The shareholders of fashion group SMCP (owner of Sandro, Maje, Claudie Pierlot and Fursac) met on Friday in a general meeting, which resulted in the ousting from the board of the representatives of Chinese group Shandong Ruyi, the former majority shareholder of SMCP.

The Chinese group, which had been SMCP’s majority shareholder since 2016 via Luxembourg-based investment firm European Topsoho (ES), lost control of the board at the end of 2021, after the bulk of its stake in SMCP was used as collateral for a €250 million bond loan contracted by ES with several investment funds, which had grouped together with debt administration specialist GLAS as trustee.

GLAS, representing the BlackRock, Carlyle, Anchorage, Boussard and Gavaudan funds, then became the primary shareholder of “affordable luxury” specialist SMCP, indicating it had taken hold of a 29% stake in the fashion group.

The stake pledged as collateral was actually 37%, but ES’s creditors, by staying below the 30% threshold, managed to avoid having to trigger a public offering.

The creditors were keen to sell their stake in SMCP in order to recover the money lent to ES, and they were planning to remove from the group’s board the representatives of Shandong Ruyi, whose financial situation has been concerning financial experts for several years.
On Friday afternoon, at the end of a shareholders' meeting in Paris that lasted less than an hour, the matter was settled.

GLAS was backed by a large majority of the shareholders, and the motion to dismiss Yafu Qiu, chairman of the board, and Shandong Ruyi’s four other representatives on the board (Weiying Sun, Chenran Qiu, Xiao Su and Kelvin Ho), was approved by more than 78% of the voters at the meeting.

**Christophe Chenut, Xavier Veret and Natalia Nicolaidis join board**

Shandong Ruyi and ES attempted to have the general meeting “adjourned,” since they knew they would find themselves in a vulnerable position, but the Paris trade court ruled that the meeting was to go head, rejecting their appeal at the start of the week.

The shareholders also approved the appointment of three new independent board members. They are Christophe Chenut, former boss of Lacoste SA and chairman of the supervisory board of Hopscotch; Xavier Veret, a specialist in corporate recovery and crisis management who has worked with Bourbon Offshore; and Natalia Nicolaidis, former chief legal officer of the Investment Banking & Capital markets division at Crédit Suisse. The three new members have been elected for a term lasting until the end of 2025.

Christopher Zanardi-Landi, the CEO of Louis Vuitton China, had withdrawn “for personal reasons” his candidature as an independent director for SMCP.

The three new members of the board, which has lost two elements in the reshuffle, join Isabelle Guichot (CEO of SMCP), Sandro and Maje founders Evelyne Chetrite and Judith Milgrom, Lauren Cohen, Marina Dithurbide as well as independent members Christophe Cuvillier, Xiao Wang, Orla Noonan and Dajun Yang. No name has been put forward for the time being for the position of board president, but one will have to be indicated shortly.

*With AF*

Translated by Nicola Mira

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