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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Sino-Ocean Land Holdings Limited**, you should at once hand this circular to the purchaser or other transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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远洋地产

遠洋地產控股有限公司

Sino-Ocean Land Holdings Limited

(incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)
(Stock Code: 03377)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE 2012 INTERIM DIVIDEND**

13 September 2012

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“2012 Interim Dividend”	the interim dividend of the Company of HK\$0.06 per Share for the six months ended 30 June 2012 (together with a scrip alternative) to be paid to the Shareholders whose names are shown on the register of members of the Company at the close of business on the Record Date;
“Board”	the board of Directors;
“Company”	Sino-Ocean Land Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Excluded Shareholders”	Overseas Shareholders who are excluded from the Scrip Dividend Scheme by the reason that the Directors, upon making enquiry, consider such exclusion to be necessary and expedient on account either of legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in those place(s);
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Overseas Shareholders”	Shareholders whose registered addresses as shown on the register of members of the Company at the close of business on the Record Date are outside Hong Kong;
“PRC”	the People’s Republic of China;
“Qualifying Shareholders”	Shareholders whose names are shown on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders;
“Record Date”	Tuesday, 4 September 2012;

DEFINITIONS

“Scrip Dividend Scheme”	the scheme proposed by the Directors on 16 August 2012 in relation to the 2012 Interim Dividend pursuant to which the Qualifying Shareholders will receive wholly or partly by allotment and issue of Scrip Shares credited as fully paid up in lieu of cash payment;
“Scrip Shares”	the new Shares to be allotted, issued and credited as fully paid-up Shares under the Scrip Dividend Scheme;
“Shareholder(s)”	holder(s) of Shares;
“Share(s)”	share(s) of HK\$0.80 each in the issued share capital of the Company;
“Share Option Scheme”	the share option scheme of the Company adopted pursuant to the written resolutions of the Shareholders passed on 3 September 2007;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.



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Executive Directors:

Mr. Li Ming
Mr. Wang Xiaoguang
Mr. Chen Runfu

Registered office:

Suite 601, One Pacific Place
88 Queensway
Hong Kong

Non-executive Directors:

Ms. Liu Hui
Mr. Yang Zheng
Mr. Cheung Vincent Sai Sing

Principal place of business:

31–33 Floor, Block A
Ocean International Center
56 Dongsihuanzhonglu
Chaoyang District, Beijing
PRC

Independent non-executive Directors:

Mr. Tsang Hing Lun
Mr. Gu Yunchang
Mr. Han Xiaojing
Mr. Zhao Kang

13 September 2012

To the Shareholders

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE 2012 INTERIM DIVIDEND

INTRODUCTION

On 16 August 2012, the Board announced the Company's unaudited interim results for the six months ended 30 June 2012 and recommended the payment of the 2012 Interim Dividend. The 2012 Interim Dividend is payable in cash with a scrip dividend alternative to Shareholders whose names appeared on the register of members of the Company on the Record Date.

The purpose of this circular is to set out the procedures and conditions which apply to the Scrip Dividend Scheme.

LETTER FROM THE BOARD

DETAILS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Qualifying Shareholder may elect to receive the 2012 Interim Dividend in one of the following ways:

- (a) a cash dividend of HK\$0.06 per Share; or
- (b) an allotment of such number of Scrip Shares credited as fully paid and having an aggregate market value (calculated as described below), save for adjustment for fractions, equal to the total amount of the 2012 Interim Dividend which such Shareholder would otherwise be entitled to receive in cash; or
- (c) partly in Scrip Shares and partly in cash.

The Scrip Shares will rank *pari passu* in all respects with the existing issued Shares except that they shall not rank for the 2012 Interim Dividend.

