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K Cash Corporation Limited

K Cash集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2483)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest Income	164,552	136,029
Profit for the period	44,230	34,307
Earnings per share for the period		
Basic and diluted	HK8.85 cents	HK6.86 cents

The Board resolves to declare an interim dividend of HK4.4 cents per share for the six months ended 30 June 2025.

The Board is pleased to present the unaudited interim results of the Group for the six months ended 30 June 2025 together with comparative figures for the corresponding period in 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Unaudited)
Interest income	5	164,552	136,029
Interest expenses		(18,509)	(14,585)
Net interest income		146,043	121,444
Other income	5	5,292	5,042
Other losses, net	5	(2,355)	(923)
Selling expenses		(14,951)	(15,577)
General and administrative expenses		(37,470)	(31,999)
Expected credit losses, net	6	(43,916)	(36,407)
Operating profit		52,643	41,580
Other finance cost		(774)	(295)
Profit before income tax		51,869	41,285
Income tax expense	10	(7,639)	(6,978)
Profit for the period		44,230	34,307
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		33	—
Other comprehensive income for the period		33	—
Total comprehensive income for the period		44,263	34,307
Earnings per share for the period			
Basic and diluted (<i>HK cents</i>)	9	8.85	6.86

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2025

		As at	
		30 June	31 December
		2025	2024
		HK\$'000	HK\$'000
	<i>Notes</i>	(Unaudited)	(Audited)
ASSETS			
Cash and cash equivalents		41,614	116,428
Amounts due from fellow subsidiaries		594	20
Amounts due from related parties		1,598	763
Loans and advances to customers	6	1,318,080	1,232,380
Prepayments, deposits and other receivables		20,609	16,393
Reposessed assets		28,386	23,351
Income tax recoverable		–	2,921
Deferred income tax assets		22,462	22,930
Property, plant and equipment		2,756	3,648
Other asset		9,036	8,787
Right-of-use assets		16,033	22,214
Total assets		1,461,168	1,449,835
EQUITY			
Equity attributable to the owners of the Company			
Share capital		50	50
Reserves		934,313	917,550
Total equity		934,363	917,600
LIABILITIES			
Amounts due to fellow subsidiaries		100	2,730
Accruals and other payables		5,284	7,277
Income tax payable		5,951	–
Bank and other borrowings	7	497,269	491,902
Contract liabilities		676	641
Derivative financial instruments		1,023	6,906
Lease liabilities		16,502	22,779
Total liabilities		526,805	532,235
Total equity and liabilities		1,461,168	1,449,835

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

K Cash Corporation Limited (the “**Company**”) was incorporated in Cayman Islands on 25 October 2022, as an exempted company with limited liability under the Companies Act, Cap. 22 (Act 3 of 1961, as combined and revised) of the Cayman Islands. The address of the Company’s principal place of business is 17/F, Wheelock House, 20 Pedder Street, Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (together, the “**Group**”) are principally engaged in providing unsecured loans in Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 5 December 2023.

This interim condensed consolidated financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated. This interim condensed consolidated financial information was reviewed by the Company’s Audit Committee and approved by the board of the directors of the Company on 19 August 2025.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on Stock Exchange and with the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting”.

The interim condensed consolidated financial information does not include all of the notes normally included in annual consolidated financial statements. Accordingly, this report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidation financial information are consistent with those adopted and described in the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the amended standards as set out below.

(a) **Amended standard adopted by the Group for the annual reporting period commencing on 1 January 2025:**

Amendments to HKAS 21 and Lack of Exchangeability (amendments)
HKFRS 1

The amended standard listed above did not have any impact to the Group’s interim condensed consolidation financial information in the current and prior periods.

- (b) **New and amended standards and interpretations issued but are not yet effective for the annual reporting period commencing 1 January 2025 and have not been early adopted by the Group:**

		Effective for accounting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 1	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

According to the preliminary assessment by the directors, the Group expected that these new and amended standards and interpretations issued do not have any significant impact on the Group's results of operations and financial position.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial information, the critical estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

5 SEGMENT INFORMATION AND REVENUE, OTHER INCOME AND OTHER LOSSES, NET

(a) Segment information and revenue

The chief operating decision-maker (“CODM”) has been identified as the executive directors of the Company who review the Group’s internal reporting in order to assess performance and allocate resources. Provision of unsecured loans in Hong Kong is the only segment in internal reporting to the executive directors for the six months ended 30 June 2025 (30 June 2024: Same).

