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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

Reference is made to the announcements jointly issued by Odella Leather Holdings Limited (the “**Company**”) and Power View Group Limited (the “**Offeror**”) dated 18 January 2017 and 23 January 2017 (the “**Joint Announcements**”), respectively, in relation to, among other things, the mandatory unconditional cash offer by China Goldjoy Securities Limited on behalf of the Offeror to acquire all the issued Shares of the Company (other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcements

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board would like to inform the shareholders of the Company and potential investors that the profit warning (the “**Profit Warning**”) as disclosed in this announcement is regarded as a profit forecast under Rule 10 of the Takeovers Code and would need to be reported on by the Company’s financial adviser and auditors or accountants in accordance with Rule 10 of the Takeovers Code, and their reports must be included in the next document sent to the Shareholders under Rule 10.4 of the Takeovers Code. Since this profit warning announcement is required to be made pursuant to Rule 17.10 of the GEM Listing Rule and the Inside Information Provisions under Part XIVA of the SFO, which require the Company to issue this profit warning announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in the said Rule 10.4 of the Takeovers Code.

WARNING: The Shareholders and potential investors in the Company should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offers or any dealings in the securities of the Company. They are also strongly advised to review the Composite Document to be despatched by the Offeror and the Company in full before making any decisions on the Offers or any dealings in the securities of the Company.

After preliminary assessment on the unaudited consolidated management accounts of the Group for the six months ended 31 December 2016, the Board wishes to inform the shareholders of the Company and potential investors that it is anticipated that the revenue and gross profit of the Group for the six months ended 31 December 2016 would decreased significantly as compared to those of the corresponding periods in 2015. The turnover and gross profit for the six months ended 31 December 2016 is expected to drop by more than 20% as compared to those for the six months ended 31 December 2015. On the other hand, the turnover and gross profit for the three months ended 31 December 2016 is expected to increase by more than 28% as compared to those for the three months ended 31 December 2015. This is mainly attributable to the deterioration of the business of some international brands. The drop in orders in the first quarter ended 30 September 2016 was partially realized in the second quarter ended 31 December 2016.

Despite the fluctuations of results as mentioned above, the Group is still anticipated to record profit before tax for the six months and three months ended 31 December 2016.

As the Company is in the process of finalising the Group's unaudited consolidated financial results for the six months ended 31 December 2016, the information contained in this announcement is only based on the preliminary assessment and review by the management of the Company according to the unaudited consolidated management accounts of the Group and the currently available information, which were unaudited and have not been reviewed by the Company's auditors. The results announcement of the Group for the six months and three months ended 31 December 2016 is expected to be released in early February 2017.

Pursuant to Rule 10.4 of the Takeovers Code, the reports from the Company's auditors and financial adviser on the profit warning are required to be included in the next document to be sent to the Shareholders. The results announcement of the Group for the six months ended 31 December 2016 ("**Interim Results Announcement**") is expected to be published prior to the despatch of the Composite Document. If this is the case, the requirement of "reporting on" under Rule 10 of the Takeovers Code for the Profit Warning will be superseded by the publication of the Interim Results Announcement, otherwise the Profit Warning will be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Composite Document to be sent to the Shareholders.

Shareholders of the Company and potential investors should exercise caution when dealing in shares of the Company and are advised to read the half year 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, 26 January 2017

As at the date of this announcement, the Board comprises: Ms. Cheung Woon Yiu, Ms. Lam Wai Si Grace and Mr. Ching Wai Man as executive Directors, Ms. Ng Lai Hung as non-executive Director; and Dr. Wong Wai Kong, Mr. How Sze Ming and Mr. Philip David Thacker as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

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.