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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)**

**CONTINUING CONNECTED TRANSACTIONS  
WITH THE TAINWALA GROUP – INCREASE OF ANNUAL CAP FOR 2019**

From time to time, members of the Group have entered into transactions with the Tainwala Group in the ordinary and usual course of the Company's business. Mr. Ramesh Tainwala and the Tainwala Group are substantial shareholders in Samsonite India, and Mr. Tainwala is a director of Samsonite India (as a nominee of the Tainwala Group) and accordingly, the transactions between the Group and members of the Tainwala Group constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In connection with the renewal of the agreements governing the transactions with the Tainwala Group for a term of one year with effect from January 1, 2019, on December 21, 2018 the Board announced the annual caps for the transactions with the Tainwala Group for the year ending December 31, 2019.

The Board has determined that the annual cap relating to the amounts payable by the Group to the Tainwala Group for the year ending December 31, 2019 will not be sufficient and the Board has approved the increase of such annual cap to US\$27.0 million.

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 with the Tainwala Group for the year ending December 31, 2019 (as increased by the revised annual cap) will, on an annual basis, be more than 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 21, 2018 (the "**Announcement**") regarding, among other things, the renewal of the agreements entered into by the Group with the Tainwala Group and the annual caps on the maximum aggregate amounts payable by the Group to the Tainwala Group for the year ending December 31, 2019. Unless the context otherwise requires, terms defined in the Announcement have the same meanings in this announcement.

## **2. INCREASE OF ANNUAL CAP FOR 2019 FOR AMOUNTS PAYABLE BY THE GROUP TO THE TAINWALA GROUP**

### **(a) Background**

From time to time, members of the Group have entered into transactions with the Tainwala Group. These transactions are entered into in the ordinary and usual course of the Company's business. Mr. Ramesh Tainwala and the Tainwala Group are substantial shareholders in Samsonite India, and Mr. Tainwala is a director of Samsonite India (as a nominee of the Tainwala Group).

Samsonite India or the Company has entered into the following agreements with the Tainwala Group which relate to the Group's operations in India in the ordinary and usual course of its business and in connection with which payments are made from time to time by the Group to the Tainwala Group:

- the Abhishri Manufacturing Agreement;
- the Abhishri Framework Agreement; and
- the Tainwala Leases.

On December 21, 2018, the above agreements were renewed for a further term of one year with effect from January 1, 2019.

All transactions between the Group and the Tainwala Group are on normal commercial terms for the following reasons:

- under the Abhishri Manufacturing Agreement and the Abhishri Framework Agreement, the prices paid by the Group for products manufactured and manufacturing services provided by Abhishri are determined based on the Group's current procurement policies, and are monitored against relevant factors including the cost of raw materials, the range of commercially appropriate margins that members of the Group are able to make on comparable products and, where available, quotations and market prices for comparable third party products and services. The Group has followed at all times, and will continue to follow, its procurement policies when determining the pricing and terms of all transactions with Abhishri under the Abhishri Manufacturing Agreement and the Abhishri Framework Agreement. The pricing under the Abhishri Manufacturing Agreement and the Abhishri Framework Agreement is on normal commercial terms as the margins available to the Group and the prices charged by Abhishri are comparable to (or better to the Group than) the margins available from prices charged by certain other third-party manufacturers who are not connected persons under agreements with members of the Group;
- the rent, license fees and administrative charges payable under the Tainwala Leases are within the reasonable range of the then prevailing market rates at their respective dates of execution. Samsonite India has at all times followed, and will continue to follow, its procurement policies in relation to each of the Tainwala Leases.

**(b) Existing Annual Cap for Transactions with the Tainwala Group with respect to which amounts are payable by the Group to the Tainwala Group**

The annual cap for the transactions with the Tainwala Group for the year ending December 31, 2019 with respect to which amounts are payable by the Group to the Tainwala Group as stated in the Announcement is set out below:

	<u>Year ending December 31, 2019</u>
<i>Amounts payable by the Group to the Tainwala Group</i>	
Annual cap for the year	US\$19.03 million

**(c) Revised Annual Cap for Transactions with the Tainwala Group and Reasons for the Increase in the Annual Cap**

The Board has determined that the annual cap relating to the amounts payable by the Group to the Tainwala Group for the year ending December 31, 2019 will not be sufficient in view of the Group moving the production of certain of its products from third-party manufacturers in China to Abhishri in India during 2019 (i) as a result of the trade tensions between the U.S. and China and the tariffs imposed by the U.S. on certain goods imported from China, and (ii) due to Abhishri offering more competitive pricing to the Group for certain products as compared to the Group's alternative supplier for such products.

Accordingly, the Board has approved the increase of such annual cap to the amount specified below (the "**Revised Annual Cap**").

	<u>Year ending December 31, 2019</u>
<i>Amounts payable by the Group to the Tainwala Group</i>	
Revised annual cap for the year	US\$27.0 million

The Revised Annual Cap was determined after taking into account the additional products to be manufactured by, and purchased from, Abhishri under the Abhishri Framework Agreement.

As of the date of this announcement, the total amount paid to the Tainwala Group by the Group has not exceeded the existing annual cap for the year ending December 31, 2019 as stated in the Announcement and referred to above.

The annual cap relating to the amounts payable by the Tainwala Group to the Group for the year ending December 31, 2019 remains unchanged.

Save for the Revised Annual Cap, the terms and conditions of the agreements entered into with the Tainwala Group referred to above remain unchanged.

**3. LISTING RULES IMPLICATIONS**

As Mr. Ramesh Tainwala is a director of Samsonite India (as nominee of the Tainwala Group) and is entitled to control the exercise of 10% or more of the voting power in Samsonite India (which is held as to 40% by Mr. Ramesh Tainwala and the Tainwala Group), the transactions between the Group and members of the Tainwala Group constitute continuing connected

transactions of the Company under Chapter 14A of the Listing Rules. Furthermore, as transactions between the Group and the Tainwala Group are related to the same connected persons of the Company, pursuant to Rule 14A.83, these transactions are aggregated to determine into which category the aggregated transaction falls.

Accordingly, based on the aggregate value of payments made by the Group to the Tainwala Group and payments made to the Group 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 1% but less than 5%. The transactions between the Group and the Tainwala Group will therefore 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 Directors (including the independent non-executive Directors) are of the view that the transactions with the Tainwala Group are on normal commercial terms and in the ordinary and usual course of business of the Company and the terms of such transactions and the Revised Annual Cap 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 transactions with the Tainwala Group and therefore, no Director abstained from voting on the relevant resolutions of the Board in respect of the Revised Annual Cap.

#### **4. 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<sup>®</sup>, Tumi<sup>®</sup>, American Tourister<sup>®</sup>, Hartmann<sup>®</sup>, High Sierra<sup>®</sup>, Gregory<sup>®</sup>, Speck<sup>®</sup>, Lipault<sup>®</sup>, Kamiliant<sup>®</sup> and eBags<sup>®</sup> brand names as well as other owned and licensed brand names.

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

Luxembourg, June 6, 2019

*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.*