanfeng. Contrary to allegations at paragraphs 93-95 of the Statement of Defence, in addition to Yu, Lei was also a recipient and beneficiary of the Dissipated Funds." (underlining added)

10. As in the Statement of Claim, no material facts are pleaded to support the baldly stated conclusions, now apparently limited to the "Dissipated Funds" (but not the "Loans"), contained in the underlined portion of paragraph 6 of the Reply.

11. The Plaintiff's pleadings quoted above do not disclose a proper cause of action because (a) they fail to allege the necessary constituent elements of the causes of actions of "knowing receipt" and "knowing assistance", (b) they fail to comply with the applicable *Rules of Civil Procedure*, referred to in paragraph 15 below, and (c) in any event, they constitute bald, speculative conclusions unsupported by any pleading of material facts.

With respect to the Defendant Yu Xinduo ("**Yu**")

12. In paragraphs 1 (a) (i) and (ii), 1 (c) (ii), 30-36, 44 and 49-52 of the Statement of Claim, the Plaintiff seeks damages and declaratory relief against Yu on the basis of allegations that Yu misappropriated funds belonging to the Plaintiff:

"1. The plaintiff claims:

(a) as against the Defendant, Yu Xinduo ("Yu"):

(i) restitution or damages, in the amount of Canadian currency sufficient to purchase Chinese Yuan Renminbi (RMB) 630,000,000 for breach of fiduciary duties owed to Hanfeng Evergreen Inc., fraud, conversion or unjust enrichment;
(ii) damages for breach of fiduciary duty in an amount of Canadian currency sufficient to purchase RMB 235,600,000;"

...

"1. The plaintiff claims:

(c) as against both Defendants, jointly and severally:

...

(ii) a declaration that all monies belonging to Hanfeng Slow-Release Fertilizer Co., Ltd. and wrongfully obtained by Yu and/or held by Lei are held in a constructive trust in favour of the Plaintiff;"

...

"30. During the course of the Receivership Proceedings, Yu advised and assured the Receiver that Hanfeng China's operations had been dormant since April 2014. However, the Receiver discovered that between August 2014 and June 2015, Hanfeng China incurred millions of RMB in expenses, significantly more than would be expected for a nonproducing manufacturing facility (the '**Dissipated Funds**').

31. Despite requests from the Receiver and in breach of his obligations as legal representative and orders of this Court, Yu has refused to provide the Receiver with Hanfeng China's financial records and access to Hanfeng China's bank accounts. As a result, the Receiver has been unable to ascertain what happened to the Dissipated Funds, but it appears that Yu has absconded with them.

32. At least RMB 27 million has been dissipated from Hanfeng China during this period and the Receiver is concerned that the amount of the Dissipated Funds continues to grow.

33. The Receiver also discovered that under the control and direction of Yu, including while the company was purportedly dormant, Hanfeng China obtained approximately RMB 600,000,000 through various loans and other agreements as follows:

(a) RMB 170 million from the Harbin Branch of Industrial Bank Co., Ltd;

(b) RMB 220 million from China Construction Bank;

(c) RMB 190 million from China Merchants Bank;

(d) RMB 20 million from the Bank of East Asia (collectively the '**Loans**')

34. None of the Loans are reflected in the internal financial statements of Hanfeng China, and Yu has denied the existence of the Loans.

35. While the Receiver has determined based on available information that approximately RMB 600 million was borrowed by Hanfeng China under the Loans, none of the borrowed funds are (or ever have been) held by Hanfeng China. Due to Yu's actions, the Receiver has been unable to ascertain precisely what happened to these funds, but it appears that Yu has absconded with them.

36. The Loans are in default and remain outstanding liabilities for Hanfeng China. Lawsuits have been filed against Hanfeng China for recovery of the defaulted loan amounts."

...

"44. Yu breached his fiduciary duties to Hanfeng by misrepresenting the identity of the Purchaser in an attempt to secure Hanfeng China's assets for his own personal benefit. Yu further breached his fiduciary duties by frustrating the Receiver's efforts to protect Hanfeng China's assets for the benefit of Hanfeng and its shareholders while simultaneously dissipating Hanfeng China's assets for his personal gain. Hanfeng has suffered damages, the full particulars of which will be provided prior to trial, for which Yu is liable as a result of his breaches of fiduciary duty detailed herein."

...

"Conversion

49. Yu caused Hanfeng China to spend or otherwise dissipate the Dissipated Funds, without any legitimate business purpose, thereby depriving Hanfeng of rightful possession. Yu further caused Hanfeng China to obtain the Loans, for which there was no legitimate business purpose, and absconded with the proceeds of the Loans, thereby depriving

Hanfeng of rightful possession. Yu was not entitled to the benefit of any of the Dissipated Funds or the Loans.

50. Yu's subsequent transfer or use of the Dissipated Funds and the Loans amount to a conversion of funds for which Yu is liable.

Restitution

51. Yu has wrongfully obtained the funds under the Loans and the Dissipated Funds. Yu is not entitled to these wrongfully obtained funds. The Receiver seeks restitution of all such amounts that Yu obtained.

Unjust Enrichment

52. Yu has been unjustly enriched by receipt of the funds advanced under the Loans and the Dissipated Funds, to the detriment of Hanfeng China and its sole shareholder Hanfeng. There is no juristic reason for Yu's enrichment since he has no legal or equitable right to these funds." (underlining added)

13. In his Statement of Defence Yu pleaded as follows:

"18. The claims and allegations made solely against Yu in paragraphs 1 (b) and (c) 30-36, 44(b), and 49-52 of the SOC are false. Yu denies any and all allegations made against him in respect of these matters. Moreover, these claims are unsupported by any pleading of material facts and constitute bare, conclusory allegations. Said allegations are, by the Plaintiff's admission, purely speculation. Moreover, as pleaded, these paragraphs constitute an abuse of process, fail to disclose any cause of action, and should be struck out."

...

"58. The Plaintiff seeks damages of 630,000,000 RMB based upon a series of causes of action, advanced without pleading material facts, alleging that Yu is guilty of unlawfully dissipating assets belonging to Hanfeng China, and that Yu has 'absconded' with these assets.

59. These claims are all based upon two common assumptions, namely (i) that the assets of Hanfeng China have been improperly dissipated and (ii) that Yu has misappropriated the assets in question.

60. The Plaintiff makes these allegations in paragraphs 30-36 of the SOC, under the heading 'Yu Dissipates Hanfeng China's Assets.' In these paragraphs, the Plaintiff alleges two types of improper dissipation of Hanfeng China's assets.

61. First, according to the Plaintiff 'at least 27 million' RMB was dissipated from Hanfeng China during the period August 2014 – June 2015 in connection with unspecified expenses (defined as 'Dissipated Funds' in the SOC).

62. Unless this figure has been plucked out of the air, it must be comprised of specific disbursements which the Plaintiff alleges (i) were actually made and (ii) were improper. However, no facts are pleaded in the SOC to show the date, amounts, purpose or anything else about any of the expenses and related disbursement of funds which presumably comprise this lump sum claim.

63. Similarly, the Plaintiff has not pleaded any material facts supporting the conclusion that Yu had any involvement in the disbursement of any part of the 27,000,000 RMB claimed on this account.

64. Finally, the Plaintiff has not pleaded any material facts to support the allegations that Yu received any of the so-called 'Dissipated Funds' comprising the 27,000,000 RMD. Rather, the Plaintiff has acknowledged that it has been unable to ascertain what happened to the 'Dissipated Funds'. In the result, the Plaintiff's claim that Yu has stolen these funds is based upon speculation, without any supporting material facts: according to the SOC, the Plaintiff simply states that 'it appears that Yu has absconded' with the Dissipated Funds.

65. As pleaded, these claims constitute bald, conclusory allegations without any supporting material facts, constitute an abuse of process, and fail to disclose any cause of action.

66. Without prejudice to the above, Yu states and the fact is that, so far as he is aware any and all expenses incurred by Hanfeng China during whatever period is in issue were incurred by Local Management for proper purposes. Further, to the extent funds were disbursed by Hanfeng China for such expenses, this was done properly by Local Management. Yu denies any involvement in any improper expenses or disbursements by Hanfeng China.

67. Yu further denies that he has improperly benefited from any disbursements on account of expenses incurred by Hanfeng China, and he denies that he has 'absconded' with any such funds, contrary to the speculative assumption contained in paragraph 31 of the SOC.

68. The second element of the Plaintiff's allegations under this heading relates to certain 'Loans' which are referred to, but not properly identified, in paragraphs 33-36 of the SOC.

69. According to paragraph 33 of the SOC, during an unspecified period of time, Hanfeng China obtained 'approximately RMB 600,000,000' through 'various loans and other agreements.' Paragraph 33 then lists 4 loans with 4 separate banks ('Loans', as defined in the SOC). However the SOC does not provide any facts relating to the dates or terms of the Loans nor does it plead any material facts relating to any alleged involvement by Yu in negotiating, arranging, accepting or otherwise participating in the Loans.

70. As in the case of the so-called 'Dissipated Funds' referred to in the SOC, the Plaintiff also pleads no material facts to support any receipt, use, or other benefit of any kind obtained by Yu in connection with the 'Loans'. Rather, as in the case of the 'Dissipated Funds', the Plaintiff states that it has been unable to ascertain precisely what happened to any proceeds derived from the Loans, but once again simply asserts that it 'appears' that 'Yu has absconded with them.'

71. The above claims are based on bald conclusions without any supporting facts, are an abuse of process, and fail to disclose any causes of action.

72. Without prejudice to the above, Yu denies that any of the Loans were improper, in the alternative denies that that he was involved in any improper Loans, and in any event denies having received any benefit, payment or use of funds as a result of any of the Loans.

> 73. The Plaintiff's claims against Yu for breach of fiduciary duty, conversion, unjust enrichment, and restitution are contained, respectively, in paragraphs 44, 49-50, 51 and 52 of the SOC.
>
> 74. None of these paragraphs contain any material facts to support the causes of action advanced, and all of them are based upon the same bald allegations and speculative assumptions referred to above. As such, the paragraphs of the SOC asserting these claims do not disclose any causes of action and are an abuse of process.
>
> 75. Without prejudice to the above, Yu denies that he has dissipated any of Hanfeng China's assets for his personal gain. Contrary to the SOC, Yu did not cause Hanfeng China to dissipate the unspecified 'Dissipated Funds', nor did he cause Hanfeng China to enter into any improper Loans. Yu further denies that he transferred, used, or obtained any funds or benefits of any kind whatsoever with respect to the Dissipated Funds or Loans alluded to in paragraph 49 of the SOC. Yu also pleads that he did not obtain any of the funds in issue, and was not enriched (unjustly or otherwise) to the detriment of Hanfeng China or Hanfeng.
>
> 76. Yu further denies that Hanfeng has suffered damages as a result of any breach of duty alleged against him, which breaches are not admitted but denied, and states that if Hanfeng suffered damages, they were the result of, or in the alternative were contributed to by, the acts and omissions and/or negligence of the Independent Directors, and their legal and professional advisors and by the Receiver.
>
> 77. Yu states and the fact is that all of these claims are without any factual basis and should be dismissed."

Conclusion

14. By agreement of counsel, the Statement of Defence was delivered without prejudice to the Defendants' bringing motions under Rule 21 of the *Rules of Civil Procedure* for orders striking out paragraphs and dismissing claims contained in the Statement of Claim.

15. Rules 25.06(1) and 25.06(8) of the *Rules of Civil Procedure* are applicable to the paragraphs of the Statement of Claim which the Defendants seek to strike out. These Rules state as follows:

> "25.06 (1) Every pleading shall contain a concise statement of the material facts on which the party relies for the claim or defence, but not the evidence by which those facts are to be proved. R.R.O. 1990, Reg. 194, r. 25.06 (1)."
>
> ...
>
> "(8) Where fraud, misrepresentation, breach of trust, malice or intent is alleged, the pleading shall contain full particulars, but knowledge may be alleged as a fact without pleading the circumstances from which it is to be inferred. O. Reg. 61/96, s. 1."

16. The Plaintiff's pleadings against the Defendant Li alleging knowing assistance and knowing receipt and against the Defendant Yu alleging fraud, theft, breach of fiduciary duty and conversion and seeking restitution and unjust enrichment based on said allegations fail to comply with the above rules and the case law applicable to the manner in which such causes of action must be pleaded. Instead, these claims are based upon speculative conclusions unsupported by any pleading of any material facts.

17. It is appropriate that the paragraphs of the Statement of Claim identified in paragraphs 1 and 2 of this Notice of Motion and the causes of action alleged therein be struck out and dismissed pursuant to Rules 1.04, 21.01(b), 21.01(3) (d), 25.06(1), 25.06(8) and 25.11 of the *Rules of Civil Procedure*.

18. Such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. The Statement of Claim, Statement of Defence, Reply, and
2. Such further and other material as counsel may advise and this Honourable Court may permit.

June 12, 2017

MOORE BARRISTERS
Professional Corporation
393 University Avenue
Suite 1600
Toronto, Ontario
M5G 1E6

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Lawyers for the Defendants

TO: **STIKEMAN ELLIOTT LLP**
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
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M5L 1B9

Maria Konyukhova (LSUC #52880V)
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Lawyers for the Plaintiff

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

Plaintiff

- and -

Yu Xinduo and Lei Li

Defendants

Court File No. CV16-11325-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings Commenced at Toronto

NOTICE OF MOTION
(Motion to Strike dated June 12, 2017)

MOORE BARRISTERS
Professional Corporation
393 University Avenue, Suite 1600
Toronto, ON M5G 1E6

David C. Moore (LSUC #16996U)
(416) 581-1818 ext. 222
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Lawyers for the Defendants

This is **Appendix "R"**
to the Fifth Report of the Receiver
dated July 11, 2017

ERNST & YOUNG INC.
Court Appointed Receiver & Manager of
Hanfeng Evergreen Inc. - Canadian dollar account
TRUST ACCOUNT RECONCILIATION
FOR THE PERIOD August 20, 2014 to May 31, 2017

	Note		August 20, 2014 to September 20, 2015	September 21, 2015 to May 31, 2017	Cumulative to May 31, 2017
Receipts:					
Funds from Hanfeng - USD			2,168,335.51		2,168,335.51
Funds from Hanfeng - CAD			1,297,578.56	(1,000.00)	1,296,578.56
Pre-Appointment HST Refunds			259,962.78		259,962.78
HST Refunds			106,440.67	10,503.74	116,944.41
Interest Earned			20,399.83	25,600.58	46,000.41
Income Tax Refund			3,589.16		3,589.16
Insurance Refund			511.02		511.02
HST Refund Interest			395.24		395.24
Petty Cash on Hand			46.20		46.20
Total Receipts		$	3,857,258.97	35,104.32	3,892,363.29
Disbursements:					
Board Compensation Payments	*1*		500,000.00		500,000.00
Receiver Fees	*2*		425,000.00	14,543.00	439,543.00
Transfer to Hanfeng USD Account			150,000.00	250,000.00	400,000.00
Legal Fees	*3*		217,724.58	56,085.90	273,810.48
HST Paid			90,322.91	7,682.31	98,005.22
Contractor Payments & Expenses	*5*		74,681.67		74,681.67
Pre-filing Source Deductions			47,923.43		47,923.43
Lease Expenses	*6*		19,023.46		19,023.46
Legal Disbursements			6,164.74	3,043.28	9,208.02
Advertising			9,143.64		9,143.64
Shareholder Services			2,542.39		2,542.39
Storage and Security			564.00	231.31	795.31
Web Site Services			650.00		650.00
Other Out-of-Pocket Disbursements			431.72		431.72
Insurance			255.51		255.51
Telephone			234.90		234.90
Bank Charges			49.50	69.75	119.25
Registrar's Fees			70.00		70.00
Total Disbursements		$	1,544,782.45	331,655.55	1,876,438.00
Excess Receipts over Disbursements		$	2,312,476.52	(296,551.23)	2,015,925.29
Represented By:					
Current Account		$	2,312,476.52	(296,551.23)	2,015,925.29

ERNST & YOUNG INC.
Court Appointed Receiver & Manager of
Hanfeng Evergreen Inc. - US dollar account
TRUST ACCOUNT RECONCILIATION
FOR THE PERIOD August 20, 2014 to May 31, 2017

	Note		August 20, 2014 to September 20, 2015	September 21, 2015 to May 31, 2017	Cumulative to May 31, 2017
Receipts:					
Funds from CAD Receiver A/C			118,897.29	189,766.22	308,663.51
Funds from Co. USD AC			215,067.50	(1,000.00)	214,067.50
Interest Earned			-	22.84	22.84
Total Receipts		$	333,964.79	188,789.06	522,753.85
Disbursements:					
Legal Fees and disbursements - China	*4*		109,427.52	119,723.56	229,151.08
Advisory Fees and disbursements - China	*5*		40,030.00	69,107.79	109,137.79
Pre- Appointment Due Diligence Fees	*7*		124,000.00		124,000.00
HST Paid			18,964.79		18,964.79
Chinese Court Fee				16,200.00	16,200.00
VAT - China			6,780.14	7,713.50	14,493.64
Bank Charges			461.54	399.39	860.93
Total Disbursements		$	299,663.99	213,144.24	512,808.23
Excess Receipts over Disbursements		$	34,300.80	(24,355.18)	9,945.62
Represented By:					
Current Account		$	34,300.80	(24,355.18)	9,945.62

Hanfeng Evergreen Inc. (the “Company”)
Cumulative Combined Receipts and Disbursements
For the Period August 20, 2014 to May 31, 2017

1. **Board Compensation Payments –** This represents payments to the former independent directors of the Company, as described in detail in the affidavit of Jonathan Pollack, sworn August 13, 2014 and filed in support for an application brought by the Company for the Court Order issued August 20, 2014 in respect of the Receiver appointment.

