

## Hywin Holdings Announces Unaudited Financial Results for the Second Half and Fiscal Year 2023

SHANGHAI, China, September 15, 2023 (GLOBE NEWSWIRE) -- Hywin Holdings Ltd. ("Hywin" or the "Company") (NASDAQ: HYW), a leading independent wealth management service provider in China, today announced its unaudited financial results for the second half and fiscal year 2023 ended June 30, 2023.

### Second Half of Fiscal Year 2023 and Fiscal Year 2023 Highlights

- **Total revenues** demonstrated resilience against a challenging macroeconomic backdrop. Total revenues in the six months ended June 30, 2023 decreased only slightly by 0.5% to RMB1,055.8 million (US\$152.5 million) from RMB1,060.9 million in the same period of 2022.
- **Total revenues** in fiscal year 2023 increased by 7.7% to RMB2,091.8 million (US\$301.3 million) from RMB1,942.1 million in fiscal year 2022.

### Hywin Wealth

- **Number of clients**<sup>1</sup> increased by 8.2% to 152,607 as of June 30, 2023 from 141,058 as of June 30, 2022.
- **Number of active clients**<sup>2</sup> increased by 6.5% to 46,627 in fiscal year 2023 from 43,764 in fiscal year 2022.
- **Strong nationwide coverage:** We maintained a strong, nationwide footprint with 1,749 relationship managers and 185 wealth planning centers across 91 cities in China as of June 30, 2023.
- **Asset management** continued to demonstrate high Assets Under Management ("AUM") growth and high revenue growth. Net revenues from asset management business in fiscal year 2023 increased by 67.2% to RMB32.6 million (US\$4.7 million) from RMB19.5 million in fiscal year 2022.
- **AUM of asset management business** increased by 90.8% to RMB8,549.4 million as of June 30, 2023 from RMB4,479.7 million as of June 30, 2022.

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<sup>1</sup> Clients are those who had historically conducted at least one transaction with Hywin Wealth.

<sup>2</sup> Active clients are those who purchased products distributed by Hywin Wealth during the specified period or those who maintained as holders of Hywin Wealth's products within the given period.

- **Transaction value of other financial products**, mainly comprised of overseas insurance products, in the six months ended June 30, 2023 increased by 260.3% to RMB289.4 million from RMB80.3 million in the same period of 2022.

## Hywin Health

- Hywin Health continued to focus on integrations and rapid growth ramp-up post our acquisitions of Grand Doctor Medical Co., Ltd., Beijing iLife3 Technology Co., Ltd. and Sincerity and Compassion Health Management Center in 2022.
- **Number of Hywin Health clients**<sup>3</sup> was 33,574 as of June 30, 2023.
- **Net revenues** from Hywin Health business segment in the six months ended June 30, 2023 surged to RMB49.5<sup>4</sup> million (US\$7.2 million) from RMB0.4 million in the same period of 2022.
- **Number of medical examination visits** was 3,142 in the six months ended June 30, 2023, which generated revenue of RMB10.7 million in the same period.
- **Number of health management service clients** was 2,078 in the six months ended June 30, 2023, which generated revenue of RMB38.9 million in the same period.

A summary of the operating results of Hywin Health's business segment is as follow:

|                                       | 6 months ended,<br>6/30/2022<br>RMB'000  | 6 months ended,<br>6/30/2023<br>RMB'000  | 6 months ended,<br>6/30/2023<br>USD'000  |
|---------------------------------------|--|--|--|
| <b>Net Revenues</b>                   | 422                                      | 49,537                                   | 7,153                                    |
| <b>Operating Costs and Expenses</b>   |  |  |  |
| - Health management costs             | 4,287                                    | 48,324                                   | 6,978                                    |
| -Sales and marketing expenses         | 1,853                                    | 10,311                                   | 1,489                                    |
| -General and administrative expenses  | 5,367                                    | 40,862                                   | 5,901                                    |
| -Impairment loss on goodwill          | -  | 35,412                                   | 5,114                                    |
| -Impairment loss on intangible assets | -  | 2,210                                    | 319                                      |
| -Other expenses, net                  | (405)                                    | (982)                                    | (141)                                    |
| <b>Net Loss</b>                       | <b>(11,490)</b>                          | <b>(88,564)</b>                          | <b>(12,789)</b>                          |
|                                       |  |  |  |
|                                       | 12 months ended,<br>6/30/2022<br>RMB'000 | 12 months ended,<br>6/30/2023<br>RMB'000 | 12 months ended,<br>6/30/2023<br>USD'000 |
| <b>Net Revenues</b>                   | 422                                      | 87,841                                   | 12,652                                   |

<sup>3</sup> Clients are those who have historically used Hywin Health's services at least once.

