

What's Hot Today:

► Ten Pao (1979 HK, HK\$ 2.22, HK\$ 2 bn) Exploring new products with new customers

Ten Pao Group produces chargers and power supply units used in industrial tools and consumer products for renowned global brands. It has production facilities in China, Vietnam and Hungary catering for different type of customer needs. In 1H25, its revenue stood at HK\$2.95bn, up 19.3% YoY, driven by strong demand in energy storage and industrial power supply. During the period, the top five customers are the leading brands in their respective sector, accounting for about 63% of the total. Attributable net profit for the period jumped by 20% YoY to HK\$211mn largely due to lower selling expenses.

Ten Pao's business operates across three core segments: 1) Consumer power supplies represent the largest revenue contributor, accounting for 41% of total revenue in 1H25. The segment grew 14.6% YoY during the period on robust demand for high-power chargers. It recently secured the first order from a well-known domestic mobile brand; **2) Industrial Power Supplies:** This segment accounts for 40% of total revenue and grew by 18.3% YoY during 1H25. Key customers include various global power tools brands; **3) New energy products** constitute 19% of revenue and are the fastest-growing segment among the three, posting a 34% YoY increase in revenue to HK\$560mn in 1H25. Its key customers are industry leaders in energy storage, automotive electronics and charging modules.

Improved Operational Efficiency: The company has vowed to increase efficiency by expanding revenue and controlling costs. Despite GPM standing at 17.9% in 1H25 compared to 20.3% a year ago due to intensified competition, it managed to control its operating expenses and raise its NPM by 10 pts to 7.3% for the same period.

China & HK Indices	CLOSE	1D	YTD
HSI	25,058	-1.1%	24.9%
HSCEI	8,937	-1.2%	22.6%
HSCCI	4,201	-0.7%	11.1%
CSI300	4,365	-2.1%	10.9%
Shanghai A	3,947	-1.3%	-2.8%
Shanghai B	259	-0.1%	-2.8%
Shenzhen A	2,439	-2.1%	19.1%
Shenzhen B	1,316	0.1%	8.5%

Key Int'l Indices	CLOSE	1D	YTD
Dow Jones	45,621	0.8%	7.2%
S&P 500	6,502	0.8%	10.5%
Nasdaq	21,707	1.0%	12.4%
NIKKEI Index	43,139	1.3%	8.1%
FTSE Index	9,216	0.4%	12.8%
CAC Index	7,698	-0.3%	4.3%
DAX Index	23,770	0.7%	19.4%

Commodities	CLOSE	1D	YTD
GOLD (US\$/oz.)	3,545	-0.4%	35.4%
STEEL (US\$/oz.)	2,119	0.8%	18.6%
SILVER (US\$/oz.)	40	-1.3%	41.0%
CRUDE OIL (US\$/bbl)	63	-0.8%	-11.8%
COPPER (US\$/oz.)	9,898	-0.8%	12.9%
ALUMINIUM (US\$/oz.)	2,591	-1.1%	1.6%
PLATINUM (US\$/oz)	1,377	-3.3%	52.5%
ZINC (US\$/oz.)	2,843	-0.8%	-4.5%
WHEAT (US\$/bu)	502	-0.3%	-8.2%
CORN (US\$/bu)	419	0.4%	-5.2%
SUGAR (US\$/lb)	N/A	N/A	
SOYBEAN (US\$/bu)	1,033	0.1%	0.7%
PVC (US\$/t.)	N/A	N/A	-10.1%
CRB	300	-1.3%	3.0%
BDI			94.6%

Exchange Rates	USD	HKD	EUR	JPY	CHF	RMB
USD		7.801	0.858	148.490	0.806	7.142
HKD	0.128		0.110	19.034	10.327	0.915
EUR	1.165	9.088		172.980	1.066	8.315
JPY	0.007	5.254	0.578		0.543	0.048
CHF	1.241	9.683	1.066	184.315		8.862
RMB	0.140	1.092	0.120	20.803	0.113	