2. **Receiver Fees –** Represents professional fees paid to the Receiver during this period.

3. **Legal Fees and Disbursements–** Represents fees and expenses paid to the Receiver’s counsel in Canada and China as described in the reports of the Receiver.

4. **Advisory Fees and Disbursements** – As described in the reports of the Receiver, the Receiver engaged advisors and representatives to assist with investigations into the business and financial affairs of the Company’s Chinese subsidiary as well as efforts to preserve its assets.

5. **Contractor Payments & Expenses –** All employees of the Company were terminated and/or deemed terminated as of August 20, 2014. The Receiver engaged certain employees on a contract basis to assist with various tasks in the Receivership Proceedings. These payments represent compensation and reimbursements to these contractors (including Mr. Yu Xinduo**).**

   The Receiver discontinued monthly payments to Mr. Yu in November 2014.

6. **Lease Expense –** Lease expenses relate to the costs of the post-filing occupation and termination of the lease of the Company’s Toronto office.

7. **Pre-filing Due Diligence Fees –** Represents fees and expenses incurred by the financial advisor for the Company and its board in connection with, among other things, certain due diligence work prior to the receivership proceedings.

This is **Appendix "S"**
to the Fifth Report of the Receiver
dated July 11, 2017

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.

AFFIDAVIT OF BRENT BEEKENKAMP
Sworn June 30, 2017

I, **BRENT BEEKENKAMP**, of the City of Oakville, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am the Senior Vice President of Ernst & Young Inc. ("EYI"), the Receiver and Manager (the "Receiver") of Hanfeng Evergreen Inc. (the "Company") and, as such, I have knowledge of the matters to which I hereinafter despose. Unless I indicate to the contrary, the facts wherein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

2. Attached hereto as Exhibit "A" are true copies of the invoices prepared by the Receiver for fees and disbursements incurred by the Receiver in the course of these proceedings in respect of the Company for the period from August 8, 2014 to April 28, 2017.

3. Attached hereto as Exhibit "B" is a schedule summarizing each invoice in Exhibit "A", the fees, disbursements, HST and total fees charged for each invoice.

4. Attached hereto as Exhibit "C" is a schedule summarizing the billing rates and total hours of each of the members of EYI who acted on behalf of the Receiver in these proceedings.

5. To the best of my knowledge, the rates charged by EYI throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.

6. The hourly billing rates outlined in Exhibit "C" to this affidavit are comparable to the hourly rates charged by EYI for services rendered in relation to similar proceedings.

7. I make this affidavit in support of a motion by the Receiver for, *inter alia,* approval of the fees and disbursements of the Receiver.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this 30th day of June, 2017.	))))	**Brent Beekenkamp**

A commissioner for taking oaths, etc.

C. Haddon Murray
LSUC #: 61640P

THIS IS EXHIBIT "A" REFERRED
TO IN THE AFFIDAVIT OF
BRENT BEEKENKAMP SWORN
BEFORE ME THIS 30th DAY OF
JUNE 2017

Ernst & Young Inc.
Toronto, Ontario

Invoice

Invoice Number: CA0189968856
Date: October 8, 2015

EYI in its capacity as Receiver of Hanfe
Hanfeng Evergreen Inc.
222 Bay Street
Toronto, ON M5K 1J7
Canada

Remit To:

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 17996051

		CAD
For professional services rendered in our capacity as Court Appointed Receiver and Manager for the period August 8, 2014 to September 25, 2015. Details attached.		494,534.00
Expenses - See attached.		8,916.33
	Subtotal:	503,450.33
	HST 13% Ontario:	65,448.54
	TOTAL DUE:	$ 568,898.87

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Wire transfer instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, Transit #2411 Account #24111000237, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3; Reference the name & address of remitter, invoice number & engagement number

HANFENG EVERGREEN INC.
ERNST & YOUNG INC.
SUMMARY OF HOURLY FEES AND DISBURSEMENTS
For the period August 8, 2014 to September 25, 2015

NAME	POSITION	HOURS	RATE		FEES
McDonald, Murray	Partner	100.0	575	$	57,500.00
Raimondo, Vince	Partner	1.0	575	$	575.00
Milligan, Barbara	Executive Director	6.1	575	$	3,507.50
Beckenkamp, Brent	Associate Partner	119.6	525	$	62,790.00
Hussain, Jodat	Senior Manager	249.2	425	$	105,910.00
Yao, Allen	Senior Manager	436.6	425	$	185,555.00
Vian, Danielle	Senior Manager	31.1	425	$	13,217.50
Han, Fiona	Manager	2.9	325	$	942.50
Kaplan, Matt	Senior Staff	4.2	275	$	1,155.00
Nataniel, Michael	Senior Staff	4.5	275	$	1,237.50
Bear, Cam	Manager	56.7	225	$	12,757.50
Carandang, Tess	Manager	22.5	225	$	5,062.50
Ferguson, Rob	Manager	70.6	225	$	15,885.00
Kan, Phillip	Manager	84.0	225	$	18,900.00
Mazzulla, Franca	Manager	20.8	225	$	4,680.00
Sato, Keiko	Staff	4.7	225	$	1,057.50
Pereira, Julio	Staff	1.0	225	$	225.00
Zhu, David	Staff	15.6	225	$	3,510.00
Vitales, Nechane	Staff	0.5	133	$	66.50
		1,231.6			$494,534.00

DISBURSEMENTS

Tolls		13.39
Taxi		40.18
Advertising (Cossette)		7,182.60
Ground transportation		103.80
Postage		50.30
Miscellaneous (Notary documentation, Authentication of Documents External Drive, Key Cutting, Mail Redirection)		1,526.06
	$	8,916.33

Ernst & Young Inc.
Toronto, ON

Invoice

Hanfeng Evergreen Inc
EYI in its capacity as Receiver of Hanf
222 Bay Street
Toronto, ON M5K 1J7
Canada

Invoice No.: CA12C500001812
Please include this number with payment

Invoice Date:	04 May 2017
Due Date:	Upon receipt
Client No.:	0011418584
Engagement No.:	E-65006129

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
1-416-943-3851
1-800-311-1104

For professional services rendered in our capacity as Court Appointed Receiver and Manager for the period ended April 28, 2017.

		Net	Tax	Rate	Tax Amount	CAD Total
Fee		146,532.50	HST	13 %	19,049.23	165,581.73
Out-of-Pocket Expenses		6,415.24	HST	13 %	833.98	7,249.22
		152,947.74			**19,883.21**	**172,830.95**
Invoice summary		**152,947.74**				
Tax :	13% HST				19,883.21	
Total:		**152,947.74**			**19,883.21**	**172,830.95**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds sent electronically, please email your remittance detail to gss.canadaaccountsreceivable@xe02.ey.com including the amount paid, the invoice number and your company name.

HANFENG EVERGREEN INC.
ERNST & YOUNG INC.
SUMMARY OF HOURLY FEES AND DISBURSEMENTS

NAME	POSITION	HOURS	RATE		FEES
McDonald, Murray	Partner	14.5	575	$	8,337.50
Beekenkamp, Brent	Associate Partner	40.5	525	$	21,262.50
Yao, Allen	Senior Manager	210.4	425	$	89,420.00
Vian, Danielle	Senior Manager	2.5	425	$	1,062.50
Han, Fiona	Manager	7.3	325	$	2,372.50
Gruneir, Ryan	Senior Staff	2.3	275	$	632.50
Bear, Cam	Manager	47.4	225	$	10,665.00
Carandang, Tess	Manager	11.7	225	$	2,632.50
Ferguson, Rob	Manager	2.3	225	$	517.50
Kan, Phillip	Manager	42.8	225	$	9,630.00
		381.7			**$146,532.50**

DISBURSEMENTS

Airfare/Hotel		4,015.26
Notarization/Ground transportation/Miscellaneous		2,399.98
	$	**6,415.24**

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF BRENT BEEKENKAMP SWORN BEFORE ME THIS 30th DAY OF JUNE 2017

Exhibit B

Ernst & Young Inc.
Summary of Receiver's Fees
Hanfeng Evergreen Inc.
as at April 28, 2017

Date	Invoice #	Period	Fees	Disbursements	Total	HST	Total Invoice
08-Oct-15	CA0189968856	August 8, 2014 to September 25, 2015	$ 494,534.00	$ 8,916.33	$ 503,450.33	$ 65,448.54	$ 568,898.87
04-May-17	CA12C500001812	September 26, 2015 to April 28, 2017	$ 146,532.50	$ 6,415.24	$ 152,947.74	$ 19,883.21	$ 172,830.95
		Total Receiver's Fees	**$ 641,066.50**	**$ 15,331.57**	**$ 656,398.07**	**$ 85,331.75**	**$ 741,729.82**

THIS IS EXHIBIT "C" REFERRED
TO IN THE AFFIDAVIT OF
BRENT BEEKENKAMP SWORN
BEFORE ME THIS 30th DAY OF
JUNE 2017

EXHIBIT C

HANFENG EVERGREEN INC.
Court Appointed Receiver
SUMMARY OF HOURLY FEES AND DISBURSEMENTS
For the period from August 8, 2014 to April 28, 2017

NAME	POSITION	Hours per Invoice #CA0189968856, September 2015	Hour pers Invoice #CA12C500001812, May 2017	HOURS	RATE	FEES
McDonald, Murray	Partner	100.0	14.5	114.5	575	$ 65,837.50
Milligan, Barbara	Executive Director	6.1	-	6.1	575	$ 3,507.50
Raimondo, Vince	Partner	1.0	-	1.0	575	$ 575.00
Beekenkamp, Brent	Associate Partner	119.6	40.5	160.1	525	$ 84,052.50
Hussain, Jodat	Senior Manager	249.2	-	249.2	425	$ 105,910.00
Vian, Danielle	Senior Manager	31.1	2.5	33.6	425	$ 14,280.00
Yao, Allen	Senior Manager	436.6	210.4	647.0	425	$ 274,975.00
Han, Fiona	Manager	2.9	7.3	10.2	325	$ 3,315.00
Gruneir, Ryan	Senior Staff	-	2.3	2.3	275	$ 632.50
Kaplan, Matt	Senior Staff	4.2	-	4.2	275	$ 1,155.00
Nataniel, Michael	Senior Staff	4.5	-	4.5	275	$ 1,237.50
Bear, Cam	Manager	56.7	47.4	104.1	225	$ 23,422.50
Carandang, Tess	Manager	22.5	11.7	34.2	225	$ 7,695.00
Ferguson, Rob	Manager	70.6	2.3	72.9	225	$ 16,402.50
Kan, Phillip	Manager	84.0	42.8	126.8	225	$ 28,530.00
Mazzulla, Franca	Manager	20.8	-	20.8	225	$ 4,680.00
Pereira, Julio	Staff	1.0	-	1.0	225	$ 225.00
Sato, Keiko	Staff	4.7	-	4.7	225	$ 1,057.50
Zhu, David	Staff	15.6	-	15.6	225	$ 3,510.00
Vitales, Nechane	Staff	0.5	-	0.5	133	$ 66.50
Total		1231.6	381.7	1,613.3		$ 641,066.50

This is **Appendix "T"**
to the Fifth Report of the Receiver
dated July 11, 2017

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.

AFFIDAVIT OF BRIAN M. PUKIER
(Sworn July 6, 2017)

I, Brian M. Pukier, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Partner with the law firm of Stikeman Elliott LLP ("**Stikeman**"), and, as such, I have knowledge of the matters hereinafter deposed to except where stated to be on information and belief, and where so stated, I verily believe it to be true.

2. On August 20, 2014, Hanfeng Evergreen Inc. (the "**Company**") brought an application to the Ontario Superior Court of Justice and was granted orders, among other things:

   (a) approving a share transfer agreement dated August 8, 2014 and the transaction contemplated therein; and

   (b) appointing Ernst & Young Inc. as receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings and properties of the Company, pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended. Stikeman has acted as independent counsel to the Receiver throughout the receivership proceedings.

3. This Affidavit is sworn in connection with a motion for an Order of this Court to, among other things, approve the fees and disbursements of Stikeman for the period from August 1, 2014 to May 5, 2017, inclusive.

4. During the period from August 1, 2014 to May 5, 2017, Stikeman docketed 625.08 hours, amounting to legal fees invoiced in the amount of $407,951.80 and disbursements and other charges in the amount of $9,127.12 plus Harmonized Sales Tax ("**HST**") of $54,144.65. The balance of any fees and disbursements charged by Stikeman will be approved in the ordinary course.

5. Attached and marked collectively as Exhibit "**A**" to this affidavit are copies of the accounts rendered by Stikeman to the Proposal Trustee from August 1, 2014 to May 5, 2017, redacted for confidential or privileged information.

6. Attached hereto as Exhibit "**B**" is a schedule summarizing each invoice included in Exhibit "A", including the fees, expenses, HST and total fees charged in each invoice.

7. Attached hereto as Exhibit "**C**" is a schedule summarizing the billing rates and total amounts billed with respect to each member of Stikeman who rendered services to the Receiver.

8. The hourly billing rate applied in the invoices of Stikeman were no more than Stikeman's normal hourly rates which were in effect from August 1, 2014 to May 5, 2017, and are comparable to the hourly rates charged by Stikeman for services rendered in relation to similar proceedings.

9. To the best of my knowledge, the rates charged by Stikeman are comparable to the rates charged by other firms in the Toronto market for the provision of similar legal services.

10. This Affidavit is sworn in support of a motion for, *inter alia*, the approval of the fees and disbursements of Stikeman.

SWORN BEFORE ME at the City of Toronto, on July 6, 2017.	
Commissioner for taking affidavits C. Haddon Murray LSUC#: 61640P	**Brian M. Pukier**

EXHIBIT "A"

This is **Exhibit "A"** to the

Affidavit of Brian M. Pukier

Sworn July 6, 2017

Commissioner for taking affidavits

STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com
G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
c/o Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

September 30, 2014
File No. 1315221002

Invoice No. 5292598

Attention: Jodat Hussain

FOR PROFESSIONAL SERVICES RENDERED for the period August 1, 2014 to September 25, 2014 in connection with the receivership of Hanfeng Evergreen Inc., including court hearings on August 15, 2014, august 20, 2014 and September 23, 2014; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	117,991.65	0.00	$117,991.65
HST @ 13.0%			15,338.91
Charges	1,722.00	0.00	1,722.00
HST @ 13.0%			223.86
Disbursements	1,714.66	97.80	1,812.46
HST @ 13.0%			222.90
AMOUNT DUE			CAD $137,311.78

STIKEMAN ELLIOTT LLP

Brian M. Pukier

Date	Timekeeper	Hours	Description
Aug 1, 2014	P.F. Howard	0.50	Telephone conversation with B. Pukier; email correspondence;
Aug 1, 2014	Y. Katirai	3.92	Conversations and e-mails with M. Konyukhova. E-mails with SE team. Drafted and revised application materials, including order. Conversations with K. Elhatton-Lake re: research of law [redacted].
Aug 7, 2014	M.A. Garcia	0.37	Conducting PPSA search against Hanfeng Evergreen Inc.
Aug 8, 2014	S. Delvecchio	0.75	Emails with Mike Devereux; emails and telephone call with Marketwired; arranged to have news release issued on the newswire and filed on SEDAR.
Aug 8, 2014	Y. Katirai	5.25	E-mails with M. Devereux, M. Konyukhova, P. Howard, B. Pukier. Conversation with M. Konyukhova about next steps. Reviewed and analyzed transaction documents [redacted] Revised affidavit. Call with B. Beekenkamp and M. Devereux. Conversations with B. Pukier, P. Howard and M. Devereux [redacted] E-mails with M. Konyukhova [redacted] Reviewed affidavit to identify relevant facts and issues and drafted notice of application.
Aug 9, 2014	Y. Katirai	0.25	E-mails with B. Pukier, L. Li.
Aug 10, 2014	Y. Katirai	2.50	E-mails with K. Elhatton-Lake, M. Konyukhova, B. Pukier. Revisions to affidavit per L. Li. Considered issues raised by affidavit in advance of drafting factum. Reviewed and analyzed case law provided by K. Elhatton-Lake [redacted].
Aug 11, 2014	Y. Katirai	10.28	E-mails with M. Konyukhova and B. Pukier re: [redacted]. E-mails with M. Devereux re: [redacted] Drafted rider re: [redacted] Multiple revisions to affidavit. E-mails with M. Konyukhova re: comments on affidavit. Calls with L. Li and e-mails to SE team. Conversations with A. Timm re: [redacted] E-mail to J. Pollack. Call with J. Pollack and M.

