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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: 08108)

ANNOUNCEMENT

Reference is made to the announcement of the Company dated 21 September 2010 (the “Announcement”) regarding the Memorandum of Understanding and the Proposed Acquisition. Unless otherwise specified, terms used herein shall have the same meaning as defined in the Announcement.

Pursuant to the Memorandum of Understanding, the Earnest Money shall be paid by the Purchaser to the Vendor within 30 days from the date of signing of the Memorandum of Understanding (or such other dates or times as agreed between the Vendor and the Purchaser in writing) as earnest monies or deposit, which is refundable (i) if the Formal Agreement and other legal documentation relating to the subject matter of the Memorandum of Understanding is not entered into by the respective parties on or before 29 October 2010 (or such later date as the Vendor and the Purchaser may agree in writing); or (ii) upon receiving the notification from Purchaser that the results of the due diligence exercise on Target Group to be conducted are not satisfactory to Purchaser in its sole discretion.

The Earnest Money has been paid by the Purchaser to the Vendor in accordance with the terms of the Memorandum of Understanding. The parties to the Memorandum of Understanding (the “Parties”) have agreed in writing that the Formal Agreement and other legal documentation relating to the subject matter of the Memorandum of Understanding will be entered into on a later date after 29 October 2010 upon completion of the relevant due diligence exercise on the assets, liabilities, business and other affairs of Target Group, negotiation on commercial terms between the Parties and finalisation of legal documents concerned. It is currently expected by the Parties that the Formal Agreement and other legal documentation relating to the subject matter of the Memorandum of Understanding will be entered into in December 2010 and in any event before the ending of the exclusivity period of the Memorandum of Understanding (i.e. on or before 19 March 2011). Accordingly, it is agreed by the Parties that the Earnest Money is refundable (i) if the Formal Agreement and other legal documentation relating to the subject matter of the Memorandum of Understanding is not entered into by the respective parties on or before 19 March 2011; or (ii) upon receiving the notification from Purchaser that the results of the due diligence exercise on Target Group to be conducted are not satisfactory to Purchaser in its sole discretion.

As the Memorandum of Understanding may or may not lead to the entering into of the Formal Agreement and the Proposed Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when trading in the Shares.

In the event that the Proposed Acquisition materialises, it may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate.

By the order of the Board
FAVA International Holdings Limited
Li Ge
Chairman

Hong Kong, 18 November 2010

As at the date of this announcement, the Board comprises Mr. Li Ge, Mr. Zhao Guo Wei and Mr. Ma Chun Fung, Horace as executive Directors, Mr. Ng Kwai Wah, Sunny as non-executive Director and Mr. Lee Yuen Kwong, Mr. Yang Dongli and Mr. Yang Jie as independent non-executive Directors.

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 enquires, 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 the 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 website of the Company at www.fava.com.hk.

* For identification purpose only