
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in FAVA International Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITORS,
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

This circular together with a form of proxy will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.fava.com.hk.

A notice convening the AGM to be held at Room 1005, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong on 6 May 2009, Wednesday at 11:00 a.m. is set out on pages 12 to 16 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

This circular, 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, (i) the information contained in this circular is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Room 1005, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong on 6 May 2009, Wednesday at 11:00 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 12 to 16 of this circular
“Annual Report”	the annual report of the Company for the year ended 31 December 2008
“associate(s)”	has the same meaning as defined in the GEM Listing Rules
“Board”	the board of Directors of the Company
“Bye-laws”	the bye-laws of the Company
“Commission”	Securities and Futures Commission
“Company”	FAVA International Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on GEM
“connected person(s)”	has the same meaning as defined in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and deal with shares of the Company as set out in resolutions 4(A) and 4(C) of the AGM Notice

DEFINITIONS

“Latest Practicable Date”	26 March 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“PRC”	the People’s Republic of China, for the purpose of this circular excluding Hong Kong, Macau Special Administrative Region and Taiwan region
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase shares of the Company as set out in resolution 4(B) of the AGM Notice
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Shareholders”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Code on Takeovers and Mergers approved by the Commission

LETTER FROM THE BOARD

FAVA INTERNATIONAL HOLDINGS LIMITED

名家國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8108)

Executive Directors:

Mr. Li Ge

Mr. Zhao Guo Wei

Independent non-executive Directors:

Mr. Lee Yuen Kwong

Mr. Yang Jie

Mr. Yang Dongli

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business in

Hong Kong:

Room 1005

C.C. Wu Building

302-8 Hennessy Road

Wanchai

Hong Kong

31 March 2009

To the Shareholders,

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITORS,
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Shareholders passed the resolutions to grant general mandates to the Directors to issue and allot Shares (the "Previous Issue Mandate") and to exercise the powers of the Company to repurchase its own Shares (the "Previous Repurchase Mandate") at the annual general meeting of the Company held on 30 April 2008 in accordance with the GEM Listing Rules. The Previous Issue Mandate and the Previous Repurchase Mandate will both lapse at the conclusion of the AGM. It is therefore proposed that the general mandates to issue and allot Shares and to repurchase Shares be renewed at the AGM.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding (i) the proposed renewal of the general mandates to issue and allot shares and to repurchase shares of the Company; (ii) the proposed re-election of Directors; (iii) the proposed re-appointment of auditors of the Company and (iv) the proposed amendments to the Bye-laws and to seek your approval of the resolutions relating to these matters at the AGM.

ISSUE MANDATE

Ordinary resolutions will be proposed at the AGM to grant to the Directors the Issue Mandate, and authorise the extension of the Issue Mandate to issue and allot the shares repurchased by the Company under the Repurchase Mandate, details of which are set out in ordinary resolutions nos. (A) and (C) in item 4 of the AGM Notice. The shares of the Company which may be issued and allotted pursuant to the Issue Mandate is limited to a maximum of 20 per cent. of the issued share capital of the Company at the date of passing of the resolution approving the Issue Mandate. On the basis that 1,202,799,970 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Issue Mandate (without being extended by the number of Shares (if any) repurchased by the Company under the Repurchase Mandate) could result in up to 240,559,994 Shares being issued and allotted by the Company.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution no. (B) in item 4 of the AGM Notice. The shares of the Company which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10 per cent. of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

An explanatory statement as required under the GEM Listing Rules, in particular Rule 13.08, giving certain information regarding the Repurchase Mandate, is set out in the Appendix I hereto.

RE-ELECTION OF THE DIRECTORS

Pursuant to the Bye-laws, Mr. Li Ge, Mr. Zhao Guo Wei, Mr. Lee Yuen Kwong, Mr. Yang Jie, and Mr. Yang Dongli will retire from office as Directors at the AGM and, being eligible, offer themselves for re-election. Particulars of the Directors proposed to be re-elected in the AGM are set out in Appendix II of this circular.

RE-APPOINTMENT OF AUDITORS

Messrs. HLB Hodgson Impey Cheng will retire as the auditors of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board proposed to re-appoint Messrs. HLB Hodgson Impey Cheng as the auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE BYE-LAWS

The Directors propose to seek the approval of the Shareholders by way of special resolutions to be proposed at the AGM to make amendments to the Bye-laws to reflect the existing par value of the share capital of the Company.

ANNUAL GENERAL MEETING

The notice convening the AGM at which ordinary resolutions will be proposed to approve the Issue Mandate and the Repurchase Mandate, to re-elect Directors and to re-appoint auditors of the Company and special resolutions will be proposed to approve the amendments to the Bye-laws are set out on page 12 to page 16 of this circular. According to Rule 17.47(4) of the GEM Listing Rules, the voting at the AGM will be taken by poll.