Date	Timekeeper	Hours	Description
			Konyukhova. E-mail to M. Devereux re: [redacted]. Reviewed and analyzed case law provided by K. Elhatton-Lake. Further case law research. Reviewed affidavit and considered issues in connection with drafting of factum. Drafted and revised factum.
Aug 11, 2014	B.M. Pukier	2.00	Preparation for court hearing; Calls with client;
Aug 11, 2014	C. Qi	0.47	Revise board meeting minutes; internal discussion
Aug 12, 2014	M. Devereux	0.17	Discussions with B. Pukier; E&Y communications;
Aug 12, 2014	P.F. Howard	1.50	Telephone conversation with B. Pukier, J. Pollack; review drafts;
Aug 12, 2014	Y. Katirai	5.50	Drafted and revised affidavit. Conversations with M. Konyukhova. E-mails with SE team, E&Y and J. Pollack providing materials.
Aug 12, 2014	M. Konyukhova	2.58	Emails with P. Howard and M. MacDonald re: [redacted] review and revise notice of application; various emails re: application materials; review draft affidavit and revise;
Aug 12, 2014	B.M. Pukier	1.67	Minutes; Call with Siskinds;
Aug 12, 2014	C. Qi	0.75	Revise meeting minutes
Aug 13, 2014	M. Devereux	0.33	Review of minutes; Respond to questions from litigation;
Aug 13, 2014	P.F. Howard	2.50	Review and revise affidavit, factum; discussions with B. Pukier & M. Konyukhova;
Aug 13, 2014	Y. Katirai	7.75	Conversations with M. Konyukhova and K. Elhatton-Lake. Revisions to factum. Amendments to notice of application. Finalized affidavit and compiled exhibits. E-mails with M. Devereux. Calls with J. Pollack. Finalized notice of application. Finalized forms of orders. Arranged for scanning of application record.
Aug 13, 2014	M. Konyukhova	4.58	Review and revise factum for receivership application; office conferences with Y. Katirai re: same; review board minutes; emails re: same; emails re: [redacted]; review application record; discussions with P. Howard re: [redacted]; review and revise amendments to the factum;
Aug 13, 2014	B.M. Pukier	1.33	Board meeting; Minutes;
Aug 13, 2014	C. Qi	1.60	Participate board meeting, prepare meeting minutes

Date	Timekeeper	Hours	Description
Aug 13, 2014	C. Qi	0.93	Review and revise meeting minutes, send email to client
Aug 14, 2014	M. Devereux	0.33	Review of materials for court; Respond to questions from litigation colleagues;
Aug 14, 2014	P.F. Howard	4.00	Review and revise factum; prepare for hearing;
Aug 14, 2014	M. Konyukhova	5.92	Various emails and office conferences re: [redacted]; emails with client and parties on the service list; discussions re: [redacted]; call with B. Pukier; finalize order; review materials and prepare for motion; emails with court re: motion; emails re: [redacted]; call with Siskinds; emails re: same;
Aug 14, 2014	B.M. Pukier	3.75	Siskinds calls; court issues;
Aug 15, 2014	S. Delvecchio	1.33	Marketwired China dissemination services; emails with Mike Devereux; telephone calls and email with Marketwired; arranged to have news release disseminated and filed on SEDAR.
Aug 15, 2014	M. Devereux	4.25	Court hearing; Draft press release; Discussions with litigation;
Aug 15, 2014	P.F. Howard	3.50	Prepare for and attend before Matheson J; discussions with M. Konyukhova, M. Devereux, Y. Katirai; review emails, press release; emails to and from J. Pollock; review draft letters;
Aug 15, 2014	M. Konyukhova	6.58	Preparation for and attendance at hearing of application; dealing with various service issues after; various correspondence and discussions re: [redacted]; draft responding letter to Siskinds; discussions with M. Devereux and Y. Katirai re: additional information re: [redacted] review correspondence [redacted]; review draft press release; review comments on letter to Siskinds and revise;
Aug 15, 2014	B.M. Pukier	2.50	Calls regarding Siskinds; Court appearance; Press Release; Notice issues;
Aug 18, 2014	P.F. Howard	1.00	Discussion with M. Konyukhova; telephone discussion with J. Pollack; emails to and from M. McDonald; review judge's email; discussion response with M. Konyukhova;
Aug 18, 2014	M. Konyukhova	1.42	Prepare affidavit for hearing adjournment; compile various correspondence and service details for Justice Matheson; various correspondence re: same;

Date	Timekeeper	Hours	Description
Aug 19, 2014	M. Devereux	0.58	Discussions with litigation; Respond to questions from litigation;
Aug 19, 2014	P.F. Howard	3.50	Emails to and from B. Pukier, J. Pollack; discussion with M. Konyukhova; email to M. Robbs; prepare for hearing; email from Judge;
Aug 19, 2014	M. Konyukhova	6.17	Work on service affidavit; discussions with P. Howard re: same; emails re: [redacted]; research [redacted] discussions with P. Howard and email re: same; attend to compiling the exhibits to affidavit and finalizing same;
Aug 19, 2014	B.M. Pukier	1.50	Calls to Agrium; Calls with client; Review with Peter Howard;
Aug 20, 2014	S. Delvecchio	1.00	Emails with Mike Devereux; press release and material change report matters.
Aug 20, 2014	M. Devereux	2.50	Court; Draft of press release and material change report; Coordinate filings;
Aug 20, 2014	P.F. Howard	4.00	Prepare for and attend before Matheson, J; emails to and from B. Pukier (6), J. Pollack; receive reasons; review press release; discussions with M. Konyukhova and E&Y (Murray McDonald)
Aug 20, 2014	M. Konyukhova	5.08	Preparation for and attendance at hearing of application; attend to instructions re: [redacted]; review press release and provide comments; consider appeal issue;
Aug 20, 2014	B.M. Pukier	2.33	Court Hearing issues; Court Order; Resignations; Calls with client; Press Release; Material Change Report;
Aug 21, 2014	P.F. Howard	1.00	Review email correspondence; discussions with M. Konyukhova and B. Pukier;
Aug 21, 2014	M. Konyukhova	0.42	Emails [redacted] review appointment order and emails re: same;
Aug 21, 2014	C. Qi	0.20	Review press release
Aug 25, 2014	M. Devereux	0.42	Conference call with E&Y;
Aug 25, 2014	B.M. Pukier	0.75	Calls with E&Y;
Aug 26, 2014	P.F. Howard	0.33	Email correspondence with M. Konyukhova;
Aug 26, 2014	M. Konyukhova	0.42	Emails re: service list and transcript;
Aug 28, 2014	M. Devereux	0.42	Update conference call;
Aug 28, 2014	M. Konyukhova	1.58	Emails re: [redacted] review proposed timeline; call with E&Y re: same; emails and discussions with Y. Katirai re: transcript; call with J. Hussain re: [redacted];

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Date	Timekeeper	Hours	Description
Aug 28, 2014	B.M. Pukier	0.33	Call with Mr. Yu; Call with E&Y [redacted];
Sep 3, 2014	S. Amiel	5.90	Reviewing application materials and orders; researching [redacted].
Sep 3, 2014	M. Devereux	1.00	Update conference call; Discussions with B. Pukier; Email to Mr. Liu;
Sep 3, 2014	P.F. Howard	0.50	Email correspondence with B. Pukier, Ernst & Young; review order;
Sep 3, 2014	M. Konyukhova	1.75	Emails with B. Pukier re: [redacted]; review revised timeline; emails with E&Y re: same; correspondence with the court re: motion date; office conference with S. Amiel re: [redacted] review precedents; emails re: [redacted]
Sep 4, 2014	S. Amiel	0.75	Drafting and editing Claims Procedure Order; finalizing for transmission to senior lawyer.
Sep 4, 2014	M. Konyukhova	2.75	Review and revise draft claims procedure order; emails with E&Y re: same; review draft report and provide comments; emails re: court time;
Sep 5, 2014	S. Amiel	1.42	Implementing all edits to the order; adding in definitions and further sections [redacted].
Sep 7, 2014	M. Konyukhova	1.08	Review revised CPO and revise; email to E&Y;
Sep 9, 2014	M. Konyukhova	0.92	Call with J. Hussain re: [redacted] email to N. Shapiro [redacted] emails with B. Pukier [redacted]
Sep 10, 2014	C.B. Bass-Meldrum	2.68	Conference call with Neil Shapiro and Maria Konyukhova to discuss matter details; reviewing relevant portions of [redacted]; and drafting [redacted]
Sep 10, 2014	P.F. Howard	0.33	Email correspondence [redacted];
Sep 10, 2014	M. Konyukhova	3.25	Calls with M. Shapiro re: [redacted]; review newspaper notice of CPO and provide comments; call with J. Hussain re: [redacted] revise CPO and email to group;
Sep 10, 2014	N. Shapiro	1.80	Internal discussions with Maria and Chad. Review of background information. Revised [redacted].

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Date	Timekeeper	Hours	Description
Sep 11, 2014	C.B. Bass-Meldrum	0.65	Reviewed and revised [redacted]; and met with Neil Shapiro at Stikeman Elliott Toronto [redacted]
Sep 11, 2014	M. Devereux	0.83	Update conference call;
Sep 11, 2014	P.F. Howard	0.25	Review email correspondence [redacted]
Sep 11, 2014	M. Konyukhova	2.75	Review and revise draft report; review schedules to CPO and provide comments; emails re [redacted]; review and revise [redacted];
Sep 11, 2014	B.M. Pukier	0.25	Call with Jodat.
Sep 11, 2014	N. Shapiro	0.33	Review and revise [redacted] Internal discussions with Chad and Maria.
Sep 12, 2014	P.F. Howard	0.50	Review email correspondence; review draft report;
Sep 12, 2014	M. Konyukhova	1.92	Revise Order; finalize motion record; attend to compiling, service and filing; review service list; review revisions to [redacted] emails [redacted];
Sep 15, 2014	C.B. Bass-Meldrum	1.93	Reviewing Jodat Hussain's proposed changes to the [redacted]; conference call with Neil Shapiro, Maria Konyukhova and Jodat Hussain at Ernst & Young [redacted] further revising draft [redacted] and managing email correspondence.
Sep 15, 2014	M. Habib	0.87	Attended to commercial list to obtain a certified copy of the Court's order.
Sep 15, 2014	Y. Katirai	2.50	E-mails and conversations with M. Konyukhova and J. Hussain. E-mails with M. Devereux. Arranged for obtaining certified copy of receivership order from Ontario Superior Court. Prepared notarial certificate. Arranged for true copies to be made of certified order. Verified that copies were true copies and notarized each copy. Meeting with J. Hussain to provide copies of notarized orders.
Sep 15, 2014	M. Konyukhova	0.83	Call with J. Hussain and N. Shapiro [redacted] lease; emails re: [redacted] prepare service letter and attend to service;
Sep 15, 2014	N. Shapiro	0.58	Call with client [redacted]

Date	Timekeeper	Hours	Description
			[redacted]
Sep 16, 2014	P.F. Howard	0.25	Discussions with M. Konyukhova; review email correspondence;
Sep 17, 2014	C.B. Bass-Meldrum	0.65	Reviewing Jodat Hussain's proposed changes to the [redacted]; revising [redacted] to reflect the changes requested; and managing email and telephone correspondence with Neil Shapiro.
Sep 17, 2014	M. Devereux	0.50	Update conference call;
Sep 17, 2014	B.M. Pukier	0.75	Call with Jodat @ E&Y.
Sep 18, 2014	C.B. Bass-Meldrum	0.15	Revising [redacted] to reflect the changes requested by Jodat Hussain [redacted]
Sep 18, 2014	M. Habib	1.08	Attended to the commercial list court to obtain a certified copy of previous order to be presented to other side.
Sep 18, 2014	Y. Katirai	2.42	E-mail to M. Noel [redacted] Drafted and swore affidavit of service. Conversation with M. Noel [redacted]. Arranged for updating of service list [redacted] Call with J. Hussain. Arranged for obtaining certified copy of receivership order from Ontario Superior Court. Prepared notarial certificate. Arranged for true copies to be made of certified order and verified that each was a true copy. Notarized each copy. Meeting with representative of E&Y to provide copies of notarized orders. Conversation with P. Howard. Conversation with J. Hussain re: [redacted]
Sep 18, 2014	B.M. Pukier	0.42	Issues relating to Mr. Yu.
Sep 19, 2014	P.F. Howard	0.33	Review email correspondence; discussions with Y. Katirai;
Sep 19, 2014	Y. Katirai	0.92	Conversations and e-mails with J. Hussain. Conversation with P. Howard. Reviewed and analyzed [redacted] Reviewed and revised [redacted] Served copy of Motion Record on E. Fan.
Sep 22, 2014	P.F. Howard	1.75	Discussions with Y. Katirai and M. Konyukhova; review email correspondence; review motion

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Date	Timekeeper	Hours	Description
			record; telephone conversation with B. Pukier; prepare for motion;
Sep 22, 2014	Y. Katirai	4.25	E-mails with M. Konyukhova. Conversation with N. Shapiro [redacted]. Drafted omnibus affidavit of [redacted] Reviewed and revised new version of [redacted] Reviewed affidavit of [redacted] provided by J. Hussain. E-mails and conversations with P. Howard. Call and e-mails with W. Avila (CIBC) [redacted]. E-mails with J. Hussain [redacted]. Revised form of order. Arranged for service of supplement to first report. Arranged for printing and filing with Court of supplement to first report. All e-mails with stakeholders.
Sep 22, 2014	Y. Katirai	0.58	Reviewed file to identify [redacted]. Drafted omnibus affidavit of service [redacted].
Sep 22, 2014	K. Zoricic	0.68	Delivered the affidavit of service to the Superior Court.
Sep 23, 2014	P.F. Howard	2.25	Prepare for and attend before Justice Wilton-Siegel; email correspondence; discussions with Y. Katirai;
Sep 23, 2014	Y. Katirai	6.33	Prepared for motion by, among other things, revising, finalizing and printing orders and schedules thereto; assembling necessary materials including motion records and supplemental report; obtaining precedent claims procedure orders. E-mails with M. Konyukhova and J. Hussain. Calls with J. Hussain. Conversations with P. Howard. Attended hearing of motion. Entered orders. Served order and endorsement on service list. Calls with J. Hussain [redacted] E-mails to P. Howard and M. Konyukhova proposing call. E-mails to SE and E&Y teams re: call. Circulated call-in details for call.
Sep 24, 2014	P.F. Howard	1.25	Review email correspondence; telephone conversation with B. Pukier; conference call with E&Y, B. Pukier, M. Konyukhova & Y. Katirai;

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Date	Timekeeper	Hours	Description
Sep 24, 2014	Y. Katirai	0.83	Reviewed claims procedure order in preparation for call. Call with E&Y and SE teams re: [redacted]
Sep 24, 2014	B.M. Pukier	0.42	Calls with Jodat on [redacted];
Sep 25, 2014	P.F. Howard	0.17	Review email correspondence;
Sep 25, 2014	Y. Katirai	0.17	E-mail to J. Hussain providing [redacted] Reviewed and analyzed e-mail inquiry from J. Hussain.
Sep 25, 2014	M. Konyukhova	1.00	Emails re: [redacted]; review order and revisions; Call with E&Y, P. Howard and B. Pukier re: [redacted]

FEE SUMMARY

FEES	
Professional Services	CAD $117,991.65
HST @ 13.0%	15,338.91
Total Professional Services and Taxes	**CAD $133,330.56**

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	1,722.00		1,722.00
Total Charges	1,722.00	0.00	1,722.00
HST @ 13.0%			223.86
Total Charges and Taxes			CAD $1945.86

STIKEMAN ELLIOTT

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Agents' Fees	95.01		95.01
Bank Act	57.32		57.32
Business Meals - In Town	178.80		178.80
Corporate Search N/T		16.00	16.00
Filing Fees - N/T		-54.00	-54.00
SEDAR Filing Fee Non-taxable		135.80	135.80
Transcript	120.00		120.00
Book Binding/Binders	90.80		90.80
Certified Copy Fees	48.00		48.00
Corporate Search	20.00		20.00
Delivery/Mailroom	538.60		538.60
Photocopies - External	166.37		166.37
Telephone	7.05		7.05
Travel - Taxis	392.71		392.71
Total Disbursements	1,714.66	97.80	1,812.46
HST @ 13.0%			222.90
Total Disbursements and Taxes			CAD $2,035.36

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS		US DOLLARS	
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		**BANK** CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9	
BANK # 0010	**TRANSIT #** 00002	**BANK #** 0010	**TRANSIT #** 00002
SWIFT CODE CIBCCATT		**SWIFT CODE** CIBCCATT	
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	**ACCOUNT #** 87-12816	**BENEFICIARY** Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	**ACCOUNT #** 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.

STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

November 27, 2014
File No. 1315221002

Invoice No. 5305850

Attention: Jodat Hussain

FOR PROFESSIONAL SERVICES RENDERED for the period ending November 26, 2014 in connection with the receivership of Hanfeng Evergreen Inc.; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	20,217.80	0.00	$20,217.80
HST @ 13.0%			2,628.31
Charges	10.25	0.00	10.25
HST @ 13.0%			1.33
Disbursements	923.36	0.00	923.36
HST @ 13.0%			120.04
AMOUNT DUE			CAD $23,901.09

STIKEMAN ELLIOTT LLP

Brian M. Pukier

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Date	Timekeeper	Hours	Description
Oct 1, 2014	M. Devereux	0.42	Review of court materials prior to call; Update call;
Oct 7, 2014	P.F. Howard	0.25	Review status emails;
Oct 8, 2014	C.B. Bass-Meldrum	0.70	Drafting [redacted] and managing email correspondence with Jodat Hussain.
Oct 8, 2014	M. Devereux	0.75	Update conference call with E&Y;
Oct 8, 2014	Y. Katirai	1.17	Call with SE and E&Y teams. E-mails with M. Konyukhova. Reviewed Claims Procedure Order to identify [redacted] Drafted letter to claimants. E-mails to broader group.
Oct 8, 2014	M. Konyukhova	0.92	Call with E&Y re: [redacted] Review letter to Shareholders and revise.
Oct 8, 2014	N. Shapiro	0.25	Review and revise amending agreement. Internal discussions with Chad.
Oct 10, 2014	C.B. Bass-Meldrum	0.55	Drafting [redacted] t; and managing email correspondence with Jodat Hussain.
Oct 15, 2014	P.F. Howard	0.17	Review email correspondence;
Oct 16, 2014	P.F. Howard	0.17	Email correspondence;
Oct 16, 2014	B.M. Pukier	1.33	Issues relating to [redacted];
Oct 17, 2014	P.F. Howard	0.25	Review email correspondence; discussions with B. Pukier;
Oct 20, 2014	M. Devereux	1.50	Update call; Meeting with E&Y;
Oct 20, 2014	P.F. Howard	0.17	Review email correspondence; telephone conversation with B. Pukier;
Oct 20, 2014	Y. Katirai	0.92	Prepared for and attended meeting with E&Y and SE.
Oct 20, 2014	B.M. Pukier	1.75	Call with Mr. Yu and Goodwell; Meeting with E&Y;
Oct 21, 2014	P.F. Howard	0.17	Review email correspondence; discussions with B. Pukier;
Oct 31, 2014	P.F. Howard	0.75	Review Order; email correspondence; conference call with Ernst & Young and Siskinds;
Oct 31, 2014	B.M. Pukier	1.00	Call with Siskinds; Call with E&Y;
Nov 3, 2014	B.M. Pukier	0.67	Call with E&Y;
Nov 6, 2014	P.F. Howard	0.17	Review email correspondence;
Nov 7, 2014	M. Devereux	0.25	Discussions with E&Y; Review of correspondence;
Nov 10, 2014	M. Devereux	0.33	Draft of notary certificate;

STIKEMAN ELLIOTT

Date	Timekeeper	Hours	Description
Nov 10, 2014	B.M. Pukier	0.75	Call with E&Y and Mayer Brown;
Nov 11, 2014	B.M. Pukier	1.33	Call with E&Y and Mayer Brown;
Nov 12, 2014	B.M. Pukier	1.00	Meeting with JP; [redacted];
Nov 14, 2014	B.M. Pukier	1.00	Call with Bank of East Asia;
Nov 16, 2014	B.M. Pukier	1.50	Call with E&Y and Mayer Brown;
Nov 17, 2014	Y. Katirai	0.35	Reviewed e-mail from J. Hussain and related documents. Considered issues. E-mails with M. Konyukhova.
Nov 18, 2014	B.M. Pukier	0.50	Claims; Call with Jodat;
Nov 19, 2014	B.M. Pukier	1.75	Call with Pencheng and Mr. Yu and E&Y;
Nov 20, 2014	B.M. Pukier	0.42	[redacted]; Call with Jodat;
Nov 21, 2014	B.M. Pukier	1.00	Calls with E&Y re [redacted];
Nov 26, 2014	B.M. Pukier	0.42	Call with Jodat re: [redacted];

FEE SUMMARY

FEES	
Professional Services	CAD $20,217.80
HST @ 13.0%	2,628.31
Total Professional Services and Taxes	**CAD $22,846.11**

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	10.25		10.25
Total Charges	10.25	0.00	10.25
HST @ 13.0%			1.33
Total Charges and Taxes			**CAD $11.58**

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Agents' Fees	50.00		50.00
Delivery/Mailroom	866.67		866.67
Telephone	6.69		6.69
Total Disbursements	923.36	0.00	923.36
HST @ 13.0%			120.04
Total Disbursements and Taxes			**CAD $1,043.40**

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

STIKEMAN ELLIOTT

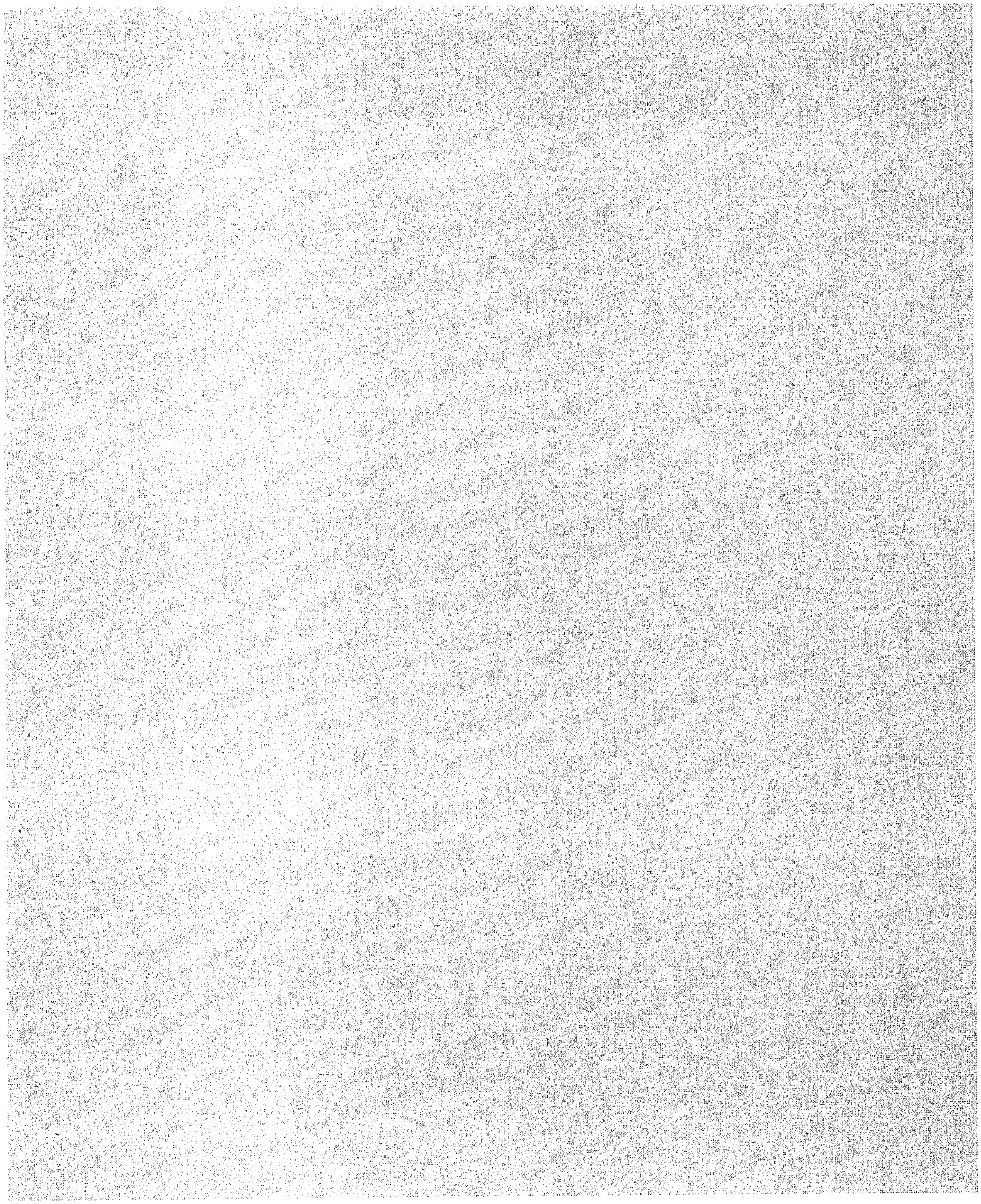
Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.



STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

December 19, 2014
File No. 1315221002

Invoice No. 5313381

Attention: Jodat Hussain

FOR PROFESSIONAL SERVICES RENDERED for the period ending December 18, 2014 in connection with matters relating to the receivership of Hanfeng Evergreen Inc.; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	11,233.35	0.00	$11,233.35
HST @ 13.0%			1,460.34
Charges	3.00	0.00	3.00
HST @ 13.0%			0.39
Disbursements	7.52	0.00	7.52
HST @ 13.0%			0.98
AMOUNT DUE			CAD $12,705.58

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6346545 v1

Date	Timekeeper	Hours	Description
Nov 18, 2014	Y. Katirai	0.50	All e-mails.
Nov 25, 2014	M. Devereux	0.42	Call with Jodat; Discussions with Y. Katirai;
Nov 25, 2014	Y. Katirai	0.75	E-mails with M. Devereux. Conversation with J. Hussain. Conversation with C. Qi.
Nov 26, 2014	Y. Katirai	0.73	Reviewed and analyzed draft documents provided by E&Y. Considered issues raised by documents and discussions with E&Y. Drafted and revised notarial certificates.
Nov 28, 2014	Y. Katirai	3.75	E-mails with J. Hussain, A. Yao, C. Qi. All revisions to notarial certificates. Compiled and revised packages to be notarized. Conversations with A. Yao, C. Qi. Meeting with A. Yao and C. Qi [redacted]
Dec 1, 2014	C. Qi	1.50	Notarizing documents with Allen Yao from E&Y
Dec 4, 2014	M. Konyukhova	4.83	Various correspondence and phone conferences with E&Y re: [redacted].
Dec 9, 2014	B.M. Pukier	0.67	Calls with Jodat and Allen and Mayer Brown;
Dec 10, 2014	B.M. Pukier	0.50	Call with E&Y;
Dec 15, 2014	B.M. Pukier	2.00	[redacted];
Dec 16, 2014	B.M. Pukier	1.67	Call with E&Y re: [redacted]; [redacted];

FEE SUMMARY

FEES	
Professional Services	CAD $11,233.35
HST @ 13.0%	1,460.34
Total Professional Services and Taxes	**CAD $12,693.69**

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	3.00		3.00
Total Charges	3.00	0.00	3.00
HST @ 13.0%			0.39
Total Charges and Taxes			CAD $3.39

STIKEMAN ELLIOTT

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Business Meals - In Town	7.52		7.52
Total Disbursements	7.52	0.00	7.52
HST @ 13.0%			0.98
Total Disbursements and Taxes			CAD $8.50

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Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.

6346545 v1

STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500   Fax: (416) 947-0866   www.stikeman.com
G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
c/o Ernst & Young
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON   M5K 1J7

January 23, 2015
File No. 1315221002

Invoice No. 5321804

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the period ending January 22, 2015 in connection with various issues relating to Pencheng and the proposed escrow agreements; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	11,047.80	0.00	$11,047.80
HST @ 13.0%			1,436.21
Disbursements	36.95	0.00	36.95
HST @ 13.0%			4.80
AMOUNT DUE			CAD $12,525.76

STIKEMAN ELLIOTT LLP

Brian M. Pukier

STIKEMAN ELLIOTT

Date	Timekeeper	Hours	Description
Dec 3, 2014	Y. Katirai	0.50	E-mails with A. Yao, J. Hussain, P. Kan. Conversation with P. Kan.
Dec 9, 2014	Y. Katirai	2.43	Reviewed and analyzed [redacted]. Considered issues. Drafted and revised [redacted]
Dec 10, 2014	Y. Katirai	2.00	E-mails with M. Konyukhova. Further revisions to [redacted]. E-mails with J. Hussain.
Dec 12, 2014	Y. Katirai	0.33	E-mails with J. Hussain. Reviewed and analyzed comments from FTI [redacted] Considered issues raised by FTI and J. Hussain.
Dec 15, 2014	P.F. Howard	1.00	Telephone conversation with B. Pukier; telephone conversation with E&Y [redacted]; [redacted];
Dec 15, 2014	Y. Katirai	0.33	E-mails with M. Konyukhova. [redacted] Hussain.
Dec 17, 2014	Y. Katirai	1.33	Conversations with A. Yao. Reviewed and analyzed [redacted]. Conversation with associate in employment practice group re: [redacted] Reviewed precedent employment release and considered issues.
Jan 6, 2015	B.M. Pukier	2.33	Call with E&Y; [redacted] [redacted]; [redacted];
Jan 8, 2015	B.M. Pukier	2.50	Various matters relating to [redacted];
Jan 15, 2015	B.M. Pukier	2.17	[redacted];

FEE SUMMARY

FEES	
Professional Services	CAD $11,047.80
HST @ 13.0%	1,436.21
Total Professional Services and Taxes	CAD $12,484.01

STIKEMAN ELLIOTT

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Travel - Taxis	36.95		36.95
Total Disbursements	36.95	0.00	36.95
HST @ 13.0%			4.80
Total Disbursements and Taxes			CAD $41.75

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Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

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G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

March 31, 2015
File No. 1315221002

Invoice No. 5336941

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the period ending March 30, 2015 in connection with matters relating to the share transfer agreement with Pencheng; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	23,215.55	0.00	$23,215.55
HST @ 13.0%			3,018.02
Disbursements	31.25	18.00	49.25
HST @ 13.0%			4.06
AMOUNT DUE			CAD $26,286.88

STIKEMAN ELLIOTT LLP

Brian M. Pukier

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STIKEMAN ELLIOTT

Date	Timekeeper	Hours	Description
Jan 13, 2015	B.M. Pukier	1.33	[redacted] and calls with E&Y;
Jan 20, 2015	Y. Katirai	1.50	Reviewed Claims Procedure Order [redacted]. Considered issues and drafted letter to Bell [redacted]. E-mails with M. Konyukhova. Revised letter per M. Konyukhova.
Feb 3, 2015	Y. Katirai	2.07	Reviewed and analyzed provisions in appointment order [redacted] Reviewed leading texts on [redacted] Reviewed and analyzed [redacted].
Feb 3, 2015	Y. Katirai	1.00	Drafted and revised summary of responses to questions raised by E&Y. E-mails with M. Konyukhova. Considered issues raised by M. Konyukhova and reviewed research previously conducted to verify responses.
Feb 6, 2015	Y. Katirai	0.42	Call with A. Yao. E-mails with M. Konyukhova.
Mar 11, 2015	B.M. Pukier	0.75	[redacted];
Mar 13, 2015	M. Devereux	1.25	Discussions with B. Pukier; Conference call; Review of records;
Mar 13, 2015	B.M. Pukier	2.33	Calls with Mayer Brown and E&Y [redacted];
Mar 16, 2015	M. Devereux	2.67	Review of records; Draft of chronology; Draft letter; Discussions with B. Pukier;
Mar 16, 2015	B.M. Pukier	2.00	[redacted]; Review file for [redacted];
Mar 17, 2015	M. Devereux	1.83	Respond to Mayer Brown questions; Review of records; Revisions to draft letter; Conference call;
Mar 17, 2015	B.M. Pukier	2.75	Mayer Brown discussions; Timeline; Call with E&Y; Call with China; Draft letter to Pencheng;
Mar 18, 2015	L. Crago	0.50	Discussion with Mike Devereux; subsearch [redacted] and report.
Mar 18, 2015	B.M. Pukier	1.50	Calls with Mayer Brown and E&Y; Draft [redacted]
Mar 19, 2015	M. Devereux	1.17	Conference call with Pencheng; Conference call with E&Y;

Date	Timekeeper	Hours	Description
Mar 19, 2015	B.M. Pukier	1.33	Call with Pencheng and Mayer Brown and E&Y; Calls with E&Y;
Mar 20, 2015	M. Devereux	0.42	Draft of email; Conference call with E&Y;
Mar 20, 2015	B.M. Pukier	0.50	Call with E&Y; Issues with Pencheng;
Mar 23, 2015	B.M. Pukier	0.67	Calls with E&Y; Pencheng Response;
Mar 24, 2015	M. Devereux	0.75	Conference call; Draft of email;
Mar 24, 2015	B.M. Pukier	1.25	Pencheng issues; Calls with E&Y; Email to Pencheng;
Mar 26, 2015	B.M. Pukier	0.33	Email to Pencheng; Call with E&Y;
Mar 27, 2015	M. Devereux	0.42	Conference call; Draft email;
Mar 27, 2015	B.M. Pukier	0.58	Call with E&Y; Email to Pencheng;

