

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F**

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended June 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from to

Commission file number: 001-40238

Santech Holdings Limited

(Exact name of Registrant as specified in its charter)

Cayman Islands

(Jurisdiction of incorporation or organization)

**Level 15, AIA Central
No.1 Connaught Road Central
Central, Hong Kong**

(Address of principal executive offices)

Lawrence Wai Lok, Chairman and CEO

Telephone: +852 2593 9309

Email: ir@santechholdings.com

Level 15, AIA Central

No.1 Connaught Road Central

Central, Hong Kong

(Name, Telephone, Email and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American depository shares (each ADS represents two of our ordinary shares, par value US\$0.0001 per share)	STEC	Nasdaq Capital Market
Ordinary shares, par value US\$0.0001 per share*		Nasdaq Capital Market

* Not for trading, but only in connection with the listing on the Nasdaq Capital Market of American depository shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

159,750,000 ordinary shares (excluding 8,250,000 ordinary shares issued to the depository for bulk issuance of ADSs, par value US\$0.0001 per share, as of June 30, 2025).

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

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INTRODUCTION

Except where the context otherwise requires and for purposes of this annual report only:

- “ADSS” refers to our American depositary shares, each of which represents two ordinary shares;
- “CAGR” refers to compound annual growth rate;
- “China” or the “PRC” refers to the People’s Republic of China, and excluding, for the purpose of this annual report only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;
- “HNWIs” refers to high net worth individuals with investable assets over US\$1.0 million;
- “HK\$,” “HK dollars,” and “HKD” refer to the legal currency of Hong Kong;
- “RMB” and “Renminbi” refer to the legal currency of China;
- “Santech,” “we,” “us,” “the Company,” “our company,” “the Group” and “our” refer to Santech Holdings Limited, an exempted company incorporated in the Cayman Islands, and its subsidiaries;
- “US\$,” “U.S. dollars,” “\$” and “dollars” refer to the legal currency of the United States; and
- “VIE” refers to variable interest entity.

Our reporting currency is U.S. dollars because the majority of our business during the reporting period was conducted in Hong Kong and the majority of our revenues in the reporting periods was denominated in either Hong Kong dollars or U.S. dollars. This annual report contains translations of Hong Kong dollars into U.S. dollars at specific rates solely for the convenience of the reader. Since 1983, the Hong Kong dollar has been pegged to the U.S. dollar at the rate of approximately HK\$7.80 to US\$1.00. Unless otherwise noted, all translations from Hong Kong dollars to U.S. dollars and from U.S. dollars to Hong Kong dollars in this annual report were made at a rate of HK\$7.80 to US\$1.00. We make no representation that any Hong Kong dollar amounts could have been, or could be, converted into U.S. dollars at the specific rate stated above. Furthermore, there is no assurance that Hong Kong's currency pegging policy will not be changed in the future. If the pegging policy changes or if Hong Kong dollars suffer devaluation, our business, financial condition and results of operations could be materially and adversely affected.

Santech Holdings Limited is a Cayman Islands holding company, with operating subsidiaries globally including Hong Kong and the United States. We are a technology company focusing on developing early-stage technology businesses, and aim to actively build, operate and scale our businesses in order to achieve growth. The Company is currently developing businesses in e-commerce, digital assets, consumer healthcare, and may target opportunities in other areas of consumer and enterprise technology. The Company believes that early-stage technology ventures may offer exceptional growth opportunities, and seeks to identify and nurture such high-potential ventures.

As of the date of this annual report, we no longer have any operations, offices or any employees in China. We have ceased to be a "China concept stock".

In 2024 and 2025, the Company underwent a series of corporate restructuring. On June 28, 2024, Santech exited the wealth management business in China by terminating contractual arrangements with its major variable interest entity ("VIE") in China. See "Item 4. Information on the Company – A. History and Development of Our Company" for details of our corporate history. Santech's combined financial statements for the year ended June 30, 2024 are prepared excluding its historical PRC subsidiaries and VIEs. For comparative purposes, Santech's combined financial statements for the year ended June 30 2023 are recast to exclude its historical PRC subsidiaries and VIEs as well. See "Item 5. Operating and Financial Review and Prospects" for details of our accounting treatment for the reporting periods.

For the years ended June 30, 2023, 2024 and 2025, our primary businesses reported in our financial statements were overseas wealth management and asset management business conducted in Hong Kong. On August 14, 2024, we further pursued our corporate restructuring plan, by strategically exiting our businesses in overseas wealth management and asset management and disposing of certain subsidiaries in Hong Kong, namely, Haiyin Insurance (Hong Kong) Co., Limited and Hywin International Insurance Broker Limited for nil consideration, and Haiyin International Asset Management Limited and Hywin Asset Management (Hong Kong) Limited for \$0.6 million. After the disposals, the Company no longer holds financial service licenses in Hong Kong. As a result of this strategic exit, we have reclassified our historical financial results relating to overseas wealth management and asset management services under discontinued operations.

We face various legal and operational risks and uncertainties relating to our current and past businesses in Hong Kong, and past businesses in Mainland China. Our historical operations in Mainland China through subsidiaries and contractual arrangements with VIEs may continue to subject us to complex and evolving PRC laws and regulations. Uncertainties in the PRC legal system and the interpretation and enforcement of PRC laws and regulations could limit the legal protection available to you and us, hinder our ability to offer or continue to offer the ADSs, result in a material adverse effect on our business operations, and damage our reputation, which might further cause the ADSs to significantly decline in value or become worthless. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Hong Kong and Mainland China."

FORWARD-LOOKING INFORMATION

This annual report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of current or historical facts are forward-looking statements. These forward-looking statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements about:

- our business strategies, plans, goals and objectives, especially those relating to e-commerce, digital assets, consumer healthcare and the technology sectors;
- our future business development, financial condition and results of operations;
- our expectations regarding demand for and market acceptance of our existing and future products and services;
- projections of revenue, earnings, capital structure and other financial items;
- the capabilities of our business operations;
- expected future economic performance;
- our expectation regarding the use of proceeds from our financing activities;
- relevant government policies and regulations relating to the industries in which we operate;
- the impact of public health crises or natural disasters;
- competition in the technology industry; and
- general economic and business conditions in the markets in which we operate.

You should read this annual report and the documents that we refer to in this annual report with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this annual report include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Our Corporate Structure

The Company's major subsidiaries as of the date of this annual report are summarized as follows:

Name of Subsidiaries	Date of incorporation	Percentage of ownership	Place of incorporation	Principle business activities
Santech Global BVI Limited	July 26, 2019	100%	BVI	Investment holding
Santech Global International Limited	August 20, 2019	100%	Hong Kong	Investment holding
Santech Global Hong Kong Limited	May 3, 2016	100%	Hong Kong	Provision of client referral services
New Innovations BVI Limited	June 27, 2025	100%	BVI	Investment holding
New Innovations Limited	March 15, 2023	100%	Hong Kong	Technology development
BitVentures America Inc	September 16, 2015	100%	United States	Technology development

Condensed Consolidated Balance Sheets

	As of June 30,	
	2024	2025
	(US\$)	(US\$)
	(US\$ in thousands, except for share and per share data, or otherwise stated)	
Assets		
Current assets:		
Cash and cash equivalents	13,311	950
Short term investments	—	8,791
Deposits, prepayments and other current assets	320	143
Current assets of discontinued operations	1,873	—
Total current assets	15,504	9,884
Property and equipment, net	3	5
Right-of-use asset	1,235	—
Non-current assets of discontinued operations	—	—
Total non-current assets	1,238	5
Total Assets	16,742	9,889
Liabilities and Shareholders' equity		
Current liabilities:		
Due to related parties	9,518	—
Other payables and accrued liabilities	426	158
Lease liability	1,059	—
Current liabilities of discontinued operations	2,927	—
Total current liabilities	13,930	158
Lease liability	250	—
Non-current liabilities of discontinued operations	—	—
Total non-current liabilities	250	—
Total Liabilities	14,180	158
Shareholder's Equity:		
Ordinary shares (US\$0.0001 par value; authorized 500,000,000 shares; issued and outstanding 56,000,000 and 168,000,000 shares as of June 30, 2024 and 2025, respectively)	6	17
Additional paid-in capital	33,256	45,783
Accumulated deficit	(30,700)	(36,069)
Total shareholder's equity	2,562	9,731
Total Liabilities and shareholder's equity	16,742	9,889

Condensed Consolidated Results of Continuing Operations

	Years Ended June 30,		
	2023	2024	2025
	(US\$)	(US\$)	(US\$)
	(US\$ in thousands, except for share and per share data, or otherwise stated)		
Net revenues			
Client referral services	15,256	21,818	—
Total net revenues	15,256	21,818	—
Operating cost and expenses			
Compensation and benefits	5,114	15,808	—
Share-based compensation expense	753	102	236
Sales and marketing expenses	2,117	3,131	530
General and administrative expenses	5,301	3,551	2,919
Asset impairment loss	5,305	—	—
Total operating cost and expenses	18,590	22,592	3,685
Loss from operations	(3,334)	(774)	(3,685)
Other income/(expenses)			
Interest income/(expense)	141	(61)	121
Other income/(expense), net	32	70	(2,109)
Total other (expense)/income, net	173	9	(1,988)
Income before income tax expense	(3,161)	(765)	(5,673)
Income tax expense	—	—	117
Net loss and comprehensive loss from continuing operations	(3,161)	(765)	(5,790)

