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ODELLA LEATHER HOLDINGS LIMITED

愛特麗皮革控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8093)

PROFIT WARNING AND INSIDE INFORMATION

This announcement is made by Odella Leather Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

After preliminary assessment on the unaudited consolidated management accounts of the Group for the nine months ended 31 March 2016, the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that it is estimated that the revenue and gross profit of the Group for the nine months and three months ended 31 March 2016 would be decreased significantly as compared to those of the corresponding periods in 2015 as a result of the sluggish luxury retail market and global macroeconomic downturn. In such connection, the revenue and gross profit for the nine months and three months ended 31 March 2016 is expected to drop by more than 30% and 40%, respectively, as compared to those of the corresponding periods in 2015.

The Group also estimates that there was an increase in administrative expenses of over 10% for the nine months and three months ended 31 March 2016 as compared to those of the corresponding periods in 2015 (mainly due to the increase in cost for business development and increase in legal and professional fees subsequent to the listing of the Company’s shares on GEM). The decrease in gross profit and increase in an administrative expenses resulted in significant drop in operating profit as comparing to the operating profit (before taking into account of the listing expenses) in the corresponding periods in 2015. However, the operating profit in the corresponding periods in 2015 were off-set by the one-off listing expense which resulted in a net loss in the corresponding periods in 2015. Despite the drop in profit, the Group still estimates to have profit before tax for the nine months and three months ended 31 March 2016.

As the Company is in the process of finalising the Group's unaudited consolidated financial results for the nine months and three months ended 31 March 2016, the information contained in this announcement is only based on the preliminary assessment by the management of the Company according to the unaudited consolidated management accounts of the Group and the currently available information, which have not been audited and have not been reviewed by the Company's auditor and audit committee. The results announcement of the Group for the nine months and three months ended 31 March 2016 is expected to be released in early May 2016.

Shareholders of the Company and potential investors should exercise caution when dealing in shares of the Company and are advised to read the third quarterly results announcement of the Company when it is published.

By order of the Board
Odella Leather Holdings Limited
Cheung Woon Yiu
Chairman and executive Director

Hong Kong, 29 April 2016

As at the date of this announcement, the Board comprises the following Directors:

Ms. Cheung Woon Yiu (Chairman and executive Director)

Ms. Lam Wai Si Grace (Chief executive officer and executive Director)

Mr. Ching Wai Man (Executive Director)

Ms. Ng Lai Hung (Non-executive Director)

Dr. Wong Wai Kong (Independent non-executive Director)

Mr. How Sze Ming (Independent non-executive Director)

Mr. Philip David Thacker (Independent non-executive Director)

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the day of its posting and on the Company's website at www.odella.com.