<sup>4</sup> It is health segment revenues before inter segment transactions elimination.

**Operating Costs and Expenses**

|                                       |                 |                  |                 |
|---------------------------------------|-----------------|------------------|-----------------|
| -Health management costs              | 4,287           | 74,476           | 10,727          |
| -Sales and marketing expenses         | 1,853           | 19,706           | 2,838           |
| -General and administrative expenses  | 5,367           | 67,182           | 9,677           |
| -Impairment loss on goodwill          | -               | 35,412           | 5,100           |
| -Impairment loss on intangible assets | -               | 2,210            | 318             |
| -Other expenses, net                  | (405)           | (1,616)          | (233)           |
| <b>Net Loss</b>                       | <b>(11,490)</b> | <b>(112,761)</b> | <b>(16,241)</b> |

Madame Wang Dian, Chief Executive Officer and Director of Hywin, commented, “We are pleased to report healthy growth in the top-line in fiscal year 2023 despite challenging macro conditions, thanks to our team’s dedication and agility in responding to market changes. Hywin Wealth served 46,627 active clients in fiscal year 2023, a record high for a fiscal year; and the repeat investment rate from existing clients remained high at 82.0%. With a presence of 185 wealth centers in 91 cities, we continued to expand and deepen our penetration into addressable markets with high concentrations of high-net-worth clients.”

“We also strengthen our competitive advantage in technology through ongoing investments in technology personnel and infrastructure to empower operational capabilities and business expansion. We also made investments in Hywin Health to build up Hywin’s second growth engine. Hywin Health had registered a total of 33,574 clients as of June 30, 2023 and revenue surged to RMB49.5 million in the second half of fiscal year 2023 from RMB0.4 million in the same period of 2022. Our ‘Wealth + Health’ dual-engine business model will add to our diversification and business resilience in up and down market cycles going forward.”

Mr. Lawrence Lok, Chief Financial Officer of Hywin, stated, “Hywin's commitment to long-term growth was demonstrated by the resilience of its revenues and the diversification of its revenue mix during this period. Revenue from overseas insurance products more than tripled year-on-year and revenue from asset management business increased by 67.2% year-on-year. Revenue from Hywin Health of RMB87.8 million in fiscal year 2023 demonstrated rapid growth as we focus on integrating and ramping up the operations of the clinics we acquired. Meanwhile, we continue to boost operational efficiency through technology and innovations, and demonstrated ongoing cost discipline with sales and marketing expenses only increasing by 2.1% year-over-year while held a large number of health management client events in 2023. Looking ahead, we remain committed to our two core businesses of wealth management and health management, and will continue to innovate to deliver more superior products and services to our clients and aspire to drive both top and bottom line growth.”

## Second Half of Fiscal Year 2023 Financial Results

### *Net Revenues*

Total revenues in the six months ended June 30, 2023 decreased by 0.5% to RMB1,055.8 million (US\$152.5 million) from RMB1,060.9 million in the same period of 2022, primarily due to decreases in net revenues from wealth management business, partially offset by increases in net revenues generated from asset management business and health-related business.

- Net revenues from wealth management services in the six months ended June 30, 2023 decreased by 6.2% to RMB979.3 million (US\$141.4 million) from RMB1,044.2 million in the same period of 2022, in line with the decrease in transaction value.
- Net revenues from asset management services in the six months ended June 30, 2023 increased by 56.7% to RMB16.4 million (US\$2.4 million) from RMB10.4 million in the same period of 2022, primarily due to an increase in AUM.
- Net revenues from Hywin Health business segment in the six months ended June 30, 2023 surged to RMB49.5 million (US\$7.2 million) from RMB0.4 million in the same period of 2022.