FEE SUMMARY

FEES	
Professional Services	CAD $23,215.55
HST @ 13.0%	3,018.02
Total Professional Services and Taxes	**CAD $26,233.57**

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Title Search -Non-taxable		18.00	18.00
Delivery/Mailroom	2.25		2.25
Title Search	29.00		29.00
Total Disbursements	31.25	18.00	49.25
HST @ 13.0%			4.06
Total Disbursements and Taxes			**CAD $53.31**

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BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

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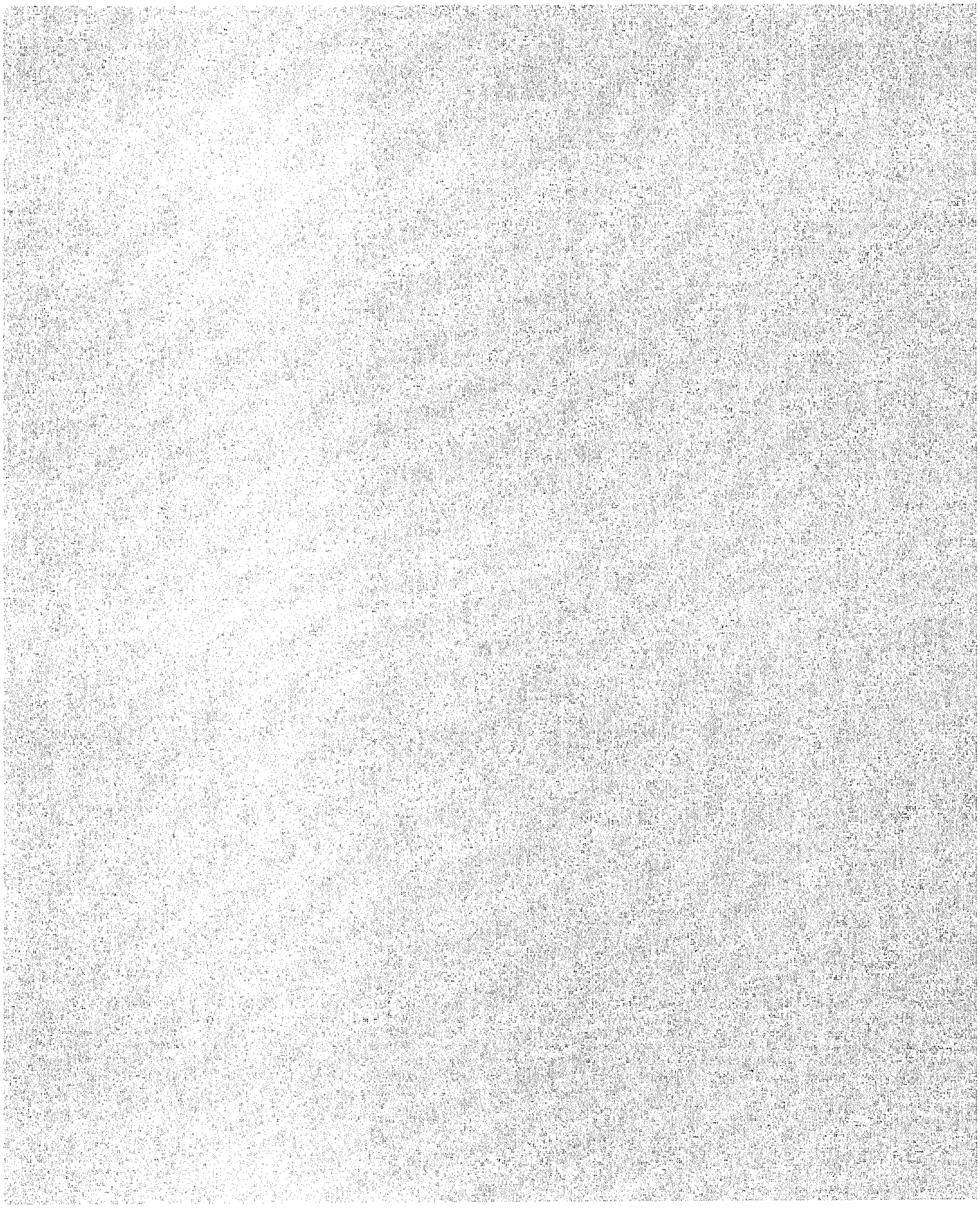

STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com
G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

May 28, 2015
File No. 1315221002

Invoice No. 5352160

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the period ending May 27, 2015 in connection with various letter and phone calls with Mayer Brown, Ernst & Young and Pencheng; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	16,550.35	0.00	$16,550.35
HST @ 13.0%			2,151.55
Charges	3.00	0.00	3.00
HST @ 13.0%			0.39
Disbursements	2.20	0.00	2.20
HST @ 13.0%			0.29
AMOUNT DUE			CAD $18,707.78

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6409251 v1

Date	Timekeeper	Hours	Description
Mar 31, 2015	B.M. Pukier	0.42	Response from Pencheng and discussions [redacted];
Apr 20, 2015	M. Devereux	0.50	Draft [redacted];
Apr 28, 2015	B.M. Pukier	0.67	E-mails to Pencheng; [redacted];
May 3, 2015	M. Devereux	0.50	Review of agenda; Draft letter;
May 4, 2015	B.M. Pukier	2.00	Meeting with Mr. Yu; Email to PC;
May 7, 2015	M. Devereux	0.25	Draft email; Discussions with Brian;
May 7, 2015	B.M. Pukier	0.50	Calls with E&Y; Correspondence with Mayer Brown;
May 11, 2015	M. Devereux	0.75	Conference call; Draft email;
May 11, 2015	B.M. Pukier	0.75	Call with Murray; Letter to PC;
May 12, 2015	B.M. Pukier	0.42	Emails to PC;
May 13, 2015	M. Devereux	0.50	Internal discussions; Conference call;
May 13, 2015	B.M. Pukier	1.67	Meeting with Jonathan, E&Y and Beutel; Call with MB;
May 14, 2015	M. Devereux	1.25	Draft letters;
May 15, 2015	B.M. Pukier	0.33	Call with Murray and Allen [redacted];
May 20, 2015	M. Devereux	0.75	Conference call; Draft email;
May 20, 2015	B.M. Pukier	1.00	Calls with E&Y;
May 21, 2015	M. Devereux	0.33	Draft of letter;
May 21, 2015	B.M. Pukier	0.33	Emails to E&Y; PC and Mayer Brown;
May 22, 2015	B.M. Pukier	2.25	Letter to Mr. Yu; letter to PC; Calls with E&Y;
May 26, 2015	M. Devereux	2.25	Conference call with PC; Internal conference call; Revisions [redacted];
May 26, 2015	B.M. Pukier	1.75	[redacted]; Call with Pencheng;
May 27, 2015	M. Devereux	0.25	Discussions with A. Yao; Revisions to [redacted];

FEE SUMMARY

FEES	
Professional Services	CAD $16,550.35
HST @ 13.0%	2,151.55
Total Professional Services and Taxes	CAD $18,701.90

6409251 v1

STIKEMAN ELLIOTT

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	3.00		3.00
Total Charges	3.00	0.00	3.00
HST @ 13.0%			0.39
Total Charges and Taxes			**CAD $3.39**

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Telephone	2.20		2.20
Total Disbursements	2.20	0.00	2.20
HST @ 13.0%			0.29
Total Disbursements and Taxes			**CAD $2.49**

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Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

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<tr><th colspan="2">CANADIAN DOLLARS</th><th colspan="2">US DOLLARS</th></tr>
<tr><td colspan="2">BANK
CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9</td><td colspan="2">BANK
CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9</td></tr>
<tr><td>BANK #
0010</td><td>TRANSIT #
00002</td><td>BANK #
0010</td><td>TRANSIT #
00002</td></tr>
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CIBCCATT</td></tr>
<tr><td>BENEFICIARY
Stikeman Elliott LLP
199 Bay Street, Commerce Court West, Main Branch
Toronto, ON M5L 1G9</td><td>ACCOUNT #
87-12816</td><td>BENEFICIARY
Stikeman Elliott LLP
199 Bay Street, Commerce Court West, Main Branch
Toronto, ON M5L 1G9</td><td>ACCOUNT #
04-92019</td></tr>
</table>

Please include client number on transfer documents.

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STIKEMAN ELLIOTT

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Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

June 30, 2015
File No. 1315221002

Invoice No. 5360657

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the month of June 2015 in connection with matters relating to FTI's engagement and various working group strategy calls in relation to Pencheng; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	6,703.50	0.00	$6,703.50
HST @ 13.0%			871.46
Disbursements	0.85	0.00	0.85
HST @ 13.0%			0.11
AMOUNT DUE			CAD $7,575.92

STIKEMAN ELLIOTT LLP

Brian M. Pukier

Date	Timekeeper	Hours	Description
Jun 4, 2015	B.M. Pukier	1.25	Call with Stakeholders.
Jun 11, 2015	Y. Katirai	0.75	Calls with M. Devereux, A. Yao. Conversation with P. Corney. Revised notarial certificates. Arranged for notarization of documents. Notarized true copy of court order.
Jun 17, 2015	B.M. Pukier	0.67	Call with FTI and E&Y.
Jun 19, 2015	B.M. Pukier	1.00	Call with FTI;
Jun 23, 2015	B.M. Pukier	0.50	Call with RK Hong;
Jun 24, 2015	B.M. Pukier	1.50	Call with FTI; Call with K2 and RK Hong; Calls with E&Y;
Jun 29, 2015	P.F. Howard	0.42	Review email correspondence from B. Pukier; review report;
Jun 29, 2015	B.M. Pukier	0.33	FTI Report;
Jun 30, 2015	B.M. Pukier	0.75	Call with E&Y; Call with K2; [redacted];

FEE SUMMARY

FEES	
Professional Services	CAD $6,703.50
HST @ 13.0%	871.46
Total Professional Services and Taxes	**CAD $7,574.96**

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Telephone	0.85		0.85
Total Disbursements	0.85	0.00	0.85
HST @ 13.0%			0.11
Total Disbursements and Taxes			CAD $0.96

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

STIKEMAN ELLIOTT

Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.

STIKEMAN ELLIOTT

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G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Invoice

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

July 31, 2015
File No. 1315221002

Invoice No. 5369324

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the period ending July 30, 2015 in connection with matters relating to the receivership of Hanfeng Evergreen; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	28,753.05	0.00	$28,753.05
HST @ 13.0%			3,737.90
Charges	887.00	0.00	887.00
HST @ 13.0%			115.31
Disbursements	37.54	139.00	176.54
HST @ 13.0%			4.88
AMOUNT DUE			CAD $33,674.68

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6441918 v1

Date	Timekeeper	Hours	Description
Jul 1, 2015	B.M. Pukier	0.25	RK Retainer Letter;
Jul 2, 2015	P.F. Howard	0.75	Email correspondence; telephone conversation with B. Pukier, M. Konyukhova and E&Y;
Jul 2, 2015	B.M. Pukier	1.50	RK Hong; Court order issues; Calls with E&Y;
Jul 3, 2015	M. Konyukhova	0.42	Call with E&Y and B. Pukier re [redacted]
Jul 3, 2015	B.M. Pukier	1.75	Working group call; RK Hong; [redacted]; Calls with EY;
Jul 6, 2015	P.F. Howard	0.25	Telephone conversation with B. Pukier;
Jul 6, 2015	M. Konyukhova	0.17	Emails re [redacted].
Jul 7, 2015	P.F. Howard	1.00	Review draft report; conference call with B. Pukier, M. Konyukhova and client;
Jul 7, 2015	M. Konyukhova	1.92	Review draft report; call with E&Y, P. Howard and B. Pukier.
Jul 7, 2015	B.M. Pukier	0.75	Call with EY re [redacted];
Jul 9, 2015	B.M. Pukier	1.50	Meeting with RK Hong and K2 and EY;
Jul 13, 2015	P.F. Howard	0.75	Review draft report; discussions with M. Konyukhova and B. Pukier;
Jul 16, 2015	P.F. Howard	0.25	Discussions with B. Pukier; review draft;
Jul 16, 2015	M. Konyukhova	2.25	Work on [redacted]; calls and emails with E&Y re [redacted].
Jul 17, 2015	P.F. Howard	0.33	Review drafts;
Jul 17, 2015	M. Konyukhova	2.92	Emails re [redacted] work on order and report; attend to service and filing; call with B. Beekenkamp; prepare motion record, notice of motion and order; review [redacted]
Jul 17, 2015	B.M. Pukier	0.67	Receivers Report;
Jul 20, 2015	M. Devereux	0.33	Review of court matters; Conference call;
Jul 21, 2015	P.F. Howard	1.00	Discussions with B. Pukier, M. Konyukhova; review drafts; email correspondence;
Jul 21, 2015	Y. Katirai	0.50	Conversation with M. Konyukhova. Reviewed and analyzed [redacted] Considered issues.
Jul 21, 2015	M. Konyukhova	2.83	Emails; call with B. Pukier; review supplementary report; calls with B. Pukier and P. Howard; consider issues re [redacted].
Jul 21, 2015	B.M. Pukier	0.75	Supplemental Report; Call with E&Y;
Jul 22, 2015	M. Konyukhova	2.25	Review draft supplement; review and revise supplement, call with E&Y and B. Pukier; revise report; emails re [redacted] email re [redacted]; attend to service of supplement to report.
Jul 22, 2015	B.M. Pukier	2.00	Call with Jonathan Pollack; Motion material;

6441918 v1

Date	Timekeeper	Hours	Description
Jul 23, 2015	P.F. Howard	1.33	Discussions with M. Konyukhova and B. Pukier; email correspondence with E&Y; review report;
Jul 23, 2015	M. Konyukhova	2.58	Call with E&Y re [redacted] emails re [redacted] call with B. Pukier; call with E. Cobb; revise order; prepare for motion hearing.
Jul 23, 2015	B.M. Pukier	0.75	Prepare for Court Hearing;
Jul 24, 2015	S. Gismondi	1.00	Obtained sealed and certified copies of order from court house.
Jul 24, 2015	B.M. Pukier	1.25	Attend in court;
Jul 28, 2015	P.F. Howard	0.25	Review email correspondence;
Jul 28, 2015	B.M. Pukier	1.00	[redacted] Yu Order; Calls with Ernst & Young;
Jul 29, 2015	P.F. Howard	0.17	Review email correspondence;.

FEE SUMMARY

FEES	
Professional Services	CAD $28,753.05
HST @ 13.0%	3,737.90
Total Professional Services and Taxes	**CAD $32,490.95**

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	887.00		887.00
Total Charges	887.00	0.00	887.00
HST @ 13.0%			115.31
Total Charges and Taxes			**CAD $1002.31**

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Filing Fees - N/T		127.00	127.00
Book Binding/Binders	37.54		37.54
Miscellaneous N/T		12.00	12.00
Total Disbursements	37.54	139.00	176.54
HST @ 13.0%			4.88
Total Disbursements and Taxes			**CAD $181.42**

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

STIKEMAN ELLIOTT

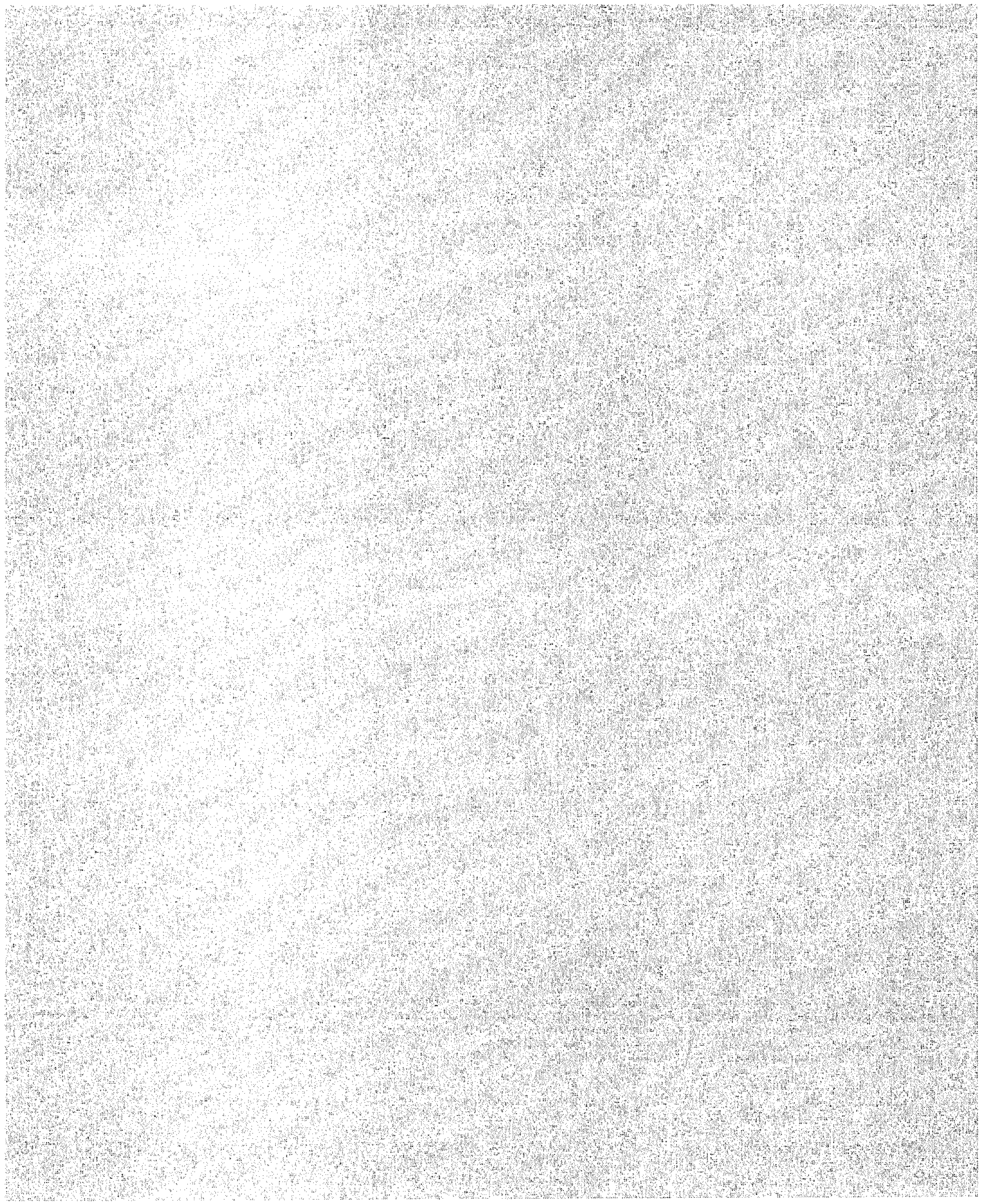
Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.



