



# 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".

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## Meet the Author



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