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361 Degrees International Limited

361 度國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1361)

7.25 per cent. Senior Notes due 2021

(Bond Stock Code: 5662; ISIN: XS1415758991) (the “2021 Notes”)

OFFER TO REPURCHASE THE 2021 NOTES

This announcement is made pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09 and Rule 37.47B(a) of the Listing Rules.

BACKGROUND

In June 2016, the Company issued an aggregate principal amount of US\$400,000,000 7.25% Senior Notes which will mature on 3 June 2021 (ISIN: XS1415758991), unless previously redeemed or purchased and cancelled pursuant to the terms thereof.

Reference is made to the announcement of the Company dated 3 June 2016 in relation to the issuance of the 2021 Notes by the Company. Up to 3 January 2021, being the date immediately before the date of this announcement, the Company purchased a total of US\$133,890,000 in principal amount of the 2021 Notes via open market purchases, all of which have been cancelled. As at the date of this announcement, the aggregate outstanding principal amount of the 2021 Notes is US\$266,110,000. The 2021 Notes are listed on the Hong Kong Stock Exchange (bond stock code: 5662).

OFFER TO REPURCHASE THE 2021 NOTES

The Offer

The Offer is being made pursuant to the Tender Offer Memorandum dated 4 January 2021.

Subject to the terms and conditions in the Tender Offer Memorandum, the Company is making an offer to purchase for cash an aggregate principal amount of the 2021 Notes up to the Maximum Acceptance Amount (as such amount may be changed by the Company in its sole discretion) at a purchase price of US\$1,000 per US\$1,000 principal amount of the 2021 Notes, plus Accrued Interest. The Company will determine, in its sole discretion, the aggregate principal amount of the 2021 Notes (if any) that it will accept for purchase pursuant to the Offer. It is the current intention of the Company that the Maximum Acceptance Amount will be US\$135,000,000 in aggregate principal amount of the 2021 Notes, although the Company reserves the right, in its sole discretion, to accept significantly more than or significantly less than the Maximum Acceptance Amount, or to accept none of such 2021 Notes, for purchase pursuant to the Offer. In addition, holders whose 2021 Notes are accepted for purchase pursuant to the Offer will also receive Accrued Interest Payment on such 2021 Notes pursuant to the Offer on the Settlement Date. No tenders of the 2021 Notes will be valid if submitted after the Expiration Deadline.

Proration

If the aggregate principal amount of 2021 Notes validly tendered is greater than the Maximum Acceptance Amount, the Company will accept tenders of 2021 Notes for purchase on a pro rata basis such that the aggregate principal amount of 2021 Notes accepted for purchase is no greater than the Maximum Acceptance Amount. In the circumstances in which any 2021 Notes validly tendered pursuant to the Offer are to be accepted on a pro rata basis, each such tender of 2021 Notes will be scaled by a factor (the “Scaling Factor”) derived from (i) the Maximum Acceptance Amount divided by (ii) the aggregate nominal amount of the 2021 Notes that have been validly tendered pursuant to the Offer (subject to adjustment resulting from the rounding of tenders and the intentions of the Company described in the next paragraph).

Each tender of 2021 Notes that is scaled in this manner will be rounded down to the nearest US\$1,000 in nominal amount. In addition, in the event of any such scaling, the Company intends to apply adjustments to such pro rata scaling to each valid tender of 2021 Notes in such a manner as will result in both (a) the relevant Eligible Holder transferring 2021 Notes to the Company in an aggregate nominal amount of at least US\$200,000 (being the minimum denomination of the 2021 Notes) and (b) the relevant Eligible Holder’s residual amount of 2021 Notes (being the nominal amount of the 2021 Notes the subject of the relevant Tender Instruction that are not accepted for purchase by virtue of such scaling) amounting to either (i) at least US\$200,000 or (ii) US\$0, and the Company therefore intends, at its discretion, to adjust the Scaling Factor applicable to any relevant Tender Instruction accordingly.

Purpose

The purpose of the Offer is to retire a portion of the outstanding 2021 Notes prior to maturity and it is being made as part of the Company’s commitment to actively manage its balance sheet liabilities and optimize its debt structure.