As the Group has only one operating segment that qualifies as reporting segment under HKFRS 8 and the information that is regularly reviewed by the CODM for the purposes of allocating resources and assessing performance of the operating segment is the consolidated financial statements of the Group, no separate segmental analysis is presented. The CODM assesses the performance based on a measure of profit for the reporting period, and considers all business is included in a single operating segment.

Revenue represents interest income earned and derived from different loan products and are summarized as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income derived from:		
– Unsecured property owner loans	121,400	96,789
– Unsecured personal loans	36,116	33,025
– Credit card advances	2,674	446
– SME loans	4,362	5,769
	<u>164,552</u>	<u>136,029</u>

(b) Other income and other losses, net

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other income		
Rental income from fellow subsidiaries	300	395
Rental income from a related party	2,191	2,566
Bank interest income	754	1,916
Credit cards income	2,019	164
Others	28	1
	<u>5,292</u>	<u>5,042</u>
Other losses, net		
Exchange loss, net	(7,483)	–
Provision for impairment of repossessed assets	(528)	–
Changes on surrender value of investment in life insurance plan	149	(1,218)
Fair value gain on derivative financial instruments	5,884	–
Gain on termination of lease	–	295
Loss on disposal of property, plant and equipment	(377)	–
	<u>(2,355)</u>	<u>(923)</u>

6 LOANS AND ADVANCES TO CUSTOMERS

	As at	
	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Loans and advances to customers		
– Unsecured property owner loans	1,135,559	1,037,042
– Unsecured personal loans	249,377	253,103
– Credit card advances	26,967	12,002
– SME loans	16,990	47,168
	1,428,893	1,349,315
Less: Provision for impairment	(110,813)	(116,935)
	1,318,080	1,232,380

As at 30 June 2025, the loans and advances to customers are repayable with fixed terms agreed with the customers, loans and advances to customers are unsecured, interest-bearing and are repayable with fixed terms agreed with customers. The maximum exposure to credit risk at the end of the period is the carrying value of the loans and advances to customers mentioned above (2024: Same).

Expected credit losses, net of HK\$43,916,000 (30 June 2024: HK\$36,407,000) was recognized in the interim condensed consolidated statement of comprehensive income during the six months ended 30 June 2025.

For loans that are not credit-impaired without significant increase in credit risk since initial recognition (Stage 1), expected credit loss (“ECL”) is measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified (Stage 2) but not yet deemed to be credit impaired, ECL is measured based on lifetime ECL.

The aging analysis of loans and advances to customers based on whether individual customer balance has become overdue is as follows:

	As at	
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Unsecured property owner loans		
Not overdue	668,710	597,163
1-30 days past due	99,007	95,730
31-60 days past due	10,156	24,107
61-90 days past due	11,184	8,018
Over 90 days past due	346,502	312,024
	1,135,559	1,037,042
Unsecured personal loans		
Not overdue	198,665	210,485
1-30 days past due	15,297	14,596
31-60 days past due	2,321	2,212
61-90 days past due	2,313	2,037
Over 90 days past due	30,781	23,773
	249,377	253,103
Credit cards advances		
Not overdue	24,076	5,501
1-30 days past due	639	5,597
31-60 days past due	638	298
61-90 days past due	217	95
Over 90 days past due	1,397	511
	26,967	12,002
SME loans		
Not overdue	3,647	15,476
1-30 days past due	7,188	5,256
31-60 days past due	658	766
61-90 days past due	387	913
Over 90 days past due	5,110	24,757
	16,990	47,168

As at 30 June 2025, the Group has provision for impairment of loan receivables of HK\$110,813,000 (31 December 2024: HK\$116,935,000).

Borrowers are required to repay the outstanding loan receivable balances by monthly installments over the term of the corresponding loan receivables.

