



Nova LifeStyle Announces Closing of Share Transfer Agreement to Sell its China-Based Subsidiaries to Kuka Design Limited

LOS ANGELES, October 26, 2016 -- Nova LifeStyle, Inc. (NASDAQ: NVFY) ("Nova LifeStyle" or the "Company"), a U.S.-based, leading innovative designer, manufacturer and distributor of modern life style furniture, today announced it has closed its previously announced Share Transfer Agreement ("Agreement") with Kuka Design Limited, a company incorporated in BVI ("Kuka BVI") to sell NOVA BVI and its subsidiaries, which consists of the Company's manufacturing operations in mainland China (the "Transaction").

With the slow-down of the Chinese economy and a significant increase in labor and other costs for manufacturing facilities in China, the Company decided to sell NOVA BVI, allowing the Company to transition to a "light-asset" business model with greater flexibility and scalability while also focusing its operations on designing, developing, branding, marketing and distributing furniture products in North America, Asia and around the world.

Management Commentary

Ms. Tawny Lam, President, and Interim CEO, stated, "We are pleased to have closed our previously announced sale of our China-based business assets. We are now looking forward to focusing our entire attention on designing, branding, marketing and distribution of furnishing products in North America, and developing the Company's fast growing e-commerce segment."

Transaction Details

Under the Agreement, Kuka Design BVI has purchased from the Company all of the issued and outstanding shares of NOVA BVI and the subsidiaries owned by NOVA BVI - Nova Furniture (Dongguan) Co., Ltd., Nova Dongguan Chinese Style Furniture Museum and Dongguan Ding Nuo Household Products Co., Ltd., which include all their assets and liabilities, for \$8,500,000.

About Nova LifeStyle

Nova LifeStyle, Inc., a NASDAQ Global Markets Exchange listed company headquartered in California, is a fast growing, innovative designer, manufacturer and distributor of modern LifeStyle furniture; primarily sofas, dining rooms, cabinets, office furniture and related components, bedrooms, and various accessories in matching collections. Nova's products include LifeStyle brands such as Diamond Sofa, Colorful World, Giorgio Mobili, Nova QwiK, and Bright Swallow International. Nova's products feature urban contemporary styles that integrate comfort and functionality incorporating upscale luxury designs appealing to LifeStyle-conscious middle and upper middle-income consumers in the U.S., Asia, Europe, and elsewhere in the world.

To learn more about Nova LifeStyle, Inc., please visit our website at www.NovaLifeStyle.com

Safe Harbor Statement

All statements in this press release that are not historical are forward-looking statements made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. There can be no assurance that actual results will not differ from the Company's expectations. You are cautioned not to place undue reliance on any forward-looking statements in this press release as they reflect Nova's current expectations with respect to future events and are subject to risks and uncertainties that may cause actual results to differ materially from those contemplated. Potential risks and uncertainties include, but are not limited to, the risks described in Nova's filings with the Securities and Exchange Commission.

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