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G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Invoice

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

September 30, 2015
File No. 1315221002

Invoice No. 5383947

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the two months ending September 29, 2015 in connection with the receivership of Hanfeng Evergreen Inc., including assisting with respect to the Third Report of the Receiver; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	20,629.35	0.00	$20,629.35
HST @ 13.0%			2,681.82
Charges	664.25	0.00	664.25
HST @ 13.0%			86.35
Disbursements	1,187.64	127.00	1,314.64
HST @ 13.0%			154.40
AMOUNT DUE			CDN $25,530.81

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6464328 v1

Date	Timekeeper	Hours	Description
Jul 24, 2015	M. Konyukhova	3.25	Attendance in court and related emails and phone calls;
Jul 27, 2015	M. Konyukhova	0.42	Call with A. Yao; draft email to NR;
Jul 28, 2015	M. Konyukhova	1.58	Calls and emails; revisions to order; call with NR; revise and circulate order;
Jul 30, 2015	M. Konyukhova	0.92	Review comments on order; call with A. Yao; call with NR; review and revise supplemental report; prepare for motion;
Jul 31, 2015	M. Konyukhova	2.08	Preparation for motion and attendance at motion;
Aug 4, 2015	Y. Katirai	0.75	E-mails with A. Yao. Arranged for certified true copy of order to be obtained from Commercial List Office. Revised notarial certificate. Notarized copies of order.
Aug 5, 2015	M. Konyukhova	1.58	Call with E&Y, RK and others re [redacted]; review presentations re [redacted];
Aug 5, 2015	B.M. Pukier	1.50	Call with Terrence and E&Y [redacted];
Aug 6, 2015	M. Konyukhova	0.42	Emails re [redacted];
Aug 7, 2015	M. Konyukhova	0.42	Emails with B. Pukier re [redacted]; emails with B. Beekenkemp; consider [redacted];
Aug 10, 2015	M. Konyukhova	0.25	Call with Ernst & Young [redacted]; email B. Pukier regarding same.
Aug 10, 2015	C. Lahey	0.60	Obtained true copies of an order from the Commercial List Office.
Aug 13, 2015	M. Konyukhova	1.58	Review agreement; calls and emails with B. Pukier; call with Ernst & Young [redacted]
Aug 13, 2015	B.M. Pukier	1.17	[redacted];
Aug 14, 2015	B.M. Pukier	0.67	Response to PC;
Aug 26, 2015	M. Konyukhova	0.92	Call with A. Yao; review and provide comments [redacted]
Aug 27, 2015	M. Konyukhova	0.17	Review update; emails regarding same.
Sep 1, 2015	M. Konyukhova	0.25	Review emails from RK Hong.
Sep 3, 2015	M. Konyukhova	0.17	Review report.
Sep 7, 2015	M. Konyukhova	1.75	Review draft report and consider changes.
Sep 13, 2015	M. Konyukhova	0.25	Emails [redacted]
Sep 18, 2015	M. Konyukhova	2.08	Review and provide comments on draft report; review status update.
Sep 22, 2015	M. Konyukhova	0.69	Review revised [redacted] provide comments on report; emails and calls with A. Yao regarding [redacted]

6464328 v1

Date	Timekeeper	Hours	Description
Sep 23, 2015	M. Konyukhova	2.73	Review revised [redacted] provide comments on report; emails and calls with A. Yao regarding [redacted].
Sep 24, 2015	M. Konyukhova	0.25	Review [redacted]; email to A. Yao.
Sep 25, 2015	Y. Katirai	3.75	Conversations with M. Konyukhova. Reviewed Receiver's Report and considered issues. Drafted and revised notice of motion and form of order. Prepared motion record. Arranged for printing and binding of motion record. Drafted and revised affidavit of service. Arranged for mailing of motion records to recipients. Served motion record on service list by e-mail.
Sep 25, 2015	M. Konyukhova	0.33	Attend to preparation of motion record service and filing of report.

FEE SUMMARY

FEES	
Professional Services	CDN $20,629.35
HST @ 13.0%	2,681.82
Total Professional Services and Taxes	**CDN $23,311.17**

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	664.25		664.25
Total Charges	664.25	0.00	664.25
HST @ 13.0%			86.35
Total Charges and Taxes			**CDN $750.60**

STIKEMAN ELLIOTT

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Agents' Fees	110.00		110.00
Filing Fees - N/T		127.00	127.00
Book Binding/Binders	22.80		22.80
Delivery/Mailroom	1,043.89		1,043.89
Photocopies - External	10.62		10.62
Telephone	0.33		0.33
Total Disbursements	1,187.64	127.00	1,314.64
HST @ 13.0%			154.40
Total Disbursements and Taxes			CDN $1,469.04

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			**BANK** CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	**TRANSIT #** 00002		**BANK #** 0010	**TRANSIT #** 00002	
SWIFT CODE CIBCCATT			**SWIFT CODE** CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		**ACCOUNT #** 87-12816	**BENEFICIARY** Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		**ACCOUNT #** 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.

STIKEMAN ELLIOTT

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G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

October 30, 2015
File No. 1315221002

Invoice No. 5391221

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the month of October 2015 in connection with matters relating to the October 5, 2015 Court hearing, and various stakeholder meetings; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	9,150.75	0.00	$9,150.75
HST @ 13.0%			1,189.60
Charges	12.50	0.00	12.50
HST @ 13.0%			1.63
Disbursements	50.00	0.00	50.00
HST @ 13.0%			6.50
AMOUNT DUE			CAD $10,410.98

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6476588 v1

Date	Timekeeper	Hours	Description
Oct 5, 2015	M. Konyukhova	1.92	Preparation for and attendance at motion; attend to issuing and entering order.
Oct 5, 2015	B.M. Pukier	3.50	Court hearing; Meeting with RK;
Oct 8, 2015	M. Konyukhova	1.58	Meeting with stakeholders, RK Hong and E & Y.
Oct 8, 2015	B.M. Pukier	2.00	Meeting with KZ and RK;
Oct 16, 2015	M. Konyukhova	0.33	Various emails.
Oct 19, 2015	M. Konyukhova	0.58	Call with B. Beekenkamp [redacted]; review emails regarding same.
Oct 23, 2015	M. Konyukhova	0.75	Call with E&Y and R. DiPucchio [redacted] review [redacted].
Oct 26, 2015	M. Konyukhova	0.33	Review and consider emails regarding [redacted].

FEE SUMMARY

FEES	
Professional Services	CAD $9,150.75
HST @ 13.0%	1,189.60
Total Professional Services and Taxes	CAD $10,340.35

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	12.50		12.50
Total Charges	12.50	0.00	12.50
HST @ 13.0%			1.63
Total Charges and Taxes			CAD $14.13

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Agents' Fees	50.00		50.00
Total Disbursements	50.00	0.00	50.00
HST @ 13.0%			6.50
Total Disbursements and Taxes			CAD $56.50

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

STIKEMAN ELLIOTT

Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS		US DOLLARS	
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		**BANK** CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9	
BANK # 0010	**TRANSIT #** 00002	**BANK #** 0010	**TRANSIT #** 00002
SWIFT CODE CIBCCATT		**SWIFT CODE** CIBCCATT	
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	**ACCOUNT #** 87-12816	**BENEFICIARY** Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	**ACCOUNT #** 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.

6476588 v1

STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
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G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

November 26, 2015
File No. 1315221002

Invoice No. 5398227

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the period ending November 26, 2015 in connection with various calls and meetings relating to Mr. Yu and the process of replacing the legal representative in China and the lawsuit against Ernst & Young by Pencheng; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	1,907.50	0.00	$1,907.50
HST @ 13.0%			247.98
Charges	0.25	0.00	0.25
HST @ 13.0%			0.03
Disbursements	410.66	0.00	410.66
HST @ 13.0%			53.39
AMOUNT DUE			CDN $2,619.81

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6484632 v1

Date	Timekeeper	Hours	Description
Oct 30, 2015	P. Corney	1.00	Preparing notary cover pages and notarizing documents for A. Yu and M. McDonald.
Nov 2, 2015	M. Konyukhova	0.25	Emails [redacted].
Nov 4, 2015	M. Konyukhova	0.25	Review emails [redacted] email regarding same.
Nov 11, 2015	V. Calina	1.00	Drafting letter [redacted].
Nov 11, 2015	M. Konyukhova	0.75	Review and revise letter to Mr. Yu; emails regarding [redacted].
Nov 24, 2015	M. Konyukhova	0.25	Dealing with letter to Yu.

FEE SUMMARY

FEES	
Professional Services	CDN $1,907.50
HST @ 13.0%	247.98
Total Professional Services and Taxes	**CDN $2,155.48**

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	0.25		0.25
Total Charges	0.25	0.00	0.25
HST @ 13.0%			0.03
Total Charges and Taxes			**CDN $0.28**

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Agents' Fees	50.00		50.00
Delivery/Mailroom	360.66		360.66
Total Disbursements	410.66	0.00	410.66
HST @ 13.0%			53.39
Total Disbursements and Taxes			**CDN $464.05**

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.

STIKEMAN ELLIOTT

Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

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6484632 v1

STIKEMAN ELLIOTT

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G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

March 29, 2016
File No. 1315221002

Invoice No. 5431129

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the period ending March 26, 2016 in connection with drafting and filing statement of claim against Yu Xinduo and Lei Li; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	28,172.65	0.00	$28,172.65
HST @ 13.0%			3,662.44
Charges	0.50	0.00	0.50
HST @ 13.0%			0.07
Disbursements	34.69	200.00	234.69
HST @ 13.0%			4.51
AMOUNT DUE			CDN $32,074.86

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6539534 v1

Date	Timekeeper	Hours	Description
Nov 22, 2015	M. Konyukhova	0.17	Emails regarding [redacted].
Nov 24, 2015	V. Calina	0.25	Revising draft correspondence [redacted] sending copy by courier and email.
Dec 7, 2015	V. Calina	1.25	Drafted reply to [redacted].
Feb 18, 2016	B.M. Pukier	0.25	Calls with Ernst & Young;
Feb 19, 2016	B.M. Pukier	0.67	Call with Murray; Call with JP;
Feb 25, 2016	M. Konyukhova	0.25	Emails and calls regarding [redacted]
Feb 26, 2016	A.L.W. D'Silva	1.50	Reviewed [redacted]; discussed issues and options with Brian Pukier.
Feb 26, 2016	M. Konyukhova	0.25	Office conversation with D. Hamson regarding [redacted]
Feb 26, 2016	B.M. Pukier	1.00	[redacted]; Review with A. D'Silva;
Feb 29, 2016	A.L.W. D'Silva	1.33	Reviewed new material and discussed strategy.
Mar 1, 2016	D. Hamson	2.52	Reading materials in preparation for drafting [redacted].
Mar 4, 2016	A.L.W. D'Silva	0.50	Reviewed [redacted] and spoke with Brian Pukier.
Mar 4, 2016	D. Hamson	4.00	Read materials and began drafting [redacted]
Mar 4, 2016	B.M. Pukier	1.00	[redacted];
Mar 5, 2016	D. Hamson	7.31	Drafting [redacted].
Mar 6, 2016	M. Konyukhova	0.42	Review [redacted]; emails with B. Pukier and M. Hogg regarding same.
Mar 7, 2016	D. Hamson	1.73	Amended [redacted]
Mar 7, 2016	M. Hogg	8.08	Emails with M. Konyukhova; meet with D. Hamson; review receiver's reports; draft [redacted]
Mar 8, 2016	M. Hogg	2.31	Discussions with M. Konyukhova; review and revise [redacted], review client documents; emails with B. Pukier and M. Konyukhova
Mar 8, 2016	M. Konyukhova	0.42	Discussions with M. Hogg [redacted].

Date	Timekeeper	Hours	Description
Mar 9, 2016	M. Hogg	0.32	Emails with B. Pukier; meet with M. Konyukhova re: [redacted]; revise [redacted];
Mar 9, 2016	M. Konyukhova	0.33	Review and provide comments on [redacted]; email to E&Y.
Mar 10, 2016	M. Hogg	1.64	Revise draft affidavit; call with client re: [redacted]; emails to D. Hamson re: same
Mar 10, 2016	M. Konyukhova	1.08	Call with E&Y regarding Statement of Claim; emails and discussions with M. Hogg regarding same.
Mar 10, 2016	B.M. Pukier	0.75	Call with E&Y on [redacted];
Mar 11, 2016	M.A. Garcia	0.50	Obtaining [redacted]; Reporting to Daniel Hamson.
Mar 11, 2016	D. Hamson	0.68	Searched SEDAR for information [redacted]
Mar 14, 2016	D. Hamson	0.63	Edited [redacted].
Mar 14, 2016	M. Hogg	3.27	Revise [redacted]; emails with B. Pukier re: same; meet with M. Konyukhova re: same
Mar 15, 2016	M. Hogg	1.13	Review comments from B. Beekenkamp; revise [redacted]; call with B. Pukie[redacted] email B. Beekenkamp [redacted]
Mar 21, 2016	M. Hogg	0.58	Emails with B. Pukier and B. Beekenkamp; review and revise [redacted]
Mar 22, 2016	M. Hogg	0.23	Emails re: [redacted]; revise statement of claim

FEE SUMMARY

FEES	
Professional Services	CDN $28,172.65
HST @ 13.0%	3,662.44
Total Professional Services and Taxes	**CDN $31,835.09**

STIKEMAN ELLIOTT

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	0.50		0.50
Total Charges	0.50	0.00	0.50
HST @ 13.0%			0.07
Total Charges and Taxes			CDN $0.57

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Corporate Search N/T		19.00	19.00
Filing Fees - N/T		181.00	181.00
Corporate Search	30.00		30.00
Delivery/Mailroom	4.69		4.69
Total Disbursements	34.69	200.00	234.69
HST @ 13.0%			4.51
Total Disbursements and Taxes			CDN $239.20

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.