The aging analysis of loans and advances to customers based on contractual due date of instalments is as follows:

	As at	
	30 June 2025 HK\$'000 (Unaudited)	31 December 2024 HK\$'000 (Audited)
Unsecured property owner loans		
Current	942,025	846,387
Overdue 1-30 days	9,015	9,735
Overdue 31-60 days	6,846	7,805
Overdue 61-90 days	6,345	5,152
Overdue over 90 days	171,328	167,963
	<u>1,135,559</u>	<u>1,037,042</u>
Unsecured personal loans		
Current	231,509	237,146
Overdue 1-30 days	2,817	2,304
Overdue 31-60 days	1,904	1,451
Overdue 61-90 days	1,663	1,291
Overdue over 90 days	11,484	10,911
	<u>249,377</u>	<u>253,103</u>
Credit cards advances		
Current	26,188	11,853
Overdue 1-30 days	178	47
Overdue 31-60 days	150	22
Overdue 61-90 days	112	15
Overdue over 90 days	339	65
	<u>26,967</u>	<u>12,002</u>
SME loans		
Current	12,132	23,025
Overdue 1-30 days	939	1,248
Overdue 31-60 days	406	668
Overdue 61-90 days	313	637
Overdue over 90 days	3,200	21,590
	<u>16,990</u>	<u>47,168</u>

The carrying amounts of the Group's loans and advances to customers are denominated in HK\$ and approximate to their fair value.

7 BANK AND OTHER BORROWINGS

	As at	
	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Bank loans	365,593	351,926
Other loans	131,676	139,976
	<u>497,269</u>	<u>491,902</u>

For the six months ended 30 June 2025, the interest rates of the bank and other borrowings ranged from 5.10% to 9.53% (31 December 2024: 5.10% to 10.00%) per annum.

The amounts based on the scheduled repayment dates set out in the loan agreements and the maturities of the Group's total borrowings at the balance sheet date (i.e. ignoring the effect of any repayment on demand clause) are shown below:

	As at	
	30 June 2025 <i>HK\$'000</i> (Unaudited)	31 December 2024 <i>HK\$'000</i> (Audited)
Amounts of borrowings that are repayable:		
– Within 1 year	112,326	141,805
– Between 1 and 2 years	384,943	350,097
	<u>497,269</u>	<u>491,902</u>

8 DIVIDENDS

	Six months ended 30 June	
	2025 <i>HK\$'000</i> (Unaudited)	2024 <i>HK\$'000</i> (Unaudited)
Dividends	<u>27,500</u>	<u>9,990</u>

On 19 March 2025, the Board recommended a final dividend of HK3 cents per share and a special dividend of HK2.5 cents per share, respectively, for the year ended 31 December 2024, totalling HK\$27,500,000 payable to shareholders whose names appear on the register of members of the Company at the close of business on 5 June 2025. The final dividend and special dividend were approved at the annual general meeting of the Company on 28 May 2025 and were paid on 20 June 2025.

Dividends not recognised at the end of the half-year

	Six months ended 30 June	
	2025	2024
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Dividend declared and payable after interim period	<u>22,000</u>	<u>17,000</u>

On 19 August 2025, the Board resolved to declare an interim dividend of HK4.4 cents per ordinary share, totaling HK\$22,000,000. Such interim dividend has not been recognised as dividend payable as at 30 June 2025.

9 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 June 2025 and 2024:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company (HK\$'000)	44,230	34,307
Weighted average number of shares in issue (thousand shares)	500,000	500,000
Basic earnings per share (HK cents)	<u>8.85</u>	<u>6.86</u>

(b) Diluted earnings per share

The calculation of the diluted earnings per share is based on the profit attributable to ordinary equity holders of the Company, adjusted to reflect the impact from any dilutive potential ordinary shares issued by the Company, as appropriate.

Diluted earnings per share for the six months ended 30 June 2025 was the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the period (30 June 2024: Same).

10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at rate of 16.5% (30 June 2024: 16.5%) on the estimated assessable profits for the six months ended 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

We are principally engaged in the money lending business specialising in unsecured loans in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) under our brand names “K Cash Express” and “K Cash”. We have integrated various technologies into our business operation to achieve digitalization and automation across the lending process.