### *Operating Costs and Expenses*

Total operating costs and expenses in the six months ended June 30, 2023 increased by 16.8% to RMB960.4 million (US\$138.7 million) from RMB822.6 million in the same period of 2022, primarily due to our investments in health-related business and technology personnel and infrastructure.

- Cost of compensation and benefits in the six months ended June 30, 2023 increased by 4.4% to RMB580.2 million (US\$83.8 million) from RMB556.0 million in the same period of 2022, in line with the increases in the number of relationship managers and increase in the transaction value of overseas insurance products.
- Cost related to Hywin Health business segment in the six months ended June 30, 2023 was RMB48.3 million (US\$7.0 million).
- Sales and marketing expenses in the six months ended June 30, 2023 decreased by 1.2% to RMB135.9 million (US\$19.6 million) from RMB137.5 million in the same period of 2022, due to reduced marketing and sales activities of Hywin Wealth, partially offset by new marketing and sales activities relating to health services.

- General and administrative expenses in the six months ended June 30, 2023 increased by 28.4% to RMB156.0 million (US\$22.5 million) from RMB121.5 million in the same period of 2022, primarily due to increased personnel and infrastructure expenses in technology, as well as new expenses related to health services.
- Impairment loss on goodwill and impairment loss on intangible assets in the six months ended June 30, 2023 were RMB35.4 million (US\$5.1 million) and RMB2.2 million (US\$0.3 million) respectively, due to Grand Doctor Medical Co. Ltd.'s performance metrics failing to meet our established expectations after the acquisition.

### *Income from Operations*

As a result of the foregoing, income from operations in the six months ended June 30, 2023 decreased by 60.0% to RMB95.3 million (US\$13.8 million) from RMB238.3 million in the same period of 2022, attributable to the decrease in net revenue and the increases in operating costs and expenses.

### *Net Income*

Net income in the six months ended June 30, 2023 decreased by 70.0% to RMB49.7 million (US\$7.2 million) from RMB165.5 million in the same period of 2022.

### *Earnings per ADS*

Basic earnings per ADS in the six months ended June 30, 2023 was RMB2.05 (US\$0.30), compared with RMB5.91 in the same period of 2022.

Diluted earnings per ADS in the six months ended June 30, 2023 was RMB1.98 (US\$0.29), compared with RMB5.71 in the same period of 2022.

Each ADS represents two of the Company's ordinary shares.

## **Fiscal Year 2023 Financial Results**

### *Net Revenues*

Total revenues in fiscal year 2023 increased by 7.7% to RMB2,091.8 million (US\$301.3 million) from RMB1,942.1 million in fiscal year 2022, primarily due to an increase in transaction value of overseas

insurance products distributed on the Company's platform, and increases in net revenues generated from asset management business and health-related business.

- Net revenues from wealth management services in fiscal year 2023 increased by 2.6% to RMB1,949.4 million (US\$280.8 million) from RMB1,899.6 million in fiscal year 2022, in line with the increase in transaction value of other financial products, partially offset by decrease in overall transaction value.
- Net revenues from asset management services in fiscal year 2023 increased by 67.2% to RMB32.6 million (US\$4.7 million) from RMB19.5 million in fiscal year 2022, primarily due to an increase in AUM.
- Net revenues from Hywin Health business segment in fiscal year 2023 surged to RMB87.8 million (US\$12.7 million) from RMB0.4 million in fiscal year 2022, primarily attributable to acquisitions of Beijing iLife 3 Technology Co., Ltd. and Sincerity and Compassion Health Management Center.

### *Operating Costs and Expenses*

Total operating costs and expenses in fiscal year 2023 increased by 17.3% to RMB1,894.4 million (US\$272.9 million) from RMB1,615.4 million in fiscal year 2022, primarily due to our investments in health-related business and technology personnel and infrastructure.

