

# MERGENT INDUSTRIAL

NEW LISTING

August 9, 2011



This Supplemental News Reports is published as required, is part of the annual MERGENT INDUSTRIAL, OTC and OTCUNLISTED Manuals and will be included in the bound 2011 August Monthly News Reports and is published on our Website.

## NOVA LIFESTYLE INC.

Company Website: [www.novalifestyle.com](http://www.novalifestyle.com)

**History:** Incorporated in the State of Nevada as Stevens Resources, Inc. on Sept. 9, 2009. Present name adopted on June 27, 2011.

On Feb. 24, 2011, Co.'s subsidiary, Nova Furniture Limited, deregistered Nova Hong Kong Limited, a wholly owned subsidiary of Nova Furniture.

On Mar. 17, 2011, Co.'s subsidiary, Nova Dongguan, organized Nova Dongguan Chinese Style Furniture Museum.

On June 30, 2011, Co. acquired all of the ordinary shares of Nova Furniture Limited ("Nova Furniture"), and Co. issued 11,920,000 shares of its common stock to the four shareholders of Nova Furniture Holdings Limited and St. Joyal, which are the two shareholders of Nova Furniture, in exchange for their 10,000 ordinary shares of Nova Furniture, consisting of all of its issued and outstanding capital stock.

**Business Summary:** Nova Lifestyle designs, manufactures and sells modern home furniture for today's middle class, urban consumer in diverse markets worldwide. Co. develops residential furniture for the living room, dining room, bedroom and home office in styles targeted at the medium and upper-medium price ranges. Co.'s products are sold in the United States, China, Europe, Australia and to other markets worldwide. In China, Co. sells its products through franchise stores under Co.'s brands. In the U.S. and international markets, Co. designs and manufactures its products for private label retailers and furniture distributors. As of Dec 31 2010, Co. had 38 franchise stores located in cities across China.

**Property:** Co. maintains its principal executive offices in Commerce, CA.

Co.'s principal design and manufacturing facilities are located in Dongguan, Guangdong Province, China, where Nova Dongguan acquired land use rights to 40,000 square meters. Co.'s facilities comprise an aggregate of approximately 36,500 square meters with an estimated annual production capacity of approximately 316,000 units. Nova Museum occupies an 8,000 square meter exhibition and showroom space in facilities owned by Nova Dongguan. Nova Macao leases office space in Macao.

### Subsidiaries

Nova Furniture Limited

Nova Furniture (Dongguan) Co., Inc.

Nova Dongguan Chinese Style Furniture Museum

Nova Furniture Macao Commercial Offshore Ltd.

### Officers

Ya Ming Wong, Chairman; Chief Executive Officer; Subsidiary Officer

Thanh H. Lam, President

Yuen Ching Ho, Chief Financial Officer; Subsidiary Officer

Man Shek Ng, Corporate Secretary

### Directors

Ya Ming Wong, Chairman

Thanh H. Lam

**Auditors:** Marcum Bernstein and Pinchuk LLP

**Shareholder Relations:** Man Shek Ng Tel: 323 888-9999

**No. of Stockholders:** June 30, 2011, 37

**No. of Employees:** May 31, 2011, 876

**Address:** 6541 E. Washington Blvd, Commerce, CA 90040 **Tel:** 323 888-9999 **Fax:** 323 888-9908 **Web:** [www.novalifestyle.com](http://www.novalifestyle.com)

### Income Account, years ended Sept. 30 (in \$):

	2010	2009
Gen & admin exps	4,141	4,141
Professional fees	23,594	24,119
Tot oper exps	27,735	28,260
<b>Net income (loss)</b>	<b>(27,735)</b>	<b>(28,260)</b>
Common shares:		
Weigh avg shares		
outstg - basic	12,305,165	11,691,705
Weigh avg shares		
outstg - diluted	12,305,165	11,691,705
Yr end shares outstg	12,980,000	10,500,000
Net income (loss) per sh - basic		
Net income (loss) per sh - diluted		
Tot no of employees	876	
No of com stkhldrs	34	

□ From September 9, 2009 (inception). □ Adjusted for 5-for-1 stock split, June 27, 2011 □ As of May 31, 2011. □ Approximately □ As of December 27, 2010.

### Balance Sheet, as of Sept. 30 (in \$):

	2010	2009
<b>Assets:</b>		
Cash	4,000	4,000
Ppd exps	2,000	2,000
<b>Tot curr assets</b>	<b>6,000</b>	<b>6,000</b>
<b>Tot assets</b>	<b>6,000</b>	<b>6,000</b>
<b>Liabilities:</b>		
Accts pay & accrued liabil	12,520	525
<b>Tot curr liabil</b>	<b>12,520</b>	<b>525</b>
Com stk	2,596	2,100
Addit paid in cap	13,144	3,900
<b>Retain earnings (accum deficit) durin</b>	<b>(28,260)</b>	<b>(525)</b>
<b>Tot stkhldrs' equity (deficit)</b>	<b>(12,520)</b>	<b>5,475</b>

**Auditor's Report:** The following is an excerpt from the Report of Independent Auditors, Goldman Kurland and Mohidin, LLP, as it appeared in Co.'s 2010 10-K:

"In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2010, and the results of its operations and its cash flows for the year then ended. Further, in our opinion, based on our audit and the report of other auditors' as referred to above, the financial statements fairly present in all material respects, the results of the Company's operations and cash flows for the period from inception (September 9, 2009) to September 30, 2010, in conformity with the U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has incurred losses from operations and has an accumulated deficit of \$28,260 as of September 30, 2010. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

cern. These financial statements do not include any adjustments that might result from such uncertainty."

**NOTE:** Above results are those of Stevens Resources Inc. before the acquisition of Nova Furniture Ltd., effective June 30, 2011.

