Ogier

Ogier advises China Shengmu Organic Milk on first social responsibility panda bonds issued in China

Deals - 04/01/2023

Ogier acted as Cayman Islands counsel to China Shengmu Organic Milk Limited (stock code: 01432.HK, China Shengmu) on its successful issuance of the first tranche of super short-term commercial papers (social bonds) in the principal amount of RMB100 million.

The bonds are the first successful issuance of social responsibility bonds as well as the first private enterprise "Panda Bonds" with credit risk mitigation warrant (**CRMW**) placement in China.

Renminbi-denominated commercial papers issued by a non-Chinese issuer in China are more commonly known as 'Panda Bonds'.

China Shengmu was rated AA by China Chengxin International Credit Rating Co., Ltd. The bonds issued by China Shengmu were also approved by the National Association of Financial Market Institutional Investors and independently certified by China Chengxin Green Finance Technology (Beijing) Limited in respect of its social responsibility elements.

The proceeds of the bonds will be used to support the operation of farmers and agricultural cooperatives in remote areas of China with an objective to improve the earnings of low-income groups and advance rural revitalisation in China. China Shengmu is the largest supplier of desert organic raw milk in China with a strong focus on sustainable development and improving the climate conditions in the desert areas of China while creating economic benefits.

The Ogier team in Hong Kong was led by partner Cecilia Li, with support from the firm's global head of Corporate Nathan Powell, legal manager Randa Leung, and paralegals Kingston Tang and Brian Chu.

Cecilia said: "We are extremely delighted to have supported China Shengmu on this

unprecedented transaction and the successful issuance of the first social responsibility panda bonds in China. This transaction is also reflective of the continuous growth of the panda bonds market, and we are glad to play a role in this and share our commitment to ESG development in the region".

About Ogier

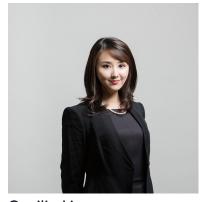
Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

This client briefing has been prepared for clients and professional associates of Ogier. The information and expressions of opinion which it contains are not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific advice concerning individual situations.

Regulatory information can be found under <u>Legal Notice</u>

Meet the Author



<u>Cecilia Li</u>

Partner 000

Hong Kong

E: <u>cecilia.li@ogier.com</u>

T: <u>+852 3656 6010</u>

Key Contacts



Nathan Powell

Partner 💵

Hong Kong

E: nathan.powell@ogier.com

T: <u>+852 3656 6054</u>



Randa Leung

Associate

<u>Hong Kong</u>

E: randa.leung@ogier.com

T: +852 3656 6133



Kingston Tang

Legal Manager

<u>Hong Kong</u>

E: kingston.tang@ogier.com

T: <u>+852 3656 6130</u>

Related Services

Banking and Finance

<u>Corporate</u>

<u>Legal</u>