



Ogier advises All-Stars' investment in Xiaomi Corporation

Deals - 23/03/2016

Ogier has advised All-Stars' investment in Xiaomi Corporation.

Ogier partner Nicholas Plowman, with senior associate Richard Bennett in the firm's Hong Kong office, acted as British Virgin Islands counsel to All-Stars Investment Cayman Limited in relation to the establishment and offering of All-Stars XMI Limited as a private equity fund raising vehicle investing in a US\$1.1 billion capital raising by Xiaomi Corporation by way of series F financing.

The US\$1 billion of investment marked China's largest TMT deal of 2014 and the largest ever private placement of a China-based technology company. As a result of this financing, Xiaomi is now the highest valued technology start-up in the world, valued at US\$46 billion.

The deal has also opened the door to other large scale Asia-based mega technology deals without the need for public listings. Before, Chinese technology companies were forced to list on public stock exchanges prematurely (or even unnecessarily) as it was impossible for them to access over US\$500 million.

Ogier's role involved acting as advisor to the lead investor All-Stars, a long standing firm client who Ogier Hong Kong initially established a Cayman Islands open ended hybrid investment fund for, in respect of BVI law aspects of the deal and in assisting onshore lead counsel in preparing the offering documents of the fund raising vehicle.

Due to the size of the private investment and its multi-jurisdictional nature (which added to the deal's complexity), a syndicate investment structure on behalf of the investors had to be put in place, which had numerous legal and commercial restrictions imposed upon it.

Innovation was also necessary, as having a collective investment vehicle invest over US\$1 billion into a venture-backed technology company is nearly impossible as typically, multiple investors, PE funds and banks are needed in order for a deal of this size to work. This was, in fact, the first time that a private placement syndication of this size and scale took place in Asia. Because of the jurisdictional

complexities, legal issues relating to the BVI, Cayman Islands, Hong Kong, China and the UK had to be observed.

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