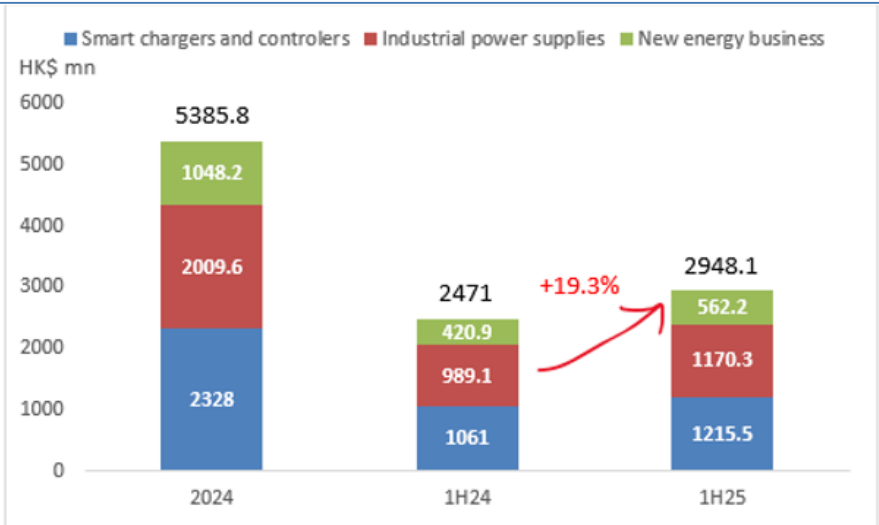
Market Sentiment	CURRENT	5D
CDS Monitor - USD SR 5Y		
Greece	N/A	N/A
Ireland	83	-2.4%
Italy	139	-0.6%
Portugal	207	-0.0%
Spain	108	0.3%
VIX	15	3.0%

Source: Bloomberg

Business Outlook: The PCBA business is experiencing rapid growth driven by AI/smart device tech advancements and with a high GPM ranging between 20% and 40%. PCBA revenue surged 49% YoY to HK\$327mn in 1H25, accounting for 11% of total revenue. Its high growth and profitability are expected to sustain and become a new earnings driver for Ten Pao. In addition, it is leveraging its manufacturing facilities in Hungary and Mexico to expand its energy storage business into Europe and the US. In Thailand, it is capturing the opportunities of the fast-growing two-wheeler battery-swap market. Moreover, more R&D will be devoted into advanced AI computing power products, such as the 3500W server power supply designed for cloud data centers and high-performance computing applications.

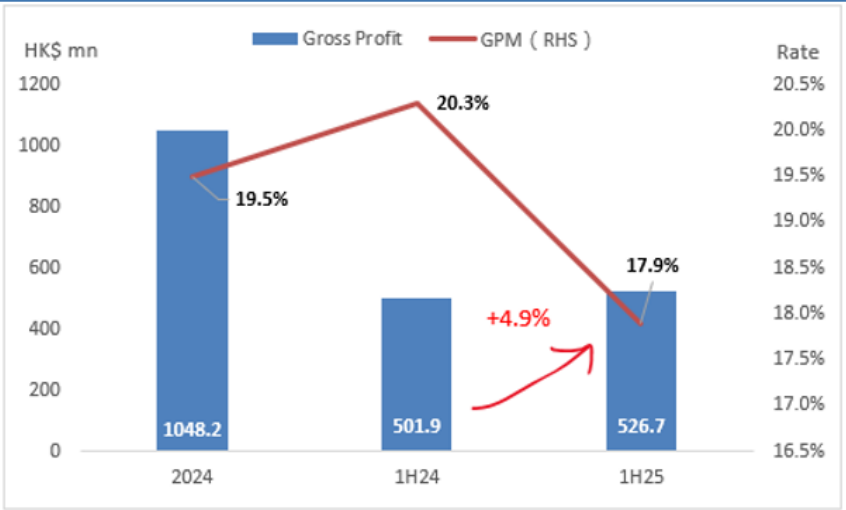
Our views: Ten Pao has extensive experience in the power supply industry and has maintained solid partnerships with globally renowned brands for over 15 years. While continuing to expand with existing customers on new models, the company is actively seeking collaboration to expand its expertise in power supply. With the support of a renowned global clientele, the company can maintain a healthy debt-to-asset ratio of 29.9% and a net cash position of about HK\$85mn as at the end of Jun 2025. In terms of shareholder’s return, the company has a long-standing dividend track record, with an average dividend payout ratio of around 30% since IPO. In 1H25, it declared a dividend of 6.2 HK cents per share. The counter is trading at 5x FY2025 P/E and at 4x FY 2025 EV/EBITDA with an expected yield of 8.1%. (Research Department)

Fig 1: Total Revenue (RMB\$ mn)