- Cost of compensation and benefits in fiscal year 2023 increased by 10.1% to RMB1,156.4 million (US\$166.6 million) from RMB1,050.1 million in fiscal year 2022, in line with the increases in the number of relationship managers and increase in the transaction value of overseas insurance products.
- Cost related to Hywin Health business segment in fiscal year 2023 was RMB74.5 million (US\$10.7 million).
- Sales and marketing expenses in fiscal year 2023 increased by 2.1% to RMB318.5 million (US\$45.9 million) from RMB311.8 million in fiscal year 2022, due to increased marketing and sales activities relating to health services.
- General and administrative expenses in fiscal year 2023 increased by 24.9% to RMB302.2 million (US\$43.5 million) from RMB241.9 million in fiscal year 2022, primarily due to increased personnel and infrastructure expenses in technology, as well as new expenses related to health services.

### ***Income from Operations***

As a result of the foregoing, income from operations in fiscal year 2023 decreased by 39.6% to RMB197.4 million (US\$28.4 million) from RMB326.7 million in fiscal year 2022, mainly due to the increases in total operating costs and expenses.

### ***Net Income***

Net income in fiscal year 2023 decreased by 49.0% to RMB120.3 million (US\$17.3 million) from RMB235.9 million in fiscal year 2022.

### ***Earnings per ADS***

Basic earnings per ADS in fiscal year 2023 was RMB4.64 (US\$0.67), compared with RMB8.42 in fiscal year 2022.

Diluted earnings per ADS in fiscal year 2023 was RMB4.48 (US\$0.65), compared with RMB8.14 in fiscal year 2022.

Each ADS represents two of the Company's ordinary shares.

### ***Balance Sheet***

As of June 30, 2023, the Company had RMB945.9 million (US\$130.9 million) in cash, cash equivalents, and restricted cash, compared with RMB660.4 million as of June 30, 2022. The increase was mainly attributable to our operating income during the fiscal year as well as our accelerated collection of accounts receivables.

As of June 30, 2023, the Company had RMB349.7 million (US\$48.4 million) in property and equipment, RMB98.6 million (US\$13.6 million) in intangible assets and RMB257.7 million (US\$35.7 million) in goodwill compared with RMB325.1 million in property and equipment, RMB33.5 million in intangible assets and RMB75.2 million in goodwill as of June 30, 2022. The increase in intangible assets and goodwill was mainly attributable to the acquisition of Beijing iLife 3 Technology Co., Ltd. and Sincerity and Compassion Health Management Center.

As of June 30, 2023, the company had RMB20.0 million (US\$2.8 million) in deferred tax liability compared with RMB3.4 million as of June 30, 2022. The increase was primarily due to the acquisition of Beijing iLife 3 Technology Co., Ltd. and Sincerity and Compassion Health Management Center.

### **Recent Developments**

Shanghai Hywin Network Technology Co., Ltd., one of Hywin's operating entities, was recently recognized as a Specialized, Refined, Distinctive and Innovative Small Medium Enterprise in Shanghai. The designation was made by the Shanghai Municipal Commission of Economy and Informatization and is viewed as a prestigious recognition for the fastest-growing and specialized technology companies in China.

On August 3, 2023, Hywin, Leonteq Securities AG, a Swiss fintech company with a leading marketplace for structured investment solutions, and Arta TechFin (SEHK: 0279), a hybrid fintech platform in traditional assets and digital assets, jointly announced the successful launch of the "Global Mega-Trends Series" of principal-protected structured products for high-net-worth clients in Asia.

On June 1, 2023, Hywin was named "Best Wealth Manager of Greater China 2023". In addition, the Company's Chief Executive Officer, Madame Wang Dian, was recognized as "Best CEO in Greater China Wealth Management 2023". This is the third-consecutive year that Hywin has been named for both awards.

On April 25, 2023, Chief Financial Officer (CFO) of Hywin, Mr. Lawrence Lok, was recognized among the "Top Ten CFOs of 2022" at the 17th China CFO Conference authorized by Ministry of Finance of the People's Republic of China and hosted by Xinlicai Magazine, a prestigious magazine in the corporate finance sector in China.

### **Conference Call Information**

The Company's management team will hold a Direct Event conference call on September 15, 2023, at 8:00 A.M. Eastern Time (8:00 P.M. Beijing Time on the same day) to discuss the financial results. Details for the conference call are as follows:



Event Title: Hywin Holdings Second Half and Fiscal Year 2023 Earnings Conference Call

Registration Link: <https://s1.c-conf.com/diamondpass/10033171-5zce7p.html>

All participants must use the link provided above to complete the online registration process in advance of the conference call. Upon registering, each participant will receive a set of participant dial-in numbers, the Direct Event passcode, and a unique access PIN, which can be used to join the conference call.

