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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 159469*

*(Incorporated in Luxembourg with limited liability)*

**(Stock code: 1910)**

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
THE RENEWAL OF THE INDIA FRAMEWORK AGREEMENT AND  
THE MIDDLE EAST FRAMEWORK AGREEMENT**

On December 23, 2013, the Company entered into the Renewed India Framework Agreement and the Renewed Middle East Framework Agreement for a period of two years with effect from January 1, 2014. The Renewed India Framework Agreement covers all transactions between Samsonite India and the other members of the Group. The Renewed Middle East Framework Agreement covers all transactions between Samsonite Middle East and the other members of the Group. The transactions under the Renewed India Framework Agreement and the Renewed Middle East Framework Agreement are in the ordinary and usual course of the Company's business.

Samsonite India and Samsonite Middle East are each non-wholly owned subsidiaries of the Company and are each held as to 40% by Mr. Ramesh Tainwala and members of the Tainwala Group. Because Mr. Ramesh Tainwala: (i) as a director of the Company, is a connected person of the Company; and (ii) is entitled to control the exercise of over 10% of the voting power in each of Samsonite India and Samsonite Middle East, Samsonite India and Samsonite Middle East are both connected persons of the Company under Rule 14A.11(5) of the Listing Rules. Accordingly, the Renewed India Framework Agreement and the Renewed Middle East Framework Agreement 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 each of the Renewed India Framework Agreement and the Renewed Middle East Framework Agreement will, on an annual basis, be more than 0.1% but less than 5%, these transactions will constitute continuing connected transactions that are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Rule 14A.34(1) of the Listing Rules.

The Company has also set annual caps on the maximum aggregate amount payable by and to the Group in respect of each of the Renewed India Framework Agreement, the Renewed Middle East Framework Agreement and the transactions with the Tainwala Group, for the two years ending December 31, 2014 and 2015.

\* For identification purposes only

## **1. INTRODUCTION**

The Board announces that on December 23, 2013, the Company entered into the Renewed India Framework Agreement with Samsonite India and the Renewed Middle East Framework Agreement with Samsonite Middle East for a period of two years with effect from January 1, 2014. The Board also announces that the Company has set annual caps on the maximum aggregate amount payable by and to the Group in respect of each of the Renewed India Framework Agreement, the Renewed Middle East Framework Agreement and the transactions with the Tainwala Group for the two years ending December 31, 2014 and 2015. The principal terms of the Renewed India Framework Agreement and the Renewed Middle East Framework Agreement and details of the annual caps for the years ending December 31, 2014 and 2015 are set out below.

## **2. THE RENEWED INDIA FRAMEWORK AGREEMENT**

### **Background**

The Company entered into the India Framework Agreement with Samsonite India with effect from June 16, 2011 to govern all transactions between Samsonite India and the other members of the Group in the ordinary and usual course of the Company's business including:

- the purchase by Samsonite India of raw materials, components, spare parts, finished products and capital assets from other members of the Group;
- the sale of finished products by Samsonite India to other members of the Group;
- the receipt and payment by Samsonite India of cross-charges and fees in relation to the sharing of global marketing, promotion, product development costs between members of the Group; and
- the payment by Samsonite India of royalties in respect of intellectual property rights licensed to Samsonite India.

The India Framework Agreement is effective until December 31, 2013 and may be renewed thereafter, subject to the parties complying with the applicable provisions of the Listing Rules in respect of any such renewal. The parties to the India Framework Agreement have entered into the Renewed India Framework Agreement for a further two year period, details of which are set out below:

### **Date**

December 23, 2013

### **Parties**

The Company

Samsonite India

### **Subject Matter**

The Renewed India Framework Agreement was entered into for a period of two years with effect from January 1, 2014 and will expire on December 31, 2015. Save for the duration and renewal provisions of the Renewed India Framework Agreement, all other terms are the same as those in the India Framework Agreement.

