



## **NOVA LIFESTYLE, INC. REPORTS SECOND QUARTER FY 2021 RESULTS**

LOS ANGELES, August 16, 2021(GLOBE NEWSWIRE) -- Nova LifeStyle, Inc. (NASDAQ: [NVFY](#)) (“Nova LifeStyle” or the “Company”) today announced its financial results for the second quarter ended June 30, 2021.

### Key Financial Highlights:

#### Operating Results for the Three Months Ended June 30, 2021

- Net sales for three months ended June 30, 2021 were \$3.6 million, an increase of 55% from \$2.3 million in the same period of 2020.
- Gross profit (loss) was (\$4.0 million), compared to \$0.9 million profit in the same period of 2020. The gross profit (loss) for the period ended June 30, 2021 exclusive of the write-down for slow moving inventory of \$5.53 million, would have been \$1.5 million.
- Net loss was (\$6.3 million), compared to (\$0.5 million) loss in the same period of 2020.

#### Operating Results for the Six Months Ended June 30, 2021

- Net sales for the six months ended June 30, 2021 were \$6.9 million, an increase of 53% from \$4.5 million in the same period 2020.
- Gross profit (loss) was (\$2.6 million), compared to \$1.7 million profit in the same period of 2020. The gross profit (loss) for the period ended June 30, 2021 exclusive of the write-down for slow moving inventory of \$5.53 million, would have been \$2.9 million.
- Net loss from continuing operations was (\$7.1 million), compared to (\$1.5 million) loss in the same period of 2020.

Tawny Lam, Chairperson and Chief Executive Officer of Nova LifeStyle, stated, “This was a good quarter for the Company and a strong first half of the year. As the Covid pandemic continues to cause disruptions within supply chains, we have been able to increase sales all of which can be attributed to our inventory build-up over the past 18 months. Some of our customers that had suspended or significantly cut back on operations in response to the pandemic, have resumed operations and we have been working with them to provide products. We continue to work with our suppliers and manufacturers to ensure that we are in a position to satisfy our customer needs as they gradually return their operations to pre-pandemic levels.”

“During the quarter ended June 30, 2021 we wrote down \$5.53 million in slow moving inventory. That inventory consisted predominantly of Jade matts that were designed to be marketed predominantly in Malaysia through showrooms established by us in Malaysia and through medical clinics in Malaysia. The pandemic-related lockdowns in Malaysia have all but eliminated foot-traffic into retail locations and medical clinics, which ultimately resulted in the writedown. We are unable to predict when or if those circumstances will improve in Malaysia.”

“The Company continues to execute on its business plan, specifically offering higher margin products. Revenues have increased this year and we anticipate a strong pipeline for the balance of the year. We believe the investments in inventory and improvements in our online presence that we made since the beginning of the pandemic positions us to support our current customers and also allows our marketing and business development team to generate new leads. As a result, we are excited about continuing to deliver growth in sales. I am most appreciative to our team and our partners and for their efforts in accomplishing this feat in the current environment" concluded Ms. Lam.

### **About Nova LifeStyle**

Nova LifeStyle, Inc. is a well-established, innovative designer and distributor of modern lifestyle furniture; primarily sofas, dining room furniture, cabinets, office furniture and related components, bedroom furniture, and various accessories, in matching collections. Nova LifeStyle’s product lines include the Nova Brands and Diamond Sofa ([www.diamondsofa.com](http://www.diamondsofa.com)). Nova's products feature urban contemporary styles that integrate comfort and functionality, incorporating upscale luxury designs which appeal to middle and upper middle-income consumers in the USA, China, Southeast Asia, and elsewhere in the world.

Visit Nova LifeStyle's website at [www.NovaLifeStyle.com](http://www.NovaLifeStyle.com).

### **Forward-Looking Statements**

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, among others, our ability to fully resume our operations and remain financially healthy, our expected future growth prospects. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory,” “focus,” “work to,” “attempt,” “pursue,” or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances.

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