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Home Furnishing International Targeting Outdoor Products, Decorative Accessories For Substantial Growth

<u>Vertical fabric and home fashions supplier expanding U.S. manufacturing to 1 million square feet;</u> bolstering executive team with addition of EVP Amy Bell and VP Kellie Martin to spearhead expansion

GAFFNEY, S.C.—Leading global fabric and home fashions manufacturer Home Furnishing International is launching a major expansion of its line of casual and outdoor furniture and accessories, and strengthening its management team with the addition of two well-known sales and merchandising executives in newly-created roles: veteran home fashions executive Amy Bell is rejoining the company as executive vice president and chief merchandising officer, and well-known casual market sales executive Kellie Martin is joining the firm as vice

president of national accounts.

"We are in serious growth mode," declares David Li, chairman and CEO of Home Furnishing International, a privately held firm with annual sales estimated in excess of \$200 million. "We just finished a recordbreaking first two months; we have purchased a new manufacturing facility to support our explosive growth; and now we are bringing on strong leadership to provide our retail customers with superior service, rapid delivery, enhanced fashion and exceptional performance at competitive prices.

"We see the casual and outdoor furniture market as a huge and growing segment of our business," Li adds. "We are making the investments in personnel and manufacturing that we believe are necessary to support this burgeoning business." Home Furnishing International is taking an aggressive approach to the casual and outdoor furniture market, which is estimated to have reached \$4.8 billion in 2021 in the U.S., according to a new market study published by market



research firm Global Industry Analysts; the report estimates that the global outdoor furniture market will reach \$22 billion by 2026.

The creation of two new executive positions demonstrates the company's commitment to the category, according to Li. "We have always prided ourselves on our personal relationships with our customers, and both Amy Bell and Kellie Martin are well-known and respected throughout the industry," he comments. "I am delighted to welcome Amy back to our company, and pleased to have Kellie joining our team. They bring us very valuable insights into the casual and outdoor industry, along with a deep and intimate understanding of the ultimate consumer. We expect that this powerhouse team will be instrumental in creating and marketing products designed to appeal directly to that consumer.

"Both Amy and Kellie have very strong reputations in the casual and outdoor market," Li continues, noting, "They both have well-established relationships with our existing customers, including Ashley Furniture, At Home, Bed Bath & Beyond, Big Lots, Christmas Tree Shops, Dollar General, Home Goods, TJ Maxx, Kohl's, Walmart, Sam's Club and many others."

Bell is taking on the position of executive vice president and chief merchandising officer, overseeing sales, merchandising, marketing and design of the decorative pillow and casual product lines. She was most recently senior executive for sales and design at Jordan Manufacturing Company, a leading supplier of patio cushions, patio umbrellas and outdoor furniture based in Indiana. Bell had been with Home Furnishing International from 2005 to 2017 and has been designing and selling decorative pillows since 1991, holding senior executive positions at Ashford Court, Newport, Fashion Pillows and Portofino.

"I am thrilled to be working with Home Furnishing International again," Bell states. "David Li and I have always had a wonderful working relationship and I am extremely enthusiastic about our opportunities to expand the business and grow together. With Home Furnishing International, we have an unprecedented combination of design talent, sales acumen and manufacturing capabilities that will allow us to create products that truly resonate with consumers."



Kellie Martin is joining Home Furnishing International as vice president for national accounts, focusing specifically on the casual and outdoor market. She previously held a variety of sales positions at Jordan Manufacturing, where she had been for 17 years.

"I am very excited to join Home Furnishing International and to be part of a vertical organization that is preparing for future growth," Martin comments. "I am looking forward to continuing to build the e-commerce part of the business as well as growing the overall business, in both indoor and outdoor decorative accessories. I have a great love of textiles and product development and am eager to work with the design team. I believe this company has tremendous growth potential, especially given its vertical manufacturing capabilities, which are an important asset in dealing with the challenging circumstances that have been facing the industry these past few years."

Home Furnishing International entered the casual and outdoor market in 2015, building upon the strength of its decorative

pillow business. The newly-expanded line includes decorative pillows; pillows and cushions for casual and outdoor furniture; poufs; outdoor umbrellas; mattresses and bed pillows; and small space solutions.

"We see a huge amount of untapped potential in the casual and outdoor market," Li points out. "We believe that our vertical manufacturing model, making everything from fabrics to foam to densified fibers to finished products, has proven to be the best model in today's business and we are one of the few companies investing in new manufacturing here in the U.S."

Home Furnishing International has invested close to \$50 million in its U.S. manufacturing and distribution facilities over the past three years, including upgrading its existing 625,000-square-foot plant in Gaffney, S.C., and the recent purchase of a 350,000-square-foot plant in Blacksburg, S.C The new Blacksburg plant is located just down the Interstate 85 highway corridor from the Gaffney plant, which will enable both plants to easily and

efficiently collaborate on production runs. Home Furnishing International is allocating 200,000 square feet within the Blacksburg facility to support its new programs for the national casual and outdoor market.