Under the Renewed India Framework Agreement, the parties agree to continue transactions between Samsonite India and other members of the Group including:

- the purchase by Samsonite India of raw materials, components, spare parts, finished products and capital assets from other members of the Group;
- the sale of finished products by Samsonite India to other members of the Group;
- the receipt and payment by Samsonite India of cross-charges and fees in relation to the sharing of global marketing, promotion, product development costs between members of the Group; and
- the payment by Samsonite India of royalties in respect of intellectual property rights licensed to Samsonite India.

All transactions are in the ordinary and usual course of the Company's business and are on normal commercial terms.

The Renewed India Framework Agreement may be renewed for successive two year periods. The Renewed India Framework Agreement will be terminated with immediate effect if Samsonite India ceases to be a connected person of the Company, or the transactions contemplated under the Renewed India Framework Agreement cease to be subject to the Listing Rules in relation to connected transactions. The parties may also terminate the Renewed India Framework Agreement with immediate effect at any time by mutual agreement. Any renewal of the Renewed India Framework Agreement is subject to the parties complying with the relevant requirements of the Listing Rules.

### **Reasons for, and benefits of, the Renewed India Framework Agreement**

The entry into the Renewed India Framework Agreement for a period of two years from January 1, 2014 will ensure that Samsonite India can continue to enter into transactions with other members of the Group in the ordinary and usual course of the Company's business as an essential part of the Group's global operations.

### **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. Because Mr. Ramesh Tainwala: (i) as a director of the Company, is a connected person of the Company; and (ii) is entitled to control the exercise of more than 10% of the voting power in Samsonite India, Samsonite India is a connected person of the Company under Rule 14A.11(5) of the Listing Rules. Accordingly, the Renewed India Framework Agreement 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 India Framework Agreement will, on an annual basis, be more than 0.1% but less than 5%, such transactions will constitute continuing connected transactions that are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Rule 14A.34(1) of the Listing Rules.

### **3. THE RENEWED MIDDLE EAST FRAMEWORK AGREEMENT**

#### **Background**

The Company entered into the Middle East Framework Agreement with Samsonite Middle East with effect from June 16, 2011 to govern all transactions between Samsonite Middle East and the other members of the Group in the ordinary and usual course of the Company's business including:

- the purchase by Samsonite Middle East of finished products from other members of the Group;
- the receipt and payment by Samsonite Middle East of cross-charges and fees in relation to the sharing of global marketing, promotion, product development and personnel costs between members of the Group; and
- the payment by Samsonite Middle East of royalties in respect of intellectual property rights licensed to Samsonite Middle East.

The Middle East Framework Agreement is effective until December 31, 2013 and may be renewed thereafter, subject to the parties complying with the applicable provisions of the Listing Rules in respect of any such renewal. The parties to the Middle East Framework Agreement have entered into the Renewed Middle East Framework Agreement for a further two year period, details of which are set out below:

#### **Date**

December 23, 2013

#### **Parties**

The Company

Samsonite Middle East

#### **Subject Matter**

The Renewed Middle East Framework Agreement was entered into for a period of two years with effect from January 1, 2014 and will expire on December 31, 2015. Save for the duration and renewal provisions of the Renewed Middle East Framework Agreement, all other terms are the same as those in the Middle East Framework Agreement.

Under the Renewed Middle East Framework Agreement, the parties agree to continue transactions between Samsonite Middle East and other members of the Group including:

- the purchase by Samsonite Middle East of finished products from other members of the Group;
- the receipt and payment by Samsonite Middle East of cross-charges and fees in relation to the sharing of global marketing, promotion, product development and personnel costs between members of the Group; and
- the payment by Samsonite Middle East of royalties in respect of intellectual property rights licensed to Samsonite Middle East.

All transactions are in the ordinary and usual course of the Company's business and are on normal commercial terms.