6539534 v1

STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

August 31, 2016
File No. 1315221002

Invoice No. 5467525

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the period ending August 31, 2016 in connection with matters relating to the statement of claim against Yu Xinduo and Lei Li and assistance with the litigation proceeding in China and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	47,063.85	0.00	$47,063.85
HST @ 13.0%			6,118.30
Charges	23.75	0.00	23.75
HST @ 13.0%			3.09
Disbursements	558.61	0.00	558.61
HST @ 13.0%			72.62
AMOUNT DUE			CDN $53,840.22

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6610864 v1

Date	Timekeeper	Hours	Description
Apr 6, 2016	M. Hogg	0.10	Call with A. Yao; emails with M. Konyukhova;
Apr 6, 2016	M. Konyukhova	0.42	Review draft [redacted]; review [redacted] email to E&Y [redacted].
Apr 12, 2016	M. Hogg	0.59	Call with K. Mitchell; emails with B. Beekenkamp
Apr 18, 2016	M. Hogg	0.46	Emails with K. Mitchell; email to client re: same
Apr 19, 2016	M. Hogg	1.92	Review [redacted]; call with B. Beekenkamp, B. Pukier and A. Yao re: same; review [redacted]; email re: same
Apr 19, 2016	B.M. Pukier	0.50	Call with E&Y re: Yu;
Apr 20, 2016	M. Hogg	0.31	Meet with E. Fanjoy [redacted] draft [redacted]
Apr 21, 2016	E. Fanjoy	3.83	Wrote research memo on [redacted].
Apr 21, 2016	M. Hogg	0.19	Review correspondence with K. Mitchell; email client [redacted] emails with E. Fanjoy [redacted]
Apr 22, 2016	E. Fanjoy	3.67	Wrote research memo [redacted].
Apr 27, 2016	E. Fanjoy	1.17	Performed research [redacted].
Apr 27, 2016	M. Hogg	1.59	Research [redacted] meet with E. Fanjoy [redacted]
Apr 28, 2016	E. Fanjoy	1.50	Performed research [redacted].
Apr 29, 2016	E. Fanjoy	1.67	Research [redacted].
May 4, 2016	M. Hogg	0.32	Call with D. Moore; email to B. Pukier
May 5, 2016	M. Hogg	0.34	Emails with B. Beekenkamp and A. Yao
May 9, 2016	M. Hogg	0.53	Emails with D. Moore; call with D. Moore; email to B. Pukier;
May 11, 2016	M. Hogg	0.25	Email to B. Beekenkamp; review [redacted]
May 13, 2016	M. Hogg	0.24	Call with A. Yao; emails with translator
May 23, 2016	M. Hogg	2.00	Review [redacted] draft [redacted]; review receiver's reports and motion records re: same;
Jun 9, 2016	M. Hogg	2.01	Draft [redacted]; review client documents re: same; revise [redacted] emails with B. Beekenkamp; emails with B. Pukier
Jun 10, 2016	M. Hogg	0.68	Call with B. Pukier; review correspondence with B. Beekenkamp and A. Yao; review receiver's report; revise draft Response
Jun 15, 2016	M. Hogg	1.45	Finalize Response; draft cover letter re: [redacted] review [redacted] meet with M. Konyukhova re: same; draft letter re: same

6610864 v1

Date	Timekeeper	Hours	Description
Jun 16, 2016	M. Hogg	0.24	Revise letter re: [redacted]
Jun 22, 2016	M. Hogg	0.18	Revise draft letter re: [redacted]; email to M. Konyukhova [redacted]
Jun 23, 2016	M. Hogg	0.80	Review [redacted]; call with K. Mitchell; email B. Beekenkamp; email B. Pukier
Jun 24, 2016	M. Hogg	0.25	Meet with G. Wood [redacted]
Jun 24, 2016	G. Wood	4.00	Researched and wrote memorandum [redacted]; reviewed pleadings and motion material.
Jun 27, 2016	M. Hogg	0.33	Review research memo [redacted] email with B. Pukier; emails with M. Konyukhova [redacted]; call with B. Pukier
Jun 29, 2016	M. Hogg	2.00	Attend at Commercial List court re: scheduling
Jul 13, 2016	M. Hogg	1.69	Email B. Pukier [redacted] emails with A. Yao [redacted] emails with M. Konyukhova [redacted], review Court of Justice Act and firm research [redacted]; meet with H. Murray [redacted]
Jul 15, 2016	M. Hogg	0.17	Call with A. Yao;
Jul 18, 2016	M. Hogg	0.26	Call with D. Moore;
Jul 19, 2016	H. Murray	1.50	Reviewed Bennett on Receiverships; reviewed jurisprudence [redacted] drafted summary of receiverships [redacted]
Jul 20, 2016	M. Hogg	0.24	Review client documents [redacted]
Jul 20, 2016	H. Murray	1.50	Reviewed law [redacted] revised summary; email to M. Hogg and M. Konyukhova re: [redacted]
Jul 21, 2016	M. Hogg	1.22	Review correspondence from B. Pukier re: particulars; emails with G. Wood [redacted] call with D. Moore; review memo [redacted] meet with M. Konyukhova [redacted]
Jul 22, 2016	M. Hogg	0.64	Meet with G. Wood; call with G. Wood and M. Devereux; review documents [redacted]
Jul 22, 2016	M. Konyukhova	0.50	Review and revise summary regarding [redacted];
Jul 22, 2016	G. Wood	2.04	Call with M. Hogg and M. Deveraux regarding [redacted].
Jul 25, 2016	M. Hogg	0.33	Emails [redacted] emails with G. Wood [redacted]
Jul 25, 2016	M. Konyukhova	0.67	Office conference with H. Murray; Review email from A. Yao; Revise memo; Email to EY;

Date	Timekeeper	Hours	Description
Jul 25, 2016	H. Murray	1.75	Discussion with M. Konyukhova [redacted]; reviewed comments from M. Konyukhova; revised memorandum.
Jul 28, 2016	M. Hogg	0.58	Call with B. Beekenkamp, A. Yao, B. Pukier and M. Konyukhova; review emails with A. Yao
Jul 28, 2016	M. Konyukhova	0.67	Prepare for telepho[redacted] Telephone calls with E&Y [redacted];
Jul 28, 2016	B.M. Pukier	0.67	Call with EY; Update to shareholders;
Aug 8, 2016	M. Hogg	0.41	Review client documents; call with G. Wood re: [redacted]
Aug 8, 2016	G. Wood	5.81	Reviewed [redacted].
Aug 9, 2016	M. Hogg	0.28	Calls and emails with G. Wood [redacted] review [redacted]
Aug 9, 2016	G. Wood	3.91	Reviewed documents regarding transaction; drafted [redacted]
Aug 10, 2016	M. Hogg	1.20	Emails with A. Yao; emails with M. Konyukhova and B. Pukier; review file re [redacted] meet with D. Hamson [redacted]; emails with G. Wood [redacted]
Aug 10, 2016	M. Konyukhova	0.42	Review records for orders and agreement to be notarized; Office conference with M. Hogg [redacted];
Aug 11, 2016	D. Hamson	1.69	Certified copy of order at registrar's office; drafted/assembled notarial package.
Aug 11, 2016	M. Hogg	0.17	Review notarial certificates; emails with A. Yao [redacted]
Aug 11, 2016	M. Konyukhova	0.33	Review email [redacted] Consider issues; Email to H. Murray [redacted];
Aug 11, 2016	H. Murray	0.75	Email correspondence with M. Konyukhova; draft response [redacted].
Aug 15, 2016	M. Konyukhova	0.58	Review and revise memo [redacted]
Aug 15, 2016	H. Murray	6.50	Review law [redacted] draft memorandum [redacted]; email correspondence with M. Konyukhova; further review law; revise memo.

Date	Timekeeper	Hours	Description
Aug 16, 2016	M. Konyukhova	2.75	Revise memo to EY; review emails [redacted] Prepare for and attend telephone calls with EY and Mr. Guan;
Aug 16, 2016	H. Murray	0.25	Email to M. Konyukhova [redacted]
Aug 17, 2016	M. Hogg	0.42	Emails with M. Konyukhova and B. Pukier [redacted]; emails with A. Yao [redacted]
Aug 17, 2016	M. Konyukhova	0.25	Emails [redacted];
Aug 18, 2016	M. Hogg	0.20	Emails with A. Yao re: [redacted]; emails with B. Pukier and M. Konyukhova re: same
Aug 22, 2016	M. Hogg	0.32	Review draft [redacted] [redacted] [redacted]; emails with A. Yao
Aug 24, 2016	M. Hogg	3.50	Revise [redacted] review [redacted] re: [redacted]; email to B. Pukier re: same; email to G. Wood re: same
Aug 24, 2016	M. Konyukhova	0.42	Emails regarding [redacted]; office conference with M. Hogg [redacted]
Aug 25, 2016	M. Hogg	3.22	Revise draft [redacted]; review client documents; review [redacted]; emails with A. Yao; prepare [redacted]
Aug 25, 2016	B.M. Pukier	0.67	[redacted]; Respond to EY queries;
Aug 26, 2016	M. Hogg	0.62	Review emails from B. Pukier; revise [redacted] re: same
Aug 29, 2016	M. Hogg	0.88	Revise draft [redacted]; email B. Pukier [redacted]
Aug 31, 2016	M. Hogg	1.98	Review draft [redacted]; email B. Pukier [redacted] email M. Konyukhova [redacted] email A. Yao [redacted] [redacted] revise [redacted] review B. Pukier emails [redacted];

FEE SUMMARY

FEES	
Professional Services	CDN $47,063.85
HST @ 13.0%	6,118.30
Total Professional Services and Taxes	**CDN $53,182.15**

STIKEMAN ELLIOTT

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	20.00		20.00
Telecopier	3.75		3.75
Total Charges	23.75	0.00	23.75
HST @ 13.0%			3.09
Total Charges and Taxes			CDN $26.84

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Agents' Fees	474.80		474.80
Certified Copy Fees	40.00		40.00
On-Line Search	29.71		29.71
Telephone	5.81		5.81
Travel - Taxis	8.29		8.29
Total Disbursements	558.61	0.00	558.61
HST @ 13.0%			72.62
Total Disbursements and Taxes			CDN $631.23

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

Payment can be wired as follows:

CANADIAN DOLLARS		US DOLLARS	
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9	
BANK # 0010	TRANSIT # 00002	BANK # 0010	TRANSIT # 00002
SWIFT CODE CIBCCATT		SWIFT CODE CIBCCATT	
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9	ACCOUNT # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.

STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

October 31, 2016
File No. 1315221002

Invoice No. 5482783

Attention: Brent Beekenkamp

FOR PROFESSIONAL SERVICES RENDERED for the period ending October 31, 2016 in connection with matters relating to the statement of claim against Yu Xinduo and Lei Li and assistance with the litigation proceeding in China and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	14,037.85	0.00	$14,037.85
HST @ 13.0%			1,824.92
Charges	56.00	0.00	56.00
HST @ 13.0%			7.28
Disbursements	43.72	0.00	43.72
HST @ 13.0%			5.69
AMOUNT DUE			CDN $15,975.46

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6634265 v1

Date	Timekeeper	Hours	Description
Sep 6, 2016	M. Hogg	0.52	Finalize [redacted] emails with B. Pukier [redacted]
Sep 6, 2016	G. Wood	0.75	Reviewed and revised [redacted].
Sep 19, 2016	M. Hogg	0.30	Emails with G. Wood [redacted] call with A. Yao [redacted]
Sep 19, 2016	A. Martinez	5.08	Met with Genna Wood [redacted] compared documents provided in hard copy to those on E&Y receiver web site; reviewed state of law [redacted]
Sep 19, 2016	G. Wood	1.17	Review [redacted]; emails to M. Hogg; meeting and instructions to A. Martinez.
Sep 20, 2016	A. Martinez	3.50	Completed review of law [redacted]; drafted [redacted].
Sep 20, 2016	A. Martinez	0.61	Met with Genna Wood to discuss [redacted] prepared draft letter and admissions.
Sep 20, 2016	G. Wood	0.42	Instructions to A. Martinez.
Sep 21, 2016	A. Martinez	1.74	Drafted letter to opposing counsel [redacted] reviewed rules of procedure [redacted].
Sep 23, 2016	G. Wood	3.39	Reviewed research of A. Martinez; Drafted [redacted].
Sep 28, 2016	M. Hogg	0.50	Review draft [redacted] emails and calls with G. Wood re: same
Sep 28, 2016	G. Wood	0.25	Response to [redacted].
Sep 29, 2016	M. Hogg	0.25	Revise draft letter to D. Moore; meet with G. Wood re: [redacted]
Sep 29, 2016	A. Martinez	0.71	Revised our [redacted].
Sep 29, 2016	G. Wood	1.30	Response to [redacted].
Sep 30, 2016	M. Hogg	1.92	Meet with G. Wood; revise [redacted] emails with M. Konyukhova and B. Pukier; email B. Beekenkamp and A. Yao re: same
Sep 30, 2016	G. Wood	1.77	Answers to [redacted].
Oct 3, 2016	M. Hogg	0.19	Call with A. Yao; emails with A. Yao
Oct 4, 2016	M. Hogg	0.92	Meet with G. Wood; call with D. Moore; emails with D. Moore; email to A. Yao and B. Beekenkamp
Oct 4, 2016	G. Wood	0.50	Response to [redacted].

Date	Timekeeper	Hours	Description
Oct 5, 2016	G. Wood	4.11	Reviewed [redacted].
Oct 14, 2016	M. Hogg	0.17	Emails with D. Moore
Oct 27, 2016	M. Hogg	1.04	Draft [redacted]; emails with G. Wood re: same
Oct 27, 2016	G. Wood	0.25	Correspondence with opposing counsel regarding [redacted].

FEE SUMMARY

FEES	
Professional Services	CDN $14,037.85
HST @ 13.0%	1,824.92
Total Professional Services and Taxes	**CDN $15,862.77**

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	56.00		56.00
Total Charges	56.00	0.00	56.00
HST @ 13.0%			7.28
Total Charges and Taxes			CDN $63.28

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Book Binding/Binders	3.72		3.72
Delivery/Mailroom	6.93		6.93
Quicklaw Search	30.09		30.09
Telephone	2.98		2.98
Total Disbursements	43.72	0.00	43.72
HST @ 13.0%			5.69
Total Disbursements and Taxes			CDN $49.41

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

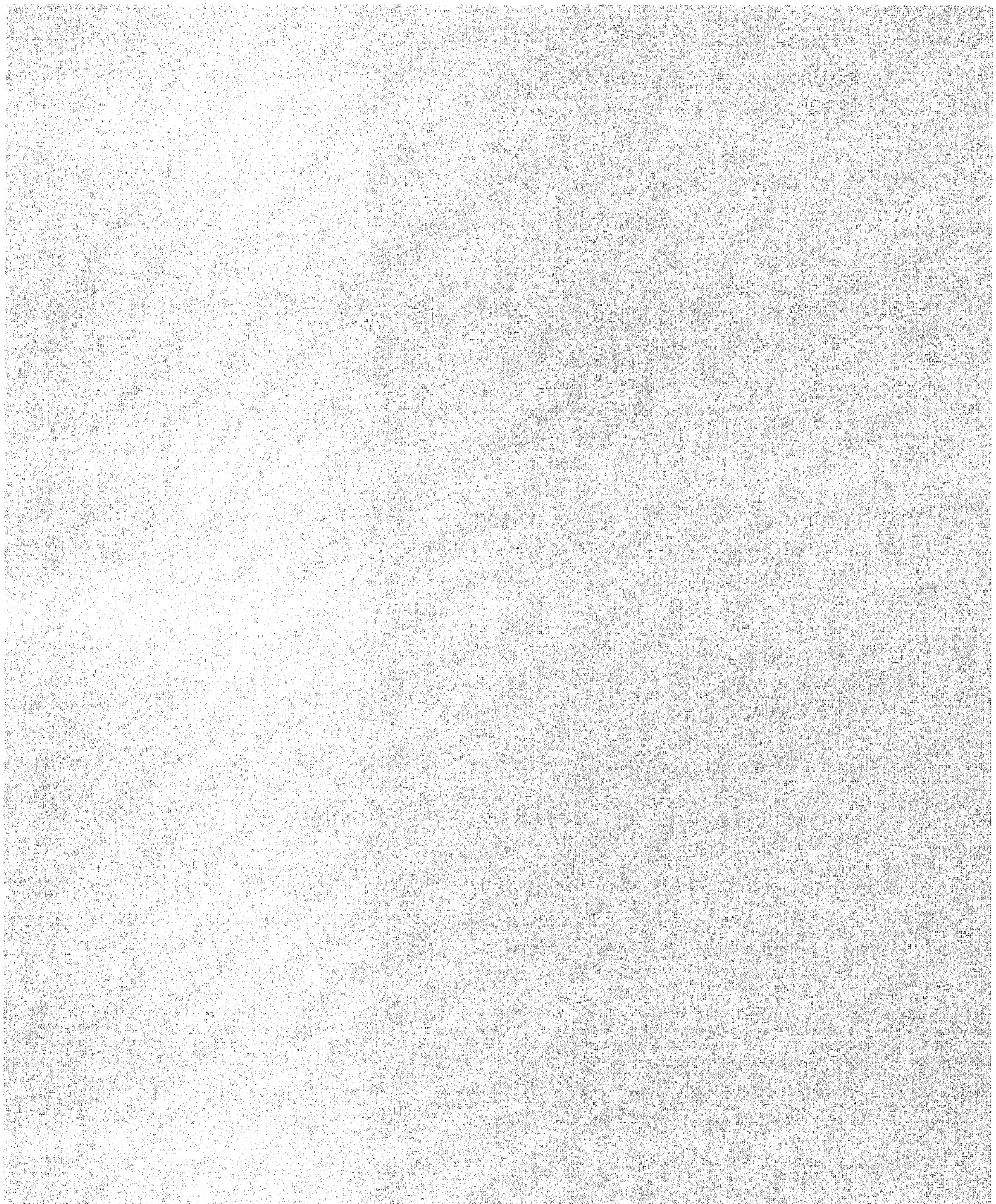
STIKEMAN ELLIOTT

Payment can be wired as follows:

CANADIAN DOLLARS			US DOLLARS		
BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9			BANK CIBC, 199 BAY STREET, COMMERCE COURT WEST, MAIN BRANCH, TORONTO M5L 1G9		
BANK # 0010	TRANSIT # 00002		BANK # 0010	TRANSIT # 00002	
SWIFT CODE CIBCCATT			SWIFT CODE CIBCCATT		
BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 87-12816	BENEFICIARY Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		ACCOUNT # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.



