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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)

**VOLUNTARY ANNOUNCEMENT RELATING TO
EXEMPT CONTINUING CONNECTED TRANSACTIONS
WITH THE TAINWALA GROUP**

Samsonite India has entered into certain agreements with the Tainwala Group which relate to the Group's operations in India, and other members of the Group have entered into transactions with Abhishri (a company controlled by certain members of the Tainwala Group). Mr. Ramesh Tainwala (i) is a director of each of Samsonite India and Samsonite Middle East (as nominee of the Tainwala Group) and (ii) is entitled to control the exercise of 10% or more of the voting power in each of Samsonite India and Samsonite Middle East (which are each held as to 40% by Mr. Ramesh Tainwala and the Tainwala Group) and he is therefore a connected person of the Company at the subsidiary level. 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.

The Company has set annual caps on the maximum aggregate amount payable by and to the Group in respect of the transactions with the Tainwala Group for the year ending December 31, 2021. Based on the aggregate value of such payments payable by and to the Group, as the highest of the applicable percentage ratios (other than the profits ratio) under the Listing Rules will, on an annual basis, be less than 1%, the transactions between the Group and the Tainwala Group in 2021 will constitute continuing connected transactions that are fully exempt from the shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.76(1)(b) of the Listing Rules.

The Company had in previous years announced details of the transactions with the Tainwala Group in accordance with the requirements of the Listing Rules as such transactions were exempt only from the shareholders' approval requirement. To ensure full disclosure to Shareholders and investors of these continuing connected transactions with the Tainwala Group, the Company is publishing this announcement on a voluntary basis.

1. TRANSACTIONS WITH THE TAINWALA GROUP

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 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:

- the Abhishri Manufacturing Agreement;
- the Abhishri Framework Agreement;
- the Tainwala Leases; and
- the Memoranda of Understanding.

The above agreements expire on December 31, 2020 and on December 28, 2020 were renewed for a further term of one year with effect from January 1, 2021.

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

- under the Abhishri Manufacturing Agreement, the price paid by Abhishri to Samsonite India for raw materials and components is based on the current market price paid by Samsonite India, and 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 are 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;
- under 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 Framework Agreement. The pricing under 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 and the prices charged by certain other third-party manufacturers and/or service providers 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; and
- under the Memoranda of Understanding, the pricing and other terms under which Samsonite India sells products to Bagzone are consistent with the pricing and other terms under which Samsonite India sells products to other third-party preferred dealers in India who are not connected persons. These transactions 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.

Reasons for, and benefits of, the Transactions with the Tainwala Group

The entry into the transactions with the Tainwala Group described above will ensure that Samsonite India can continue to (a) have the flexibility to purchase components, finished products and manufacturing services directly from Abhishri where it is commercially preferable for them to do so, (b) lease certain existing commercial properties in India which are used for its operations in India, and (c) sell Samsonite products to Bagzone and Bagzone can continue to operate as a preferred dealer for Samsonite products through two retail stores operated by Bagzone in India.

Listing Rules Implications

Mr. Ramesh Tainwala (i) is a director of each of Samsonite India and Samsonite Middle East (as nominee of the Tainwala Group) and (ii) is entitled to control the exercise of 10% or more of the voting power in each of Samsonite India and Samsonite Middle East (which are each held as to 40% by Mr. Ramesh Tainwala and the Tainwala Group) and he is therefore a connected person of the Company at the subsidiary level. 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. 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.

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, as the highest of the applicable percentage ratios (other than the profits ratio) under the Listing Rules will, on an annual basis, be less than 1%, the transactions between the Group and the Tainwala Group in 2021 will constitute continuing connected transactions that are fully exempt from the shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.76(1)(b) of the Listing Rules.

2. ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

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

The existing annual caps for the maximum aggregate amount payable by and to the Group under the transactions with the Tainwala Group for the three years ending December 31, 2020 and the historical aggregate transaction amounts under the transactions with the Tainwala Group for the two years ended December 31, 2018 and 2019 and the six months ended June 30, 2020 are set out below:

	<u>Year ended December 31,</u>		<u>Six months ended June 30,</u>
	<u>2018</u>	<u>2019</u>	<u>2020</u>
<i>Amounts payable by the Group to the Tainwala Group</i>			
Annual cap for the year	US\$25.62 million	US\$27.00 million	US\$28.50 million
Actual transaction amount	US\$20.84 million	US\$24.03 million	US\$7.85 million
<i>Amounts payable to the Group by the Tainwala Group</i>			
Annual cap for the year	US\$24.24 million	US\$17.12 million	US\$18.40 million
Actual transaction amount	US\$12.94 million	US\$12.23 million	US\$2.29 million

Annual Caps for Transactions with the Tainwala Group

The annual caps for the transactions with the Tainwala Group for the year ending December 31, 2021 are set out below:

	<u>Year ending December 31, 2021</u>
<i>Amounts payable by the Group to the Tainwala Group</i>	
Annual cap for the year	US\$18.50 million
<i>Amounts payable to the Group by the Tainwala Group</i>	
Annual cap for the year	US\$1.00 million

These annual caps have been determined primarily on the basis of: (i) estimated purchases of raw materials and finished products between Samsonite India and the Tainwala Group under the Abhishri Manufacturing Agreement and the Memoranda of Understanding in line with Samsonite India's current business plan; (ii) negotiated rental and associated costs payable by Samsonite India under the Tainwala Leases in line with local market rates; (iii) estimated purchases of finished products, components and manufacturing services by the Group from Abhishri under the Abhishri Framework Agreement in line with the Group's current business plan during the term of the Abhishri Framework Agreement, which expires on December 31, 2021; and (iv) expected market conditions and exchange rate fluctuations.

3. DIRECTORS' CONFIRMATIONS

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 that 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 year ending December 31, 2021 in respect of the transactions with the Tainwala Group 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 these agreements or the annual caps in respect of these agreements and the transactions relating thereto.

4. INFORMATION ON THE GROUP

The Company, together with its consolidated subsidiaries, is the world's best-known and largest lifestyle bag and travel luggage company, with a heritage dating back 110 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®, Speck®, Gregory®, High Sierra®, Kamiliant®, eBags®, Lipault® and Hartmann® brand names as well as other owned and licensed brand names.

5. DEFINITIONS

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

“Abhishri”	Abhishri Packaging Private Limited, a company controlled by certain members of the Tainwala Group
“Abhishri Framework Agreement”	the framework agreement dated October 9, 2015 (which was renewed with effect from January 1, 2021 for a period expiring on December 31, 2021) between the Company and Abhishri for the sale of finished products, components and manufacturing services to members of the Group
“Abhishri Manufacturing Agreement”	the memorandum of understanding dated January 3, 2009 between Samsonite India and Abhishri, as renewed from time to time, pursuant to which Abhishri purchases certain raw materials and components from Samsonite India and manufactures hard-side luggage products on behalf of Samsonite India
“associates”	has the meaning ascribed to it in the Listing Rules
“Bagzone”	Bagzone Lifestyle Private Limited, a company controlled by certain members of the Tainwala Group

“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
“Memoranda of Understanding”	the memoranda of understanding dated December 18, 2020 between Samsonite India and Bagzone (which were renewed with effect from January 1, 2021 for a period expiring on December 31, 2021) pursuant to which Bagzone was appointed as a preferred dealer of certain products in India which are sold in two retail stores operated by Bagzone
“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
“Tainwala Leases”	the license and lease agreements for commercial properties between Samsonite India and members of the Tainwala Group
“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 31, 2020

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, and the Independent Non-Executive Directors are Paul Kenneth Eтчells, Keith Hamill, Bruce Hardy McLain (Hardy), Ying Yeh and Jerome Squire Griffith.