Condensed Consolidated Statements of Cash Flows

	Years Ended June 30,		
	2023	2024	2025
	(US\$)	(US\$)	(US\$)
	(US\$ in thousands, except for share and per share data, or otherwise stated)		
Cash flows from operating activities			
Net loss from the year	(3,469)	(743)	(5,369)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation and amortization	1,176	1,014	498
Expected credit loss	6	49	—
Share-based compensation expenses	753	102	236
Loss on early termination of right-of-use asset	—	—	273
Loss from disposal of subsidiaries	—	—	(138)
Asset impairment loss	—	2,158	—
Changes in deferred taxes	—	(324)	—
Changes in operating assets and liabilities			
Deposits, prepayments and other current assets	125	(45)	(397)
Due from related parties	1,386	—	—
Commission payable	489	(56)	(482)
Income tax payable	—	36	(102)
Lease liability	(955)	(1,024)	(525)
Other payables and accrued liabilities	(173)	18	(275)
Due to related party	10,109	1,379	(201)
Total net cash provided by/ (used in) operating activities	9,447	2,564	(6,482)
Cash flows from investing activities			
Purchase of intangible assets	(256)	—	—
Purchase of property and equipment	—	—	(2)
Net cash inflow from disposal of subsidiaries	—	—	33
Placement of short term investments	—	—	(8,791)
Total net cash used in investing activities	(256)	—	(8,760)
Cash flows from financing activity			
Proceeds from issuance of ordinary shares	—	—	1,008
Total net cash provided by financing activity	—	—	1,008
Net increase/(decrease) in cash, cash equivalents	9,191	2,564	(14,234)
Cash and cash equivalents at beginning of the year	3,429	12,620	15,184
Cash and cash equivalents at end of the year	12,620	15,184	950

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

Santech Holdings Limited is a Cayman Islands holding company, with operating subsidiaries in Hong Kong and the United States. We are a technology company focusing on developing early stage technology businesses, and actively build, operate and scale our businesses in order to achieve growth. The Company is currently developing businesses in e-commerce, digital assets, consumer healthcare, and may target opportunities in other areas of consumer and enterprise technology. The Company believes that early-stage technology ventures may offer exceptional growth opportunities, and seeks to identify and nurture such high-potential ventures.

Risks associated with our business primarily arise from our plan to develop, acquire or invest in new technology ventures. There is the risk that any technology businesses that we develop, acquire or invest in may not be successful, or such new business may not be profitable at all. In addition, any products that we develop or distribute in our e-commerce business segment might encounter a decline in value or a decrease in sales, which could adversely affect our revenues and profitability. Furthermore, our business might also be adversely affected if we are unable to comply with laws and regulations applicable to our business and services, such as laws and regulations relating to data and cyber security, and intellectual property. See “Item 3. Key Information—D. Risk Factors—Risks Related to Our Business.”

You should carefully consider all of the information in this annual report before making an investment in the ADSs. Below please find a summary of the principal risks and uncertainties we face, organized under relevant headings:

Risks Related to Our Business

- We underwent a series of corporate restructuring in fiscal year 2024 and 2025. We are at an early stage of business transformation, and may not be able to effectively implement our future business strategies and investment, in which case our business and results of operations may be materially and adversely affected.

- Our future success depends on the continuing efforts to retain our existing management team and other key employees as well as to attract, integrate and retain highly skilled and qualified personnel, and our business may be disrupted if we lose their services.
- We may face a number of operational and financial risks in our new e-commerce businesses
- We may face a number of manufacturing and supply chain risks that could harm our business, financial condition, and operating results.
- We may need to rely on access to third-party intellectual property, which may not be available to the Company on commercially reasonable terms, or at all.
- We may depend on the performance of distributors, carriers, wholesalers, retailers and other resellers.
- Our entry into cryptocurrencies and digital assets may subject us to heightened operational, regulatory, financial and cybersecurity risks,
- Financial products that we historically distributed involve various risks and such risks may continue to negatively affect our reputation, client relationships, operations and prospects.
- Our reputation and brand recognition are crucial to our business. Any harm to our reputation or failure to enhance our brand recognition may materially and adversely affect our business, financial condition and results of operations.
- We face risks related to outbreaks of health epidemics, natural disasters, and other extraordinary events, which could significantly disrupt our operations and adversely affect our business, financial condition or results of operations.
- Our risk management policies and procedures may not be fully effective in identifying or mitigating risk exposure in all market environments or against all types of risk, including the non-compliances with laws and regulations or our internal policies and procedures.
- We and our directors and/or executive officers may be involved from time to time in legal or administrative proceedings and commercial or contractual disputes, which could have a material adverse effect on our business, results of operations and financial condition.
- We have granted, and may continue to grant, share options and other forms of share-based incentive awards, which may result in increased share-based compensation expenses.
- Any significant failure in our information technology systems could have a material adverse effect on our business and profitability.
- Our chairman of the board is able to control and exert significance influence over our company, whose interest may be different from or conflict with that of our other shareholders.
- We may not be able to prevent unauthorized use of our intellectual property, which could reduce demand for our products and services, adversely affect our revenues and harm our competitive position.
- We may face intellectual property infringement claims that could be time consuming and costly to defend and may result in the loss of significant rights by us.

- Confidentiality agreements with employees, product providers and others may not adequately prevent disclosure of our trade secrets and other proprietary information.
- We have limited insurance coverage.
- If we fail to implement and maintain an effective system of internal controls to remediate our material weakness over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

Risks Related to Our Corporate Structure

- We are unable to benefit from the assets held by the VIEs and the WFOE, which could have a material adverse effect on our business and financial condition, and our reputation may be affected.
- There is uncertainty regarding the identification of whether we are a non-PRC company, and whether we have lost control of the PRC entities under the PRC legal system.

Risks Related to Doing Business in Hong Kong and Mainland China

- Changes and developments in the political and economic policies of the PRC government may materially and adversely affect our business in Hong Kong.
- If the PCAOB is unable to adequately inspect or fully investigate our auditor as required under the Holding Foreign Companies Accountable Act, the SEC will prohibit the trading of our ADSs. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct adequate inspections of our auditor would deprive our investors of the benefits of such inspections.
- The PRC government may intervene or influence the Hong Kong operations of an offshore holding company, such as ours, at any time. The PRC government may exert more control over offerings conducted overseas and/or foreign investment in Hong Kong-based issuers. If the PRC government exerts more oversight and control over offerings that are conducted overseas and/or foreign investment in Hong Kong-based issuers and we were to be subject to such oversight and control, it may result in a material adverse change to our business operations in Hong Kong.
- Changes in U.S. and international trade policies, particularly with regard to China, may adversely impact our business and operating results.
- We may be treated as a resident enterprise for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to PRC income tax on our global income.

Risks Related to Our ADSs

- The trading price of our ADSs is likely to be volatile, which could result in substantial losses to investors.
- If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and trading volume could decline.
- The sale or availability for sale of substantial amounts of our ADSs could adversely affect their market price.
- You may be subject to limitations on the transfer of the ADSs.

- The voting rights of holders of the ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct the voting of your ordinary shares underlying the ADSs.
- You may experience dilution of your holdings due to inability to participate in rights offerings.
- Techniques employed by short sellers may drive down the market price of the ADSs.
- Our Memorandum and Articles of Association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs.
- Certain judgments obtained against us by our shareholders may not be enforceable.
- You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.
- We incur costs as a result of being a public company, and these will increase after we cease to qualify as an “emerging growth company.”
- ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.
- Your rights to pursue claims against the depository as a holder of ADSs are limited by the terms of the deposit agreement.
- We are a foreign private issuer within the meaning of the rules under the Exchange Act and are therefore exempt from certain provisions applicable to U.S. domestic issuers.
- As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters in lieu of the corporate governance listing standards applicable to U.S. domestic issuers, which home country practices may afford comparatively less protection to shareholders.
- There can be no assurance that we will not be a passive foreign investment company, or PFIC, for our current or future taxable years, which could result in adverse U.S. federal income tax consequences to U.S. investors in our ADSs or ordinary shares.

Risks Related to Our Business

We underwent a series of corporate restructuring in fiscal year 2024 and 2025. We are at an early stage of business transformation, and may not be able to effectively implement our future business strategies and investment, in which case our business and results of operations may be materially and adversely affected.

In 2024 and 2025, we underwent a series of corporate restructuring. As of the date of this annual report, we have terminated our historical businesses in China. We no longer have operations, offices or employees in China. We have also exited our historical businesses in overseas wealth management and asset management in Hong Kong. As such, our reported historical financial results may not be indicative of our future performance.

We have repositioned to become a technology company. The Company is currently developing businesses in e-commerce, digital assets, consumer healthcare, and may target opportunities in other areas of consumer and enterprise technology. The Company believes that early-stage technology ventures may offer exceptional growth opportunities, and seeks to identify and nurture such high-potential ventures. However, our new business strategy is currently at an early stage and we cannot assure you that our business development in the technology sector will succeed at all. We may also seek other new business strategies, new business opportunities or new business acquisitions or partnerships from time to time, and we may seek such new business strategies, new business opportunities or new business acquisitions or partnerships in any sectors outside of the e-commerce, digital assets, consumer healthcare or other technology sectors. We may also expand into new geographic markets we believe are attractive from time to time. We cannot assure that any such new businesses will be profitable or will succeed at all.

