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FAVA INTERNATIONAL HOLDINGS LIMITED

名家國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8108)

PROPOSED SUBDIVISION OF SHARES OF HK\$0.004 EACH INTO TWO SHARES OF HK\$0.002 EACH

The Board proposes that each of the existing issued and unissued shares in the share capital of the Company be subdivided into two Subdivided Shares of HK\$0.002 each.

The Share Subdivision is conditional.

A circular containing, amongst other things, details of the Share Subdivision, the trading arrangements in respect of the Subdivided Shares and the procedure for the free exchange of existing share certificates of the Company, together with the notice of the SGM will be despatched to the Shareholders on or about 24 August 2007.

1. SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares be subdivided into two Subdivided Shares of HK\$0.002 each.

The Board believes that the Share Subdivision will lower the minimum investment amount in the Shares thereby enhancing the liquidity in trading of the shares of the Company and widening its Shareholders' base. Hence, the Board is of the view that the Share Subdivision is in the best interests of the Company and its Shareholders as a whole.

Conditions

The Share Subdivision is conditional upon (i) the passing of an ordinary resolution by the Shareholders at the SGM, and (ii) the GEM Listing Committee granting the listing of and permission to deal in the Subdivided Shares and any new Subdivided Shares which may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme.

Apart from the payment of the expenses for the Share Subdivision, the implementation of the Share Subdivision will not, of itself, alter the underlying assets, business operations, and management or financial position of the Company or the proportional interests of the Shareholders in the Company.

Change in Authorised and Issued Share Capital

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 which is divided into 125,000,000,000 Shares of which 601,399,985 Shares are in issue. Immediately upon the Share Subdivision taking effect and on the basis that 601,399,985 Shares are in issue, 1,202,799,970 Subdivided Shares will be in issue pursuant to the Share Subdivision and the authorised share capital of the Company will be divided into 250,000,000,000 Subdivided Shares of HK\$0.002 each. The Subdivided Shares will rank pari passu in all respects with each other and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of Subdivided Shares as a result of the Share Subdivision, the Company will appoint the Agent to act as agent in providing a “matching service” to those shareholders who wish to top-up or sell their holdings of odd lots of the Subdivided Shares.

The Agent will provide the service to match the sale and purchase of odd lots of Subdivided Shares during the period from 28 September 2007 to 23 October 2007 both dates inclusive. Holders of Subdivided Shares in odd lots who wish to take advantage of this facility either to dispose of or top-up their odd lots to a board lot of 4,000 Subdivided Shares may, directly or through their brokers, contact the Agent during such period. Further details of which will be provided in the circular to be despatched to the Shareholders on or about 24 August 2007. Shareholders should note that successful matching of the sale and purchase of odd lots of Subdivided Shares is not guaranteed and will depend on there being adequate amounts of odd lots of Subdivided Shares available for such matching.

Shareholders are recommended to consult their professional advisers if they are in any doubt about the matching facility described above.

Exchange of certificates

New certificates for Subdivided Shares will be issued in yellow in order to distinguish them from certificates for existing Shares which are blue in colour.

Shareholders are urged to exchange their certificates for Existing Shares for new certificates for Subdivided Shares as soon as possible on or after Thursday, 13 September 2007. This may be done free of charge by delivering the certificates for Existing Shares to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong before 4:30 p.m. on Thursday, 25 October 2007. Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new certificate for Subdivided Shares. A Shareholder will be entitled to aggregate his/her Shares registered in his/her name in order to obtain new certificates for Subdivided Shares.

Certificates for Existing Shares will only be valid for delivery and settlement in respect of dealings for the period up to Tuesday, 23 October 2007 and thereafter will not be accepted for dealing purposes. However, the certificates for Existing Shares will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for two Subdivided Shares and may be exchanged for new certificates for Subdivided Shares at any time. Such Shareholders shall be entitled to tender their certificates for Existing Shares in exchange for new certificates for the Subdivided Shares in board lots of 4,000 Subdivided Shares so that their shareholding may be accurately represented by the new certificates for the Subdivided Shares.

