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**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 SAMSONITE CHINA FRAMEWORK AGREEMENT**

On December 28, 2016, Samsonite China entered into the Samsonite China Framework Agreement with Bagzone, which will be effective from December 28, 2016 to December 31, 2018. The Samsonite China Framework Agreement relates to the provision of sourcing support and quality inspection services by Samsonite China to Bagzone in respect of the Lavie women's handbag brand which is owned by Bagzone.

Bagzone is a company controlled by certain members of the Tainwala Group. As Mr. Ramesh Tainwala is a director of the Company and the other members of the Tainwala Group are associates of Mr. Ramesh Tainwala, Bagzone is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the Samsonite China Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.83 of the Listing Rules, the transactions under the Samsonite China Framework Agreement are required to be aggregated with the other transactions between the Group and the Tainwala Group. As the highest of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the annual caps of each year for the transactions contemplated under the Samsonite China Framework Agreement and the other transactions between the Group and the Tainwala Group will, on an aggregated annual basis, be more than 0.1% but less than 5%, the transactions under the Samsonite China Framework Agreement 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 aggregate of the amounts payable by Bagzone to Samsonite China in respect of the Samsonite China Framework Agreement is subject to the annual caps set by the Company for all transactions with the Tainwala Group for the years ending December 31, 2016, 2017 and 2018, which are set out in the Company's announcement dated December 22, 2015.

## A. INTRODUCTION

The Board announces that on December 28, 2016, Samsonite China entered into the Samsonite China Framework Agreement with Bagzone, which will be effective from December 28, 2016 to December 31, 2018. The background behind and the principal terms of the Samsonite China Framework Agreement are set out below.

## B. THE SAMSONITE CHINA FRAMEWORK AGREEMENT

### 1. Background

From time to time, members of the Group have entered into transactions with the Tainwala Group relating to, among other things, the provision of manufacturing services to the Group, the appointment of Bagzone as a preferred dealer of certain products in India which are sold in exclusive Samsonite retail outlets operated by Bagzone, the purchase by Bagzone of products from Samsonite India to sell in its own multi-brand outlet stores it operates and the lease of premises to the Group. These transactions are entered into in the ordinary and usual course of the Company's business. Further details of these transactions are set out in the Company's announcement dated December 22, 2015.

As part of the Group's overall relationship with Bagzone and the Tainwala Group, Samsonite China has provided sourcing support and quality inspection services to Bagzone in respect of the Lavie women's handbag brand which is owned by Bagzone since December 2010. The amounts charged by Samsonite China to Bagzone for the provision of such services are *de minimis* for the Group, being approximately US\$144,000 (excluding applicable VAT) per year and in aggregate approximately US\$714,000 (excluding applicable VAT) for the period from January 2011 until September 30, 2016. All such sourcing support and quality inspection services provided by Samsonite China to Bagzone had been entered into in the ordinary and usual course of the Company's business and on normal commercial terms (after taking into account the nature and *de minimis* value of the services provided and the Group's overall relationship with Bagzone and the Tainwala Group). Samsonite China has charged Bagzone for the provision of such services at cost plus a margin of 7.12%, which was determined by reference to the margin charged by the Group for intra-group transactions of a similar nature.

It has recently come to the attention of the Board that such past sourcing support and quality inspection services provided by Samsonite China to Bagzone were not within the scope of the existing agreements entered into by the Group with Bagzone and the Tainwala Group. Accordingly, Samsonite China has entered into the Samsonite China Framework Agreement with Bagzone in order to comply with the requirements under the Listing Rules.

### 2. Date

December 28, 2016

### 3. Parties

(a) Samsonite China

(b) Bagzone

#### **4. Subject Matter**

Under the Samsonite China Framework Agreement, Samsonite China has agreed to provide sourcing support and quality inspection services to Bagzone in respect of the Lavie women's handbag brand which is owned by Bagzone.

The parties have agreed that all transactions relating to the provision of such sourcing support and quality inspection services shall be in writing, in the ordinary and usual course of the Company's business, on normal commercial terms (after taking into account the nature and *de minimis* value of the services to be provided and the Group's overall relationship with Bagzone and the Tainwala Group) and shall be in compliance with all applicable provisions of the Listing Rules. The transactions under the Samsonite China Framework Agreement will be charged at cost plus a margin of 7.12%, which was determined by reference to the margin charged by the Group for intra-group transactions of a similar nature.

The Samsonite China Framework Agreement has been entered into with effect from December 28, 2016 and will expire on December 31, 2018. The Samsonite China Framework Agreement may be renewed for successive three years periods. The Samsonite China Framework Agreement will be terminated if Bagzone ceases to be a connected person of the Company or the transactions contemplated under the Samsonite China Framework Agreement cease to be subject to the Listing Rules in relation to connected transactions. The parties may also terminate the Samsonite China Framework Agreement with immediate effect at any time by mutual agreement. Any renewal of the Samsonite China Framework Agreement is subject to the parties complying with the relevant requirements of the Listing Rules.