Investment in new business strategies is inherently risky, could materially adversely affect the Company's business, reputation, results of operations and financial condition. Such endeavors in new business strategies or acquisitions may involve significant risks and uncertainties, including limitation of management's resources, greater-than-expected liabilities and expenses, economic, political, legal and regulatory challenges associated with operating in new businesses, regions or countries, inadequate return on capital, potential impairment of tangible and intangible assets, and significant write-offs. Investment and acquisition transactions are exposed to additional risks, including failing to obtain required regulatory approvals on a timely basis or at all, or the imposition of onerous conditions that could delay or prevent the Company from completing a transaction or otherwise limit the Company's ability to fully realize the anticipated benefits of a transaction. These new ventures are inherently risky and may not be successful. The failure of any significant investment could materially adversely affect the Company's business, reputation, results of operations and financial condition.

In addition, we cannot assure you that our current and planned personnel, systems, procedures and controls will be adequate to support our future operations, and we cannot assure you that we will be able to manage our growth or implement our future business strategies effectively, and failure to do so may materially and adversely affect our business and results of operations.

Our future success depends on the continuing efforts to retain our existing management team and other key employees as well as to attract, integrate and retain highly skilled and qualified personnel, and our business may be disrupted if we lose their services.

Our future success depends heavily on the continued services of our current executive officers. In particular, our Chairman and CEO, Lawrence Wai Lok, possesses extensive experience in the technology sector, which includes sourcing and executing investments, mergers and acquisitions and corporate financing in the technology sector given his nearly twenty years of investment banking career in the technology industry. We may also rely on the skills, experience and efforts of other key employees or independent contractors, including management, marketing, support, research and development, technical and services personnel. If one or more of our executive officers or other key employees or independent contractors are unable or unwilling to continue in their present positions, we may not be able to find replacements easily or at all, which may disrupt our business operations.

Our plan to develop, acquire and invest in high-growth technology businesses may also require us to recruit suitable team members, skilled employees and additional key personnel. We may not successfully recruit such additional talents or retain our current key employees who may be necessary to our development. This may cause our plan to grow in the technology sectors to fail, which may materially and adversely affect our business, results of operations and financial condition.

We may face a number of operational and financial risks in our new e-commerce businesses

As we expand into e-commerce businesses, and especially given the early stage of our business ventures, we expect our operating and financial results to vary significantly from quarter to quarter due to a number of factors, including changes in demand for our products, our ability to acquire new customers and retain existing customers or encourage repeat purchases, our ability to source supplies for our products consistently, our ability to manage our product inventory, general economic conditions, both domestically and in foreign markets, advertising and marketing costs, and costs of creating and expanding product lines. We may also rely heavily on e-commerce platforms such as Amazon, eBay and Shopify in conducting our e-commerce businesses. The e-commerce industry is generally highly competitive and we may not be able to achieve profitability from our e-commerce businesses.

We may face a number of manufacturing and supply chain risks that could harm our business, financial condition, and operating results.

Our e-commerce businesses and other technology businesses may expose us to a number of risks related to manufacturing and supply chain management, which could affect our ability to supply our products and services. We may need to rely on, for example, contract manufacturers to manufacture certain products, third party service providers to provide server, networking equipment or other services, or third party software developers to provide, maintain and upgrade software applications and services for our products and services. We may in the future experience supply shortages, price increases, quality issues, and/or longer lead times that could negatively affect our operations, driven by raw material and/or component availability, manufacturing capacity, labor shortages, industry allocations, logistics capacity, inflation, foreign currency exchange rates, tariffs, sanctions and export controls, trade disputes and barriers, forced labor concerns, sustainability sourcing requirements, geopolitical tensions, armed conflicts, natural disasters or pandemics, the effects of climate change, power and transmission availability, and significant changes in the financial or business condition of our suppliers.

We may need to rely on access to third-party intellectual property, which may not be available to the Company on commercially reasonable terms, or at all.

In the process of developing our technology businesses, we may need to provide products and services that are designed to include intellectual property owned by third parties, which requires licenses from those third parties. In addition, because of rapid technological changes in the technology industries, current extensive patent and other intellectual property coverage and the rapid rate of issuance of new patents and trademarks, the Company's future products and services can unknowingly infringe existing patents, trademarks or intellectual property rights of others. Selling certain consumer products under our e-commerce segment may also require us to obtain licenses or other third-party intellectual property rights to distribute such products. Based on experience and industry practice, the Company believes licenses to such third-party intellectual property can generally be obtained on commercially reasonable terms. However, there can be no assurance the necessary licenses can be obtained on commercially reasonable terms or at all. Failure to obtain the right to use third-party intellectual property, or to use such intellectual property on commercially reasonable terms, can preclude the Company from selling certain products or services, or otherwise cause the Company's technology businesses to fail, and accordingly may have a material adverse impact on the Company's business, results of operations and financial condition.

We may depend on the performance of distributors, carriers, wholesalers, retailers and other resellers.

In our efforts to enter the e-commerce and other technology businesses we may need to distribute products and certain of services through distributors, cellular network carriers, wholesalers, retailers and resellers, many of which distribute products and services from competitors. We may also sell products and services and resells third-party products in most of our major markets directly to consumers, small and mid-sized businesses, and education, enterprise and government customers through its retail and online stores and its direct sales force.

We cannot assure you such distributors, carriers, wholesalers, retailers or resellers could perform well for our products or services. The financial condition of such distributors, carriers, wholesalers, retailers or resellers selling our products or services could weaken, they could stop distributing our products, and the uncertainty regarding demand for some or all of our products could cause them to reduce their ordering and marketing of our products.

Our entry into cryptocurrencies and digital assets may subject us to heightened operational, regulatory, financial and cybersecurity risks,

Depending on market conditions and other factors, we expect to expand our businesses into cryptocurrency and digital assets, and we may engage in the mining, trading, acquiring and selling of cryptocurrencies and digital assets. We have a limited operating history in the cryptocurrency and digital asset industries, which makes it difficult to forecast our prospects and future results of operations. You should take into account the risks and uncertainties frequently encountered by companies operating in the cryptocurrency and digital asset industries. Our operations and financial results could decline for a number of reasons, including changes in government regulations, heightened volatilities or reduction in the value of cryptocurrencies, any changes in blockchain technologies, intense competitions in the cryptocurrency and digital asset industries, or any unforeseen security breaches and cyberattacks.

Financial products that we historically distributed involve various risks and such risks may continue to negatively affect our reputation, client relationships, operations and prospects.

During the fiscal years ended June 30, 2023, 2024 and the first two months of fiscal year 2025, we selected and distributed financial products to our clients on behalf of issuers of these products, from which we generate most of our revenue. Through our Hong Kong subsidiaries, we also provided asset management products and derived management fees, commissions from trades, retrocession fees from custodian banks, and performance-based fees, and we also facilitated or referred sales of insurance products and derived one-time client referral fee income. These products often have complex structures and involve various risks, including default risks, interest risks, liquidity risks, market risks, counterparty risks, fraud risks and other risks. In addition, we are subject to risks arising from any potential misconduct or violation of law by the product providers. Any such misconduct or violation of law may adversely affect the performance of the applicable products that we distribute or facilitate to sell and harm our reputation.

In December 2023, redemption issues had been reported on certain asset-backed products previously distributed by Hywin Wealth Management, a variable interest entity in the PRC. The asset managers of these products were unable to reach an agreement with the relevant clients to defer redemption. While Hywin Wealth Management acted only as distributor of these asset-backed products, the clients are now demanding repayment from Hywin Wealth Management. On June 28, 2024, we exited wealth management and asset management businesses in the PRC by terminating our VIE arrangements with Hywin Wealth Management, but we cannot assure you that we will not encounter similar incidents in the future.

Although we have exited our historical businesses in wealth management and asset management, in both China as well as Hong Kong, the risks associated with such products may continue to affect us and our reputation. While we had taken cautions in the risk management of our products and services, our risk management policies and procedures may not have been fully effective in mitigating the risk exposure of our clients in all market environments or against all types of risks. If any of our clients suffer financial loss or other damages, our reputation, client relationship, business, financial conditions and prospects may be materially and adversely affected.

Our reputation and brand recognition are crucial to our business. Any harm to our reputation or failure to enhance our brand recognition may materially and adversely affect our business, financial condition and results of operations.

Our reputation and brand recognition are critical to the success of our business. We believe a sound reputation and a well-recognized brand are crucial to increasing our client base, which in turn facilitates our effort to develop new business opportunities, monetize our services and enhance our attractiveness to our clients and product providers. Our reputation and brand are vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries or investigations, lawsuits initiated by clients or other third parties, employee misconduct, perceptions of conflicts of interest and rumors, complaints from and disputes with our clients, among other things, could substantially damage our reputation, even if they are baseless or satisfactorily addressed. If we are unable to maintain a good reputation or further enhance our brand recognition, our business and revenues may be materially and adversely affected.

For example, in December 2023, redemption issues had been reported in China on certain asset-backed products previously distributed by Hywin Wealth Management, with whom we had terminated the VIE arrangements. The asset managers of these products were unable to reach an agreement with the relevant clients to defer redemption. Since September 2024, Mr. Han Hongwei, previously Chairman of the Board, and Madame Wang Dian, previously Chief Executive Officer and director of the Company, have been detained under investigation and are facing potential prosecution in China. Incidents such as these have severely damaged our reputation. In addition, the public may continue to associate us with Hywin Wealth Management or any other Hywin entities in the PRC, and our reputation may continue to be adversely affected indirectly by any negative media publicity or any negative incidents in connection with any Hywin or Hywin-affiliated persons or entities in the PRC, even though the Company has now terminated its prior affiliations with Hywin.

We face risks related to outbreaks of health epidemics, natural disasters, and other extraordinary events, which could significantly disrupt our operations and adversely affect our business, financial condition or results of operations.

