



BNY MELLON

BY COURIER AND BY FAX

CFLD (Cayman) Investment Ltd. (the “Issuer”)

c/o

Fl.9, Block A, Jiacheng Plaza
No. 18, Xiaguangli, North Dongsanhuan Road
Chaoyang District, Beijing

Fax no.: +86 10 5228 2666
Attention: Mr. Heming Wang

China Fortune Land Development Co., Ltd (华夏幸福基业股份有限公司) (the “Company”)

Fl.9, Block A, Jiacheng Plaza
No. 18, Xiaguangli, North Dongsanhuan Road
Chaoyang District, Beijing

Fax no.: +86 10 5228 2666
Attention: Mr. Heming Wang

with a copy to:

The Bank of New York Mellon, London Branch (the “**Principal Paying Agent**”)
One Canada Square
London E14 5AL
United Kingdom

Attention: Global Corporate Trust/CFLD (Cayman) Investment Ltd.
Fax no.: +44 207 964 6369

The Bank of New York Mellon SA/NV, Luxembourg Branch (the “**Registrar**” and the “**Transfer Agent**”)
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

Attention: International Corporate Trust/CFLD (Cayman) Investment Ltd.
Fax no.: +352 24 524 204

The Bank of New York Mellon, Hong Kong Branch
Level 26, Three Pacific Place
1 Queen's Road East
Hong Kong

Attention: Corporate Trust Administration/CFLD (Cayman) Investment Ltd.
Fax no.: +852 2295 3283

5 March 2021

Dear Sirs

NOTIFICATION OF NON-PAYMENT DEFAULT AND CROSS DEFAULT

We write in our capacity as Trustee for the holders of the following series of bonds (the “**Bondholders**”) issued by the Issuer and guaranteed by the Company:

US\$530,000,000 8.625 per cent. Guaranteed Bonds due 2021 (XS1953977326);
US\$200,000,000 9.0 per cent. Guaranteed Bonds due 2021 (ISIN: XS1835626810);
US\$940,000,000 9.0 per cent. Guaranteed Bonds due 2021 (ISIN: XS1860402954);
US\$340,000,000 10.875 per cent. Guaranteed Bonds due 2021 (ISIN: XS2275514458);
US\$60,000,000 9.0 per cent. Guaranteed Bonds due 2021 (ISIN: XS1924881334);
US\$350,000,000 7.125 per cent. Guaranteed Bonds due 2022 (ISIN: XS1972090119);
US\$300,000,000 6.92 per cent. Guaranteed Bonds due 2022 (ISIN: XS2189577906);
US\$330,000,000 8.75 per cent. Guaranteed Bonds due 2022 (ISIN: XS2232030788);
US\$500,000,000 6.90 per cent. Guaranteed Bonds due 2023 (ISIN: XS2100597256);
US\$650,000,000 8.6 per cent. Guaranteed Bonds due 2024 (ISIN: XS1972092248); and
US\$760,000,000 8.05 per cent. Guaranteed Bonds due 2025 (ISIN: XS2100597330).

(collectively, the “**Bonds**”).

Capitalised terms not otherwise defined in this letter shall have the meanings given to them in the trust deeds constituting the Bonds (the “**Trust Deeds**”).

NOTIFICATION OF EVENT OF DEFAULT

We have been advised by the Principal Paying Agent that it has not received the full amount of principal and interest due and payable on 28 February 2021 in respect of the US\$530,000,000 8.625 per cent. Guaranteed Bonds due 2021 (XS1953977326) (the “**CFLD US\$530,000,000 2021 Bonds**”).

Pursuant to Condition 9(a) (*Non-Payment*) of the Bonds, an Event of Default occurs when there is a failure to pay (i) the principal of or any premium on any of the Bonds when due or (ii) any interest on any of the Bonds within 20 business days after the due date for such payment. Accordingly, an Event of Default has occurred pursuant to Condition 9(a) (*Non-Payment*) in respect of the CFLD US\$530,000,000 2021 Bonds (the “**CFLD US\$530,000,000 2021 Bonds Non-Payment Default**”).

Pursuant to Condition 9(c) (*Cross Default*) of the Bonds, an Event of Default occurs if any other present or future indebtedness of the Issuer, the Company or any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, the Company or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above have occurred equals or exceeds US\$30.0 million or its equivalent (on the basis of the middle spot rate for the relevant currency against the US dollar as quoted by any leading bank selected by the Issuer on the day on which Condition 9(c) operates). Accordingly, as a result of the CFLD US\$530,000,000 2021 Bonds Non-Payment Default, an Event of Default has occurred pursuant to Condition 9(c) (*Cross Default*) of the Bonds (the “**Cross Default**” and together with the CFLD US\$530,000,000 2021 Bonds Non Payment Default, the “**Defaults**”).