Source of funds

The Company intends to finance the Offer with internal resources.

Tender Instruction

In order to participate in the Offer, Eligible Holders must validly tender their 2021 Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Information and Tender Agent by the Expiration Deadline, unless extended, re-opened, amended and/or terminated as provided in the Tender Offer Memorandum. Separate Tender Instructions must be submitted on behalf of each individual beneficial owner due to potential proration. Tender Instructions will be irrevocable once delivered in accordance with the terms of the Offer.

Each Tender Instruction must specify the principal amount of the 2021 Notes that the relevant Eligible Holder is tendering at the Purchase Price. The 2021 Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Indicative timetable for the Offer

The Offer will commence on 4 January 2021 and will expire at 4:00 p.m. (London time) on 12 January 2021, unless extended, re-opened, amended and/or terminated by the Company as provided in the Tender Offer Memorandum. The Company may, at its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum). Details of any such extension, re-opening, amendment, waiver or termination will be announced as soon as reasonably practicable after the relevant decision is made.

The Company expects to announce the results of the Offer on 13 January 2021 subject to the right of the Company to extend, re-open, amend or terminate the Offer at any time.

The Settlement Date for the Offer is expected to be on or about 15 January 2021 subject to the right of the Company to extend, re-open, amend or terminate the Offer at any time.

The 2021 Notes repurchased by the Company pursuant to the Offer will be cancelled. The 2021 Notes which have not been validly submitted and accepted for tender pursuant to the Offer will remain outstanding after the Settlement Date. Any 2021 Notes that remain outstanding after the Offer will continue to be the obligations of the Company. Holders of those outstanding 2021 Notes will continue to have all the rights associated with those 2021 Notes.

The Company will from time to time issue announcements in respect of the progress of the Offer as and when necessary pursuant to the Listing Rules and other relevant rules and regulations.

TENDER OFFER MEMORANDUM

The Tender Offer Memorandum, available from the Offer Website, contains important information which should be read carefully by Eligible Holders before any decision is made with respect to the Offer. Eligible Holders are recommended to seek their own financial and legal advice, including in respect of any tax consequences, from their broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

The terms of the Offer are more fully described in the Tender Offer Memorandum, which sets out further details regarding the tender procedures and the conditions of the Offer. None of the Company, the Dealer Manager or the Information and Tender Agent (or any of their respective directors, employees or affiliates) makes any recommendation as to whether the Eligible Holders should tender their 2021 Notes in response to the Offer.

In connection with the Offer, the Company has appointed Merrill Lynch (Asia Pacific) Limited as the Dealer Manager and Lucid Issuer Services Limited as the Information and Tender Agent.

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITIES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE TENDER OFFER MEMORANDUM.

Eligible Holders are advised to check with any bank, securities broker or other intermediary through which they hold the 2021 Notes when such intermediary would need to receive instructions from an Eligible Holder in order for that Eligible Holder to be able to participate in the Offer by the deadline set out above. The deadline set by any such intermediary and each Clearing System for the submission of Tender Instructions may be earlier than the deadline described above.

Unless stated otherwise, announcements in connection with the Offer will be made through the website of the Stock Exchange, the issue of a press release to a Notifying News Service and/or the delivery of notices to the Clearing Systems for communication to Direct Participants and on the Offer Website: <https://www.lucid-is.com/degree2021>. Copies of the announcements, press releases and notices can also be obtained from the Information and Tender Agent, the contact details of which are as follows:

DEALER MANAGER

Merrill Lynch (Asia Pacific) Limited

55/F, Cheung Kong Center
2 Queen's Road Central
Central, Hong Kong
In Asia: +85235083510
In London: +44 207 996 5420
Email: DG.LM-EMEA@bofa.com

INFORMATION AND TENDER AGENT

Lucid Issuer Services Limited

In London

Tankerton Works, 12 Argyle Walk
London, WC1H 8HA, United Kingdom
+44 20 7704 0880

In Hong Kong

3rd Floor, Three Pacific Place,
1 Queen's Road East,
Hong Kong
+852 2281 0114

Email: degree@lucid-is.com
Attention: Mu-yen Lo/Thomas Choquet
Offer Website: <https://www.lucid-is.com/degree2021>

Significant delays may be experienced where notices are delivered to the Clearing Systems, and Eligible Holders are urged to contact the Information and Tender Agent for the relevant announcements during the course of the Offer. In addition, Eligible Holders may contact the Dealer Manager for information using the contact details above.

