

**Shandong Ruyi Technology Group, the founders and management of SMCP Group and KKR announce the successful closing of the acquisition of a majority stake in SMCP Group by Shandong Ruyi Technology Group**

***Founders and management are reinvesting alongside Shandong Ruyi Technology Group and KKR will retain a minority stake***

Paris and Jining, October 11th, 2016 – Pursuant to the completion of customary regulatory approvals, Shandong Ruyi Technology Group ("Shandong Ruyi Group") the founders and the management team of SMCP Group ("SMCP") and KKR, a leading global investment firm, together today announce the successful completion of the acquisition of a controlling stake in SMCP by Shandong Ruyi Group. SMCP's founders and management are reinvesting in SMCP alongside Shandong Ruyi Group as minority shareholders; KKR is also retaining a minority interest in the group. The closing is announced in a context of continuous strong growth for SMCP, who has recently published +19.2% growth for first half 2016, driven by all brands and regions.

The closing of the transaction officially cements the partnership among Shandong Ruyi Group, SMCP, its founders, management and KKR. Shandong Ruyi Group intends to maintain the DNA and unique identity of SMCP's brands, with the design and creative teams of SMCP continuing to operate from its headquarters in Paris. The group's current strategy and organisational structure will also remain in place, while benefitting from the global retailing expertise of its new shareholder. Shandong Ruyi Group will fully support SMCP's global development, notably in Asia where it benefits from unique expertise and track-record.

Yafu Qiu, Chairman of Shandong Ruyi Group, noted: *"We are extremely excited to begin this new journey of SMCP Group alongside its founders and management who we hold in deep respect for the passion and vision they have for their brands as well as for their impressive achievements. This is an important milestone for Shandong Ruyi Group in our continued endeavour to become a leader in the fully-integrated textiles and fashion business both in China and globally. We look forward to supporting SMCP in achieving its long-term objective of becoming the #1 player in the accessible luxury segment."*

Evelyne Chetrite, Founder and Managing Director of SMCP, commented: *"The arrival of Shandong Ruyi Group and their vision will offer my sister and myself the opportunity to continue the development of our Sandro, Maje and Claudie Pierlot brands on the international scene. The collaboration with KKR has more than come up to expectations and we and our teams are looking forward to writing a new chapter in our history."*

Daniel Lalonde, President and CEO of SMCP, added: *"We are very excited about the partnership with Shandong Ruyi Group. With Shandong Ruyi Group's support, we will pursue our goal to become a global leader in accessible luxury through organic growth and expansion in Europe, North America and Asia by leveraging our brands' global desirability, our unique business model and our team's talent. KKR has been a valuable partner who helped us strengthen our international platform on which we will continue to build."*

Nicolas Gheysens, Director of KKR in Europe, said: *"We have been very pleased with our partnership with SMCP's founders and management. Over the past years, the group has been able to significantly enhance its international presence and drive a number of important initiatives to further improve the brands' reach and appeal. We believe that Sandro, Maje and Claudie Pierlot are all very well positioned to continue their successful development and we look forward to our continued partnership with the SMCP team alongside Shandong Ruyi Group."*

Shandong Ruyi Group, together with SMCP's founders and management and KKR share common values, a common management philosophy, and a common vision for the long-term development and future of the company. They look forward to working together as a closely knit team to continue to develop SMCP's brands, following the strong first half performance.

J.P. Morgan acted as exclusive financial advisor to Shandong Ruyi Group and as sole underwriter of the associated debt transaction financing while Latham & Watkins acted as legal advisor to Shandong Ruyi Group.

Bank of America Merrill Lynch and UBS acted as financial advisors to SMCP and KKR and Bredin Prat as legal advisor to KKR.

Edmond de Rothschild, Goodwin Law, Hoche Société d'Avocats, Mayer Brown, Oloryn Partners, Sekri Valentin Zerrouk also acted as advisors on the transaction.

**About Shandong Ruyi Group**



Shandong Ruyi Technology Group Co Ltd

SMCP

SANDRO, MAJE, CLAUDIE PIERLOT

KKR

Founded in 1972, Shandong Ruyi Group is one of the largest textile manufacturers in China and ranks among the Top 100 Chinese multi-national enterprises. The group predominately engages in textile offerings and owns a fully-integrated value chain with operations spanning across raw materials cultivation, textiles processing, and design and sale of brands & apparel. Headquartered in Jining, Shandong, the hometown of Confucius and Mencius, Shandong Ruyi Group operates 13 domestic industrial parks and boasts some of the largest production lines and advanced technologies in China. Shandong Ruyi Group also has a significant distribution and point of sales (POS) network that services a global customer base spread across 6 different continents. In Asia Pacific alone, the group operates over 3,000 POS. Shandong Ruyi Group has over 20 subsidiaries, with two listed subsidiaries in China and Japan respectively.

#### **About SMCP**

With three distinct contemporary Parisian fashion brands, Sandro, Maje and Claudie Pierlot, SMCP is a global leading company in the accessible luxury sector. SMCP operates 1.118 point of sales, of which 906 are directly operated and 212 are operated through partnerships. Its brands are present in 33 countries worldwide by the end of December 2015. Evelyne Chetrite and Judith Milgrom founded Sandro and Maje in Paris, in 1984 and 1998 respectively and continue to provide creative direction for the brands. Claudie Pierlot was also founded in 1984 by Madame Claudie Pierlot, and acquired by the Group in 2009. KKR acquired a majority stake of Group SMCP in June 2013.

#### **About KKR**

KKR is a leading global investment firm that manages investments across multiple asset classes including private equity, energy, infrastructure, real estate, credit and hedge funds. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation at the asset level. KKR invests its own capital alongside its partners' capital and brings opportunities to others through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. L.P. (NYSE:KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

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