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion of a form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

RECOMMENDATION

The Directors believe that the grant of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the amendments to the Bye-laws, are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all resolutions approving such matters.

The Board is pleased to recommend Mr. Li Ge, Mr. Zhao Guo Wei, Mr. Lee Yuen Kwong, Mr. Yang Jie and Mr. Yang Dongli, to be re-elected as the Directors at the AGM. In addition, the Board also recommends all Shareholders to vote in favour of re-appointing Messrs. HLB Hodgson Impey Cheng as the auditors of the Company.

Yours faithfully,
On behalf of the Board
FAVA INTERNATIONAL HOLDINGS LIMITED
Li Ge
Executive Director

This appendix serves as an explanatory statement, as required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules, to provide you with the requisite information for your consideration of the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

On the basis that 1,202,799,970 Shares are in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, exercise in full of the Repurchase Mandate could result in up to 120,279,997 Shares being repurchased by the Company during the period from the passing of resolution no. (B) in item 4 of the AGM Notice up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; or (iii) the passing of an ordinary resolution by Shareholders in general meeting revoking, varying and renewing the Repurchase Mandate, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Repurchases of shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share.

3. FUNDING AND EFFECT OF REPURCHASES

In repurchasing shares, the Company may only apply funds legally available, from funds available for dividend or distribution or out of proceeds of new issue, for such purpose in accordance with the Bye-laws, the applicable laws of Bermuda and the GEM Listing Rules. The law of Bermuda provides that the amount to be paid in connection with a share repurchase may only be provided for out of the capital paid up on the shares to be repurchased or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purpose of the repurchase. The premium, if any, payable on a share repurchase may only be paid out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts contained in the Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Bye-laws and the applicable laws of Bermuda.

5. INTENTION TO SELL SHARES

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates, have any present intention, in the event that the proposal on the Repurchase Mandate is approved by Shareholders, to sell shares to the Company or its subsidiaries.

6. TAKEOVER CODE CONSEQUENCE

If as a result of a repurchase of shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeover Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, the following Shareholders had interests representing 5% or more of the issued share capital of the Company:

Name	Shares held	Percentage of total issued Shares
True Allied Assets Limited	351,518,000	29.22%
Arisaig Greater China Fund Limited	116,660,000	9.70%
Mr. Zhou Xu En	109,382,430	9.09%
Sino Hope Investments Limited	69,953,330	5.82%

In the event that the Directors exercise the power to repurchase shares under the Repurchase Mandate to be proposed at the AGM to the extent of repurchasing 31,073,304 shares, the total interests of each of the above shareholders in the existing issued share capital of the Company would be proportionally increased to approximately 30.00%, 9.96%, 9.34% and 5.97% respectively and True Allied Assets Limited will be obliged to make a mandatory offer under Rules 26 and 32 of the Takeover Code in this respect.

As at the Latest Practicable Date, save as Mr. Li Ge beneficially owned 37,012,000 Shares of the Company, representing 3.07% of the total issued shares of the Company, none of the Directors nor their respective associates were beneficially interested in the issued share capital of the Company.

Save as set out above, the Directors are not aware of any consequences which may arise under the Takeover Code as a result of any purchase made under the Repurchase Mandate. However, the Company undertakes not to repurchase shares which would result in the amount of shares held by the public being reduced to less than 25 per cent.

7. SHARE PURCHASED BY THE COMPANY

The Company has not purchased any of its Shares (whether on GEM or otherwise) in the previous six months.

8. CONNECTED PERSON

No connected person has notified the Company that he/it has a present intention to sell shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on GEM during each of the previous twelve months were as follows:

	Shares	
	Highest	Lowest
2008		
March	0.79	0.46
April	0.78	0.63
May	0.73	0.57
June	0.64	0.53
July	0.57	0.495
August	0.52	0.40
September	0.44	0.242
October	0.25	0.095
November	0.128	0.043
December	0.106	0.05
2009		
January	0.126	0.08
February	0.084	0.051
March (up to the Latest Practicable Date)	0.065	0.049

Stated below are the details of the Directors who will retire and be eligible for re-election at the AGM in accordance with the Bye-laws.

Mr. Li Ge, aged 41, was appointed as an executive director of the Company on 31 August 2006. He obtained a diploma in financial accountancy and a diploma in law from Hebei University. After that, he obtained a master of science in engineering from Wuhan Industry University (currently known as Wuhan University of Technology). Past experience includes being the executive director and senior consultant of Lang Fang Huari Furniture Joint Stock Co. Limited. Mr. Li has experience in the management of PRC listed company and Hong Kong listed company, and in the management of production and sales of household products in China. Mr. Li became a member of Chinese Institute of Certified Public Accountants in 1994, and is now a senior consultant of Beijing China Regal United Certified Public Accountants. Mr. Li has joined our Group since March 2006 and he now holds directorship in Alwin Asia Investment Limited and Tedwood International Limited which are the wholly-owned subsidiaries of the Company.

