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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the Group's unaudited management accounts for the year ended 31 December 2012 and the information currently available to the Board, the Board currently estimates that for the year ended 31 December 2012, the Group will likely record a decrease in profit after taxation of approximately 40%, as compared to that for the year ended 31 December 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by the board of directors (the "**Board**") of 361 Degrees International Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Reference is made to the announcement of the Company dated 21 August 2012 and the interim report of the Company for the six months ended 30 June 2012. The Board wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the Group's unaudited management accounts for the year ended 31 December 2012 and the information currently available to the Board, the Board currently estimates that for the year ended 31 December 2012, the Group will likely record a decrease in profit of approximately 40%, as compared to that for the year ended 31 December 2011. The decrease in profit is principally attributable to the continued challenging landscape facing the sportswear industry in China as high sector inventory level and retail discounting pressure continued to weigh on the sector's performance amidst intensified competition throughout the year 2012 which resulted to (1) a decrease in the general sales volume, (2) a pressure on the gross profit margin and (3) a higher selling expenses as compared to the year ended 31 December 2011.

As the Group's final results for the year ended 31 December 2012 are not yet available, the information contained in this announcement represents only a preliminary assessment made by the Board based on the information available to the Board as at the date hereof and such information or figure has not been audited nor reviewed by the Company's auditors.

The annual results announcement of the Company for the year ended 31 December 2012 is expected to be published before the end of March 2013.

The Board considers that the overall operational and financial positions of the Group remain solid and the Board remains positive on the long-term prospect of the Group.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
361 DEGREES INTERNATIONAL LIMITED
Choi Mun Duen
Company Secretary

Hong Kong, 18 January 2013

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, Mr. Ding Huirong and Mr. Wang Jiabi, and four independent non-executive directors, namely, Mr. Yan Man Sing Frankie, Mr. Tsui Yung Kwok, Mr. Sun Xianhong and Mr. Liu Jianxing.