Share Options

As at the date of this announcement, the Company (i) has no outstanding share options under the Share Option Scheme, which confer right to subscribe for Shares; (ii) does not have any warrants, other types of options, derivatives, convertible securities or other securities in issue.

Expected Timetable of the Share Subdivision

2007

Circular relating to the Share Subdivision to be despatched on or about	Friday, 24 August
Latest time for lodging forms of proxy for the SGM	11:00 a.m. on Monday, 10 September
SGM	11:00 a.m. on Wednesday, 12 September
Effective date of Share Subdivision	Thursday, 13 September
Dealing in Subdivided Shares commences	9:30 a.m. on Thursday, 13 September
Existing counter for trading in Existing Shares in board lots of 4,000 Shares temporarily closes	9:30 a.m. on Thursday, 13 September
Temporary counter for trading in Subdivided Shares in board lots of 8,000 Subdivided Shares (in the form of certificates for Existing Shares) opens	9:30 a.m. on Thursday, 13 September
First day of free-exchange of certificates for Existing Shares for new certificates for the Subdivided Shares	Thursday, 13 September

Existing counter for trading in Subdivided Shares
in board lots of 4,000 Subdivided Shares
(in the form of new share certificates for
Subdivided Shares) re-opens 9:30 a.m. on Friday, 28 September

Parallel trading in Subdivided Shares (in the form
of new certificates for Subdivided Shares in the
existing counter and certificates of Existing Shares
in the temporary counter) commences 9:30 a.m. on Friday, 28 September

Temporary counter for trading in Subdivided Shares
in board lots of 8,000 Subdivided Shares
(in the form of certificates for
Existing Shares) ends 4:00 p.m. on Tuesday, 23 October

Parallel trading in Subdivided Shares
(in the form of new certificates for Subdivided
Shares in the existing counter and certificates for
Existing Shares in the temporary counter) ends 4:00 p.m. on Tuesday, 23 October

Last day for free exchange of certificates for
Existing Shares for new certificates for
Subdivided Shares 4:30 p.m. on Thursday, 25 October

Matching service for the sale and purchase of from Friday, 28 September to
odd lots of Subdivided Shares Tuesday, 23 October

2. GENERAL

A circular containing, among other things, the details of the Share Subdivision, the trading arrangements in respect of the Subdivided Shares and the procedure for the free exchange of existing share certificates of the Company, together with the notice convening the SGM will be despatched to the Shareholders on or about 24 August 2007.

An application will be made to the GEM Listing Committee for the listing and permission to deal in such Subdivided Shares.

DEFINITIONS

“Agent”	Hantec International Finance Group Limited, the agent providing matching services to those Shareholders who wish to top-up or sell their holdings of odd lots of the Subdivided Shares
“Board”	the board of directors of the Company
“Company”	FAVA International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM
“Director(s)”	director(s) of the Company
“Existing Share(s)”	existing ordinary share(s) of HK\$0.004 each in the share capital of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the Stock Exchange with responsibility for GEM
“SGM”	the special general meeting of the Company to be held at 11:00 a.m. on 12 September 2007 to consider and, if thought fit, approve, among other things, the Share Subdivision
“Share(s)”	ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) in issue
“Share Option Scheme”	the share option scheme adopted by the Company on 24 May 2002
“Share Subdivision”	the proposed subdivision of each of the issued and unissued Shares into two Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company upon the Share Subdivision taking effect

“HK\$”

Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China

By order of the Board
FAVA International Holdings Limited
Li Ge
Executive Director

Hong Kong, 16 August 2007

** For identification purpose only*

As at the date of this announcement, the executive Directors are Mr. Li Ge and Mr. Zhao Guo Wei, the independent non-executive Directors are Mr. Lee Yuen Kwong, Mr. Yang Jie and Mr. Yang Dongli.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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