BASIS OF ALLOTMENT OF THE SCRIP SHARES

For the purpose of calculating the number of Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value (“**Market Value**”) per Scrip Share will be fixed at HK\$3.496, being the higher of (i) the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ending on, and including, Thursday, 23 August 2012 less a discount of 5% of such average price; and (ii) the par value of each Share of HK\$0.80, rounded up to the nearest three decimal places. Accordingly, the number of Scrip Shares which a Qualifying Shareholder electing to receive Scrip Shares will receive, in respect of the existing Shares registered in their names at the close of business on the Record Date, will be calculated as follows:

$$\text{Number of Scrip Shares to be received} = \frac{\text{Number of existing Shares held on the Record Date for which each Qualifying Shareholder elects to receive Scrip Shares} \times \text{HK\$0.06}}{\text{HK\$3.496}}$$

The number of Scrip Shares to be received will be rounded down to the nearest whole number of Scrip Shares. Fractional entitlements to Scrip Shares in respect of alternatives (b) and (c) above will not be issued to Qualifying Shareholders but will be disregarded and the benefit thereof will accrue to the Company.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

In arriving at the decision to recommend the Scrip Dividend Scheme to the Shareholders, the Directors consider that the Scrip Dividend Scheme will give the Qualifying Shareholders an opportunity to increase their investment in the Company at Market Value without incurring brokerage fees, stamp duty and other related dealing costs. The Scrip Dividend Scheme will also benefit the Company to the extent that such cash which would otherwise have been paid to the Shareholders who elect to receive Scrip Shares, in whole or in part, in lieu of cash, will be retained for use as working capital of the Company.

LETTER FROM THE BOARD

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 5,773,142,524 Shares in issue as at the close of business on the Record Date, if no elections for the Scrip Shares were received, the total cash dividend payable by the Company would be approximately HK\$346 million. If all Shareholders elect to receive their entitlements to the 2012 Interim Dividend in the form of Scrip Shares, the maximum number of Scrip Shares to be issued would be 99,081,393 Shares, representing approximately 1.72% of the existing issued share capital of the Company and approximately 1.69% of the then issued share capital of the Company as enlarged by the issue of the Scrip Shares.

Shareholders should note that the Scrip Shares may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.

FORM OF ELECTION

If you wish to receive the 2012 Interim Dividend wholly in cash, you do not need to take any action.

If you wish to receive the 2012 Interim Dividend wholly in Scrip Shares, or partly in cash and partly in Scrip Shares, you should use the enclosed form of election. If you sign the form of election but do not specify the number of Shares in respect of which you wish to receive Scrip Shares, or if your specified number of Shares is greater than your registered holding on the Record Date, you will be deemed to have exercised your election to receive Scrip Shares in respect of all the Shares registered in your name.

The form of election should be completed in accordance with the instructions printed thereon and returned to the Company's share registrar so as to be received no later than 4:30 p.m. on Wednesday, 3 October 2012 at:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Failure to complete and return the form of election in accordance with the instructions printed thereon will result in the Qualifying Shareholder's 2012 Interim Dividend being paid wholly in form of cash. Elections in respect of the 2012 Interim Dividend cannot be in any way withdrawn, revoked, superseded or altered after the relevant form of election is signed and lodged with the Company's share registrar. No acknowledgement of receipt of the form of election will be issued.

LETTER FROM THE BOARD

OVERSEAS SHAREHOLDERS

This circular will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. If you are resident outside Hong Kong, this circular only constitute(s) an invitation to subscribe for Scrip Shares if such an invitation can be legally made to you without the Company having to meet any legal or registration requirements outside Hong Kong. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular for information only.

As at the Record Date, there were 5 Overseas Shareholders residing in three jurisdictions, namely Canada, the PRC and Macau Special Administrative Region of the PRC, who together held an aggregate of 5,077 Shares, representing approximately 0.00009% of the entire issued share capital of the Company. The aggregate amount of the 2012 Interim Dividend to which these Overseas Shareholders are entitled is HK\$304.62.

Pursuant to Rule 13.36(2) of the Listing Rules, the Company has made legal enquiries with legal advisers in the relevant jurisdictions in respect of the legal restrictions under the laws of the relevant jurisdictions or the requirements of the relevant regulatory body or stock exchange in those jurisdictions for the Company to extend the Scrip Dividend Scheme to the Overseas Shareholders. The Directors were advised by the overseas legal counsel that there are no legal restrictions under applicable legislation of Canada and Macau Special Administrative Region of the PRC with respect to the offer of the Scrip Shares to the Overseas Shareholders with registered addresses in these two jurisdictions as at the Record Date. With respect to the two Shareholders in the PRC (the “**Excluded Shareholders**”), the Company was advised by the PRC legal adviser that, in view of the restrictions under the PRC laws, it is desirable to pay such Excluded Shareholders the 2012 Interim Dividend in cash only.