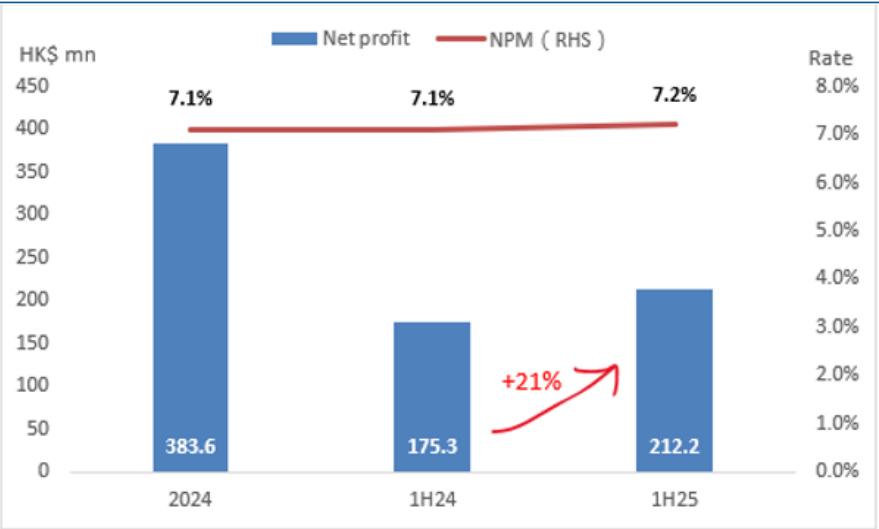
Source: Company Data, Sunwah Kingsway Research

Fig 2: Gross Profit and GPM (RMB\$ mn)



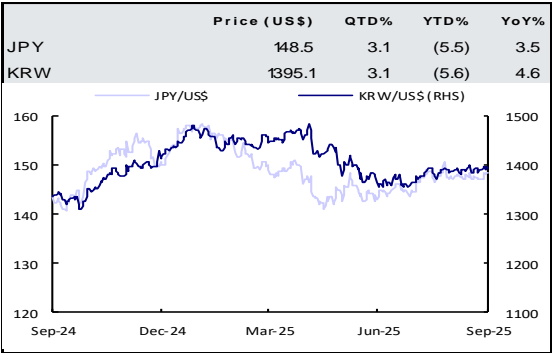
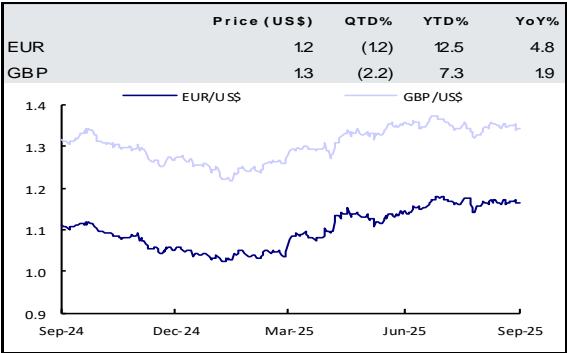
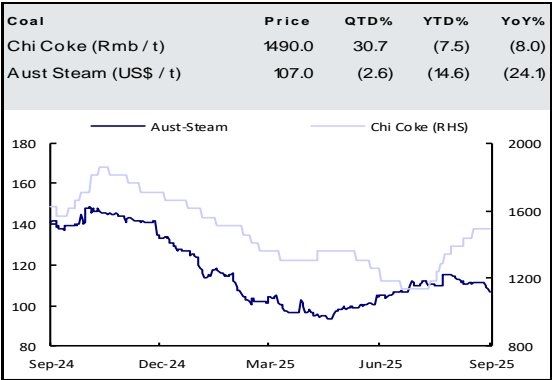
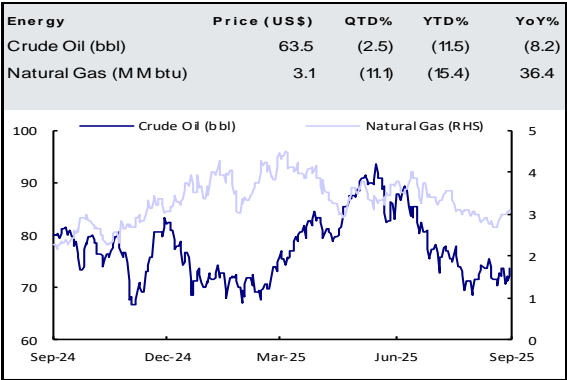
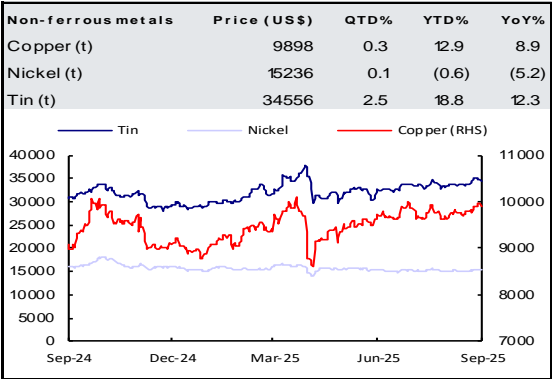
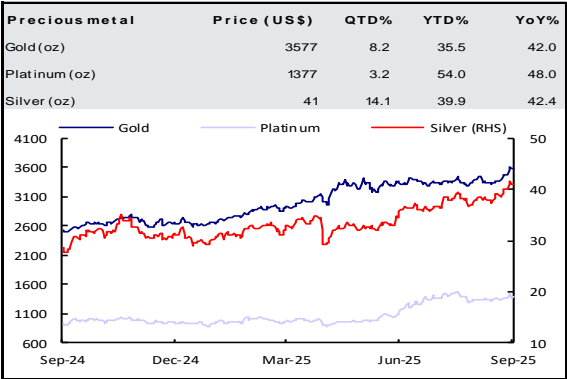
Source: Company Data, Sunwah Kingsway Research