Our business could be and has been affected by public health epidemics, such as the outbreak of avian influenza, severe acute respiratory syndrome, or SARS, Zika virus, Ebola virus, the COVID-19 pandemic or other disease. Furthermore, although the World Health Organization has declared that the COVID-19 pandemic is no longer a global health emergency and the Hong Kong government has lifted restrictions and quarantine measures due to the fact that the pandemic is being contained, there is still great uncertainty as to the future development of the COVID-19 pandemic, which may still affect our work efficiency and productivity and cause delay or cancellation in our offline events, and in turn adversely affect our business. In addition to the impact of the COVID-19 pandemic and other health epidemics, our business could also be materially and adversely affected by natural disasters or other public safety concerns affecting Hong Kong or elsewhere in the world.

Our risk management policies and procedures may not be fully effective in identifying or mitigating risk exposure in all market environments or against all types of risk, including the non-compliances with laws and regulations or our internal policies and procedures.

Historically, we devoted significant time and resources to developing our risk management policies and procedures in operating our wealth management and asset management businesses. We will continue to focus on developing our risk management policies and procedures as we shifted our business focus to developing high-growth businesses in the technology sector. However, our policies and procedures to identify, monitor and manage risks may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk. Many of our risk management policies were based upon observed historical market behaviors, existing market practices or statistics based on historical models. During periods of market volatility or due to unforeseen events, the historically derived correlations upon which these methods were based may not be valid. As a result, these methods may not predict future exposures accurately, which could be significantly greater than what our models indicate. This could cause us to incur investment losses or cause our hedging and other risk management strategies to be ineffective.

We and our directors and/or executive officers may be involved from time to time in legal or administrative proceedings and commercial or contractual disputes, which could have a material adverse effect on our business, results of operations and financial condition.

From time to time, we and our directors and/or executive officers may be involved in legal or administrative proceedings and commercial disputes. Such proceedings or disputes may include, without limitation, commercial or contractual disputes in our ordinary course of business, lawsuits or disputes brought by our clients, class action complaints or litigations brought by our investors, lawsuits involving employment matters, and other regulatory compliance matters. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings” for details of material legal proceedings that we are involved in. Proceedings such as these may have a material adverse effect on our business, results of operations and financial condition. There can be no assurance that any proceedings and claims, should they arise again, will not have a material adverse effect on our business, results of operations and financial condition.

Although we have exited our historical wealth management and asset management businesses and have been phasing out the remaining business in this regard, we are still subject to litigation risks as we shifted our business focus to exploring various opportunities in consumer technology, consumer healthcare and enterprise technology. Such risks may be heightened during periods when credit, equity or other financial markets are deteriorating in value or are volatile, and as a result our past or present clients or investors experience losses. Although we are not liable for the loss of our clients or investors arising from their own investments decisions and we do not provide any guarantees of returns with respect to the products, however, we may still be involved in legal proceedings, commercial disputes, complaints from and disputes with our clients regardless of its ground. Furthermore, actions brought against us may result in settlements, awards, injunctions, fines, penalties or other results adverse to us including harm to our reputation. The contracts between ourselves and insurance product providers do not provide for indemnification for our costs, damages or expenses resulting from such lawsuits. Even if we are successful in defending against these actions, the defense of such matters may result in us incurring significant expenses. Predicting the outcome of such matters is inherently difficult, particularly where claimants seek substantial or unspecified damages, or when arbitration or legal proceedings are at an early stage. A substantial judgment, award, settlement, fine, or penalty could be materially adverse to our operating results or cash flows for a particular future period, depending on our results for that period.

We have granted, and may continue to grant, share options and other forms of share-based incentive awards, which may result in increased share-based compensation expenses.

On December 6, 2020, we adopted our current share incentive plan, or the 2020 Plan. Under the Share Incentive Plan, the maximum aggregate number of ordinary shares available for issuance will be 5,000,000 ordinary shares, equal to 10% of the total outstanding ordinary shares of our company immediately prior to completion of our public offering. As of the date of this annual report, 1,776,000 restricted share awards have been granted to our executive officers and directors under the 2020 Plan. We recognized US\$0.8 million, US\$0.1 million and US\$0.2 million of share-based compensation expenses for the years ended June 30, 2023, 2024 and 2025, respectively. See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans” and “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Key Components of Results of Operations—Operating Costs and Expenses—Share-based Compensation Expenses/(Benefits).” We will continue to incur share-based compensation expenses in future periods due to awards granted or to be granted under the 2020 Plan and any future awards under other plans. We may continue to grant restricted shares awards, restricted share units, share options or other share-based incentives in the future, which may record significantly share-based compensation expenses in our profit or loss statement. We account for compensation costs for all share-based incentives using a fair-value based method and recognize expenses in our consolidated statement of income in accordance with the relevant rules in accordance with U.S. GAAP, which may have a material adverse effect on our net income. Any additional securities issued under share-based compensation schemes will adversely affect our results of operations and dilute the ownership interests of our shareholders, including holders of our ADSs. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key employees, and we will continue to grant share-based compensation to directors or employees in the future.

Any significant failure in our information technology systems could have a material adverse effect on our business and profitability.

Our business is highly dependent on the ability to manage our information technology systems securely and accurately. The proper functioning of our client transactions and services, sales management, financial control, accounting, and other information technology systems, together with the communication systems, is critical to our business and to our ability to compete effectively. We cannot assure you that our business activities would not be materially disrupted in the event of a partial or complete failure of any of these information technology or communication systems, which could be caused by, among other things, software malfunction, computer virus attacks or conversion errors due to system upgrading. In addition, a prolonged failure of our information technology system could damage our reputation and materially and adversely affect our future prospects and profitability. In addition, as we plan to develop or acquire e-commerce or other technology businesses, we cannot assure you that no additional licenses or permits under relevant laws and regulations to own or conduct such business or IT infrastructure would be required, or that we would be able to obtain additional licenses or permits. In addition, our information technology systems or any other digital assets that we hold may be subject to cybersecurity attacks such as hacking, or other unforeseen technology or platform failures. Any significant technology failures may render us unable to recoup our investments and our future prospects and profitability may be materially and adversely affected.

Our chairman of the board is able to control and exert significance influence over our company, whose interest may be different from or conflict with that of our other shareholders.

As of the date of this annual report, Mr. Lawrence Wai Lok beneficially owns an aggregate of 66.67% of our outstanding share capital. As more than 50% of the voting power for the election of directors is held or directed by Mr. Lok, we are a “controlled company” within the meaning of the Nasdaq listing rules. As a result of this high level of shareholding, Mr. Lok would be able to exert a significant degree of influence or actual control over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. This control will also limit your ability to influence corporate matters and may prevent transactions that would be beneficial to you, including discouraging others from pursuing any potential merger, takeover or other change of control transactions, which could have the effect of depriving the holders of our ordinary shares and the ADSs of the opportunity to sell their shares at a premium over the prevailing market price. For more information regarding our principal shareholders and their affiliated entities, see “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

We may not be able to prevent unauthorized use of our intellectual property, which could reduce demand for our products and services, adversely affect our revenues and harm our competitive position.

We rely primarily on a combination of copyright, trade secret, trademark and anti-unfair competition laws and contractual rights to establish and protect our intellectual property rights in our brand, trade names, trademarks, trade secrets, proprietary database and research reports and other intellectual property rights distinguish the products we distribute and our services from those of our competitors. We cannot assure you that the steps we have taken or will take in the future to protect our intellectual property or prevent piracy will prove to be sufficient. Current or potential competitors may use our intellectual property without our authorization in the development of products and services that are substantially equivalent or superior to ours, which could reduce demand for our solutions and services, adversely affect our revenues and harm our competitive position. Even if we were to discover evidence of infringement or misappropriation, our recourse against such competitors may be limited or could require us to pursue litigation, which could involve substantial costs and diversion of management's attention from the operation of our business.

We may face intellectual property infringement claims that could be time consuming and costly to defend and may result in the loss of significant rights by us.

Although we have not been subject to any litigation, pending or threatened, alleging infringement of third parties' intellectual property rights, we cannot assure you that such infringement claims will not be asserted against us in the future. Intellectual property litigation is expensive and time-consuming and could divert resources and management attention from the operation of our business. If there is a successful claim of infringement, we may be required to alter our services, cease certain activities, pay substantial royalties and damages to, and obtain one or more licenses from, third parties. We may not be able to obtain those licenses on commercially acceptable terms, or at all. Any of those consequences could cause us to lose revenues, impair our client relationships and harm our reputation.

Confidentiality agreements with employees, product providers and others may not adequately prevent disclosure of our trade secrets and other proprietary information.

We require our employees, product providers and others to enter into confidentiality agreements in order to protect our trade secrets, other proprietary information and, most importantly, our client information. These agreements might not effectively prevent disclosure of our trade secrets, know-how or other proprietary information and might not provide an adequate remedy in the event of unauthorized disclosure of such confidential information. In addition, others may independently discover trade secrets and proprietary information, and in such cases we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

We have limited insurance coverage.