In the last three years, other than being an executive director of the Company, Mr. Li did not hold any directorship in public listed companies. Apart from his positions in Alwin Asia Investment Limited and Tedwood International Limited disclosed above and his past directorships in Grandmass Global Investment Limited (a former subsidiary of the Company) and Trader Group International Limited (a directly wholly owned subsidiary of the Company), Mr. Li does not have any relationship with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. At the Latest Practicable Date, within the meaning of Part of XV of the SFO, Mr. Li held 37,012,000 Shares which represents 3.07% of the total issued shares of the Company.

The Company proposes that if Mr. Li is re-elected, he will be entitled to an emolument of HK\$50,000 per month which has been determined with reference to Mr. Li's contribution in terms of time, effort, experience and expertise. In addition, Mr. Li will be entitled to a discretionary performance bonus to be determined from time to time while the Company will also reimburse him for all expenses incurred in accomplishing his duties. Mr. Li will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Saved as disclosed herein, in relation to the re-election of Mr. Li, the Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rules 17.50(2)(h) to (v) of the GEM Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

Mr. Zhao Guo Wei, aged 46, was appointed as an executive director of the Company on 6 July 2006. He obtained a diploma in accountancy from Shandong China Accounting Postal Tuition School, and has over twenty years of experience in management of household products manufacturing including production flow path control and production cost control. Past experience includes being the General Manager of Quality Control Department of Lang Fang Huari Furniture Joint Stock Co. Limited. Mr. Zhao is now the Vice General Manager of Lang Fang Tian Feng Home Co. Limited, an indirectly wholly-owned subsidiary of the Company.

In the last three years, other than being an executive director of the Company, Mr. Zhao did not hold any directorship in public listed companies. Apart from his post in Lang Fang Tian Feng Home Co. Limited disclosed above, Mr. Zhao does not have any relationship with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. At the Latest Practicable Date, Mr. Zhao had no interests in shares of the Company within the meaning of Part XV of the SFO.

The Company proposes that if Mr. Zhao is re-elected, entitled to an emolument of approximately HK\$5,000 per month which has been determined with reference to Mr. Zhao's contribution in terms of time, effort, experience and expertise. In addition, Mr. Zhao will be entitled to a discretionary performance bonus to be determined from time to time while the Company will also reimburse him for all expenses incurred in accomplishing his duties. Mr. Zhao will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Saved as disclosed herein, in relation to the re-election of Mr. Zhao, the Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rules 17.50(2)(h) to (v) of the GEM Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

Mr. Lee Yuen Kwong, aged 48, was appointed as an independent non-executive director of the Company on 12 June 2006. Mr. Lee is also a member of the Audit Committee and Remuneration Committee of the Company. He graduated at University of Sunderland, England. He is a fellow member of the Association of Chartered Certified Accountants and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee is now a director of Lynks CPA Limited and he has over twenty-one years of experience in accountancy and financial management.

In the last three years, other than acting as an independent non-executive director of the Company, Mr. Lee also acted as an independent non-executive director of Global Bio-chem Technology Group Company Limited. Mr. Lee does not have any relationships with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee had no interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Lee is entitled to HK\$9,000 per month as director's fee which was determined on arm's length negotiation between the parties with reference to prevailing market conditions. Apart from the director's fee disclosed above, Mr. Lee is not entitled to any bonus payment from the Company. The initial term of appointment of Mr. Lee is one year renewable by mutual agreement in writing two months in advance prior to the expiry of the term of appointment for successive term of one year.

Saved as disclosed herein, in relation to the re-election of Mr. Lee, the Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rule 17.50(2)(h) to (v) of the GEM Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

Mr. Yang Dongli, aged 36, was appointed as an independent non-executive director of the Company on 1 September 2005. He is formerly a Production Department Manager and Senior Engineer in Beijing D&G Machinery Co., Ltd. Mr. Yang graduated in Air Industrial University North of China majoring in Management Engineering. Mr. Yang has over 12 years working experience.

As at the Latest Practicable Date, Mr. Yang had no interests in the securities of the Company within the meaning of Part XV of the SFO and no relationship with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company.

Mr. Yang is entitled to an emolument of approximately HK\$24,000 per annum as director's fee which determined on arm's length negotiation between the parties with reference to prevailing market conditions. The term of appointment of Mr. Yang is one year renewable by mutual agreement in writing two months in advance prior to the expiry of the term of appointment for successive term of one year. Save as the position of independent non-executive director of the Company, Mr. Yang is also a member of Audit Committee and Remuneration Committee of the Company. Mr. Yang did not hold any directorship in other listed public companies over the past three years. There is not any information regarding Mr. Yang required to be disclosed pursuant to Rules 17.50 (2)(h) to (v) of the GEM Listing Rules. Other than the above, there are no any other matters that need to brought to attention of the Shareholders in connection with the re-election of Mr. Yang.

