

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.

新秀丽國際有限公司

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)

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO
THE RENEWED MIDDLE EAST FRAMEWORK AGREEMENT –
INCREASE OF ANNUAL CAPS FOR 2017 AND 2018**

In view of the entering into of a management services agreement between Tumi Asia, Limited (a wholly-owned subsidiary of the Company) and Samsonite Middle East (a non-wholly owned subsidiary and a connected person of the Company) pursuant to the Renewed Middle East Framework Agreement, the amounts payable to Samsonite Middle East by the Group for transactions under the Renewed Middle East Framework Agreement will increase. Accordingly, the Board has determined that the annual caps relating to the amounts payable to Samsonite Middle East by the Group pursuant to the Renewed Middle East Framework Agreement for the years ending 31 December 2017 and 2018 will not be sufficient and the Board has approved the increase of such annual caps to US\$2.00 million and US\$2.40 million, respectively.

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 for the two years ending December 31, 2017 and 2018 (as increased by the revised annual caps) will, on an annual basis, be more than 0.1% but less than 5%, such 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.

1. INTRODUCTION

The board of directors (the “**Board**”) of Samsonite International S.A. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on December 22, 2015 regarding, among other things, the Renewed Middle East Framework Agreement and the annual caps on the maximum aggregate amounts payable by the Group to Samsonite Middle East for transactions under the Renewed Middle East Framework

Agreement for the years ending December 31, 2017 and 2018 (the “**Announcement**”). Unless the context otherwise requires, terms defined in the Announcement have the same meanings in this announcement.

2. INCREASE OF ANNUAL CAPS FOR 2017 AND 2018 FOR AMOUNTS PAYABLE BY THE GROUP TO SAMSONITE MIDDLE EAST FOR TRANSACTIONS UNDER THE RENEWED MIDDLE EAST FRAMEWORK AGREEMENT

Background

Pursuant to the Renewed Middle East Framework Agreement which was entered into on December 21, 2015, the Company and Samsonite Middle East (a non-wholly owned subsidiary of the Company and which is 40% owned by Mr. Ramesh Tainwala, a Director and the Chief Executive Officer of the Company, and members of the Tainwala Group) have agreed to continue transactions between Samsonite Middle East and other members of the Group.

The Renewed Middle East Framework Agreement governs all existing and future transactions between Samsonite Middle East and other members of the Group, including, but not limited to, (a) the purchase by Samsonite Middle East of finished products from other members of the Group, (b) 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 (c) the payment by Samsonite Middle East of royalties in respect of intellectual property rights licensed to Samsonite Middle East.

The Renewed Middle East Framework Agreement has a term of three years from January 1, 2016 until December 31, 2018.

Existing annual caps under the Renewed Middle East Framework Agreement for 2017 and 2018

The annual caps for the transactions contemplated under the Renewed Middle East Framework Agreement in respect of amounts payable by the Group to Samsonite Middle East for the years ending December 31, 2017 and 2018 as stated in the Announcement are as follows:

	Year ending December 31,	
	2017	2018
<i>Amounts payable to Samsonite Middle East by the Group</i>		
Existing annual cap for the year	US\$0.63 million	US\$0.76 million

Reasons for the increase of the annual caps

On July 14, 2017, Tumi Asia, Limited (“**Tumi Asia**”), a wholly-owned subsidiary of the Company, entered into a management services agreement (the “**Management Services Agreement**”) with Samsonite Middle East pursuant to the Renewed Middle East Framework Agreement.

Under the Management Services Agreement, Samsonite Middle East has agreed to provide certain management services (the “**Services**”) to assist Tumi Asia to manage and expand sales of Tumi products in the Middle East (the “**Tumi Middle East Business**”) and to increase the Tumi brand awareness in the Middle East. The Services will be provided by Samsonite Middle East on normal commercial terms, in compliance with the Group’s policies for intra-company transactions and in compliance with all applicable provisions of the Listing Rules.

Tumi Asia will pay Samsonite Middle East a management service fee calculated as the sum of (a) 5% of the net sales of the Tumi Middle East Business and (b) the cost incurred by Samsonite Middle East for employing a general manager to oversee the provision of the Services and the other expenses incurred by Samsonite Middle East specifically for the provision of the Services which the parties may mutually agree from time to time. The fee payable to Samsonite Middle East was determined by reference to the fee payable by the Group to independent third parties for the provision of services of a similar nature to the Group.