A live and archived webcast of the conference call will also be available at the Company's investor relations website at <http://ir.hywinwealth.com>.

### **Exchange Rate**

This press release contains translations of certain RMB amounts into U.S. dollars at specified rates solely for the convenience of readers. Unless otherwise noted, all translations from RMB to U.S. dollars in this press release were made at a rate of RMB7.2258<sup>5</sup> to US\$1.00, for figures on the balance sheet as of June 30, 2023, RMB6.9252<sup>6</sup> to US\$1.00 for figures on the income statement for the six months ended June 30, 2023, RMB6.9429<sup>7</sup> to US\$1.00 for figures on the income statement for the twelve months ended June 30, 2023.

### **About Hywin Holdings Ltd.**

Hywin (NASDAQ: HYW) is a leading independent wealth management service provider in China focusing on providing asset allocation advisory services and comprehensive financial products to high-net-worth clients. The Company's primary services are wealth management, asset management, other comprehensive financial services, and health management services. Wealth management is currently the Company's largest business segment, in which its onshore and offshore solution platforms serve clients across generations. The Company also offers integrated and high-end health screening and health management services to high-net-worth clients in China, and aims to become a dual-platform serving clients across market cycles and life cycles. For more information, please visit <https://ir.hywinwealth.com/>.

### **Safe Harbor Statement**

This press release contains statements that may constitute "forward-looking" statements pursuant to the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-

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<sup>5</sup> China Foreign Exchange Trade System USD/RMB mid-point rate on June 30, 2023.

<sup>6</sup> An appropriately weighted average exchange rate for the reporting period.

<sup>7</sup> An appropriately weighted average exchange rate for the reporting period.

looking statements can be identified by terminology such as “anticipate,” “estimate,” “forecast,” “plan,” “project,” “potential,” “continue,” “ongoing,” “expect,” “aim,” “believe,” “intend,” “may,” “should,” “will,” “is/are likely to,” “could” and similar statements. Statements that are not historical facts, including statements about the Company's beliefs, plans, and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. Further information regarding these and other risks is included in the Company's filings with the SEC. All information provided in this press release is as of the date of this press release, and the Company does not undertake any obligation to update any forward-looking statement, except as required under applicable law.

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HYWIN HOLDINGS LTD.  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
(In thousands, except for per ADS data and percentages)  
(unaudited)