Mr. Yang Jie, aged 27, was appointed as an independent non-executive director of the Company on 30 June 2006. Mr. Yang is also a member of the Audit Committee and Remuneration Committee of the Company. He is now an engineer of Technical Service Support Department of Epson (China) Co., Limited. Mr. Yang graduated from Beijing Petrochemistry Institute majoring in Process Equipment and Control Engineering. He has over four years of working experience. In addition, Mr. Yang has taken the training course on Human Resources Management and Listed Company Regulations held by Ren Ming University, and has also taken the training course on Business Administration held by Qing Hua University.

In the last three years, other than being an independent non-executive director of the Company, Mr. Yang did not hold directorship in any other listed public companies. Mr. Yang does not have any relationships with any directors, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Yang had no interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Yang is entitled to HK\$24,000 per annum as director's fee which was determined on arm's length negotiation between the parties with reference to prevailing market conditions. Apart from the director's fee disclosed above, Mr. Yang is not entitled to any bonus payment from the Company. The term of appointment of Mr. Yang is one year renewable by mutual agreement in writing two months in advance prior to the expiry of the term of appointment for successive term of one year.

Saved as disclosed herein, in relation to the re-election of Mr. Yang, the Board is not aware of any information that ought to be disclosed pursuant to the requirements under Rules 17.50(2)(h) to (v) of the GEM Listing Rules, nor are there any other matters that ought to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING

FAVA INTERNATIONAL HOLDINGS LIMITED

名家國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8108)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of FAVA International Holdings Limited (the “Company”) will be held at Room 1005, C.C. Wu Building, 302-8 Hennessy Road, Wanchai, Hong Kong on 6 May 2009, Wednesday at 11:00 a.m. for the following purposes:

1. To receive and approve the audited financial statements of the Company and the reports of the directors and auditors of the Company for the year ended 31 December 2008;
2. To re-elect retiring directors and to authorise the board of directors of the Company to fix the remuneration of the directors;
3. To re-appoint HLB Hodgson Impey Cheng as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration;
4. As special business, to consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions or special resolutions:

ORDINARY RESOLUTIONS

(A) “**THAT:**

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power after the end of the Relevant Period;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal value of the share capital allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares in the Company upon the exercise of subscription rights attaching to any existing warrants, bonds and debentures convertible into shares of the Company; or (iii) an issue of shares in the Company upon the exercise of options which may be granted under the share option scheme of the Company (as adopted on 24 May 2002) or any share option scheme or similar arrangement for the time being or from time to time adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the Company; or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20 per cent. of the aggregate nominal value of the share capital of the Company in issue at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:-

“Relevant Period” means the period from the date of passing of this Resolution until whichever is the earliest of:-

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution; and

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of shareholders of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the directors

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of the Company may deem necessary or expedient in relation to fractional entitlements or overseas shareholders having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

(B) **“THAT:**

(a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company, including to determine the manner of repurchase, to repurchase shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed which is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the GEM Listing Rules or of any other stock exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;

(b) the aggregate nominal value of the shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the nominal value of the share capital of the Company in issue at the date of the passing of this Resolution and the authority granted pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the directors of the Company by this Resolution.”

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(C) **“THAT:**

conditional upon Resolutions 4(A) and 4(B) being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution 4(B) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 4(A) above.”

SPECIAL RESOLUTIONS

(D) **“THAT:**

the Bye-laws of the Company be and are hereby amended in the following manner:

In Bye-law 3

By deleting the existing Bye-law 3(1) in its entirety and substituting the following therefor:

(1) The share capital of the Company shall be divided into shares of a par value of \$0.002 each.”

(E) **“THAT:**

the new bye-laws, incorporating and consolidating all the amendments referred to in Resolution (D) set out in the notice of this meeting and all previous amendments to the bye-laws of the Company approved by the Company in compliance with applicable laws, in the form of the printed document produced to this meeting and for the purpose of identification signed by the Chairman of this meeting be and is hereby adopted, confirmed and approved as the bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company.”

By Order of the Board
FAVA INTERNATIONAL HOLDINGS LIMITED
Li Ge
Executive Director

Hong Kong, 31 March 2009

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Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (if such member is the holder of two or more shares) to attend and to vote instead of them. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
- (3) A form of proxy for use at the meeting is enclosed.
- (4) To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or adjourned meeting.
- (5) According to Rule 17.47(4) of the GEM Listing Rules, the voting at the AGM will be taken by poll.