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SAMSONITE INTERNATIONAL S.A.

新秀麗國際有限公司

13-15 Avenue de la Liberté, L-1931 Luxembourg

R.C.S. LUXEMBOURG: B 159.469

(Incorporated in Luxembourg with limited liability)

(Stock code: 1910)

CONNECTED TRANSACTION IN RELATION TO THE TERMINATION OF THE BAGZONE DEALERSHIP AGREEMENT

On July 16, 2020, Samsonite India and Bagzone entered into a Termination and Settlement Agreement (the “**Termination Agreement**”) in order to restructure Bagzone’s retail operation in light of COVID-19, to transfer certain retail stores operated by Bagzone to Samsonite India, and to mutually terminate the Bagzone Dealership Agreement in relation to the appointment of Bagzone as a preferred dealer of certain products of the Company in India. Samsonite India is a non-wholly owned subsidiary of the Company and is held as to 40% by Mr. Ramesh Tainwala and members of the Tainwala Group. Mr. Ramesh Tainwala (i) is a director of Samsonite India and (ii) is entitled to control the exercise of 10% or more of the voting power in Samsonite India, he is therefore a connected person of the Company at the subsidiary level. Bagzone is a company controlled by certain members of the Tainwala Group, and therefore a connected person of the Company by virtue of being an associate of the Company’s connected person at the subsidiary level. Accordingly, the arrangement under the Termination Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

1. INTRODUCTION

Samsonite International S.A. (the “**Company**”) refers to the announcement made by the Company on December 20, 2019 in relation to the renewal of the Bagzone Dealership Agreement which was entered into between the Group and the Tainwala Group (the “**Previous Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as defined in the Previous Announcement.

Pursuant to the Bagzone Dealership Agreement, Samsonite India has engaged Bagzone to distribute and sell its products in India through 135 retail stores that are owned and operated by Bagzone. Due to recent regulatory changes in India, Samsonite India is now able to directly operate single-brand retail stores in India and to engage in e-commerce in India. Furthermore, due to the challenges facing Bagzone’s retail business in India resulting from the COVID-19 pandemic, Samsonite India and Bagzone have agreed to restructure Bagzone’s retail operation, and accordingly on July 16, 2020, Samsonite India and Bagzone entered into the Termination Agreement to mutually terminate the Bagzone Dealership Agreement with effect from April 1, 2020.

2. PRINCIPAL TERMS OF THE TERMINATION AGREEMENT

The principal terms of the Termination Agreement are as follows:

- (i) Up to 25 of the stores operated by Bagzone that are the best-performing stores and/or have the best store locations will be transferred to Samsonite India (any stores so transferred, the “**Identified Stores**”), together with all fixtures, lease deposits and other assets associated with such Identified Stores;
- (ii) Bagzone will transfer all inventory bearing the Group’s brands to Samsonite India. If the book value of the inventory transferred is less than INR 113,550,000 (equivalent to approximately US\$1.5 million at current exchange rates), the Cash Consideration (as defined below) will be reduced by the amount of such shortfall in the inventory value;
- (iii) Bagzone will promptly close 108 stores it operates in India (other than the Identified Stores as well as two additional stores Bagzone will continue to operate which are subject to the pricing and other terms that are consistent with the terms which Samsonite India has entered into with other third party dealers in India) and will bear all risks, costs and liabilities arising with respect to such store closures;
- (iv) In consideration of the termination of the Bagzone Dealership Agreement and for Bagzone’s obligations under the Termination Agreement, Samsonite India has agreed to set-off the outstanding receivable balance of INR 924,100,000 (equivalent to approximately US\$12.3 million at current exchange rates) owed by Bagzone, which represents, among other things, the investment that Bagzone has made in establishing and growing the footprint of its retail stores in India; and
- (v) Samsonite India will pay Bagzone the amount of INR 302,800,000 (equivalent to approximately US\$4.0 million at current exchange rates) cash (the “**Cash Consideration**”) (subject to adjustment downward based on inventory value as described above), which was negotiated on an arm’s length basis.

3. LISTING RULES IMPLICATIONS

Samsonite India is a non-wholly owned subsidiary of the Company and is held as to 40% by Mr. Ramesh Tainwala and members of the Tainwala Group. Mr. Ramesh Tainwala (i) is a director of Samsonite India and (ii) is entitled to control the exercise of 10% or more of the voting power in Samsonite India, he is therefore a connected person of the Company at the subsidiary level.

Bagzone, which operates exclusive Samsonite retail outlet stores and multi-brand outlet stores in India, is a company controlled by certain members of the Tainwala Group, and therefore a connected person of the Company by virtue of being an associate of the Company’s connected person at the subsidiary level. Accordingly, the arrangement under the Termination Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the aggregate of the Cash Consideration and the outstanding receivable balance owed by Bagzone is more than 1% but less than 5%, the arrangement under the Termination Agreement constitutes a connected transaction of the Company that is subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and shareholders’ approval requirements under Rule 14A.76(2) of the Listing Rules.

4. DIRECTORS' CONFIRMATIONS

Taking into consideration the reasons for entering into the Termination Agreement as set out above and in particular, that Samsonite India is now able to directly operate single-brand retail stores in India and to engage in e-commerce in India, the Directors (including the independent non-executive Directors) are of the view that the Termination Agreement and the arrangement thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company, and that the terms of the Termination Agreement and the arrangement thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the Termination Agreement and the arrangement thereunder, and therefore no Director has abstained from voting on the relevant resolution of the Board in respect of the Termination Agreement and the arrangement thereunder.

5. INFORMATION ON THE GROUP

The Company, together with its consolidated subsidiaries, is the world's largest travel luggage company, with a heritage dating back more than 100 years. The Group is principally engaged in the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the Samsonite®, Tumi®, American Tourister®, Hartmann®, High Sierra®, Gregory®, Speck®, Lipault®, Kamiliant® and eBags® brand names as well as other owned and licensed brand names.

By Order of the Board
SAMSONITE INTERNATIONAL S.A.
Timothy Charles Parker
Chairman

Hong Kong, July 16, 2020

As of the date of this announcement, the Executive Director is Kyle Francis Gendreau, the Non-Executive Directors are Timothy Charles Parker and Tom Korbas and the Independent Non-Executive Directors are Paul Kenneth Etchells, Jerome Squire Griffith, Keith Hamill, Bruce Hardy McLain (Hardy) and Ying Yeh.