We may not be able to obtain sufficient insurance to safeguard against risks and unexpected events. We provide social security insurance including pension insurance, work-related injury insurance, maternity insurance and medical insurance for our employees. Our directors and officers liability insurance policy for our board of directors and executives has current run out, and we may not be able to restore coverage at commercially reasonable terms. We do not have commercial insurance coverage on our assets and we do not maintain insurance to cover our business or interruption of our business, litigation, class action lawsuits or product liability. Any uninsured occurrence of loss or damage to property, litigation or business disruption may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

If we fail to implement and maintain an effective system of internal controls to remediate our material weakness over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud

In connection with the audits of our consolidated financial statements for the year ended June 30, 2025, we and our independent registered public accounting firm identified the following material weaknesses in our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses that have been identified relate to (i) our lack of sufficient resources with U.S. GAAP and the SEC reporting experiences in the accounting department to provide accurate information on a timely manner; (ii) our lack of key monitoring mechanisms such as internal audit department to oversee and monitor our risk management, business strategies and financial reporting procedures; (iii) our lack of revenue progress monitoring mechanisms, such as no established transaction progress synchronization mechanism between the business side and the finance side, leading to the inability to track the timing of insurance policy effectiveness or service fulfillment, and potential misrecognition of commission income based on the collection of service fee rather than at risk transfer point; (iv) our lack of control in contract management, such as failure to systematically archive insurance brokerage or distribution agreements, which may affect our revenue recognition accuracy; (v) our lack of automated interface to obtain the fair value of the underlying fund’s or mandate’s net assets, which may cause miscalculation risks to our revenue accuracy; (vi) our lack of documented approval process exists for revenue transactions requiring collaboration between business, legal, and finance team to ensure revenue is recorded only when supporting documents are complete; (vii) our lack of a centralized commission policy with predefined calculation formulas and hierarchical review (e.g., supervisor approval) for variable compensation calculations; and (viii) our lack of policies for critical transactions (revenue, commissions, bonuses) are either nonexistent or not formally communicated.

To remediate the material weakness identified in internal control over our financial reporting, we have: (a) hired an experienced personnel in accounting department with adequate experience with financial reporting and compliance requirements; (b) continued our efforts to provide ongoing training courses in U.S. GAAP to existing personnel, including our Principal Financial Officer; (c) continued our efforts to enhance the effectiveness of our internal control over financial reporting by increasing technology adoption, reducing reliance on paper records or single personnel, and migrating our internal processes to cloud-based software systems that are suitable for U.S. reporting companies, which we believe will enhance areas such as contract management, document retention, transaction approvals, and automation in financial reporting.

Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control for purposes of identifying and reporting material weaknesses and other control deficiencies in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional deficiencies may have been identified.

Following the identification of the material weaknesses, we have implemented and are continuing to implement a number of measures to address the material weakness identified. See “Item 15. Controls and Procedures—Internal Control over Financial Reporting.” However, the implementation of these measures may not fully address the material weakness in our internal control over financial reporting, and we cannot conclude that it has been fully remedied. Our failure to correct the material weakness or our failure to discover and address any other control deficiencies could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, may be materially and adversely affected.

We are subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, requires that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report beginning with our second annual report. In addition, once we cease to be an “emerging growth company” as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed or operated, or if it interprets the relevant requirements differently from us. In addition, since we have become a public company, our reporting obligations may have placed a significant strain on our management, operational and financial resources and systems. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

Risks Related to Our Corporate Structure

We are unable to benefit from the assets held by the VIEs and the WFOE, which could have a material adverse effect on our business and financial condition, and our reputation may be affected.

Our WFOE in the PRC is no longer active in operations, and we do not have access to the WFOE’s seal or bank accounts, while the legal representative and directors of the PRC WFOE are either unreachable or we are unable to direct or manage them to act. We have lost de facto control of the WFOE for the following reasons:

- According to the Contract Law of the People’s Republic of China, a contract by the parties in writing shall be concluded upon signing thereof or affixing the seal thereon. The absence of a seal diminishes our influence in decisions, hindering the normal implementation of resolutions from shareholder meetings. Consequently, this limits our ability to legally sign contracts and engage in other legal actions, thereby impacting our decision-making capacity and control.

- The Company Law of the People’s Republic of China stipulates that companies must establish bank accounts in accordance with the law to conduct financial activities related to company business. Inaccessibility to bank accounts means that, as shareholder of the WFOE, we cannot manage or allocate the WFOE’s funds. This further isolates us from controlling the WFOE’s financial operations.
- The inability to reach the legal representative and directors in the PRC and the inability to direct or manage them to act significantly limit our control and our ability to manage or operate the WFOE. We are also unable to obtain accurate information about the WFOE’s remaining operations, assets and financials.

The remaining VIEs in the PRC, namely Shanghai Hywin Network Technology and Shenzhen Panying, are also no longer active in operations. In addition, although the contractual arrangements between the WFOE and the remaining VIEs have not yet been terminated, given that we have lost control of the WFOE, we are unable to benefit from the contractual arrangements and, therefore, we have also lost control of the VIEs. Accordingly, we believe we have lost de facto control of the VIEs, their PRC subsidiaries, and all associated assets and operations.

Under the VIE contractual arrangements, we were entitled to the consolidated net profits of the VIEs through the WFOE. However, due to the above-stated reasons, we are unable to benefit from such profits, nor are we able to exercise control over any of their bank accounts, assets, or operations in the PRC, which limits our capacity to allocate funds, manage finances or conduct any further businesses in China.

Although we no longer have operations in PRC, we cannot assure you that our previous affiliations in the PRC or any remaining matters in the PRC does not further affect us negatively. Any harm to our reputation or perception of instability may adversely affect our ability to attract and retain customers, or prevent us from engaging with potential partnerships and collaborations, thereby reducing our growth opportunities.

There is uncertainty regarding the identification of whether we are a non-PRC company, and whether we have lost control of the PRC entities under the PRC legal system.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

China has not developed a fully integrated legal system, and enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in China or may be subject to a significant degree of interpretation by PRC regulatory agencies and courts. In particular, because these laws, rules and regulations are relatively new and quickly evolving, and because of the limited number of published decisions and the non-precedential nature of these decisions, and because the laws, rules and regulations often give the relevant regulator certain discretion in how to enforce them, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and can be inconsistent and unpredictable. Therefore, it is possible that our operations in the PRC in the past consolidated through our WFOE and VIEs, or any existing or future operations, may be found not in full compliance with relevant laws and regulations in China. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until after the occurrence of the violation.

Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have certain discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to predict the outcome of administrative and court proceedings and the level of legal protection than in more developed legal systems. These uncertainties may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business, financial condition and results of operations.

In addition, the PRC government has significant influence over business activities and, to further regulatory and societal goals, has become more involved in regulating China-based companies, which may include us. For example, in recent years the PRC government has enhanced regulation in areas such as anti-monopoly, anti-unfair competition, cybersecurity and data privacy. In addition, the PRC government has also published policies that significantly affected the Internet industries and certain other industries, including industries that we operate in, and in the future it may implement other policies or regulations that may have a significant adverse impact on us or industries that we operate in. Moreover, the PRC government has strengthened the administration over illegal securities activities and the supervision on overseas listings by China-based companies and issued new filing obligations and approval requirements in connection with offshore offerings, which will increase our regulatory compliance costs and may limit or hinder our ability and the ability of our subsidiaries to offer or continue to offer securities to investors and cause the value of our securities, including our ADSs, to significantly decline or become worthless. See “— Risks Related to Doing Business in the People’s Republic of China — The approval, filing or other requirements of the China Securities Regulatory Commission (CSRC) or other PRC regulatory authorities may be required under PRC law in connection with any future issuance of securities overseas, and, if required, we cannot predict whether or for how long we or our subsidiaries will be able to obtain such approval or complete such filing.” The Chinese government may further promulgate relevant laws, rules and regulations that may impose additional and significant obligations and liabilities on Chinese companies. These laws and regulations can be complex and stringent, and many are subject to change and uncertain interpretation, which could result in claims, change to our data and other business practices, regulatory investigations, penalties, increased cost of operations, or declines in user growth or engagement, or otherwise affect our business. It is uncertain whether or how these new laws, rules and regulations and the interpretation and implementation thereof may affect us, but among other things, our ability and the ability of our subsidiaries to obtain external financing through the issuance of equity securities overseas could be negatively affected and as a result, the trading prices of our ADSs and Shares to could significantly decline or become worthless.

Although we no longer have operations in the PRC, given the uncertainties regarding the interpretation and enforcement of PRC laws, rules and regulations, and changes in policies, laws, rules and regulations in the PRC, we cannot assure that we will definitely be regarded as a non-PRC company, and whether we will be regarded as having lost control of the PRC entities under the PRC legal system.

Risks Related to Doing Business in Hong Kong and Mainland China

Changes and developments in the political and economic policies of the PRC government may materially and adversely affect our business in Hong Kong.

We primarily conduct business in Hong Kong, a special administrative region of China, and we historically operated in Mainland China.

The PRC government historically had significant oversight and discretion over the conduct of our business, and may continue to intervene in or influence our operations through adopting and enforcing rules and regulatory requirements. Accordingly, our financial condition and results of operations may be affected to a significant extent by economic, political and legal developments in the PRC.

The PRC economy differs from the economies of most developed countries in many respects, including the level of development, growth rate, extent of government involvement, control of foreign exchange and allocation of resources. A substantial portion of productive assets in China is still managed by the government. In addition, the PRC government regulates industry development by imposing industrial policies. The PRC government also plays a significant role in China’s economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and regulating financial services and institutions.

While the PRC economy has experienced significant growth in the past decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on us. Our financial condition and results of operations could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. In addition, the PRC government has implemented in the past certain measures, including interest rate increases, to manage the pace of economic growth and prevent the economy from overheating. Any prolonged slowdown in the economy could lead to a reduction in demand for our services and consequently have a material adverse effect on our businesses, financial condition and results of operations.

We cannot assure you that the oversight will not be extended to companies operating in Hong Kong like us and any such action may lead to a reduction in demand for our services and consequently have a material adverse effect on our businesses, financial condition and results of operations in Hong Kong, as well as damage our reputation.