For the avoidance of doubt, the Scrip Shares are not offered to the public and the forms of election are not transferable.

Notwithstanding the legal advice taken by the Company, it is the responsibility of anyone wishing to participate in the Scrip Dividend Scheme to satisfy themselves as to full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers.

BOOK CLOSURE PERIOD

The register of members of the Company was closed from Friday, 31 August 2012 to Tuesday, 4 September 2012, both days inclusive, for the purpose of determining Shareholders who qualify for the 2012 Interim Dividend. The latest time for submission of transfer forms to qualify for the 2012 Interim Dividend was 4:30 p.m. on Thursday, 30 August 2012.

LETTER FROM THE BOARD

LISTING AND DEALINGS AND DESPATCH OF DIVIDEND CHEQUES AND/OR SHARE CERTIFICATES

Application has been made to the Stock Exchange for the grant of listing of, and permission to deal in, the Scrip Shares. It is expected that the cheques for cash entitlement in relation to the 2012 Interim Dividend and/or share certificates for the Scrip Shares will be despatched at the risk of those entitled thereto to their respective registered addresses on or about Wednesday, 17 October 2012. Subject to the granting of approval for listing of, and permission to deal in, the Scrip Shares, the dealings in the Scrip Shares on the Stock Exchange are expected to commence on or around Thursday, 18 October 2012.

Save for the Convertible Securities (as defined below) and the perpetual subordinated securities with an aggregated amount of USD1,300 million issued by two subsidiaries of the Company which are listed on the Singapore Stock Exchange, no other equity or debt securities of the Company are listed on or dealt in on any other stock exchange and no listing or permission to deal in on any other stock exchange is being or is proposed to be sought.

Subject to the granting of approval for listing of, and permission to deal in, the Scrip Shares, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System. You should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect your rights and interests.

Scrip Shares issued to Shareholders pursuant to an election to receive some or all of their 2012 Interim Dividend in Scrip Shares may be allocated in odd lots. No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Shares. In the unlikely event that the above condition is not satisfied, Shareholders will receive the 2012 Interim Dividend wholly in cash.

ADJUSTMENTS IN RELATION TO THE CONVERTIBLE SECURITIES AND SHARE OPTIONS

Adjustment in relation to the Convertible Securities

As announced by the Company on 27 July 2010, Sino-Ocean Land Capital Finance Limited, a wholly-owned subsidiary of the Company, issued the perpetual subordinated convertible securities (the “**Convertible Securities**”) with an aggregate principal amount of USD900 million which is listed on the Singapore Stock Exchange. In accordance with the terms of the Convertible Securities, the Scrip Shares to be allotted may result in an adjustment to the conversion price of the outstanding balance of the Convertible Securities. Such

LETTER FROM THE BOARD

adjustments shall become effective on the date of issue of such Scrip Shares or if the number of such Scrip Shares is fixed on announcement and a record date is fixed therefor, immediately after such record date.

Adjustment in relation to the Share Option Scheme

Pursuant to the terms of the Share Option Scheme, the Board shall have the right to make adjustments to the number of options and/or the mechanism for the exercise of the share options. The Directors recognised that, and in compliance with the requirements set out in Rule 17.03(13) of the Listing Rules and the supplementary guidance set out by the Stock Exchange dated 5 September 2005, the overriding principle in making such adjustment, if any, is that they should have a neutral impact from the perspective of the participants of the Share Option Scheme. If and when any adjustments have to be made, the Company will notify the option holders in accordance with the Share Option Scheme.

RECOMMENDATION

Whether or not it is to your advantage to receive cash or Scrip Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting from that decision are your responsibility. If you are in any doubt as to what to do, you should consult your professional advisers as to the action you should take and whether or not you are permitted to receive the 2012 Interim Dividend in scrip form or if any governmental or other consent is required. Shareholders who are trustees are recommended to take professional advice as to whether electing for Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

By Order of the Board
Sino-Ocean Land Holdings Limited
Li Ming
Chairman