

Sino-Ocean Land (Perpetual Finance) Limited

(Incorporated in British Virgin Island with limited liability)

The Board of Directors of Sino-Ocean Land (Perpetual Finance) Limited (the “Company”) announces that Sino-Ocean Land Holdings Limited, the Company’s parent company, has released a circular of Scrip Dividend Scheme in relation to the 2014 Final Dividend and the circular as attached has been posted on the websites of The Stock Exchange of Hong Kong Limited and Sino-Ocean Land Holdings Limited.

By Order of the Board

Sino-Ocean Land (Perpetual Finance) Limited

SUM Pui Ying

Director

22 May 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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 2014 FINAL DIVIDEND**

DEFINITIONS

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

“2014 Final Dividend”	the final dividend of the Company of HK\$0.165 per Share for the year ended 31 December 2014 (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;
“AGM”	the annual general meeting of the Company held at Nathan Room, Lower Level Floor, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong, on Tuesday, 12 May 2015 at 10:00 a.m. or any adjournment thereof;
“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 PRC;
“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”	Friday, 15 May 2015;

DEFINITIONS

“Scrip Dividend Scheme”	the scheme proposed by the Directors on 17 March 2015 in relation to the 2014 Final 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;
“Share(s)”	ordinary share(s) with no nominal value 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;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Li Ming
Ms. Liu Hui
Mr. Cheung Vincent Sai Sing
Mr. Chen Runfu
Mr. Wen Haicheng

Non-Executive Directors:

Mr. Yang Zheng
Mr. Fang Jun
Mr. Chung Chun Kwong, Eric

Independent Non-Executive Directors:

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

Registered Office:

Suite 601, One Pacific Place
88 Queensway
Hong Kong

Principal place of business:

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

22 May 2015

To the Shareholders

Dear Sir/Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE 2014 FINAL DIVIDEND

INTRODUCTION

On 17 March 2015, the Board announced the Company's audited annual results for the year ended 31 December 2014 and recommended the payment of the 2014 Final Dividend. The 2014 Final 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 latest time for submission of transfer forms to qualify for the 2014 Final Dividend was 4:30 p.m. on 15 May 2015. The 2014 Final Dividend was approved at the AGM.

LETTER FROM THE BOARD

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

DETAILS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Qualifying Shareholder may elect to receive the 2014 Final Dividend in one of the following ways:

- (a) a cash dividend of HK\$0.165 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 2014 Final 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 2014 Final 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\$5.746, being the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ending on (and including) the date of the AGM less a discount of 5% of such average price, 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:

$$\begin{array}{rcl} \text{Number of Scrip} & & \text{Number of existing Shares held} \\ \text{Shares to be} & & \text{on the Record Date for which} \\ \text{received} & = & \text{each Qualifying Shareholder} \\ & & \text{elects to receive Scrip Shares} \end{array} \times \frac{\text{HK\$0.165}}{\text{HK\$5.746}}$$

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. The last day on which Shareholders will be entitled to select their desired form of dividends is 12 June 2015.

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

LETTER FROM THE BOARD

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.

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 7,523,913,848 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\$1,241 million. If all Shareholders elect to receive their entitlements to the 2014 Final Dividend in the form of Scrip Shares, the maximum number of Scrip Shares to be issued would be 216,053,913 Shares, representing approximately 2.87% of the existing number of Shares of the Company in issue and approximately 2.79% of the then the number of Shares of the Company in issue 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 2014 Final Dividend wholly in cash, you do not need to take any action.

If you wish to receive the 2014 Final Dividend wholly in Scrip Shares, or partly in cash and partly in Scrip Shares, you should complete 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 you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive Scrip Shares in respect of all the Shares of which you were then registered as the holder.

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 12 June 2015 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 2014 Final Dividend being paid wholly in the form of cash. Elections in respect of the 2014 Final Dividend cannot be in any way withdrawn, revoked, superseded or altered after the relevant forms of election are signed and lodged with the Company's share registrar. No acknowledgement of receipt of the form of election will be issued.

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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 constitutes 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 10 Overseas Shareholders residing in four jurisdictions, namely Canada, the PRC, Taiwan and Macau Special Administrative Region of the PRC, who together held an aggregate of 32,326 Shares, representing approximately 0.0004% of the number of Shares of the Company in issue. The aggregate amount of the 2014 Final Dividend to which these Overseas Shareholders are entitled is approximately HK\$5,334.

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 advisers that there are no legal restrictions under applicable legislation of Canada, Taiwan 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 three jurisdictions as at the Record Date. With respect to a Shareholder in the PRC, 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 Shareholder the 2014 Final Dividend in cash only.

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

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 2014 Final 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 Monday, 29 June 2015. 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 Tuesday, 30 June 2015.

Save for the US\$500 million 4.625% guaranteed notes due 2019, US\$700 million 4.450% guaranteed notes due 2020, US\$700 million 6.000% guaranteed notes due 2024, US\$500 million 5.950% guaranteed notes due 2027 and the perpetual subordinated securities with an aggregate principal amount of US\$400 million issued by three subsidiaries of the Company which are listed on the Stock Exchange (in respect of the guaranteed notes) and Singapore Stock Exchange (in respect of the perpetual subordinated securities), 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 2014 Final 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 2014 Final Dividend wholly in cash.

ADJUSTMENTS 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.

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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 2014 Final 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