The Management Services Agreement was entered into with effect from July 1, 2017 and will expire on December 31, 2018 and may be renewed for successive periods of three years, subject to compliance with the relevant requirements of the Listing Rules.

Benefits of the Management Services Agreement

As stated in the Company’s 2016 annual report, one of the principal strategies of the Company is to leverage the Company’s regional management structure, sourcing and distribution expertise and marketing engine to extend the strong Tumi brand (which was acquired by the Company on August 1, 2016) into new markets and penetrate deeper into existing channels. The entry into of the Management Services Agreement is in line with this strategy and will enable Samsonite Middle East to assist Tumi Asia in managing and expanding the Tumi Middle East Business and increasing the Tumi brand awareness in the Middle East.

Revised annual caps

In view of the entering into of the Management Services Agreement and the management services fee payable under the Management Services Agreement, the Board has determined that the annual caps relating to the amounts payable to Samsonite Middle East by the Group under the Renewed Middle East Framework Agreement for the years ending 31 December 2017 and 2018 (which were determined prior to the Company acquiring the Tumi brand) will not be sufficient.

Accordingly, the Board has approved the increase of such annual caps to the amounts specified below (the “**Revised Annual Caps**”):

	Year ending December 31,	
	2017	2018
<i>Amounts payable to Samsonite Middle East by the Group</i>		
Revised annual cap for the year	US\$2.00 million	US\$2.40 million

The Revised Annual Caps were determined after taking into account the management services fee payable by Tumi Asia to Samsonite Middle East and the estimated annual growth in the Tumi Middle East Business for the years ending December 31, 2017 and 2018.

As of the date of this announcement, the total amount paid to Samsonite Middle East by the Group under the Renewed Middle East Framework Agreement has not exceeded the existing annual cap for the year ending December 31, 2017 as stated in the Announcement and referred to above.

The annual caps relating to the amounts payable by Samsonite Middle East to the Group under the Renewed Middle East Framework Agreement for the years ending 31 December 2017 and 2018 remain unchanged.

Save for the Revised Annual Caps, the terms and conditions of the Renewed Middle East Framework Agreement remain unchanged.

3. 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. As Mr. Ramesh Tainwala (a) is a Director and the Chief Executive Officer of the Company and therefore a connected person of the Company and (b) is entitled to control the exercise of 10% or more of the voting power in Samsonite Middle East, Samsonite Middle East is a connected person of the Company under Rule 14A.07(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 for the two years ending December 31, 2017 and 2018 (as increased by the Revised Annual Caps) will, on an annual basis, be more than 0.1% but less than 5%, such 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.

4. DIRECTORS' CONFIRMATIONS

The Directors (including the independent non-executive Directors) are of the view that the Renewed Middle East Framework Agreement is on normal commercial terms and in the ordinary and usual course of business of the Company and the terms of the Renewed Middle East Framework Agreement and the Revised Annual Caps relating to the amounts payable to Samsonite Middle East by the Group for the years ending December 31, 2017 and 2018 in respect of the transactions under the Renewed Middle East Framework Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Due to Mr. Ramesh Tainwala's interests in Samsonite Middle East, Mr. Ramesh Tainwala has abstained from voting on the resolutions of the Board in respect of the Revised Annual Caps. Save as disclosed above, none of the Directors has a material interest in the Renewed Middle East Framework Agreement, the Management Services Agreement and the transactions contemplated thereunder and therefore, no other Director has abstained from voting on the resolution of the Board in respect of the Revised Annual Caps.

5. INFORMATION ON THE GROUP

The Group is the world's best known and largest lifestyle bag and 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® and Lipault® brand names as well as other owned and licensed brand names. The Group's Samsonite brand is one of the most well-known travel luggage brands in the world.

The Group sells its products through a variety of wholesale distribution channels, through its company-operated retail stores and through e-commerce. Its principal wholesale distribution customers are department and specialty retail stores, mass merchants, catalogue showrooms and warehouse clubs. The Group sells its products in Asia, North America, Europe and Latin America. As of December 31, 2016, the Group's products were sold in over 100 countries.

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

Hong Kong, July 14, 2017

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