As at the date of this letter, the Defaults are continuing. We request that the Issuer and the Company urgently confirm to us what action you propose to take with respect to the Defaults.

We also remind you that each of the Issuer and the Company has an obligation under Clause 7.2 of the Trust Deeds to notify the Trustee in writing immediately becoming aware or being notified of the occurrence of

any Potential Event of Default, Event of Default or Relevant Event. We would recommend that the Issuer also sends a notice to the Holders of the Bonds to update them on these matters.

EXTRA REMUNERATION

Pursuant to Clause 8.2 (*Extra Remuneration*) of the Trust Deeds, following the occurrence of an Event of Default or a Potential Event of Default, the Trustee is entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time. We hereby inform you of our intention to invoice our time spent in relation to the Defaults described in this letter at our standard rate of US\$500 per hour. Such fees are in addition to our agreed fees for acting as Trustee.

INDEMNITY

Further, pursuant to Clause 8.4 (*Indemnity*) of the Trust Deeds, the Trustee is entitled to indemnification in full against all losses, liabilities, actions, proceedings, claims, demands, penalties, damages, costs, fees, expenses, disbursements, and other liabilities whatsoever incurred by the Trustee in connection with its duties under the Trust Deeds, the Agency Agreements and the Bonds.

The occurrence of the Defaults referred to above requires us to carry out additional duties as Trustee pursuant to the Trust Deeds and to incur additional expenditure. Such expenditure will be for the Issuer's and the Company's account, pursuant to Clause 8.4 (*Indemnity*) of the Trust Deeds. We hereby demand, within seven days of the date of this letter, payment from you of US\$500,000 against our incurred and further expenditure. We will account to you for the expenditure of such monies and return any monies which are not expended by us. For the avoidance of doubt, this demand does not limit the Issuer's or the Company's liability under the indemnities contained in the Trust Deeds to US\$500,000.

Trustee's Account details:

Beneficiary Bank:	The Bank of New York Mellon - New York Branch
ABA #:	021000018
Swift:	IRVTUS3NAMS
A/C #:	4296508400
A/C Name:	CTHK- DEBT SERVICE AC
Ref:	CFLD (Cayman) Investment Ltd.

NOTICE TO AGENTS TO ACT AS AGENTS OF TRUSTEE

Following the occurrence of the Defaults, the Trustee, by copy of this letter to the Agents and pursuant to Clause 2.4 of the Trust Deeds and Clause 4.1 of the Agency Agreements, requires the Agents until notified in writing by the Trustee to the contrary, so far as permitted by applicable law:

- (i) to act as agents of the Trustee under the relevant Trust Deed and the relevant Bonds on the terms of the relevant Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and expenses of the Agents will be limited to the amounts for the time being held by the Trustee in respect of the Bonds on the terms of the Trust Deed) and thereafter to hold all Global Certificates and Certificates and all moneys, documents and records held by the Agents in respect of the Bonds to the order of the Trustee; and
- (ii) to deliver all Global Certificates and Certificates and all moneys, documents and records held by the Agents in respect of the Bonds to us, as Trustee, or as we shall direct.

We hereby require the Issuer and the Company to make all subsequent payments in respect of the Bonds to or to the order of us as Trustee and not to the Principal Paying Agent from the date of this letter.

RESERVATION OF RIGHTS

This letter is without prejudice to our rights under the Trust Deeds and the Bonds and we reserve all our rights in that regard. This letter shall not be construed as a waiver of any breach or potential breach of the Trust Deeds or the Bonds or of any default thereunder or of any rights or remedies which the Trustee or any Bondholder may have under or in relation to the Trust Deeds or the Bonds.

NOTICE TO BONDHOLDERS

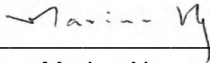
The Trustee has issued notices to the Bondholders informing them of the Defaults.

CONTACT

If you have any questions regarding this letter, you may contact the Trustee in accordance with the contact details set out in Clause 16 (*Communications*) of the Trust Deeds with a copy to jeremy.hollingsworth@bnymellon.com AND dageamea@bnymellon.com.

Yours faithfully

The Bank of New York Mellon, London Branch
in its capacity as Trustee



Name: Marina Ng
Title: Vice President