|  | 6 months ended,<br>6/30/2022<br>RMB'000 | 6 months ended,<br>6/30/2023<br>RMB'000 | 6 months ended,<br>6/30/2023<br>USD'000 | Change         |
|--|---|---|---|----------------|
| <b>Net Revenues</b>  |   |   |   |                |
| -Wealth management   | 1,044,156                               | 979,253                                 | 141,405                                 | (6.2)%         |
| -Assets management   | 10,443                                  | 16,359                                  | 2,362                                   | 56.7%          |
| -Health Management   | 422                                     | 48,160                                  | 6,954                                   | 11312.3%       |
| -Other   | 5,836                                   | 12,001                                  | 1,734                                   | 105.6%         |
| <b>Total Revenue</b>   | <b>1,060,857</b>                        | <b>1,055,773</b>                        | <b>152,455</b>                          | <b>(0.5)%</b>  |
| <b>Operating Costs and Expenses</b>                            |   |   |   |                |
| -Compensation and benefits                                     | 555,950                                 | 580,208                                 | 83,783                                  | 4.4%           |
| -Health management costs                                       | 4,287                                   | 48,324                                  | 6,978                                   | 1027.2%        |
| -Share-based compensation                                      | 3,320                                   | 2,403                                   | 347                                     | (27.6)%        |
| -Sales and marketing expenses                                  | 137,525                                 | 135,912                                 | 19,626                                  | (1.2)%         |
| -General and administrative expenses                           | 121,475                                 | 155,978                                 | 22,523                                  | 28.4%          |
| -Impairment loss on goodwill                                   | -                                       | 35,412                                  | 5,114                                   | N/A            |
| -Impairment loss on intangible assets                          | -                                       | 2,210                                   | 319                                     | N/A            |
| <b>Total Operating Costs and Expenses</b>                      | <b>822,557</b>                          | <b>960,447</b>                          | <b>138,690</b>                          | <b>16.8%</b>   |
| <b>Income from operations</b>                                  | <b>238,300</b>                          | <b>95,326</b>                           | <b>13,765</b>                           | <b>(60.0)%</b> |
| <b>Other expenses</b>  |   |   |   |                |
| -Interest (expense)/income, net                                | (64)                                    | 799                                     | 115                                     | (1348.4)%      |
| -Other non-operation expense, net                              | (11,578)                                | (2,524)                                 | (364)                                   | (78.2)%        |
| <b>Total Other Expense</b>                                     | <b>(11,642)</b>                         | <b>(1,725)</b>                          | <b>(249)</b>                            | <b>(85.2)%</b> |
| <b>Income before tax</b>                                       | <b>226,658</b>                          | <b>93,601</b>                           | <b>13,516</b>                           | <b>(58.7)%</b> |
| Income tax expense   | 61,151                                  | 43,913                                  | 6,341                                   | (28.2)%        |
| <b>Net income</b>  | <b>165,507</b>                          | <b>49,688</b>                           | <b>7,175</b>                            | <b>(70.0)%</b> |
| Less: net loss attributable to non-controlling interests       | -                                       | (7,578)                                 | (1,094)                                 | N/A            |
| Net income attributable to shareholders of Hywin Holdings Ltd. | 165,507                                 | 57,266                                  | 8,269                                   | (65.4)%        |

**Other comprehensive  
Income**

-Foreign currency translation  
gain

|       |       |     |       |
|-------|-------|-----|-------|
| 4,774 | 5,766 | 833 | 20.8% |
|-------|-------|-----|-------|

**Comprehensive Income**

|                |               |              |                |
|----------------|---------------|--------------|----------------|
| <b>170,281</b> | <b>55,454</b> | <b>8,008</b> | <b>(67.4)%</b> |
|----------------|---------------|--------------|----------------|

Less: Comprehensive Loss  
attributable to non-  
controlling interests

|   |         |         |     |
|---|---------|---------|-----|
| - | (7,578) | (1,094) | N/A |
|---|---------|---------|-----|

**Comprehensive Income  
attributable to  
shareholders to Hywin  
Holdings Ltd.**

|                |               |              |                |
|----------------|---------------|--------------|----------------|
| <b>170,281</b> | <b>63,032</b> | <b>9,102</b> | <b>(63.0)%</b> |
|----------------|---------------|--------------|----------------|

**Income per ADS**

Income per ADS basic

|             |             |             |                |
|-------------|-------------|-------------|----------------|
| <b>5.91</b> | <b>2.05</b> | <b>0.30</b> | <b>(65.3)%</b> |
|-------------|-------------|-------------|----------------|

Income per ADS diluted

|             |             |             |                |
|-------------|-------------|-------------|----------------|
| <b>5.71</b> | <b>1.98</b> | <b>0.29</b> | <b>(65.3)%</b> |
|-------------|-------------|-------------|----------------|

HYWIN HOLDINGS LTD.  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
(In thousands, except for per ADS data and percentages)  
(unaudited)

