

## What's Hot Today:

### ► Texwinca (321 HK, HK\$1.02, HK\$1.4bn) Site visit note

Last week, we participated in a site visit to its factory in Dongguang, China and had a fruitful conversation with its core management team. Texwinca has been focusing on manufacturing knitted fabrics for over 50 years supplying to international brands and operates a retail brand *Baleno* in Hong Kong and China.

**Textile business: Vietnam facility helps recruiting new international clients.** Texwinca currently operates its textile business from two locations namely Dongguang China and Hai Ha Industrial Zone in Vietnam. Benefiting from the flexibility and first-mover advantage of dual-location facility, Texwinca successfully secured new overseas clients, including Costco, Hugo Boss, and New Balance. During the period, it also received new orders from Pop mart for plush fabric and IP-themed garment. In August 2025, Texwinca launched Phase II expansion project at the Vietnam facility and scheduled to commence in 2026. The Mgt expects orders to remain stable next year, with steady volumes and ASP, although clients remain cautions on placing orders.

**Retail business: *Baleno* prioritizes on narrowing losses and developing e-commerce.** *Baleno* continued to close underperforming stores and focus on more profitable regions, particularly Guangdong Province and Hong Kong aiming to narrow losses from its retail business. As of 30 Sep 2025, the total number of self-operated stores amounted to 239, 66 and 13 in Mainland China, Hong Kong and Indonesia, respectively, down 224, 20 and flat YoY respectively. Meanwhile, *Baleno* pivoted its resources toward major e-commerce platforms such as Tmall and JD to better meet the consumer demands. In 1H26, its GMV surged by 46% YoY to HK\$351mn. These consolidation and refine efforts have successfully trimmed expenses, as evidenced by 58% YoY decline in the operating loss of retail business to HK\$43mn.

**Improved profitability and rich cash level together support the dividend payout.** As of 30 Sep 2025, the company had HK\$1.07bn net cash in hands, up 36% YoY. In 1H26, Texwinca declared an interim dividend of 4.0 HK cents per share, with a payout ratio of 49%. As per Mgt, the FY26 full-year payout ratio would maintain at 60%-80% with the historical range of more than 70% in FY22-25. In 1H26, despite a 10% YoY topline decline, its adjusted profit before tax (excluding one-off gain from land resumption in FY25) grew by 220% YoY to HK\$147mn, driven by improved cost control and GPM.

China & HK Indices	CLOSE	1D	YTD
HSI	25,801	0.4%	28.6%
HSCXI	8,939	0.4%	22.6%
HSCCI	4,075	0.6%	7.8%
CSI300	4,611	1.0%	17.2%
Shanghai A	4,107	0.7%	-7.2%
Shanghai B	248	1.7%	-7.2%
Shenzhen A	2,608	1.1%	27.4%
Shenzhen B	1,264	0.3%	4.2%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	48,362	0.5%	13.7%
S&P 500	6,878	0.6%	16.9%
Nasdaq	23,428	0.5%	21.3%
Nikkei Index	50,400	-0.0%	26.3%
FTSE Index	9,865	-0.3%	20.7%
CAC Index	8,121	-0.4%	10.0%
DAX Index	24,283	-0.0%	22.0%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	4,443	2.4%	70.3%
STEEL (US\$/oz.)	2,570	1.3%	43.9%
SILVER (US\$/oz.)	69	2.8%	139.4%
CRUDE OIL (US\$/bbl)	58	2.4%	-19.3%
COPPER (US\$/oz.)	11,925	1.2%	36.0%
ALUMINIUM (US\$/oz.)	2,941	0.9%	15.3%
PLATINUM (US\$/oz.)	2,130	7.9%	136.5%
ZINC (US\$/oz.)	3,085	0.7%	3.6%
WHEAT (US\$/bu)	515	1.5%	-6.5%
CORN (US\$/bu)	447	0.6%	-1.8%
SUGAR (US\$/lb)	64	0.7%	-29.8%
SOYBEAN (US\$/bu)	1,065	0.3%	3.0%
PVC (US\$/t.)	4,599	-1.5%	-18.9%
CRB	298	1.9%	3.0%
BDI		-2.3%	102.9%