The Renewed Middle East Framework Agreement may be renewed for successive two year periods. The Renewed Middle East Framework Agreement will be terminated with immediate effect if Samsonite Middle East ceases to be a connected person of the Company, or the transactions contemplated under the Renewed Middle East Framework Agreement cease to be subject to the Listing Rules in relation to connected transactions. The parties may also terminate the Renewed Middle East Framework Agreement with immediate effect at any time by mutual agreement. Any renewal of the Renewed Middle East Framework Agreement is subject to the parties complying with the relevant requirements of the Listing Rules.

### **Reasons for, and benefits of, the Renewed Middle East Framework Agreement**

The entry into the Renewed Middle East Framework Agreement for a period of two years from January 1, 2014 will ensure that Samsonite Middle East can continue to enter into transactions with other members of the Group in the ordinary and usual course of the Company's business as an essential part of the Group's global operations.

### **Listing Rules Implications**

Samsonite Middle East 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. Because Mr. Ramesh Tainwala: (i) as a director of the Company, is a connected person of the Company; and (ii) is entitled to control the exercise of more than 10% of the voting power in Samsonite Middle East, Samsonite Middle East is a connected person of the Company under Rule 14A.11(5) of the Listing Rules. Accordingly, the Renewed Middle East Framework Agreement 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 Middle East Framework Agreement will, on an annual basis, be more than 0.1% but less than 5%, such transactions will constitute continuing connected transactions that are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Rule 14A.34(1) of the Listing Rules.

## **4. TRANSACTIONS WITH THE TAINWALA GROUP**

### **Background**

From time to time, Samsonite India has entered into transactions with the Tainwala Group. These transactions form part of the Group's operations in India and are entered into in the ordinary and usual course of the Company's business. Mr. Ramesh Tainwala and the Tainwala Group are also substantial shareholders in Samsonite India. Samsonite India has entered into the following agreements with the Tainwala Group:

- a manufacturing agreement with Abhishri Packaging Private Limited;
- a dealership agreement with Bagzone Lifestyle Private Limited; and
- license and lease agreements for commercial and residential properties with members of the Tainwala Group.

All transactions between Samsonite India and the Tainwala Group are on normal commercial terms.

## **Listing Rules Implications**

Samsonite India is a non-wholly owned subsidiary of the Company and is held as to 40% by Mr. Ramesh Tainwala, a director of the Company, and members of the Tainwala Group. Accordingly, transactions between Samsonite India and members of the Tainwala Group constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Furthermore, as transactions between Samsonite India and the Tainwala Group are related to the same connected persons of the Company, pursuant to Rule 14A.27, these transactions are aggregated to determine in which category the aggregated transaction falls.

Accordingly, under the aggregate value of payments made by Samsonite India to the Tainwala Group and payments made to Samsonite India by the Tainwala Group, the highest of the applicable percentage ratios (other than the profits ratio) under the Listing Rules will, on an annual basis, be more than 0.1% but less than 5%. The transactions between Samsonite India and the Tainwala Group will therefore constitute continuing connected transactions that are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Rule 14A.34(1) of the Listing Rules.

## **4. ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS**

### **Existing Annual Caps and Historical Transaction Amounts for the India Framework Agreement**

The existing annual caps for transactions under the India Framework Agreement for the three years ending December 31, 2013 and the historical transaction amounts under the India Framework Agreement for the two years ended December 31, 2011 and 2012 and the six months ended June 30, 2013 are set out below:

	<u>Year ended December 31</u>		<u>Six months ended June 30</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>
<i>Amounts payable by Samsonite India to the Group</i>			
<b>Annual cap for the year</b>	<b>US\$9.9 million</b>	<b>US\$11.1 million</b>	<b>US\$14.5 million</b>
<b>Actual transaction amount</b>	<b>US\$3.9 million</b>	<b>US\$7.5 million</b>	<b>US\$3.6 million</b>
<i>Amounts payable to Samsonite India by the Group</i>			
<b>Annual cap for the year</b>	<b>US\$33.0 million</b>	<b>US\$42.6 million</b>	<b>US\$54.9 million</b>
<b>Actual transaction amount</b>	<b>US\$10.2 million</b>	<b>US\$23.6 million</b>	<b>US\$12.1 million</b>