DEFINITIONS

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

“2021 Notes”	7.25% Senior Notes due 2021 (ISIN: XS1415758991) which were issued by the Company on 3 June 2016
“Accrued Interest”	interest accrued and unpaid on the principal amount of 2021 Notes from and including the last interest payment date of 3 December 2020 up to, but excluding, the Settlement Date. Subject to the terms and conditions set forth in the Tender Offer Memorandum, in addition to the Purchase Price, Eligible Holders whose 2021 Notes are accepted for purchase by the Company will also be paid the relevant amount of such Accrued Interest in cash
“Accrued Interest Payment”	an amount in cash (rounded to the nearest US\$0.01, with half a cent rounded upwards) equal to the Accrued Interest on 2021 Notes accepted for purchase by the Company
“Clearing System Notice”	the form of notice to be sent to Direct Participants by each of the Clearing Systems on or about the date of the Tender Offer Memorandum informing Direct Participants of the procedures to be followed in order to participate in the Offer
“Clearing Systems”	Euroclear Bank SA/NV and Clearstream Banking S.A.
“Company”	361 Degrees International Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Hong Kong Stock Exchange
“Dealer Manager”	Merrill Lynch (Asia Pacific) Limited
“Direct Participant”	each person who is shown in the records of the Clearing Systems as a holder of the 2021 Notes
“Eligible Holders”	holders of the 2021 Notes who are non-U.S. persons located outside United States (as those terms are defined in Regulation S under the United States Securities Act of 1933, as amended)

“Expiration Deadline”	4:00 p.m., London Time, on 12 January 2021 (subject to the right of the Company to extend, re-open, amend and/or terminate the Offer)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Information and Tender Agent”	Lucid Issuer Services Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Maximum Acceptance Amount”	US\$135,000,000 in aggregate principal amount of the 2021 Notes, although the Company reserves the right, in its sole discretion, to accept significantly more than or significantly less than the Maximum Acceptance Amount, or to accept none of such 2021 Notes, for purchase pursuant to the Offer
“Notifying News Service”	a recognized financial news service or services (e.g. Reuters/ Bloomberg) as selected by the Company
“Offer”	the offer to purchase for cash by the Company of up to the Maximum Acceptance Amount (as such amount may be changed by the Company in its sole discretion) of the outstanding 7.25% Senior Notes due 2021 on the terms and subject to the conditions described in the Tender Offer Memorandum
“Offer Website”	the website, https://www.lucid-is.com/degree2021 , operated by the Information and Tender Agent for the purpose of the Offer
“Purchase Price”	US\$1,000 per US\$1,000 principal amount of the 2021 Notes
“Settlement Date”	on or about 15 January 2021 (subject to the right of the Company to extend, re-open, amend or terminate the Offer at any time)

“Tender Instruction”	the electronic tender and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Information and Tender Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the deadline in order for Eligible Holders to be able to participate in the Offer
	such electronic tender and blocking instruction must specify the principal amount of the 2021 Notes that the relevant Eligible Holder is tendering at the Purchase Price. 2021 Notes may be tendered only in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof
“Tender Offer Memorandum”	the Company’s tender offer memorandum dated 4 January 2021 made available to holders of the 2021 Notes in connection with the Offer
“US\$”	United States dollar, the lawful currency of the United States
“United States” or “U.S.”	The United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and The Commonwealth of the Northern Mariana Islands), any state of the United States of America and the District of Columbia
“%”	per cent.

By order of the Board
361 Degrees International Limited
Ding Huihuang
Chairman

Hong Kong, 4 January 2021

As at the date of this announcement, the board of directors of the Company comprises four executive directors, namely Mr. Ding Wuhao, Mr. Ding Huihuang (Chairman), Mr. Ding Huirong and Mr. Wang Jiabi; and three independent non-executive directors, namely, Mr. Wu Ming Wai Louie, Mr. Hon Ping Cho Terence and Mr. Chen Chuang.