#### **5. Aggregate Annual Amounts Payable**

Samsonite China has in the past charged Bagzone for the provision of sourcing support and quality inspection services at cost plus a margin of 7.12%. For the years ended December 31, 2013, 2014 and 2015, the actual amounts paid by Bagzone to Samsonite China for the provision of sourcing support and quality inspection services were approximately US\$127,541, US\$130,587 and US\$162,536, respectively, in each case excluding applicable VAT.

The aggregate annual amounts payable by Bagzone to Samsonite China pursuant to the Samsonite China Framework Agreement for the years ending December 31, 2016, 2017 and 2018 will not exceed US\$180,000, US\$190,000 and US\$200,000, respectively, in each case excluding applicable VAT. Such aggregate annual amounts have been determined by reference to the estimated amount of sourcing support and quality inspection services to be provided by Samsonite China to Bagzone and the estimated costs of providing such services.

#### **6. Reasons for, and benefits of, the Samsonite China Framework Agreement**

The entry into the Samsonite China Framework Agreement will give Samsonite China the flexibility to continue to provide sourcing support and quality inspection services to Bagzone where it is commercially feasible for Samsonite China to do so as part of the Group's overall relationship with Bagzone and the Tainwala Group.

## C. LISTING RULES IMPLICATIONS

Bagzone is a company controlled by certain members of the Tainwala Group. As Mr. Ramesh Tainwala is a director of the Company and the other members of the Tainwala Group are associates of Mr. Ramesh Tainwala, Bagzone is a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Accordingly, the Samsonite China Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.83 of the Listing Rules, the transactions under the Samsonite China Framework Agreement are required to be aggregated with the other transactions between the Group and the Tainwala Group. As the highest of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the annual caps of each year for the transactions contemplated under the Samsonite China Framework Agreement and the other transactions between the Group and the Tainwala Group will, on an aggregated annual basis, be more than 0.1% but less than 5%, the transactions under the Samsonite China Framework Agreement 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.

## D. AGGREGATE ANNUAL CAP FOR TRANSACTIONS WITH THE TAINWALA GROUP

The aggregate of the amounts payable by Bagzone to Samsonite China in respect of the transactions under the Samsonite China Framework Agreement is subject to the annual caps set by the Company for all transactions with the Tainwala Group for the years ending December 31, 2016, 2017 and 2018 as set out below:

	<b>Year ending December 31,</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
Annual cap for the aggregate amount payable to the Group by the Tainwala Group	US\$16.84 million	US\$20.21 million	US\$24.24 million

As described in the Company's announcement of renewed annual caps for transactions with the Tainwala Group dated December 22, 2015, the annual caps were 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; (iii) estimated annual growth in purchases of finished products, components and manufacturing services by the Group due to increase in sales in line with the Group's current business plan; and (iv) expected market conditions and exchange rate fluctuations.

## **E. INFORMATION ON THE GROUP AND BAGZONE**

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

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, 2015, the Group's products were sold in over 100 countries.

Bagzone is a company incorporated in India, principally engaged in retailing of Samsonite<sup>®</sup>, American Tourister<sup>®</sup> and other products in India through the operation of exclusive Samsonite retail outlets and multi-brand outlet stores.

## **F. DIRECTORS' CONFIRMATIONS**

The Directors (including the independent non-executive Directors) are of the view that the Samsonite China Framework Agreement 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 Samsonite China Framework Agreement 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 22, 2015, the Directors (including the independent non-executive Directors) are of the view that the annual cap for the years ending December 31, 2016, 2017 and 2018 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.

Due to Mr. Ramesh Tainwala's interests in the Tainwala Group, Mr. Ramesh Tainwala has abstained from voting on the relevant resolution of the Board in respect of the Samsonite China Framework Agreement. Save as disclosed above, none of the Directors has a material interest in the Samsonite China Framework Agreement, the transactions contemplated thereunder or the Tainwala Group, and therefore no other Director has abstained from voting on the relevant resolution of the Board in respect of the Samsonite China Framework Agreement.

## G. 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 India and controlled by certain members of the Tainwala Group
“Bagzone Dealership Agreement”	the memorandum of understanding dated November 16, 2009 between Samsonite India and Bagzone (which was renewed with effect from January 1, 2015 for a period expiring on December 31, 2017) pursuant to which, among other things, Bagzone was appointed as a preferred dealer of certain products in India which are sold in exclusive Samsonite retail outlets operated by Bagzone and Bagzone purchases products from Samsonite India to sell in its own multi-brand outlet stores it operates
“Board”	the board of Directors
“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
“Samsonite China”	Samsonite (China) Co., Ltd., a wholly-owned member of the Group
“Samsonite China Framework Agreement”	the framework agreement entered into between Samsonite China and Bagzone on December 28, 2016 for an initial term until December 31, 2018, the details of which are set out in the section headed “ <i>The Samsonite China Framework Agreement</i> ” 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 28, 2016

*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.*