|  | 12 months ended,<br>6/30/2022<br>RMB'000 | 12 months ended,<br>6/30/2023<br>RMB'000 | 12 months ended,<br>6/30/2023<br>USD'000 | Change         |
|--|--|--|--|----------------|
| <b>Net Revenues</b>  |  |  |  |                |
| -Wealth management   | 1,899,573                                | 1,949,410                                | 280,777                                  | 2.6%           |
| -Assets management   | 19,476                                   | 32,562                                   | 4,690                                    | 67.2%          |
| -Health Management   | 422                                      | 86,464                                   | 12,454                                   | 20389.1%       |
| -Other   | 22,642                                   | 23,321                                   | 3,359                                    | 3.0%           |
| <b>Total Revenue</b>   | <b>1,942,113</b>                         | <b>2,091,757</b>                         | <b>301,280</b>                           | <b>7.7%</b>    |
| <b>Operating Costs and Expenses</b>                            |  |  |  |                |
| -Compensation and benefits                                     | 1,050,077                                | 1,156,381                                | 166,556                                  | 10.1%          |
| -Health management costs                                       | 4,287                                    | 74,476                                   | 10,727                                   | 1637.3%        |
| -Share-based compensation                                      | 7,340                                    | 5,207                                    | 750                                      | (29.1)%        |
| -Sales and marketing expenses                                  | 311,773                                  | 318,465                                  | 45,869                                   | 2.1%           |
| -General and administrative expenses                           | 241,946                                  | 302,221                                  | 43,530                                   | 24.9%          |
| -Impairment loss on goodwill                                   | -  | 35,412                                   | 5,100                                    | N/A            |
| -Impairment loss on intangible assets                          | -  | 2,210                                    | 318                                      | N/A            |
| <b>Total Operating Costs and Expenses</b>                      | <b>1,615,423</b>                         | <b>1,894,372</b>                         | <b>272,850</b>                           | <b>17.3%</b>   |
| <b>Income from operations</b>                                  | <b>326,690</b>                           | <b>197,385</b>                           | <b>28,430</b>                            | <b>(39.6)%</b> |
| <b>Other expenses</b>  |  |  |  |                |
| -Interest income, net  | 1,498                                    | 1,348                                    | 194                                      | (10.0)%        |
| -Other non-operation expense, net                              | (3,741)                                  | (7,083)                                  | (1,020)                                  | 89.3%          |
| <b>Total Other Expense</b>                                     | <b>(2,243)</b>                           | <b>(5,735)</b>                           | <b>(826)</b>                             | <b>155.7%</b>  |
| <b>Income before tax</b>                                       | <b>324,447</b>                           | <b>191,650</b>                           | <b>27,604</b>                            | <b>(40.9)%</b> |
| Income tax expense   | 88,578                                   | 71,380                                   | 10,281                                   | (19.4)%        |
| <b>Net income</b>  | <b>235,869</b>                           | <b>120,270</b>                           | <b>17,323</b>                            | <b>(49.0)%</b> |
| Less: net loss attributable to non-controlling interests       | -  | (9,611)                                  | (1,384)                                  | N/A            |
| Net income attributable to shareholders of Hywin Holdings Ltd. | 235,869                                  | 129,881                                  | 18,707                                   | (44.9)%        |

**Other comprehensive Income**

|   |                |                |               |                |
|---|----------------|----------------|---------------|----------------|
| -Foreign currency translation gain  | 4,177          | 8,222          | 1,184         | 96.8%          |
| <b>Comprehensive Income</b>   | <b>240,046</b> | <b>128,492</b> | <b>18,507</b> | <b>(46.5)%</b> |
| Less: Comprehensive Loss attributable to non-controlling interests              | -              | (9,611)        | (1,384)       | N/A            |
| <b>Comprehensive Income attributable to shareholders of Hywin Holdings Ltd.</b> | <b>240,046</b> | <b>138,103</b> | <b>19,891</b> | <b>(42.5)%</b> |
| <b>Income per ADS</b>   |                |                |               |                |
| Income per ADS basic  | 8.42           | 4.64           | 0.67          | (44.9)%        |
| Income per ADS diluted  | 8.14           | 4.48           | 0.65          | (45.0)%        |

HYWIN HOLDINGS LTD.  
CONSOLIDATED BALANCE SHEETS  
(unaudited)