STIKEMAN ELLIOTT

Stikeman Elliott LLP, Barristers & Solicitors
5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9
Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com
G.S.T./H.S.T. NO. 1214111360001
Q.S.T. No. 1018978624

Account

Hanfeng Evergreen Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, ON M5K 1J7

May 8, 2017
File No. 1315221002

Invoice No. 5535954

Attention: Brent Beekenkamp

Re: Hanfeng Evergreen Inc.

FOR PROFESSIONAL SERVICES RENDERED for the six months ending May 5, 2017 in connection with the receivership of Hanfeng Evergreen Inc.; and all ancillary telephone calls and meetings; all as more particularly described below.

	Taxable	Non-Taxable	Total
Professional Services	51,276.80	0.00	$51,276.80
HST @ 13.0%			6,665.98
Charges	21.75	0.00	21.75
HST @ 13.0%			2.83
Disbursements	101.42	0.00	101.42
HST @ 13.0%			13.18
AMOUNT DUE			CDN $58,081.96

STIKEMAN ELLIOTT LLP

Brian M. Pukier

6720103 v1

Date	Timekeeper	Hours	Description
Nov 3, 2016	M. Hogg	0.36	Emails with G. Wood; review [redacted]
Nov 8, 2016	G. Wood	0.70	Correspondence with counsel.
Nov 21, 2016	M. Hogg	0.09	Call with D. Moore
Nov 24, 2016	M. Hogg	0.49	Revise draft [redacted]; draft email to client re: same; email to G. Wood
Nov 30, 2016	B. Lynch	2.92	Researching [redacted].
Dec 2, 2016	M. Hogg	0.79	Email B. Beekenkamp and A. Yao re: [redacted]
Dec 5, 2016	M. Hogg	0.71	Meet with G. Wood; emails with B. Beekenkamp
Dec 5, 2016	J. Howell	1.37	Conducted research [redacted]
Dec 5, 2016	G. Wood	1.67	Drafted [redacted]; meeting with M. Hogg; researched [redacted].
Dec 6, 2016	M. Hogg	0.69	Draft [redacted]; emails with G. Wood;
Dec 16, 2016	J. Howell	3.83	Conducted research [redacted]
Dec 16, 2016	G. Wood	0.25	Discussion with J. Howell [redacted].
Dec 20, 2016	M. Hogg	0.17	Email with A. Yao [redacted]; email with B. Pukier [redacted]
Dec 21, 2016	M. Hogg	0.48	Draft letter to D. Moore; call with D. Moore; email to A. Yao and B. Beekenkamp
Jan 3, 2017	M. Hogg	0.33	Telephone call with D. Moore; email to B. Pukier;
Jan 3, 2017	G. Wood	0.25	Prepared [redacted]
Jan 10, 2017	M. Hogg	2.09	Review Defence; call with A. Yao, B. Pukier, G. Wood and B. Beekenkamp re: same
Jan 10, 2017	B.M. Pukier	0.75	[redacted]; Call with E&Y;
Jan 10, 2017	G. Wood	2.45	Call [redacted]; drafted reply.
Jan 12, 2017	B.M. Pukier	0.50	Email to Stakeholders; [redacted];
Jan 13, 2017	M. Hogg	0.32	Draft letter to D. Moore; emails with G. Wood re: same
Jan 16, 2017	M. Hogg	0.25	Meet with G. Wood [redacted];
Jan 16, 2017	G. Wood	0.27	Discussion with M. Hogg [redacted].
Jan 17, 2017	B.M. Pukier	0.75	[redacted] Call with Tony Cheng; Call with Jonathan Pollack;
Jan 24, 2017	M. Hogg	1.04	Meet with G. Wood; call with A. Yao
Jan 24, 2017	G. Wood	1.31	Prepared for and attended call with A. Yao [redacted].
Jan 30, 2017	M. Hogg	0.25	Review email from A. Yao;

Date	Timekeeper	Hours	Description
Feb 6, 2017	G. Wood	2.75	Reviewed documents provided by A. Yao; drafted reply.
Feb 10, 2017	M. Hogg	1.66	Meet with G. Wood; review and revise [redacted] email with A. Yao
Feb 10, 2017	G. Wood	3.42	Drafted [redacted] reviewed Receiver's Reports; meeting with M. Hogg.
Feb 16, 2017	M. Hogg	2.18	Revise [redacted]; meet with G. Wood re: same; meet with G. Wood and M. Konyukhova [redacted]; emails with B. Pukier [redacted]
Feb 16, 2017	M. Konyukhova	1.42	Review email regarding [redacted] office conference with M. Hogg and G. Wood [redacted] revise email to B. Pukier regarding same; review [redacted]; consider [redacted];
Feb 16, 2017	G. Wood	2.86	Meeting with M. Hogg; revisions to reply; review of [redacted].
Feb 17, 2017	M. Hogg	1.19	Meet with G. Wood; review [redacted] call with M. Konyukhova, G. Wood, B. Pukier, B. Beekenkamp and A. Yao
Feb 17, 2017	M. Konyukhova	0.75	Telephone call [redacted];
Feb 17, 2017	B.M. Pukier	1.00	Review [redacted] Call with E&Y; [redacted];
Feb 17, 2017	G. Wood	0.96	Review of [redacted] Call [redacted].
Feb 21, 2017	M. Hogg	0.67	Review [redacted]; email to M. Konyukhova, B. Pukier and G. Wood re: same
Feb 27, 2017	G. Wood	0.17	Reviewed [redacted].
Feb 28, 2017	M. Konyukhova	0.58	Office conference with H. Murra[redacted]
Feb 28, 2017	H. Murray	1.25	Meeting with M. Konyukhova; review analysis of [redacted] review first report, supplement to first report, second report and supplement to second report of receiver.
Mar 1, 2017	H. Murray	1.25	Email correspondence with G. Wood [redacted] review [redacted].
Mar 2, 2017	H. Murray	3.00	Draft 3rd report of receiver; review related court documents.

Date	Timekeeper	Hours	Description
Mar 3, 2017	H. Murray	0.33	Review rider material for receiver's report; revise report.
Mar 3, 2017	G. Wood	1.76	Drafted rider for third report of receiver.
Mar 6, 2017	M. Hogg	0.28	Review summary re: [redacted]
Mar 6, 2017	M. Konyukhova	0.75	Emails [redacted]; review draft report;
Mar 6, 2017	B.M. Pukier	0.50	Email to stakeholders;
Mar 9, 2017	M. Hogg	1.28	Review analysis [redacted] call with B. Beekenkamp, A. Yao, M. Macdonald, B. Pukier and M. Konyukhova; review [redacted] prepare notarial certificates; meet with A. Yao and M. Macdonald
Mar 9, 2017	M. Konyukhova	0.50	Telephone call with E&Y regarding status and next steps; emails regarding same;
Mar 9, 2017	B.M. Pukier	1.00	Call with E&Y; Court Process;
Mar 10, 2017	M. Hogg	0.17	Draft notarial certificate; meet with M. Macdonald re: [redacted]
Mar 10, 2017	M. Konyukhova	1.92	Review and revise the 4th report; office conference [redacted]
Mar 10, 2017	H. Murray	0.75	Revise report; email to G. Wood; discussion with M. Hogg.
Mar 10, 2017	B.M. Pukier	1.75	Email to stakeholders; Report of Monitor;
Mar 15, 2017	M. Konyukhova	1.08	Revise 4th Report of the Receiver;
Mar 16, 2017	H. Murray	0.08	Email correspondence with M. Hogg and B. Pukier [redacted].
Mar 17, 2017	M. Hogg	1.02	Review and revise receiver's report; meet with H. Murray [redacted];
Mar 20, 2017	H. Murray	0.33	Review B. Pukier comments on fourth report and revise same; email draft report to B. Beekenkamp
Mar 20, 2017	B.M. Pukier	1.75	Receiver's Report;
Mar 27, 2017	H. Murray	0.08	Email to B. Beekenkamp re: [redacted].
Mar 28, 2017	M. Hogg	0.50	Review draft receiver's report; call with H. Murray re: same
Mar 28, 2017	H. Murray	1.50	Review and revise fourth report; review comments on same from B. Pukier; telephone call with M. Hogg [redacted] complete revisions and email to B. Beekenkamp.
Mar 28, 2017	B.M. Pukier	1.50	Report of Receiver;
Mar 31, 2017	M. Hogg	0.30	Review receiver's report; review [redacted]; emails with H. Murray; email with G. Wood
Mar 31, 2017	H. Murray	0.50	Review [redacted] discussion with M. Hogg re: same.

Date	Timekeeper	Hours	Description
Mar 31, 2017	B.M. Pukier	0.67	Review Report;
Mar 31, 2017	G. Wood	0.34	Email to H. Murray [redacted].
Apr 2, 2017	H. Murray	0.25	Email correspondence with B. Pukier and M. Hogg; revise report.
Apr 2, 2017	B.M. Pukier	0.75	Receiver's Report. E&Y.
Apr 4, 2017	B.M. Pukier	0.83	Calls with E&Y and other stakeholders.
Apr 5, 2017	H. Murray	0.17	Email correspondence with A. Yao; serve 4th report of receiver; organize filing of same with Commercial List.
Apr 5, 2017	B.M. Pukier	0.33	Emails with E&Y. E-mail to K2.
Apr 28, 2017	M. Hogg	0.50	Review correspondence from D. Moore; emails with B. Pukier, G. Wood and H. Murray re: same
Apr 30, 2017	H. Murray	0.25	Review appointment order; email correspondence with G. Wood and M. Hogg [redacted]
May 1, 2017	H. Murray	0.17	Email correspondence with G. Wood and M. Hogg [redacted]
May 3, 2017	M. Hogg	1.42	Review [redacted]; call with G. Wood and H. Murray [redacted] emails with M. Konyukhova [redacted] review draft Reply; draft [redacted]
May 3, 2017	H. Murray	0.75	Email correspondence with M. Hogg and G. Wood [redacted] review [redacted]; review issues [redacted] telephone call with M. Hogg and G. Wood [redacted]
May 3, 2017	G. Wood	0.50	Call with H. Murray and M. Hogg [redacted]
May 5, 2017	M. Hogg	0.67	Call with B. Beekenkamp, M. Macdonald, A. Yao, B. Pukier, H. Murray and G. Wood; call with H. Murray and G. Wood
May 5, 2017	H. Murray	0.67	Attend on conference call with M. Hogg, G. Wood, B. Pukier, B. Beekenkamp, A. Yao and M. McDonald [redacted] telephone call with M. Hogg and G. Wood [redacted].
May 5, 2017	B.M. Pukier	0.50	Call with E&Y on [redacted];

STIKEMAN ELLIOTT

FEE SUMMARY

FEES	
Professional Services	CDN $51,276.80
HST @ 13.0%	6,665.98
Total Professional Services and Taxes	CDN $57,942.78

CHARGES SUMMARY

Description	Taxable	Non - Taxable	Total
Photocopies	21.75		21.75
Total Charges	21.75	0.00	21.75
HST @ 13.0%			2.83
Total Charges and Taxes			CDN $24.58

DISBURSEMENTS SUMMARY

Description	Taxable	Non - Taxable	Total
Agents' Fees	55.01		55.01
Business Meals - In Town	20.67		20.67
On-Line Search	10.97		10.97
Quicklaw Search	14.77		14.77
Total Disbursements	101.42	0.00	101.42
HST @ 13.0%			13.18
Total Disbursements and Taxes			CDN $114.60

Accounts are due when rendered. Please note that a prevailing quarterly pre-judgement interest rate will be charged for amounts unpaid 30 days or more.

Disbursements and charges may not have been posted at the date of this account.
Please quote our File number and/or Invoice number when making payment.

STIKEMAN ELLIOTT

Payment can be wired as follows:

Canadian Dollars			US Dollars		
Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9			Bank CIBC, 199 Bay Street, Commerce Court West, Main Branch, Toronto M5L 1G9		
Bank # 0010	Transit # 00002		Bank # 0010	Transit # 00002	
Swift Code CIBCCATT			Swift Code CIBCCATT		
Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		Account # 87-12816	Beneficiary Stikeman Elliott LLP 199 Bay Street, Commerce Court West, Main Branch Toronto, ON M5L 1G9		Account # 04-92019

Please include client number on transfer documents.

If you require further information, please contact our Client Accounts co-ordinators Michael Scott at 416-869-7728 or Cheryl Palmer at 416-869-7055, or by email at TORAccountsReceivable@stikeman.com.

6720103 v1

EXHIBIT “B”

This is **Exhibit "B"** to the

Affidavit of Brian M. Pukier

Sworn July 6, 2017

Commissioner for taking affidavits

SUMMARY OF ACCOUNTS

INVOICE NO.	DATE OF ACCOUNT	FEES	DISBURSEMENTS	HST	TOTAL
5292598	September 30, 2014	$117,991.65	$3,534.46	$15,785.67	$137,311.78
5305850	November 27, 2014	$20,217.80	$933.61	$2,749.68	$23,901.09
5313381	December 19, 2014	$11,233.35	$10.52	$1,461.71	$12,705.58
5321804	January 23, 2015	$11,047.80	$36.95	$1,441.01	$12,525.76
5336941	March 31, 2015	$23,215.55	$49.25	$3,022.08	$26,286.88
5352160	May 28, 2015	$16,550.35	$5.20	$2,152.23	$18,707.78
5360657	June 30, 2015	$6,703.50	$0.85	$871.57	$7,575.92
5369324	July 31, 2015	$28,753.05	$1,063.54	$3,858.09	$33,674.68
5383947	September 30, 2015	$20,629.35	$1,978.89	$2,922.57	$25,530.81
5391221	October 30, 2015	$9,150.75	$62.50	$1,197.73	$10,410.98
5398227	November 26, 2015	$1,907.50	$410.91	$301.40	$2,619.81
5431129	March 29, 2016	$28,172.65	$235.19	$3,667.02	$32,074.86
5467525	August 31, 2016	$47,063.85	$582.36	$6,194.01	$53,840.22
5482783	October 31, 2016	$14,037.85	$99.72	$1,837.89	$15,975.46
5535954	May 8, 2017	$51,276.80	$123.17	$6,681.99	$58,081.96
TOTAL		**$407,951.80**	**$9,127.12**	**$54,144.65**	**$471,223.57**
Average Hourly Rate - Before HST		**Total fees before HST $407,951.80 ÷ Total hours of 625.08 = $652.64**			
TOTAL BILLED					**$471,223.57**

EXHIBIT “C”

This is **Exhibit "C"** to the

Affidavit of Brian M. Pukier

Sworn July 6, 2017

Commissioner for taking affidavits

LEGAL COSTS SUMMARY

TIMEKEEPER	YEAR OF CALL	2014		2015		2016		2017		TOTAL HOURS
		Rate	Time	Rate	Time	Rate	Time	Rate	Time	
Peter F.C. Howard	1982	900.00	32.51	925.00	6.50					39.01
Alan D'Silva	1989					875.00	3.33			3.33
Brian M. Pukier	1994	975.00	37.26	990.00	61.42	1,025.00	5.51	1,080.00	12.58	116.77
Mel Hogg	2003					620.00	62.26	665.00	16.12	78.38
Maria Konyukhova	2006	610.00	56.75	675.00	44.59	700.00	9.76	750.00	7.00	118.10
Michael Devereux	2008	580.00	15.00	625.00	16.17					31.17
Neil Shapiro	2010	550.00	2.96							2.96
Haddon Murray	2012					525.00	12.25	550.00	11.33	23.58
Yannick Katirai	2012	465.00	68.54	500.00	10.74					79.28
Genna Wood	2013					495.00	32.29	550.00	17.04	49.33
Suzanne Amiel	2013	440.00	8.07							8.07
Cathy Qi	2014	440.00	5.45							5.45
Chad Bass-Meldrum	2014	440.00	7.31							7.31
Patrick Corney	2014			455.00	1.00					1.00
Daniel Hamson	2015							460.00	18.56	18.56
Katarina Zoricic	2015	280.00	0.68							0.68
Vlad Calina	2015			440.00	2.50					2.50
Eryn Fanjoy	2016					295.00	11.84			11.84
Andrew Martinez	Student					305.00	11.64			11.64
Brian Lynch	Student					305.00	2.92			2.92
Curtis Lahey	Student			270.00	0.60					0.60
Jocelyn Howell	Student					305.00	5.20			5.20
Michael Habib	Student	280.00	1.95							1.95
Sabrina Gismondi	Student			270.00	1.00					1.00
Lynda Crago	Law Clerk			470.00	0.50					0.50
Marco Garcia	Law Clerk	270.00	0.37			300.00	0.50			0.87
Sabrina Delvecchio	Law Clerk	375.00	3.08							3.08
									TOTAL:	**625.08**

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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF BRIAN M. PUKIER
(SWORN JULY 6, 2017)

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Lawyers for the Receiver,
Ernst & Young Inc.