## Annual Caps for the Renewed India Framework Agreement

The annual caps for the transactions contemplated under the Renewed India Framework Agreement for the two years ending December 31, 2014 and 2015 are set out below:

	<b>Year ending December 31</b>	
	<b>2014</b>	<b>2015</b>
<i>Amounts payable by Samsonite India to the Group</i>		
<b>Annual cap for year</b>	<b>US\$14.0 million</b>	<b>US\$17.5 million</b>
<i>Amounts payable to Samsonite India by the Group</i>		
<b>Annual cap for year</b>	<b>US\$34.7 million</b>	<b>US\$43.3 million</b>

These annual caps have been determined primarily on the basis of: (i) estimated annual growth in purchases of raw materials and finished products between Samsonite India and the rest of the Group due to increases in sales and production in line with Samsonite India's current business plan; (ii) estimated growth in royalty payments by Samsonite India to the rest of the Group due to growth in underlying sales; (iii) estimated growth in marketing and development costs in line with Samsonite India's current business plan; and (iv) expected market conditions and the recent depreciation of the Indian rupee against the US dollar.

## Existing Annual Caps and Historical Transaction Amounts for the Middle East Framework Agreement

The existing annual caps for transactions under the Middle East Framework Agreement for the three years ending December 31, 2013 and the historical transaction amounts under the Middle East Framework Agreement for the two years ended December 31, 2011 and 2012 and the six months ended June 30, 2013 are set out below:

	<b>Year ended December 31</b>		<b>Six months ended June 30</b>
	<b>2011</b>	<b>2012</b>	<b>2013</b>
<i>Amounts payable by Samsonite Middle East to the Group</i>			
<b>Annual cap for the year</b>	<b>US\$4.5 million</b>	<b>US\$5.5 million</b>	<b>US\$6.4 million</b>
<b>Actual transaction amount</b>	<b>US\$2.2 million</b>	<b>US\$4.8 million</b>	<b>US\$2.4 million</b>
<i>Amounts payable to Samsonite Middle East by the Group</i>			
<b>Annual cap for the year</b>	<b>US\$1.8 million</b>	<b>US\$2.3 million</b>	<b>US\$3.0 million</b>
<b>Actual transaction amount</b>	<b>US\$0.6 million</b>	<b>US\$1.6 million</b>	<b>US\$0.7 million</b>

## Annual Caps for the Renewed Middle East Framework Agreement

The annual caps for the transactions contemplated under the Renewed Middle East Framework Agreement for the two years ending December 31, 2014 and 2015 are set out below:

	<u>Year ending December 31</u>	
	<u>2014</u>	<u>2015</u>
<i>Amounts payable by Samsonite Middle East to the Group</i>		
<b>Annual cap for year</b>	<b>US\$7.0 million</b>	<b>US\$8.9 million</b>
<i>Amounts payable to Samsonite Middle East by the Group</i>		
<b>Annual cap for year</b>	<b>US\$1.7 million</b>	<b>US\$2.0 million</b>

These annual caps have been determined primarily on the basis of: (i) estimated annual growth in purchases of finished products by Samsonite Middle East from the rest of the Group due to increased sales in line with Samsonite Middle East's current business plan; (ii) estimated growth in royalty payments by Samsonite Middle East to the rest of the Group due to growth in underlying sales; (iii) estimated growth in marketing and development costs in line with Samsonite Middle East's current business plan; and (iv) expected market conditions.