Fig 3: Net Profit and NPM (RMB\$ mn)



Source: Company Data, Sunwah Kingsway Research

Market Watch – Major Commodities and Currencies



Source: Bloomberg

US Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Trade Balance	MoM		4-Sep-25
Initial Jobless Claims	WoW		4-Sep-25
Employment Report	MoM		5-Sep-25
Wholesale Inventories	MoM		10-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		11-Sep-25
Business Inventories	MoM		16-Sep-25
Retail Sales	MoM		16-Sep-25
Industrial Production	MoM		16-Sep-25
Housing Starts / Building Permits	MoM		17-Sep-25
Existing Home Sales	MoM		23-Sep-25
New home Sales	MoM		24-Sep-25
Durable Goods Orders	MoM		25-Sep-25
GDP	QoQ		25-Sep-25
Personal Income & Spending	MoM		26-Sep-25
Consumer Confidence	MoM		30-Sep-25
ISM Manufacturing PMI	MoM		1-Oct-25
Factory Orders	MoM		2-Oct-25
Auto Sales	MoM		

China Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Exchange Reserves	QoQ		7-Sep-25
Trade Balance	MoM		8-Sep-25
Money Supply - M2	MoM		9-Sep-25
PPI	MoM		10-Sep-25
CPI	MoM		10-Sep-25
Retail Sales	MoM		15-Sep-25
Industrial Production	MoM		15-Sep-25
PMI Manufacturing	MoM		30-Sep-25
GDP	YoY		20-Oct-25

Hong Kong Economic Calendar

Indicators	Freq	Obs Date	Expected Release Date
Foreign Currency Reserve	MoM		5-Sep-25
Producer Prices Index	QoQ		15-Sep-25
Industrial Production	QoQ		15-Sep-25
Unemployment Rate	MoM		16-Sep-25
CPI	MoM		22-Sep-25
Trade Balance	MoM		25-Sep-25
Money Supply - M2	MoM		30-Sep-25
Retail Sales	MoM		2-Oct-25
PMI	MoM		6-Oct-25
GDP	QoQ		31-Oct-25
Composite Interest Rate	MoM		

Kingsway Research Team

Analyst
Howard Wong
Ensley Liu

Email
Howard.wong@sunwahkingsway.com
Ensley.liu@sunwahkingsway.com

Phone No.
(852) 2283 7307
(852) 2283 7618

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Head Office

Hong Kong
Kingsway Financial Services Group Limited
7/F, Tower One, Lippo Centre,
89 Queensway, Hong Kong
Tel: 852-2283-7000
Fax: 852-2877-2665

Affiliated & Overseas Offices

Guangdong
廣東新華滙富商業保理有限公司
2701, Dongshan Plaza,
69 Xianlie Middle Road, Yuexiu District
Guangzhou, 510095

Vietnam
Sunwah Kingsway Vietnam Services Limited
Representative Office
Sunwah Tower, Mezzanine Floor
115 Nguyen Hue
District 1
Ho Chi Minh City
Vietnam