Unsecured Property Owner Loans refer to loans offered to borrowers who are property owners in Hong Kong, mostly owners of properties acquired under the Home Ownership Scheme, without the need to provide any collaterals. During the Reporting Period, Unsecured Property Owner Loans remained as the major source of our revenue, contributing approximately 73.8% to our revenue. Interest income generated from Unsecured Property Owner Loans increased by 25.4% to HK\$121.4 million during the Reporting Period as compared to 1H2024. Our loan receivables for Unsecured Property Owner Loans increased from HK\$1,037.0 million as of 31 December 2024 to HK\$1,135.6 million as of 30 June 2025. In general, we were more inclined to grant more Unsecured Property Owner Loans during the Reporting Period, and our profitability is more secured by granting loans which have a lower risk of default.

We also provide Personal Loans and credit card advances through our PayKool credit card, which are unsecured loans offered to individuals. Our interest income for Personal Loans and credit card advances increased by approximately 9.4% and 5 times to HK\$36.1 million and HK\$2.7 million, respectively during the Reporting Period as compared to 1H2024, in aggregate contributing approximately 23.6% of our revenue for the Reporting Period.

Our loan receivables for Personal Loans decreased from HK\$253.1 million as of 31 December 2024 to HK\$249.4 million as of 30 June 2025, whereas our loan receivables for credit card advances increased from HK\$12.0 million as of 31 December 2024 to HK\$27.0 million as of 30 June 2025, representing an increase of approximately 125% which was a result of our increased efforts in promoting our PayKool credit card.

Our PayKool platform currently supports instant virtual card issuance, automated teller machine cash withdrawal, BNPL transaction and one click push to various digital wallet for tokenized base transaction etc., and we will continue to develop other functions and features to provide best customer experience to cardholders. During the Reporting Period, we launched several marketing campaign which are linked to the local tax payment season, and priority ticket purchase and exclusive rebate programs associated with local concerts.

Our interest income for SME Loans decreased by 24.4% to HK\$4.4 million during the Reporting Period as compared to 1H2024, and our loan receivables for SME Loans decreased from HK\$47.2 million as of 31 December 2024 to HK\$17.0 million as of 30 June 2025 as SME loans tend to be riskier due to limited collateral.

Based on our assessment of the current market conditions, we strategically decided to discontinue offering loans to SMEs as we do not foresee sustainable profitability in this segment. As part of our broader business strategy shift, we will be focusing our resources on areas with stronger growth potential, particularly Unsecured Property Owner Loans and our expanding credit card business, and we remain committed to supporting our customers through these channels.

On the fintech end, we enhanced our KCash GO repayment module during the Reporting Period which has been further integrated with the system of additional settlement bank partner. Also, we enhanced our cross sell and upsell efficiency through continuously upgrading our data analytic platform and campaign engine and introduced different customer engagement use cases on the PayKool platform.

Financial Review

Interest income

We recorded interest income of HK\$164.5 million for 1H2025 (1H2024: HK\$136.0 million), representing an increase of approximately 21.0% from the interest income for the corresponding period in 2024. The increase was mainly attributable to the growth in our interest income from our Unsecured Property Owner Loans business.

Interest income from our Unsecured Property Owners Loans increased by HK\$24.6 million or approximately 25.4% from HK\$96.8 million for 1H2024 to HK\$121.4 million for 1H2025, which was primarily due to the increase in our average loan balance (i.e. the average of our gross loan receivables at the beginning and the end of the period) by approximately 30.5% from HK\$832.7 million in 1H2024 to HK\$1,086.3 million during the Reporting Period since we were more inclined to grant more Unsecured Property Owner Loans in 1H2025.

Interest income from our Personal Loans increased by HK\$3.1 million or approximately 9.4% from HK\$33.0 million for 1H2024 to HK\$36.1 million for 1H2025 due to the increase in our average loan balance by approximately 4.4% from HK\$240.6 million in 1H2024 to HK\$251.2 million in 1H2025, whilst interest income from our SME Loans decreased by HK\$1.4 million or approximately 24.4% from HK\$5.8 million for 1H2024 to HK\$4.4 million for 1H2025 due to the decrease in our average loan balance by approximately 39.3% from HK\$52.9 million in 1H2024 to HK\$32.1 million in 1H2025.

