

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 159469**

*(Incorporated in Luxembourg with limited liability)*

**(Stock code: 1910)**

## **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE RENEWAL OF THE BAGZONE MEMORANDUM OF UNDERSTANDING**

On December 24, 2014, Samsonite India entered into the Renewed Bagzone MoU for a period of three years with effect from January 1, 2015. The Renewed Bagzone MoU covers all sales of Samsonite products by Samsonite India to Bagzone. The transactions under the Renewed Bagzone MoU are in the ordinary and usual course of the Company's business.

Bagzone is a company controlled by certain members of the Tainwala Group. Because Mr. Ramesh Tainwala is a director of the Company and the other members of the Tainwala Group are associates of Mr. Tainwala, Bagzone is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the Renewed Bagzone MoU and the transactions contemplated thereunder constitute continuing connected transactions 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 annual caps for the transactions contemplated under the Renewed Bagzone MoU will, on an annual basis, be more than 0.1% but less than 5%, these transactions will constitute continuing connected transactions that are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

The maximum aggregate amount payable by Bagzone to Samsonite India in respect of the Renewed Bagzone MoU is subject to the annual cap set by the Company for transactions with the Tainwala Group for the year ending December 31, 2015. The Renewed Bagzone MoU will also be subject to such annual caps for transactions with the Tainwala Group as the Board may approve for the years ending December 31, 2016 and 2017.

## **1. INTRODUCTION**

The Board announces that on December 24, 2014, Samsonite India entered into the Renewed Bagzone MoU with Bagzone for a period of three years with effect from January 1, 2015. The principal terms of the Renewed Bagzone MoU are set out below.

## **2. THE RENEWED BAGZONE MOU**

### **Background**

The existing Bagzone MoU between Samsonite India and Bagzone governs the appointment of Bagzone as a preferred dealer of Samsonite products in India and the wholesale of Samsonite products by Samsonite India to Bagzone, which are sold in both exclusive Samsonite-branded retail outlets and multi-brand retail outlets operated by Bagzone in India. The existing Bagzone MoU is effective until December 31, 2014. The parties to the Bagzone MoU have entered into the Renewed Bagzone MoU for a further three year period, details of which are set out below:

### **Date**

December 24, 2014

### **Parties**

Samsonite India

Bagzone

### **Subject Matter**

The Renewed Bagzone MoU was entered into for a period of three years with effect from January 1, 2015 and will expire on December 31, 2017. Save for the duration of the Renewed Bagzone MoU, all other terms are the same as those in the Bagzone MoU.

Under the Renewed Bagzone MoU, the parties agree that Bagzone shall continue to be appointed as a preferred dealer of Samsonite products in India, and that Samsonite India shall continue to sell Samsonite products to Bagzone. Bagzone will receive a margin of 47.5% on the retail price of the Samsonite products that it sells, subject to a maximum profit margin of 3% on such sales. All transactions are in the ordinary and usual course of the Company's business and are on normal commercial terms, as the profit margin available to Bagzone is within a range that is reasonably consistent with that made by other third party dealers in India to whom Samsonite India sells products.

The Renewed Bagzone MoU may be renewed for further periods subject to agreement between the parties. Either party may terminate the Renewed Bagzone MoU on giving three months' written notice to the other party. Samsonite India may also terminate the Renewed Bagzone MoU with immediate effect at any time if Bagzone is in breach of any term of the Renewed

Bagzone MoU and has not rectified such breach within 15 days of being notified of the breach by Samsonite India. Any renewal of the Renewed Bagzone MoU is subject to the parties complying with the relevant requirements of the Listing Rules.

### **Reasons for, and benefits of, the Renewed Bagzone MoU**

The entry into the Renewed Bagzone MoU for a period of three years from January 1, 2015 will ensure that Samsonite India can continue to sell Samsonite products to Bagzone and Bagzone can continue to operate as a preferred dealer for Samsonite products in India. Bagzone operates both exclusive Samsonite-branded retail outlets and multi-brand retail outlets in India and accounts for a significant portion of the Group's retail sales in India. The sale of Samsonite products by Samsonite India to Bagzone is in the ordinary and usual course of the Company's business.