If the PCAOB is unable to adequately inspect or fully investigate our auditor as required under the Holding Foreign Companies Accountable Act, the SEC will prohibit the trading of our ADSs. The delisting of our ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. Additionally, the inability of the PCAOB to conduct adequate inspections of our auditor would deprive our investors of the benefits of such inspections.

On April 21, 2020, SEC released a joint statement highlighting the risks associated with investing in companies based in or have substantial operations in emerging markets including China. The joint statement emphasized the risks associated with lack of access for the Public Company Accounting Oversight Board (the “PCAOB”) to inspect auditors and audit work papers in China and higher risks of fraud in emerging markets.

On May 20, 2020, the U.S. Senate passed the Holding Foreign Companies Accountable Act (the “HFCAA”) requiring a foreign company to certify it is not owned or controlled by a foreign government if the PCAOB is unable to audit specified reports because the company uses a foreign auditor not subject to PCAOB inspection. If the PCAOB is unable to inspect the company’s auditors for three consecutive years, the issuer’s securities are prohibited to trade on a national securities exchange or in the over the counter trading market in the U.S. On December 2, 2020, the U.S. House of Representatives approved the HFCAA. On December 18, 2020, the HFCAA was signed into law.

On June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, or AHFCAA, which proposed to reduce the period of time for foreign companies to comply with PCAOB audits from three to two consecutive years, thus reducing the time period before the securities of such foreign companies may be prohibited from trading or delisted. On December 29, 2022, the Consolidated Appropriations Act, 2023 (the “CAA”), which the AHFCAA forms a part, was signed into law, and it officially reduced the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two, thus, would reduce the time before an applicable issuer’s securities may be prohibited from trading or delisted.

On December 2, 2021, the SEC issued amendments to finalize rules implementing the submission and disclosure requirements in the HFCAA. The rules apply to registrants that the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that PCAOB is unable to inspect or investigate completely because of a position taken by an authority in foreign jurisdictions. The final amendments became effective on January 10, 2022. The SEC began to identify and list Commission-Identified Issuers on its website shortly after registrants filed their annual reports for 2021.

On December 16, 2021, PCAOB announced the PCAOB HFCAA Determinations (the “2021 Determinations”) relating to the PCAOB’s inability to inspect or investigate completely registered public accounting firms headquartered in Mainland China or Hong Kong, because of a position taken by one or more authorities in Mainland China or Hong Kong.

On August 26, 2022, the PCAOB announced and signed a Statement of Protocol (the “Protocol”) with the China Securities Regulatory Commission and the Ministry of Finance of the People’s Republic of China. The Protocol provides the PCAOB with: (i) sole discretion to select the firms, audit engagements and potential violations it inspects and investigates, without any involvement of Chinese authorities; (ii) procedures for PCAOB inspectors and investigators to view complete audit work papers with all information included and for the PCAOB to retain information as needed; (iii) direct access to interview and take testimony from all personnel associated with the audits the PCAOB inspects or investigates.

The PCAOB reassessed the 2021 Determinations that the positions taken by PRC authorities prevented the PCAOB from inspecting and investigating in Mainland China and Hong Kong completely. The PCAOB sent its inspectors to conduct on-site inspections and investigations of firms headquartered in Mainland China and Hong Kong from September to November 2022.

On December 15, 2022, the PCAOB announced that the PCAOB was able to secure complete access to inspect and investigate accounting firms headquartered in Mainland China and Hong Kong, and the PCAOB Board voted to vacate previous determinations to the contrary. Should the PCAOB again encounter impediments to inspections and investigations in Mainland China or Hong Kong as a result of positions taken by any authority in either jurisdiction, including by the CSRC or the MOF, the PCAOB will make determinations under the HFCAA as and when appropriate. We cannot assure you whether Nasdaq or regulatory authorities would apply additional and more stringent criteria to us after considering the effectiveness of our auditor's audit procedures and quality control procedures, adequacy of personnel and training, or sufficiency of resources, geographic reach, or experience as it relates to the audit of our financial statements. There is a risk that the PCAOB is unable to inspect or investigate completely the Company's auditor because of a position taken by an authority in a foreign jurisdiction or any other reasons, and that the PCAOB may re-evaluate its determinations as a result of any obstruction with the implementation of the Protocol. Such lack of inspection or re-evaluation could cause trading in the Company's securities to be prohibited under the HFCAA ultimately result in a determination by a securities exchange to delist the Company's securities. In addition, under the HFCAA as incorporated into the CAA, our securities may be prohibited from trading on the Nasdaq or other U.S. stock exchanges if our auditor is not inspected by the PCAOB for two consecutive years, and this ultimately could result in our ordinary shares being delisted by an exchange.

Our current independent accounting firm, Audit Alliance LLP ("Audit Alliance"), whose audit report is included in this annual report on Form 20-F, headquartered in Singapore, is a PCAOB-registered CPA firm which can be inspected by PCAOB with the last inspection on September 27, 2024. Therefore, we do not expect to be identified as a Commission-Identified Issuer under the HFCAA.

Furthermore, these recent developments would add uncertainties to our offering and we cannot assure you whether the SEC, the PCAOB, Nasdaq, or other regulatory authorities would apply additional and more stringent criteria to us after considering the effectiveness of our auditor's audit procedures and quality control procedures, adequacy of personnel and training, or sufficiency of resources, geographic reach or experience as it relates to the audit of our financial statements. It remains unclear what further actions the SEC, the PCAOB or Nasdaq will take to address these issues and what impact those actions will have on U.S. companies that have significant operations in the PRC and have securities listed on a U.S. stock exchange (including a national securities exchange or over-the-counter stock market). In addition, any additional actions, proceedings, or new rules resulting from these efforts to increase U.S. regulatory access to audit information could create some uncertainty for investors, the market price of our ordinary shares could be adversely affected, and we could be delisted if we and our auditor are unable to meet the PCAOB inspection requirement or being required to engage a new audit firm, which would require significant expense and management time. If trading in our ordinary shares is prohibited under the CAA in the future because the PCAOB determines that it cannot inspect or fully investigate our auditor at such future time, Nasdaq may determine to delist our ordinary shares. If our ordinary shares are unable to be listed on another securities exchange by then, such a delisting would substantially impair your ability to sell or purchase our ordinary shares when you wish to do so, and the risk and uncertainty associated with a potential delisting would have a negative impact on the price of our ordinary shares.

The PRC government may intervene or influence the Hong Kong operations of an offshore holding company, such as ours, at any time. The PRC government may exert more control over offerings conducted overseas and/or foreign investment in Hong Kong-based issuers. If the PRC government exerts more oversight and control over offerings that are conducted overseas and/or foreign investment in Hong Kong-based issuers and we were to be subject to such oversight and control, it may result in a material adverse change to our business operations in Hong Kong.

As a company primarily conducting business in Hong Kong, a special administrative region of China, and we historically operated in Mainland China, our business and our prospects, financial condition, and results of operations may be influenced to a significant degree by political, economic, and social conditions in China generally. The PRC government may intervene or influence the operations in Mainland China of an offshore holding company at any time, which, if extended to our operations in Hong Kong, could result in a material adverse change to our operations. The PRC government has recently indicated an intent to exert more oversight and control over listings conducted overseas and/or foreign investment in issuers based in Mainland China. For instance, on July 6, 2021, the relevant PRC governmental authorities promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with the Law, which emphasized the need to strengthen the supervision over overseas listings by companies in Mainland China. As a follow-up, on February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and supporting relevant guidelines, or collectively, the Overseas Listing Trial Measures, which took effect on March 31, 2023. The Overseas Listing Trial Measures clarify the scope of overseas offerings and listings by Chinese domestic companies which are subject to the filing and reporting requirements thereunder. Pursuant to the Overseas Listing Trial Measures, an overseas offering and listing by a Chinese company, including any follow-on offering, secondary listings or other equivalent offering activities, whether directly or indirectly, shall be filed with the CSRC. Specifically, a Chinese company whose securities had already been listed overseas prior to the effectiveness of the Overseas Listing Trial Measures is required to file with the CSRC with respect to any follow-on offering in the same overseas market where its securities are listed within three business days after completion of such follow-on offering. The Overseas Listing Trial Measures have also imposed additional reporting obligations on listed companies upon the occurrence of certain circumstances, including but not limited to change of controlling interest and delisting. There are substantial uncertainties as to the interpretation and implementation of these laws and regulations. If we fail to properly or timely complete the reporting procedures with the CSRC upon the occurrence of the circumstances stipulated in the Overseas Listing Trial Measures, or the filing procedures with the CSRC for our future securities offerings and listings outside of the PRC, we may be subject to penalties, sanctions and fines imposed by the CSRC and relevant departments of the State Council of the People's Republic of China.

Changes in U.S. and international trade policies, particularly with regard to China, may adversely impact our business and operating results.

The U.S. government has recently made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies, including recently-imposed tariffs affecting certain products manufactured in China. There are significant uncertainties whether and to what extent new tariffs (or other new laws or regulations) will be adopted, or the effect that any such actions would have on us or our industry. E-commerce businesses that we are developing may be significantly affected by tariffs. If we plan to expand our business internationally in the future or if imported products begin to be or continue to be a significant role in our operations, any unfavorable government policies on international trade, such as capital controls or tariffs, may affect our ability to import certain products or provide services in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U.S. government takes retaliatory trade actions due to the recent U.S.-China trade tension, such changes could have an adverse effect on our business, financial condition, results of operations.

We may be treated as a resident enterprise for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to PRC income tax on our global income.