As a leading vertical global fabric and home furnishings supplier with superior manufacturing capabilities in China, Home Furnishing International currently operates more than 3 million square feet of manufacturing facilities in Rugao, Jinjiang and Hangzhou, China, and its recent investments bring its U.S. facilities to 1 million square feet.

"HFI's combination of manufacturing capabilities and national distribution are the key to improving speed to market and supporting our retail partners at all levels," Li comments, adding that the company's Chinese factories currently produce more than 300 million yards of fabric every year.

"Our vertical operation encompasses weaving, dyeing, a complete printing and finishing operation, and this allows us to shorten and control the supply chain effectively, which in turn allows us to offer better quality, reliability and service to our retail customers," Li adds. "Having our own vertical manufacturing capabilities here in the U.S. allows us to control our costs better, deliver faster, act on market trends and information more quickly and ultimately, provide far better service to our customers."

Li points out that the company's manufacturing mix has shifted over the past few years. "We have moved from a China-focused manufacturing strategy to a Sino-U.S., twin-country manufacturing strategy," he explains. "Previously, we were manufacturing about 80 percent of our products in China, and about 20 percent here in the U.S. Now, with these intensive investments, we have diversified our manufacturing, with about 50 percent of our products made here in the U.S. Having more manufacturing in America has allowed us to avoid many of the supply chain difficulties that have negatively impacted our competitors, making us a more reliable and valuable strategic partner for our retail customers."

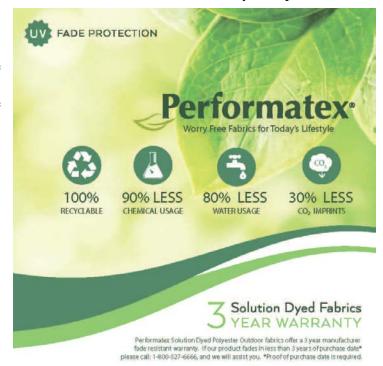
Another advantage of the company's vertical structure is its technological innovation. Home Furnishing International is known for developing proprietary yarns, fabrics and finishing processes, which it will be using in its casual and outdoor product lines.

Li notes that Home Furnishing International is making a serious commitment to sustainability, and points to the

company's revolutionary Performatex® fabrics as an example.

"Our Performatex® fabrics offer superior performance characteristics as well as being extremely environmentally friendly," he explains. The fabrics are 100% recyclable; and the manufacturing process uses 90% fewer chemicals and wastes 80% less water than conventional fabric manufacturing; we also use 30% to 40% less energy in the manufacturing process, which translates to 30% less of a carbon footprint. The fabric also offers significant benefits to manufacturers and consumers: Performatex® fabrics are extremely durable, UV-safe, fade-resistant, stain-resistant, moldand mildew-resistant, naturally-cooling, water-washable and bleach safe."

Home Furnishing International will be showcasing its expanded line of decorative pillows and casual and outdoor fashions at the upcoming Home Fashions Market Week in New York, running March 21 to 24,



2022, in its newly relocated showroom on the fifth floor of the New York Market Center, 230 Fifth Avenue. The collection also will be featured during the High Point Market, running April 2-6, 2022, in the showroom of its American Decorative Fabrics division, located at 312 S. Hamilton St., Second Floor, Suite 201-D, in High Point N.C.

About Home Furnishing International:

Home Furnishing International entered the U.S. home furnishings market in 1995 with the formation of American Decorative Fabrics (ADF), a major decorative fabrics supplier. The Home Fashions International (HFI) division debuted in 2001, providing home fashions and window treatments to leading retailers in virtually every major channel of distribution, including mass merchants, national chains, department stores, specialty retailers and catalogs. HFI added a decorative accessories division in 2005, expanding into decorative pillows, table linens and pet beds. ADF-HFI unified its corporate identity under the Westgate brand in 2006, and added freestanding window treatments and bath fashions in 2007. The company expanded into the outdoor market in 2015, developing an extensive line of performance fabrics, cushions, decorative pillows and accessories. Home Furnishing International and private investors formed a new joint venture, Palmetto Pedic, LLC, in March 2019 to provide conventional foam and memory foam, mattresses, toppers, pillows, foundations, adjustable bases and accessories to the U.S. bedding, upholstered furniture and automotive industries.

The company supports its U.S. business with manufacturing and distribution facilities totaling 1 million square feet, including a more than 625,000-square-foot plant in South Carolina. In August 2021, the company bought an industrial complex in Blacksburg, S.C., with more than 350,000 square feet of manufacturing on one floor, located on 65 acres adjacent to the Interstate 85 highway. The company also maintains a major showroom in New York City, a dedicated fabric showroom in High Point, N.C., and has more than 200 U.S. employees. The Chinese division manufactures more than 300 million yards of fabrics annually and employs more than 1,000 people. Home Furnishing International also owns its own distribution company in Brazil; and the company currently exports decorative fabrics, apparel fabrics and finished home fashions to more than 80 countries around the world.

High-resolution images available upon request.