Other income

We have recorded other income of HK\$5.3 million during the Reporting Period (1H2024: HK\$5.0 million) which mainly comprised of rental income from a related party, bank interest income and credit cards income. The increase of other income was primarily due to the increase in the number of credit cards issued and the number of transactions conducted by our credit card holders during the Reporting Period.

Interest expenses

We have incurred interest expenses of HK\$18.5 million for the Reporting Period (1H2024: HK\$14.6 million), which mainly comprised of interest on interest bearing bank borrowings. The increase in interest expenses by HK\$3.9 million or approximately 26.9% was primarily due to increase in average bank and other borrowings from HK\$333.5 million for 1H2024 to HK\$494.6 million for 1H2025.

General and administrative expenses

We have incurred general and administrative expenses of HK\$37.5 million for the Reporting Period (1H2024: HK\$32.0 million), which mainly comprised of employee benefit expenses, legal and professional fees, depreciation of property, plant and equipment and listing expenses. The increase in general and administrative expenses by HK\$5.5 million or approximately 17.1% was primarily due to the increment in professional fee and enhancement in technology related expenses.

Selling expenses

We have incurred selling expenses of HK\$14.9 million for the Reporting Period (1H2024: HK\$15.6 million), which mainly comprised of advertising and marketing expenses, credit card charges, employee benefit expenses, and depreciation of right-of-use assets. The decrease in selling expenses by HK\$0.6 million or approximately 4.0% was mainly due to the slight reduction in employee benefit expenses.

Expected credit losses, net

In 1H2024 and 1H2025, we recorded net expected credit losses of HK\$36.4 million and HK\$43.9 million, respectively, the increase was mainly due to the increase in size of our loan portfolio. We perform regular review of our loan receivables and assess provision for impairment by taking into account the underlying risk profile, historical loss experience, historical loss rate of loans with similar attributes and forward-looking information.

Profit for the period

As a result of the foregoing, our profit reached HK\$44.2 million for the Reporting Period as compared to HK\$34.3 million for 1H2024.

Liquidity and Financial Resources

During the Reporting Period, our primary funding channels mainly include: (i) funding from loans or facilities from authorized institutions; (ii) cash flows from our operating activities; and (iii) funding from a Japanese fund provider. Based on our current and anticipated levels of operations, barring unforeseeable market conditions, our future operations and capital requirements will be financed through loans from banks or other financial institutions that are independent third parties, retained earnings and our share capital.

Our Group recorded net assets of HK\$934.4 million as at 30 June 2025 (31 December 2024: HK\$917.6 million). As at 30 June 2025, our cash and cash equivalents amounted to HK\$41.6 million (31 December 2024: HK\$116.4 million), amount due to fellow subsidiaries amounted to HK\$0.1 million (31 December 2024: HK\$2.7 million), and bank and other borrowings amounted to HK\$497.3 million (31 December 2024: HK\$491.9 million). The decrease in our cash and cash equivalents was primarily due to increment in advances to customers and interest payment for bank and other borrowings.

Majority of cash and bank balances held by the Group was denominated in Hong Kong dollars, whilst the remaining was denominated in Japanese Yen. Save as the Group's borrowings from the Japanese company which was denominated in Japanese Yen and carried a fixed interest rate, all of the Group's borrowings were denominated in Hong Kong dollars and carried interest on a floating rate basis.

Capital Structure and Treasury Policies

The Company continues to adopt a prudent financial management approach towards its treasury policy.

The Board will closely monitor the liquidity position to ensure that the liquidity structure of the Company's assets, liabilities and other commitments can meet the funding requirements from time to time.

As at 30 June 2025, unutilised banking facilities available to our Group for drawdown amounted to HK\$190.0 million (31 December 2024: HK\$230.0 million). It is our policy to prioritise the utilisation of our available facilities which offer the lowest finance cost to our Group.

Our bank and other borrowings (tax loans excluded) for our working capital as of 30 June 2025 amounted to HK\$481.2 million (31 December 2024: HK\$467.4 million) with interest rates ranging from 5.10% to 9.53% per annum (31 December 2024: 5.10% to 10.0% per annum).

During the Reporting Period, all bank and other borrowings were repayable on demand and were secured by our loans and interest receivables. The amounts due to fellow subsidiaries were unsecured, non-interest bearing and repayable on demand.

