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Baccarat changes hands after Chinese owner defaults on loan payments

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After two years of Fortune Fountain Capital ownership, the French crystal maker Baccarat finds itself in a vulnerable position and a cloudy future. Image credit: Baccarat

By LUXURY DAILY NEWS SERVICE

French crystal company **Baccarat** is under new ownership as a group of creditors have taken control of Fortune Legend Limited, a subsidiary of its Chinese parent company Fortune Fountain Capital.

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Tor Investment Management and Sammasan Capital are now in the driver's seat at Baccarat after loan defaults allowed them to seize command of FLL, which is owned by Fortune Fountain Capital, the holding company which moved to acquire the crystal maker in 2017. The 2017 offer for 88.8 percent of Baccarat's shares from private equity specialists amounted to 164 million euros, or \$200.8 million at current exchange.

Ownership changes

According to a Dec. 23 statement from FLL, Baccarat's new owners are looking to lodge a "mandatory takeover bid for all Baccarat shares" as well as to delist the group. A sale or a reorganization of the group are among the options being considered to advance the company's development, per the report.

France's King Louis XV ordered by royal decree the establishment of Baccarat in 1764. Since then the company has expanded its repertoire beyond glassware, lighting and jewelry, with its name now on swish bars and hotels.



Baccarat cocktail set. Image credit: Baccarat

Chinese financial group Fortune Fountain Capital had acquired the majority of Baccarat's shares from affiliates of Starwood Capital Group and L Catterton in 2017 ([see story](#)).

Fortune Fountain Capital serves a number of families in Hong Kong and China as a wealth management platform and family office and its main shareholder is the family of notable Chinese calligrapher Wang Xizhi.

This year, the Hong-Kong investment company found itself in a daunting situation, as it had been under compulsory liquidation since July.

Its financial troubles extended to Baccarat, which it acquired largely through loans, as well.

Against the backdrop of market turbulence, Baccarat registered a 30 percent decrease in sales during the first half of 2020 to \$61.4 million or 50.1 million euros at current exchange, citing the "unprecedented global health crisis." ([see story](#))

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