**NOTE:** Effective June 30, 2011, Stevens Resources, Inc. acquired Nova Furniture Ltd. with Nova becoming the surviving corporation in the reverse acquisition.

**NOTE:** The following results are those of Nova Furniture Ltd. for the years ended December 31, 2010 and 2009.

**NOTE:** Pro forma results for Stevens Resources Inc. in concurrence with the reverse merger with Nova Furniture Ltd. follow the results of Nova.

### Nova Furniture Ltd.

#### Consolidated Income statement, years ended December 31 (in \$):

	2010	2009
Net sales	28,818,982	21,670,448
Cost of sales	21,242,024	14,287,643
Gross profit	7,576,958	7,382,805
Selling expenses	959,673	825,296
General & administrative expenses	1,205,881	751,673
Loss on disposal of property, plant & equipment	144,732	134,184
<b>Total operating expenses</b>	<b>2,310,286</b>	<b>1,711,153</b>
<b>Income from operations</b>	<b>5,266,672</b>	<b>5,671,652</b>
<b>Non-operating income</b>	<b>58,477</b>	<b>57,365</b>
<b>Non-operating expenses</b>	<b>(633)</b>	<b>(12,584)</b>
Foreign exchange transaction loss	(66,419)	(20,334)
Financial expense	(20,007)	(14,334)
<b>Total other (expenses) income, net</b>	<b>(28,582)</b>	<b>10,113</b>
<b>Income before income tax</b>	<b>5,238,090</b>	<b>5,681,765</b>
Income tax expense	1,035,081	1,038,122
<b>Net income</b>	<b>4,203,009</b>	<b>4,643,643</b>
Year end common shares outstanding	2	2

#### Consolidated Balance Sheet, as of December 31 (in \$):

	2010	2009
Cash & cash equivalents	985,004	2,172,267
Accounts receivable	6,487,042	3,987,628
Advance to suppliers	277,081	161,769
Inventory	1,017,704	2,298,151
Due from related party		137,692
Other current assets	175,323	232,632
Deferred tax asset	115,237	71,848
<b>Total current assets</b>	<b>9,057,391</b>	<b>9,061,987</b>
Property, plant & equipment, net	8,192,937	3,225,472
Construction in progress	75,498	596,527
Intangible assets, net	471,812	468,173

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Total non-current assets	8,740,247	4,290,172
Total assets	17,797,638	13,352,159
Accounts payable	1,160,634	994,751
Advance from customers	25,016	120,884
Accrued expenses & other payables	1,065,421	780,359
Taxes payable	197,785	84,551
Due to related party	197,776	
Total current liabilities	2,646,632	1,980,545
Deferred rent payable	43,169	37,076
Deferred tax liability, net	1,274	3,358
Income taxes payable	2,368,795	1,418,702
Total non-current liabilities	2,413,238	1,459,136
Total liabilities	5,059,870	3,439,681
Common stock	2	2
Additional paid-in capital	10,912,498	10,412,498
Statutory reserves	6,241	6,241
Accumulated other comprehensive income	1,611,756	1,316,885
Retained earnings (accumulated deficit)	207,271	(1,823,148)
Total shareholders' equity	12,737,768	9,912,478
Total liabilities & shareholders' equity	17,797,638	13,352,159

**Nova Lifestyle, Inc.****Pro Forma Consolidated Income Statement, three months ended March 31, 2011 (in \$):**

Net sales	5,632,790
Cost of sales	3,843,629
Gross profit	1,789,161
Selling expenses	220,476
General & administrative expenses	386,986
Total operating expenses	607,462
Income from operations	1,181,699
Non-operating income	4,962
Foreign exchange transaction loss	(23,198)
Financial expenses	(9,389)
Total non-operating expenses, net	(27,625)
Income before income tax	1,154,074
Income tax expense	208,965
Net income	945,109
Earnings per share	\$0.06
Weighted average shares outstanding	14,900,000

**Pro Forma Consolidated Balance Sheet, as of March 31, 2011 (in \$):**

Cash & cash equivalents	575,787
Accounts receivable	6,931,753
Advance to suppliers	271,796
Inventory	1,795,264
Due from related parties	1,025,635
Other current assets	288,185
Deferred tax asset	116,402
Total current assets	11,004,822
Heritage and Cultural assets	123,930
Property, plant & equipment, net	8,341,579
Construction in progress	76,261
Intangible assets, net	473,834
Total non-current assets	9,015,604
Total assets	20,020,426

Accounts payable	2,385,913
Advance from customers	25,269
Note payable	80,000
Accrued expenses & other payables	849,622
Taxes payable	380,862
Due to related party	110,288
Total current liabilities	3,831,954
Deferred rent payable	46,867
Deferred tax liability, net	1,288
Income taxes payable	2,372,619
Total non-current liabilities	2,420,774
Total liabilities	6,252,728
Common stock	14,900
Additional paid-in capital	13,217,600
Subscription receivable	(2,400,000)
Statutory reserve	6,241
Accumulated other comprehensive income	1,716,144
Retained earnings	1,212,813
Total shareholders' equity	13,767,698
Total liabilities & shareholders' equity	20,020,426

**Capital Stock: 1. Nova Lifestyle Inc. common; par \$ 0.001.**

AUTHORIZED — 75,000,000 shs.

OUTSTANDING — Sept. 30, 2010, 2,596,000 shs; par \$ 0.001.

STOCK SPLITS — \$0.001 par shares split 5-for-1 on June 27, 2011.

OWNERSHIP — As of June 30, 2011, Mr. Wong and Mr. Ho. each owned 32.5% of Co.'s outstanding common stock.

PRIMARY EXCHANGE — Over-the-Counter (OTC): STVS D