Key Operational Data

The following table sets forth a breakdown of our gross loan receivables by loan type as of the dates indicated.

	As at 30 June 2025			As at 31 December 2024		
	Number of loan accounts	HK\$ million	%	Number of loan accounts	HK\$ million	%
Unsecured Property						
Owner Loans	3,027	1,135.6	79.4	2,899	1,037.0	76.8
Personal Loans	5,345	249.4	17.5	5,281	253.1	18.8
Credit card advances	4,394	27.0	1.9	1,385	12.0	0.9
SME Loans	25	17.0	1.2	38	47.2	3.5
Total	<u>12,791</u>	<u>1,429.0</u>	<u>100.0</u>	<u>9,603</u>	<u>1,349.3</u>	<u>100.0</u>

Note: Some of our individual and corporate borrowers held multiple loan accounts with us.

The table below sets out the average loan size (i.e. the arithmetic average of loan principal originally granted for loans which generated interest income during each period) of our loan products during the Reporting Period and in 2024:

	Six months ended 30 June 2025 (HK\$'000)	Year ended 31 December 2024
Unsecured Property Owner Loans	384.1	372.0
Personal Loans	58.9	66.2
SME Loans	<u>2,193.1</u>	<u>1,475.5</u>
Overall	<u>174.1</u>	<u>155.4</u>

The table below sets out the average loan tenor of our loan products as of the dates indicated:

	As at 30 June 2025 (months)	As at 31 December 2024
Unsecured Property Owner Loans	60.4	49.8
Personal Loans	21.1	29.5
SME Loans	<u>24.1</u>	<u>37.7</u>
Overall	<u>35.3</u>	<u>36.1</u>

Note: Due to the revolving nature of our credit card business, operational data for average loan size and average loan tenor for our credit card advances are not considered relevant.

The aging analysis of loans and advances to customers based on instalments by due date is as follows:

	As at 30 June 2025 (HK\$'000)	As at 31 December 2024
Unsecured Property Owner Loans		
Current	942,025	846,387
Overdue 1-30 days	9,015	9,735
Overdue 31-60 days	6,846	7,805
Overdue 61-90 days	6,345	5,152
Overdue over 90 days	171,328	167,963
Personal Loans		
Current	231,509	237,146
Overdue 1-30 days	2,817	2,304
Overdue 31-60 days	1,904	1,451
Overdue 61-90 days	1,663	1,291
Overdue over 90 days	11,484	10,911
Credit card advances		
Current	26,188	11,853
Overdue 1-30 days	178	47
Overdue 31-60 days	150	22
Overdue 61-90 days	112	15
Overdue over 90 days	339	65
SME Loans		
Current	12,132	23,025
Overdue 1-30 days	939	1,248
Overdue 31-60 days	406	668
Overdue 61-90 days	313	637
Overdue over 90 days	3,200	21,590

Below is the breakdown of provision for impairment as of the dates indicated:

	As at 30 June 2025 (HK\$'000)	As at 31 December 2024
Unsecured Property Owner Loans	21,930	20,212
Personal Loans	72,034	65,115
Credit card advances	7,060	1,789
SME Loans	9,789	29,819
Total	110,813	116,935

Key Financial Ratios

The following table sets forth the key financial ratios of our Group during the Reporting Period and 1H2024, and as of 30 June 2025 and 31 December 2024:

	As at 30 June 2025	As at 31 December 2024
Gearing ratio ⁽¹⁾	0.51	0.45
	For the six months ended 30 June 2025	2024
Interest coverage ratio ⁽²⁾	3.8 times	3.8 times

Notes:

- (1) Gearing ratio is calculated by dividing net debts (being total debts including borrowings, amounts due to fellow subsidiaries and related parties, lease liabilities, derivative financial instruments and contract liabilities less cash and cash equivalents) by total equity as of the respective dates.
- (2) Interest coverage ratio is calculated by dividing profit before tax and interest (excluding interest expenses on lease liabilities) by the interest expenses for the corresponding period.

Outlooks and Prospects

Supported by a resurgence in the property market, the unsecured loan market has shown signs of recovery in 2025 which is expected to stimulate demand for unsecured lending products. Additionally, the broader loan market is benefiting from moderate economic recovery, increased demand for subscription credit facilities, and the ongoing digital transformation of financial services.