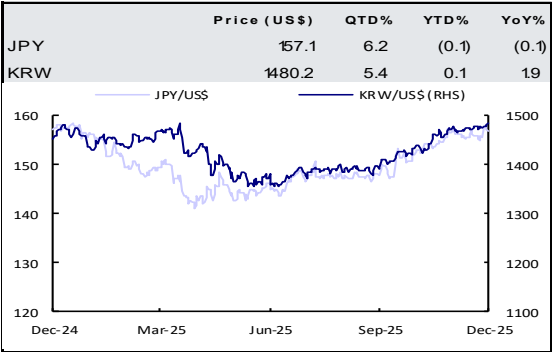
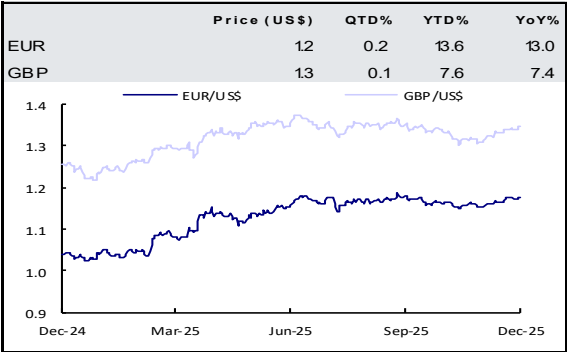
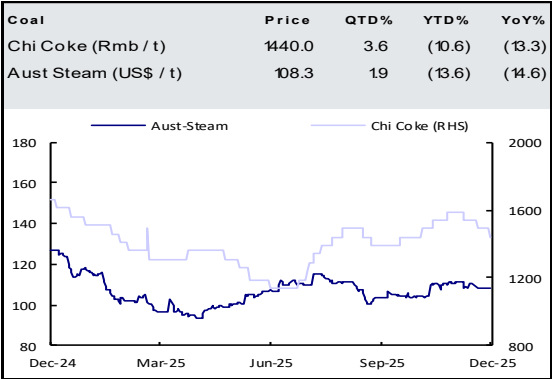
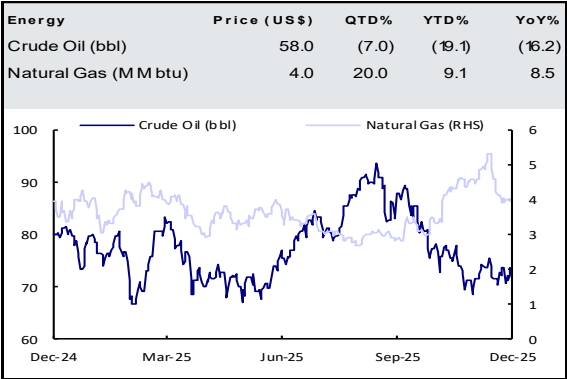
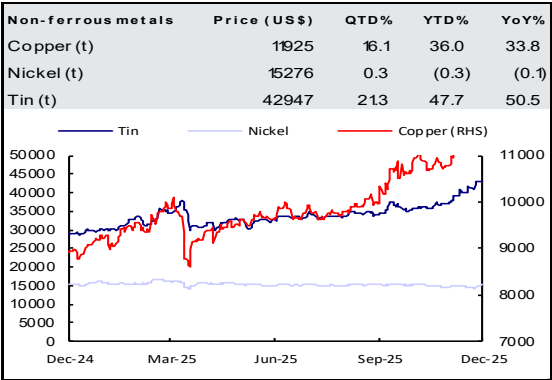
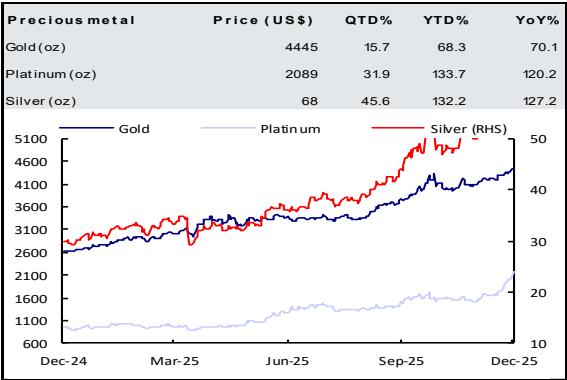
Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.781	0.850	157.050	0.792	7.037
HKD	0.129		0.109	20.185	10.177	0.905
EUR	1.176	9.151		184.690	1.074	8.272
JPY	0.006	4.954	0.541		0.504	0.045
CHF	1.263	9.826	1.074	198.348		8.882
RMB	0.142	1.106	0.121	22.301	0.113	

Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	14	-14.7%

Source: Bloomberg

Our view: Texwinca shows a resilient operational profile supported by its dual-location network and retail restructuring. The expansion project in Vietnam facility positions it to capture more overseas opportunities amid tariff concerns. On the retail business, the strategic shift for *Baleno* has yielded results, with a sharp reduction in operating losses and robust GMV growth. Meanwhile, Texwinca offers sustainable and attractive yield support of above 8% in the past 10 years. Stripping out the cash, the counter is currently trading at only 3x PE.(Ensley LIU)

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
GDP	QoQ		23-Dec-25
Consumer Confidence	MoM		23-Dec-25
Industrial Production	MoM		23-Dec-25
Initial Jobless Claims	WoW		24-Dec-25
Factory Orders	MoM		7-Jan-26
Wholesale Inventories	MoM		8-Jan-26
Housing Starts / Building Permits	MoM		9-Jan-26
New home Sales	MoM		13-Jan-26
CPI	MoM		13-Jan-26
Business Inventories	MoM		14-Jan-26
PPI	MoM		14-Jan-26
Existing Home Sales	MoM		14-Jan-26
Durable Goods Orders	MoM		23-Dec-25
Retail Sales	MoM		14-Jan-26
ISM Manufacturing PMI	MoM		5-Jan-26
Trade Balance	MoM		8-Jan-26
Employment Report	MoM		9-Jan-26
Personal Income & Spending	MoM		29-Jan-26
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
PMI Manufacturing	MoM		31-Dec-25
Foreign Exchange Reserves	QoQ		7-Jan-26
Money Supply - M2	MoM		9-Jan-26
Trade Balance	MoM		14-Jan-26
PPI	MoM		
CPI	MoM		
Retail Sales	MoM		
Industrial Production	MoM		
GDP	YoY		

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Trade Balance	MoM		29-Dec-25
Money Supply - M2	MoM		31-Dec-25
Retail Sales	MoM		2-Jan-26
PMI	MoM		6-Jan-26
Foreign Currency Reserve	MoM		7-Jan-26
Unemployment Rate	MoM		20-Jan-26
CPI	MoM		22-Jan-26
GDP	QoQ		30-Jan-26
Producer Prices Index	QoQ		13-Mar-26
Industrial Production	QoQ		13-Mar-26
Composite Interest Rate	MoM		

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