Under the PRC Enterprise Income Tax Law, as amended, enterprises established under the laws of jurisdictions outside of China with “de facto management bodies” located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. The State Taxation Administration of China (STA) issued Circular 82 on April 22, 2009, which was further amended on December 29, 2017. Circular 82 specifies certain criteria for determining whether the “de facto management body” of a Chinese-controlled, offshore-incorporated enterprise is located in China.

According to Circular 82, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following criteria are met:

- the primary location of the day-to-day operational management is in the PRC;
- decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC;
- the enterprise’s primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in the PRC; and
- 50% or more of voting board members or senior executives habitually reside in the PRC.

Although Circular 82 applies only to offshore enterprises controlled by PRC enterprises, and does not apply to offshore enterprises controlled by foreign enterprises or individuals, the determining criteria set forth in Circular 82 may reflect the PRC tax authorities’ general position on how the “de facto management body” test should be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises. If we were to be considered a PRC resident enterprise, we would be subject to PRC enterprise income tax at the rate of 25% on our global income. In this case, our profitability and cash flow may be materially reduced as a result of our global income being taxed under the PRC Enterprise Income Tax Law. We believe that none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.”

Risks Related to Our ADSs

The trading price of our ADSs is likely to be volatile, which could result in substantial losses to investors.

The trading price of our ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation in the market prices or the underperformance or deteriorating financial results of other listed companies based in China or Hong Kong. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of other Chinese or Hong Kong companies' securities after their offerings, may affect the attitudes of investors toward Chinese or Hong Kong companies listed in the United States, which consequently may impact the trading performance of the ADSs, regardless of our actual operating performance.

In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or matters of other Chinese or Hong Kong companies may also negatively affect the attitudes of investors towards Hong Kong companies in general, including us, regardless of whether we have conducted any inappropriate activities.

In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for factors specific to our own operations, including the following:

- variation in our revenues, earnings, cash flow and data related to our user base or user engagement;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new services and expansions by us or our competitors;
- regulatory developments in our target markets affecting us, our clients or our competitors;
- changes in the economic performance or market valuation of other wealth management companies (particularly insurance brokers);
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us or our industry, or other entities historically affiliated with us;
- additions or departures of key personnel;
- release or expiry of lock-up or other transfer restrictions on our outstanding ADSs;
- potential litigation, regulatory investigations or regulatory developments that are perceived to be adverse to our business;
- actual or anticipated fluctuations in our interim results of operations and changes or revisions of our expected results;
- fluctuations of exchange rates between the Hong Kong dollar and the U.S. dollar; and
- sales or perceived potential sales of additional ADSs.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also have a material adverse effect on the market price of our ADSs.

In addition, historically, our ADSs have been sporadically or thinly traded on some trading days. As a result of this lack of liquidity, we may be susceptible to market participants distorting the prices of our ADSs. Trading of relatively small quantities of our ADSs may disproportionately influence the prices of our ADSs in either direction.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for our ADSs and trading volume could decline.

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. There is currently only a limited number of securities or industry analysts covering our Company. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover us downgrade our ADSs or publish inaccurate or unfavorable research about our business, the market price for our ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our ADSs to decline.

The sale or availability for sale of substantial amounts of our ADSs could adversely affect their market price.

Sales of substantial amounts of our ADSs in the public market, or the perception that these sales could occur, could adversely affect the market price of our ADSs and could materially impair our ability to raise capital through equity offerings in the future. The ADSs sold in our initial public offering are freely tradable without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act, and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of our ADSs.

You may be subject to limitations on the transfer of the ADSs.

The ADSs are transferable on the books of the depository. However, the depository may close its books at any time or from time to time when it deems it expedient in connection with the performance of its duties. The depository may close its books in emergencies, and on weekends and public holidays. The depository may refuse to deliver, transfer or register transfers of the ADSs generally when our share register or the books of the depository are closed, or at any time if we or the depository thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

The voting rights of holders of the ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct the voting of your ordinary shares underlying the ADSs.

Holders of the ADSs do not have the same rights as our registered shareholders. As a holder of the ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights which attach to the ordinary shares underlying the ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary, as holder of the ordinary shares underlying the ADSs. Upon receipt of your voting instructions, the depositary may try to vote the ordinary shares underlying the ADSs in accordance with your instructions. If we ask for your instructions, then upon receipt of your voting instructions, the depositary will try to vote the underlying ordinary shares in accordance with those instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with instructions you give, but it is not required to do so. You will not be able to directly exercise any right to vote with respect to the underlying ordinary shares unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to enable you to withdraw the shares underlying the ADSs and become the registered holder of such shares prior to the record date for the general meeting to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our Amended and Restated Articles of Association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the ordinary shares underlying the ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. Where any matter is to be put to a vote at a general meeting, the depositary will notify you of the upcoming vote and to deliver our voting materials to you. We cannot assure you that you will receive the voting material in time to ensure you can direct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the shares underlying the ADSs are voted and you may have no legal remedy if the shares underlying the ADSs are not voted as you requested.

You may experience dilution of your holdings due to inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs, or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

Techniques employed by short sellers may drive down the market price of the ADSs.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

Public companies that have substantially all of their operations in China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

It is not clear what effect such negative publicity could have on us. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming, and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations, and any investment in the ADSs could be greatly reduced or even rendered worthless.

Our Memorandum and Articles of Association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs.

Our amended and restated memorandum and articles of association contains provisions which could limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority without the approval of the shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. We conduct most of our operations in and hold a significant portion of our assets outside of the United States. In addition, a majority of our directors and executive officers reside outside of the United States. As a result, it may be difficult or impossible for you to effect service of process within the United States upon these individuals, or to bring an action against us or against these individuals in the United States in the event that you believe your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands, Hong Kong, the PRC, or other local jurisdictions where we do businesses in may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

It may also be difficult for our shareholders to effect service of process upon us or those persons inside Mainland China. As advised by our PRC legal counsel, Mainland China currently does not have treaties providing for the reciprocal recognition and enforcement of court judgments with the Cayman Islands, United States and many other countries and regions. Therefore, with respect to matters that are not subject to a binding arbitration provision, it may be difficult or impossible to recognize and enforce judgments of any of those non-PRC jurisdictions in a court in Mainland China.

In addition, you may have difficulties in enforcing court judgments obtained in United States courts against our Hong Kong subsidiaries, including judgments relating to the federal securities laws of the United States or the securities laws of any state or territory of the United States. There are currently no treaties or other arrangements providing for reciprocal enforcement of foreign judgments between Hong Kong and the United States. There is uncertainty as to whether courts in Hong Kong will enforce judgments of United States courts based solely upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory of the United States.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (as revised) of the Cayman Islands (“Companies Act”) and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law may not be as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands may have a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the register of mortgages) or to obtain copies of lists of shareholders of these companies. Our directors will have discretion under our amended and restated memorandum and articles of association, to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Act and the laws applicable to companies incorporated in the United States and their shareholders, see “Item 10. Additional Information—B. Memorandum and Articles of Association— Differences in Corporate Law.”

We incur costs as a result of being a public company, and these will increase after we cease to qualify as an “emerging growth company.”

As a public company, we incur legal, accounting and other expenses which can be significant. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the Nasdaq Capital Market, impose various requirements on the corporate governance practices of public companies. Our executive officers have limited experience in operating a U.S. public company, which makes our ability to comply with applicable laws, rules and regulations uncertain. As a company with less than US\$1.235 billion in revenues for our last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company’s internal control over financial reporting. The JOBS Act also permits an emerging growth company to delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to take advantage of such exemptions. After we are no longer an “emerging growth company,” we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 and the other rules and regulations of the SEC.

As a public company, it is also difficult and expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, subject to the depository's right to require a claim to be submitted to arbitration, the federal or state courts in the City of New York have exclusive jurisdiction to hear and determine claims arising under the deposit agreement and in that regard, to the fullest extent permitted by law, ADS holders, including purchasers of ADSs in secondary transactions, waive the right to a jury trial of any claim they may have against us or the depository arising out of or relating to our ordinary shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depository opposed a jury trial demand based on the waiver, the court would determine whether the waiver is enforceable based on the facts and circumstances of that case in accordance with the applicable U.S. state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depository in connection with matters arising under the deposit agreement or the ADSs, including claims under U.S. federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depository. If a lawsuit is brought against us and/or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not enforced, to the extent a court action proceeds, it would proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs of compliance with, or shall relieve us or the depository from, our respective obligations to comply with the Securities Act and the Exchange Act.

Your rights to pursue claims against the depository as a holder of ADSs are limited by the terms of the deposit agreement.

Under the deposit agreement, any action or proceeding against or involving the depository, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in a state or federal court in New York, New York, and you, as a holder of our ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding.

The depository may, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement be referred to and finally settled by an arbitration conducted under the terms described in the deposit agreement, which may include claims arising under the federal securities laws, although the arbitration provisions of the deposit agreement do not preclude you from pursuing claims under the Securities Act or the Exchange Act in state or federal courts. See "Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares."

We are a foreign private issuer within the meaning of the rules under the Exchange Act and are therefore exempt from certain provisions applicable to U.S. domestic issuers.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on an interim basis as press releases, distributed pursuant to the rules and regulations of the Nasdaq Capital Market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC is less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters in lieu of the corporate governance listing standards applicable to U.S. domestic issuers, which home country practices may afford comparatively less protection to shareholders.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from corporate governance requirements of the Nasdaq Capital Market board; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the corporate governance requirements of the Nasdaq Capital Market board. For example, as a foreign private issuer, we are not required to: (i) have a majority of the board be independent; (ii) have a compensation committee or a nominating/corporate governance committee consisting entirely of independent directors; or (iii) have regularly scheduled executive sessions with only independent directors each year.