Our credit card business has exhibited sustained and substantial growth, as evidenced by the marked increase of approximately 133% in the number of cardholders from 1,914 as at 31 December 2024 to 4,464 as at 30 June 2025. This expansion underscores the effectiveness of strategic initiatives in customer acquisition. The credit card business is expected to remain a driver of growth, and its continued success will be underpinned by ongoing innovation, targeted marketing efforts, and value added services that reinforce customer engagement and loyalty.

Innovations in artificial intelligence and data analytics are anticipated to enhance operational efficiency and customer experience, further driving growth. We continuously invest in cutting-edge systems and digital platforms to streamline our processes, deliver a seamless customer experience, and ensure the security and privacy of our customers' information.

In the second half of 2025, we will continue to drive innovation and customer value across our platforms. On the KCash platform, we will activate the Smart Credit Assessment Report function, which will allow platform users, including those who are not our customers, to evaluate their latest credit score instantly upon request for free. On the PayKool platform, we will further strengthen our credit card advances features to better serve our customers, while also introducing Smart Credit Alerts function which will providing cardholders with timely and actionable credit insights. Additionally, we are developing initiatives for various generative AI use cases, which will be gradually rolled out internally to automate routine tasks and ultimately improve organizational efficiency. By staying ahead of market trends and leveraging our expertise, we are confident in our ability to meet the evolving needs of our customers.

Material Acquisitions and Disposals

During the Reporting Period, our Group did not have any material acquisitions and disposals of assets, subsidiaries, associates or joint ventures.

Significant Investments

During the Reporting Period, our Group did not have any significant investments. As at the date of this announcement, our Group does not have any future plans for material investments or capital assets.

Pledge of Assets

As at 30 June 2025, certain gross loan receivables of HK\$806.2 million in aggregate (31 December 2024: HK\$547.6 million) were secured for our bank and other borrowings.

Foreign Exchange Exposure

During the Reporting Period, business activities of our Group were denominated in Hong Kong dollars, and foreign exchange risk mainly arises from borrowings denominated in Japanese Yen. Our Directors did not consider our Group was exposed to any significant foreign exchange risks.

Our Group manages its foreign exchange risk by performing regular reviews of our net foreign exchange exposures and monitoring the movement of the foreign currency rate. During the Reporting Period, the Group has arranged foreign exchange forward contracts to hedge against the foreign exchange exposure arising from the funding from a Japanese fund provider. Our Group will continue to monitor and mitigate the impact on exchange rate fluctuations by entering into currency hedge for any future arrangement, if necessary.

Employees and Remuneration Policy

As at 30 June 2025, we employed 67 employees (31 December 2024: 61). Our employee benefit expenses for the Reporting Period was HK\$20.0 million (1H2024: HK\$19.5 million).

Our Group adopts a remuneration policy covering the position, duties and performance of our employees. The remuneration of our employees include salary, overtime allowance, bonus and various subsidies.

Our Company also adopted a share scheme which was effective since 5 December 2023, and employees are eligible for share options and/or share awards under such scheme. As at 30 June 2025, no options or awards were granted to any person eligible to participate in the share scheme.

Employee Training Scheme

Employees are an important foundation for our long-term development, and we attach great importance to the sustainable development of our employees. By constantly improving the internal staff training system, we formulated specific training and development plans to better help employees improve skill sets for their respective roles.

Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities (31 December 2024: Nil).

OTHER INFORMATION

Interim Dividend

The Board resolves to declare an interim dividend of HK4.4 cents per share for the six months ended 30 June 2025.

Corporate Governance

Our Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the principles and code provisions of the CG Code contained in Appendix C1 of the Listing Rules as the basis of the Company's corporate governance practices. The Board is of the view that the Company has complied with all the applicable code provisions as set out in Part 2 of the CG Code during the Reporting Period.

Model Code for Securities Transactions

The Company adopted the Model Code as the codes of conduct regarding securities transactions by the Directors and by relevant employees of the Group. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding directors' securities transactions during the Reporting Period.

Review of Results by the Audit Committee

The Audit Committee has reviewed the Group's unaudited interim condensed consolidated results for the six months ended 30 June 2025 and discussed with the management on the accounting principles and practices, financial reporting process, internal control adopted by the Group with no disagreement by the Audit Committee.

