



Ogier advises China Mengniu Dairy in its HK\$4.86 billion structuring of an employee incentive scheme and convertible bonds

Deals - 14/12/2021

Ogier has acted as the British Virgin Islands counsel to the China Mengniu Dairy Company Limited, a leading manufacturer and distributor of dairy products in China, on devising an employee incentive scheme of approximately HK\$4.86 billion and the structuring and placing of convertible bonds in connection with the scheme.

The scheme is designed to provide benefit to Mengniu's onshore employees in mainland China via a bankruptcy remote structured finance vehicle. Under the scheme, China Mengniu issued convertible bonds, which were placed by BOCI Asia Limited as placing agent and CMB International Securities Limited (CMBIS) as arranger. Such convertible bonds were placed to an orphan SPV set up by CMBIS to back the issuance of repackaging notes by the SPV to China Mengniu's onshore employees through the scheme of Qualified Domestic Institutional Investors (QDII) in China.

This transaction, with the utilisation of the employee incentive scheme and the convertible bonds, is innovative and exemplary to Chinese companies listed in Hong Kong in enabling their onshore and offshore employees to benefit from the growth of the businesses.

Ogier also provided BVI legal advice to Mengniu in relation to the set-up of an offshore employee shareholding platform. The Ogier team in Hong Kong was led by partner Cecilia Li with support from the firm's global head of Corporate, Nathan Powell, and paralegal Vicky Wu.

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 [Legal Notice](#)

Meet the Author



[Cecilia Li](#)

Partner 合伙人

[Hong Kong](#)

E: cecilia.li@ogier.com

T: [+852 3656 6010](tel:+85236566010)

Key Contacts



[Nathan Powell](#)

Partner 合伙人

[Hong Kong](#)

E: nathan.powell@ogier.com

T: [+852 3656 6054](tel:+85236566054)



Vicky Wu

Paralegal

Hong Kong

E: vicky.wu@ogier.com

T: +852 3656 6135

Related Services

Equity Capital Markets

Corporate

Legal