## Existing Annual Caps and Historical Transaction Amounts for Transactions with the Tainwala Group

As disclosed in the Prospectus, the existing annual caps for the maximum aggregate amount payable by and to the Company under the transactions with the Tainwala Group for the three years ending December 31, 2013 and the historical aggregate transaction amounts under the transactions with the Tainwala Group for the two years ended December 31, 2011 and 2012 and the six months ended June 30, 2013 are set out below:

	<u>Year ended December 31</u>		<u>Six months ended June 30</u>
	<u>2011</u>	<u>2012</u>	<u>2013</u>
<i>Amounts payable by the Group to the Tainwala Group</i>			
<b>Annual cap for the year</b>	<b>US\$11.3 million</b>	<b>US\$15.7 million</b>	<b>US\$20.2 million</b>
<b>Actual transaction amount</b>	<b>US\$3.3 million</b>	<b>US\$5.6 million</b>	<b>US\$2.7 million</b>
<i>Amounts payable to the Group by the Tainwala Group</i>			
<b>Annual cap for the year</b>	<b>US\$16.4 million</b>	<b>US\$23.3 million</b>	<b>US\$32.8 million</b>
<b>Actual transaction amount</b>	<b>US\$7.5 million</b>	<b>US\$11.3 million</b>	<b>US\$6.2 million</b>

## Annual Caps for Transactions with the Tainwala Group

The annual caps for the transactions with the Tainwala Group for the two years ending December 31, 2014 and 2015 are set out below:

	<b>Year ending December 31</b>	
	<b>2014</b>	<b>2015</b>
<i>Amounts payable by the Group to the Tainwala Group</i>		
<b>Annual cap for year</b>	<b>US\$8.4 million</b>	<b>US\$10.4 million</b>
<i>Amounts payable to the Group by the Tainwala Group</i>		
<b>Annual cap for year</b>	<b>US\$19.0 million</b>	<b>US\$24.7 million</b>

These annual caps have been 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 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 recent depreciation of the Indian rupee against the US dollar.

## 6. DIRECTORS' CONFIRMATIONS

The Directors (including the independent non-executive Directors) are of the view that the Renewed India Framework Agreement, the Renewed Middle East Framework Agreement and the transactions with the Tainwala Group are on normal commercial terms and in the ordinary and usual course of business of the Company, and that the terms of the Renewed India Framework Agreement, the Renewed Middle East Framework Agreement and the transactions with the Tainwala Group are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) are of the view that the annual caps for the years ending December 31, 2014 and 2015 in respect of the Renewed India Framework Agreement, the Renewed Middle East Framework Agreement and the transactions with the Tainwala Group are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Because of his interests in Samsonite India, Samsonite Middle East and the Tainwala Group, Mr. Ramesh Tainwala has abstained from voting on the relevant resolutions of the Board in respect of the Renewed India Framework Agreement, the Renewed Middle East Framework Agreement and the annual caps for the years ending December 31, 2014 and 2015. Save as disclosed above, none of the Directors has a material interest in the Renewed India Framework Agreement or the Renewed Middle East Framework Agreement and the transactions contemplated thereunder, or the transactions with the Tainwala Group, and therefore no other Director has abstained from voting on the relevant resolutions of the Board in respect of the Renewed India Framework Agreement, the Renewed Middle East Framework Agreement and the annual caps for the years ending December 31, 2014 and 2015.

## 7. 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
“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
“India Framework Agreement”	the framework agreement entered into between the Company and Samsonite India to cover all transactions between Samsonite India and the other members of the Group with effect from June 16, 2011 and which will expire on December 31, 2013
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Middle East Framework Agreement”	the framework agreement entered into between the Company and Samsonite Middle East to cover all transactions between Samsonite Middle East and the other members of the Group with effect from June 16, 2011 and which will expire on December 31, 2013
“Renewed India Framework Agreement”	the framework agreement entered into by the Company and Samsonite India on December 23, 2013 for a period of two years from January 1, 2014, details of which are set out in the section headed “The Renewed India Framework Agreement” in this announcement
“Renewed Middle East Framework Agreement”	the framework agreement entered into by the Company and Samsonite Middle East on December 23, 2013 for a period of two years from January 1, 2014, details of which are set out in the section headed “The Renewed Middle East Framework Agreement” 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

“Samsonite Middle East”	Samsonite Middle East FZCO, 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, 2013

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