|  | 6/30/2022        | 6/30/2023        | 6/30/2023      |
|--|------------------|------------------|----------------|
|  | RMB'000          | RMB'000          | USD'000        |
| <b>ASSETS</b>                                  |                  |                  |                |
| <b>Current assets</b>                          |                  |                  |                |
| Cash and cash equivalents                      | 525,136          | 868,908          | 120,251        |
| Restricted cash                                | 135,242          | 76,975           | 10,653         |
| Term deposit                                   | -                | 28,903           | 4,000          |
| Accounts receivable, net                       | 564,374          | 415,134          | 57,452         |
| Due from related parties, net                  | 66,103           | -                | -              |
| Deposits, prepayments and other current assets | 51,204           | 46,392           | 6,420          |
| Contract assets                                | -                | 33,491           | 4,635          |
| <b>Total Current Assets</b>                    | <b>1,342,059</b> | <b>1,469,803</b> | <b>203,411</b> |
| <b>Non-current assets</b>                      |                  |                  |                |
| Property and equipment, net                    | 325,112          | 349,685          | 48,394         |
| Long term investment                           | 1,000            | 1,000            | 138            |
| Intangible assets, net                         | 33,548           | 98,603           | 13,646         |
| Goodwill                                       | 75,194           | 257,712          | 35,666         |
| Long-term prepayments                          | 5,774            | 9,657            | 1,336          |
| Deferred tax asset, net                        | 725              | 725              | 100            |
| Operating lease right-of-use assets            | -                | 186,307          | 25,784         |
| <b>Total Non-current Assets</b>                | <b>441,353</b>   | <b>903,689</b>   | <b>125,064</b> |
| <b>Total Assets</b>                            | <b>1,783,412</b> | <b>2,373,492</b> | <b>328,475</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>    |                  |                  |                |
| <b>Current Liabilities</b>                     |                  |                  |                |
| Commission payable                             | 83,205           | 172,456          | 23,867         |
| Accounts payable                               | -                | 3,332            | 461            |
| Advance from customers                         | -                | 39,812           | 5,510          |
| Investors' deposit                             | 132,154          | 70,934           | 9,817          |
| Income tax payable                             | 120,151          | 167,798          | 23,222         |
| Due to related parties                         | 36,172           | 38,073           | 5,269          |
| Borrowings                                     | 2,000            | -                | -              |
| Consideration payable                          | 15,300           | -                | -              |
| Other payable and accrued liabilities          | 390,828          | 433,217          | 59,954         |
| Operating lease liabilities, current           | -                | 83,573           | 11,566         |
| <b>Total Current Liabilities</b>               | <b>779,810</b>   | <b>1,009,195</b> | <b>139,666</b> |

**Non-current liabilities**

|  |              |                |               |
|--|--------------|----------------|---------------|
| Commission payable-non current           | 1,289        | 526            | 73            |
| Deferred tax liability                   | 3,400        | 20,028         | 2,772         |
| Operating lease liabilities, non-current | -            | 100,521        | 13,911        |
| <b>Total Non-current Liabilities</b>     | <b>4,689</b> | <b>121,075</b> | <b>16,756</b> |

**Total Liabilities**

|                |                  |                |
|----------------|------------------|----------------|
| <b>784,499</b> | <b>1,130,270</b> | <b>156,422</b> |
|----------------|------------------|----------------|

**Mezzanine equity**

|                                    |        |        |       |
|------------------------------------|--------|--------|-------|
| Redeemable noncontrolling interest | 30,600 | 30,600 | 4,235 |
|------------------------------------|--------|--------|-------|

**Total Mezzanine equity**

|               |               |              |
|---------------|---------------|--------------|
| <b>30,600</b> | <b>30,600</b> | <b>4,235</b> |
|---------------|---------------|--------------|

**Shareholders' Equity**

|                            |         |         |        |
|----------------------------|---------|---------|--------|
| Ordinary shares            | 36      | 36      | 5      |
| Additional paid-in capital | 510,390 | 515,665 | 71,364 |
| Statutory reserves         | 100,926 | 128,297 | 17,755 |
| Accumulated gain           | 348,503 | 451,013 | 62,417 |
| Noncontrolling interest    | -       | 100,931 | 13,968 |
| Other comprehensive income | 8,458   | 16,680  | 2,309  |

**Total Shareholders' equity**

|                |                  |                |
|----------------|------------------|----------------|
| <b>968,313</b> | <b>1,212,622</b> | <b>167,818</b> |
|----------------|------------------|----------------|

**Total Liabilities, Mezzanine equity and Shareholder's equity**

|                  |                  |                |
|------------------|------------------|----------------|
| <b>1,783,412</b> | <b>2,373,492</b> | <b>328,475</b> |
|------------------|------------------|----------------|