No Material Changes

Saved as disclosed in this announcement, during the Reporting Period, there were no material changes affecting the Group's performance that needs to be disclosed under paragraphs 32, 40(2) and 46(3) of Appendix D2 to the Listing Rules.

Events After the Reporting Period

Save as disclosed in this announcement, there was no material event affecting the Group since 30 June 2025 and up to the date of this announcement.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares) during the Reporting Period.

Compliance with Laws and Regulations

To the best of our knowledge, we complied with all laws and regulations which had a significant influence on our money lending business during the Reporting Period (including but not limited to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong)) in all material aspects, and that our Directors are not aware of any matters that might come to their attention that our money lenders licence will be revoked prior to their expiration dates. Moreover, given our successful track record in renewing such licenses, we do not envisage any legal impediments to such renewals in the future.

Use of Proceeds from the Global Offering

The Shares were listed and traded on the Stock Exchange on 5 December 2023 with gross proceeds and net proceeds of approximately HK\$225.0 million and HK\$181.2 million from the Global Offering, respectively.

The proceeds from the Global Offering are and will continuously be applied in the same manner as set out in the Prospectus. The table below sets out the planned applications of the net proceeds and actual usage up to 30 June 2025.

Purpose	Planned application	Amount available for utilization as of 1 January 2025 (HK\$ million)	Amount utilized during the Reporting Period	Unutilized amount as of 30 June 2025	Expected timeline for full utilization of remaining net proceeds
Enrich our technology capabilities	30.6	22.7	4.2	18.5	By December 2026
Expand our loan portfolio	133.6	–	–	–	–
General working capital and general corporate purposes	17.0	–	–	–	–
Total	181.2	22.7	4.2	18.5	

Closure of Register of Members

For determining Shareholders' entitlement to the interim dividend, the register of members of the Company will be closed from Wednesday, 3 September 2025 to Friday, 5 September 2025, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the Shareholders' entitlement to the proposed interim dividend will be Friday, 5 September 2025. In order to qualify for the entitlement of the interim dividend, all Share transfer documents accompanied by the relevant Share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 September 2025. The interim dividend is expected to be paid on Friday, 12 September 2025.

Publication of Interim Results and Interim Report

This announcement will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.kcash.hk. The interim report of the Company for the Reporting Period containing all the information required by the Listing Rules will be made available on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

“1H2024”	the six months ended 30 June 2024
“Audit Committee”	the audit committee of the Board
“BNPL”	Buy Now, Pay Later, a type of short-term financing that allows consumers to make purchases and pay for them at a future date
“Board”	the board of Directors
“CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Company” or “our Company”	K Cash Corporation Limited (K Cash集團有限公司), an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Global Offering”	the public offering of the Shares as defined and described in the Prospectus
“Group”, “our Group”, “we”, “our” or “us”	our Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Personal Loan(s)”	unsecured loan(s) offered by our Group to individuals without any collaterals
“Prospectus”	the prospectus of the Company dated 27 November 2023 in relation to the listing of the Shares on the Stock Exchange
“Reporting Period” or “1H2025”	the six months ended 30 June 2025
“Shares”	ordinary shares in the share capital of our Company

“Shareholder(s)”	holder(s) of the Share(s)
“SME Loan(s)”	unsecured loan(s) offered by our Group to small and medium enterprises without security, subject to a personal guarantee typically provided by a director or shareholder of the borrower
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Unsecured Property Owner Loan(s)”	unsecured loan(s) offered by our Group to borrowers who are owners of properties but who do not provide any collaterals for the loan(s)
“%”	per cent

By Order of the Board
K Cash Corporation Limited
Lee Sheung Shing
Chairman

Hong Kong, 19 August 2025

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Lee Kun Tai Steven and Ms. Wong Cheuk Sze as executive Directors, Mr. Lee Sheung Shing, Ms. Lee Pik Tsong, Ms. Chan Wing Sze and Ms. Kan Pui Yan as non-executive Directors, and Prof. Hung Wai Man JP, Mr. Mak Wing Sum Alvin and Mr. Leung Ka Cheung as independent non-executive Directors.