### **Listing Rules Implications**

Bagzone is a company controlled by certain members of the Tainwala Group. Because Mr. Ramesh Tainwala is a director of the Company and the other members of the Tainwala Group are associates of Mr. Tainwala, Bagzone is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the Renewed Bagzone MoU and the transactions contemplated thereunder constitute continuing connected transactions 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 annual caps for the transactions contemplated under the Renewed Bagzone MoU will, on an annual basis, be more than 0.1% but less than 5%, these transactions will constitute continuing connected transactions that are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

### **Annual Cap**

As is currently the case with transactions under the Bagzone MoU, the transactions under the Renewed Bagzone MoU will be aggregated with other transactions between the Group and the Tainwala Group in accordance with Rule 14A.83 of the Listing Rules. The maximum aggregate amount payable by Bagzone to Samsonite India in respect of the Renewed Bagzone MoU is subject to the annual cap set by the Company for all transactions with the Tainwala Group for the year ending December 31, 2015, as set out below:

#### ***Amounts payable by the Group to the Tainwala Group***

<b>Annual cap for the year</b>	<b>US\$10.4 million</b>
--------------------------------	-------------------------

#### ***Amounts payable to the Group by the Tainwala Group***

<b>Annual cap for the year</b>	<b>US\$24.7 million</b>
--------------------------------	-------------------------

As described in the Company's announcement of renewed annual caps for transactions with the Tainwala Group dated December 24, 2013, the annual cap was determined primarily on the basis of: (i) estimated annual growth in purchases of raw materials and finished products between Samsonite India and the Tainwala Group (including sales of Samsonite products to Bagzone under the Renewed Bagzone MoU) due to increases in sales and production in line with Samsonite India's current business plan; (ii) estimated increases in rental and associated costs payable by Samsonite India in line with local market conditions; and (iii) expected market conditions and the depreciation of the Indian rupee against the US dollar.

The Renewed Bagzone MoU will also be subject to such annual caps for transactions with the Tainwala Group as the Board may approve for the years ending December 31, 2016 and 2017.

### **3. DIRECTORS' CONFIRMATIONS**

The Directors (including the independent non-executive Directors) are of the view that the Renewed Bagzone MoU and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Company, and that the terms of the Renewed Bagzone MoU are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As noted in the Company's announcement of renewed annual caps for transactions with the Tainwala Group dated December 24, 2013, the Directors (including the independent non-executive Directors) are of the view that the annual cap for the year ending December 31, 2015 in respect of the transactions with the Tainwala Group is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Because of his interests in Samsonite India and the Tainwala Group, Mr. Ramesh Tainwala has abstained from voting on the relevant resolutions of the Board in respect of the Renewed Bagzone MoU. Save as disclosed above, none of the Directors has a material interest in the Renewed Bagzone MoU and the transactions contemplated thereunder or the Tainwala Group, and therefore no other Director has abstained from voting on the relevant resolutions of the Board in respect of the Renewed Bagzone MoU.

### **4. DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“associates”	has the meaning ascribed to it in the Listing Rules
“Bagzone”	Bagzone Lifestyles Private Limited, a company incorporated in Mumbai, India and controlled by certain members of the Tainwala Group

“Bagzone MoU”	the memorandum of understanding dated November 16, 2009 entered into between Bagzone and Samsonite India, as amended, and which will expire on December 31, 2014
“Board”	the board of Directors of the Company
“Company”	Samsonite International S.A., a <i>societe anonyme</i> incorporated and existing under the laws of Luxembourg, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Renewed Bagzone MoU”	the memorandum entered into between Bagzone and Samsonite India on December 24, 2014 for a period of three years from January 1, 2015, the details of which are set out in the section headed “The Renewed Bagzone MoU” in this announcement
“Samsonite India”	Samsonite South Asia Private Limited, a non-wholly owned member of the Group held as to 40% by Mr. Ramesh Tainwala and certain of his associates
“Shareholders”	holders of Shares
“Shares”	ordinary shares in the capital of the Company with a nominal value of US\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tainwala Group”	Mr. Ramesh Tainwala, certain members of his family and his associates

“US dollar” or “US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, December 24, 2014

*As of the date of this announcement, the Executive Directors are Ramesh Dungarmal Tainwala, Kyle Francis Gendreau and Tom Korbas, the Non-Executive Director is Timothy Charles Parker and the Independent Non-Executive Directors are Paul Kenneth Etchells, Miguel Kai Kwun Ko, Ying Yeh, Keith Hamill and Bruce Hardy McLain (Hardy).*