We intend to follow home country practice in lieu of the requirements under the Nasdaq Capital Market rules with respect to certain corporate governance standards. Accordingly, you may not be provided with the benefits of certain corporate governance requirements of the Nasdaq Capital Market board rules.

There can be no assurance that we will not be a passive foreign investment company, or PFIC, for our current or future taxable years, which could result in adverse U.S. federal income tax consequences to U.S. investors in our ADSs or ordinary shares.

In general, a non-U.S. corporation will be PFIC for U.S. federal income tax purposes, if, in any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. For purposes of the above calculations, a non-U.S. corporation will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation if it owns, directly or indirectly, at least 25% (by value) of such other corporation’s stock. Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is generally a passive asset for these purposes. Goodwill is an active asset under the PFIC rules to the extent attributable to activities that produce active income. Based on the current composition of our income and assets and the value of our assets, including goodwill, which is based on the expected market price of our ordinary shares and the ADSs, we do not expect to be a PFIC for our current taxable year. However, subsequent to our termination of historical businesses in wealth management and asset management, we hold and may continue to hold a high proportion of cash relative to our total assets, even though we expect this to be temporary as we deploy such cash over time to invest in, develop, or acquire opportunities in the technology sector. Furthermore, any future financing activities may also temporarily increase our proportion of cash relative to our total assets, which may heighten the risk that we are considered a PFIC. Furthermore, because our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of our ordinary shares and the ADSs, which could be volatile), and because certain aspects of the PFIC rules are not entirely certain, there can be no assurance that we will not be a PFIC for our current or any future taxable year.

If we were a PFIC for any taxable year during which a U.S. investor owns our ADSs or ordinary shares, we generally would continue to be treated as a PFIC with respect to that U.S. investor for all succeeding years during which the U.S. investor holds our ADSs or ordinary shares, even if we ceased to meet the threshold requirements for PFIC status, and certain adverse U.S. federal income tax consequences could apply to such U.S. investor including (i) the treatment of all or a portion of any gain on disposition as ordinary income, (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends and (iii) compliance with certain reporting requirements. We do not intend to provide the information that would enable investors to make a qualified electing fund election that could mitigate the adverse U.S. federal income tax consequences should we be classified as a PFIC. You are urged to consult your tax advisor concerning the U.S. federal income tax consequences of owning and disposing of our ADSs or ordinary shares. See “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Considerations.”

Item 4. Information on the Company

A. History and Development of the Company

Our principal executive offices are located at Level 15, AIA Central, No.1 Connaught Road Central, Central, Hong Kong. Our telephone number at this address is +852 2593 9309. Our registered office in the Cayman Islands is located at the offices of Portcullis (Cayman) Ltd, The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, NY 10168.

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC on www.sec.gov. You can also find information on our website <https://ir.santechholdings.com/>. The information contained on our website is not a part of this annual report.

On March 26, 2021, we completed our initial public offering on Nasdaq Global Market of 3,000,000 ADSs, each representing two ordinary shares.

On June 28, 2024, we terminated the contractual VIE arrangements with Hywin Wealth Management, which, along with its subsidiaries, was previously our primary corporate vehicle to provide wealth management services in China. The Company has completely exited from the wealth management business in China.

On July 17, 2024, the Company’s English name was changed from Hywin Holdings Ltd. to Santech Holdings Limited and the Chinese name 三合智能控股有限公司 was adopted and registered as the dual foreign name of the Company.

On August 14, 2024, the Company exited its businesses in overseas wealth management and asset management in Hong Kong, and disposed of certain subsidiaries in Hong Kong, namely, Haiyin Insurance (Hong Kong) Co., Limited and Hywin International Insurance Broker Limited for nil consideration, and Haiyin International Asset Management Limited and Hywin Asset Management (Hong Kong) Limited for \$641. After the disposals, the Company no longer holds financial service licenses in Hong Kong.

On December 5, 2024, the Company’s listing was transferred to Nasdaq Capital Market.

On March 11, 2025, the Company effectuated a change of control and issued to Carmel Holdings Limited 112,000,000 restricted ordinary shares of the Company.

B. Business Overview

We are a technology company focusing on developing early-stage technology businesses, and aim to actively build, operate and scale our businesses in order to achieve growth. The Company is currently developing businesses in e-commerce, digital assets, consumer healthcare, and may target opportunities in other areas of consumer and enterprise technology. The Company believes that early-stage technology ventures may offer exceptional growth opportunities, and seeks to identify and nurture such high-potential ventures.

As of the date of this annual report, we no longer have any operations, offices or any employees in China. We have ceased to be a “China concept stock”.

In 2024 and 2025, the Company underwent a series of corporate restructuring. On June 28, 2024, Santech exited the wealth management business in China by terminating contractual arrangements with its major variable interest entity (“VIE”) in China. See “Item 4. Information on the Company – A. History and Development of Our Company” for details of our corporate history. Santech’s combined financial statements for the year ended June 30, 2024 are prepared excluding its historical PRC subsidiaries and VIEs. For comparative purposes, Santech’s combined financial statements for the year ended June 30 2023 are recast to exclude its historical PRC subsidiaries and VIEs as well. See “Item 5. Operating and Financial Review and Prospects” for details of our accounting treatment for the reporting periods.

For the years ended June 30, 2023, 2024 and 2025, our primary businesses reported in our financial statements were overseas wealth management and asset management business conducted in Hong Kong. On August 14, 2024, we further pursued our corporate restructuring plan, by strategically exiting our businesses in overseas wealth management and asset management and disposing of certain subsidiaries in Hong Kong, namely, Haiyin Insurance (Hong Kong) Co., Limited and Hywin International Insurance Broker Limited for nil consideration, and Haiyin International Asset Management Limited and Hywin Asset Management (Hong Kong) Limited for \$0.6 million. After the disposals, the Company no longer holds financial service licenses in Hong Kong. As a result of this strategic exit, we have reclassified our historical financial results relating to overseas wealth management and asset management services under discontinued operations.

Our Services

On August 31 2024, we completed the exit of our businesses in overseas wealth management and asset management, and completed the closing of our disposal of certain subsidiaries in Hong Kong, namely, Haiyin Insurance (Hong Kong) Co., Limited and Hywin International Insurance Broker Limited, Haiyin International Asset Management Limited and Hywin Asset Management (Hong Kong) Limited. Prior to our exit, we provided overseas wealth management and asset management business to our clients primarily in Hong Kong. These capabilities enable us to offer a customized, value-adding, and integrated proposition to our HNWI clients.

Continued Operations

Our revenues from continued operations for the three years ended June 30, 2025 comprised mainly of client referral fees that we obtained for providing client referral services to external financial product partners.

Client Referral Services

For the three years ended June 30, 2025, under client referral services, we introduced clients to external financial product partners. Most of these products were insurance products sourced through external insurance brokers. These insurance products our partners offered included (i) life insurance products such as individual whole life insurance, individual term life insurance, universal life insurance and individual health insurance, (ii) annuity insurance products, and (iii) critical illness insurance products (including personal accident insurance products). These insurance products were underwritten by reputable international insurance companies. For the years ended June 30, 2023, 2024 and 2025, the total premium of insurance products we referred to our clients amounted to US\$15.2 million, US\$21.8 million and nil, respectively.

Discontinued Operations

Our revenues from discontinued operations for the three years ended June 30, 2025 comprised mainly of wealth management revenues and asset management revenues.

Wealth Management Services

Under wealth management services, we distributed financial products to our clients. Most of these products were insurance products, sourced directly by our previous licensed insurance broker subsidiary in Hong Kong. For the years ended June 30, 2023 and 2024 and for the two month periods ended August 31, 2024, the total premium of insurance products we sold to our clients amounted to US\$0.4 million, US\$2.3 million and US\$0.1 million, respectively.

Asset Management Services

We provided asset management services in the offshore space under our previously held Type 1, 4, 5 and 9 licenses in Hong Kong, which provided discretionary portfolio management services to ultra-high-net-worth clients, and managed a range of private funds to professional investors with selected strategies including, among others, Asian fixed income, equities long/short, global private equity. Revenue from asset management services include management fees, which include fees that are generated as per agreed formulae and materialize with recurring frequency, and to a lesser extent, other incomes such as retrocession from custodian banks, commissions from trades, and performance-based fees.

Administrative Proceedings

We are currently not involved in any material administrative proceedings. See also “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Legal Proceedings.”

Intellectual Property

We regard trademarks, copyrights, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success, and from time to time we rely on copyright and trademark law and confidentiality, invention assignment and non-compete agreements with our employees and others to protect our proprietary rights. As of June 30, 2024, we have registered a generic top-level domain name, www.santechholdings.com.

Insurance

As required by Hong Kong laws and regulations, we participate in an Employees' Compensation Insurance (ECI) to cover work-related injuries, illnesses, and fatalities for all employees in Hong Kong, as well as a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (MPF Scheme) for all employees in Hong Kong. Our directors and officers liability insurance policy for our board directors and executives has currently run out, but we are in search of restoring coverage at commercially reasonable terms. We do not maintain business interruption insurance and key-man life insurance. Other than the lack of directors and officers liability insurance currently, we consider our insurance coverage to be in line with the market practice of industry peers of similar size in Hong Kong.

Regulations

Regulations on Cyber Security and Personal Data Protection

Although we currently conduct business in Hong Kong, we may obtain data from our historical operations in the PRC. Consequently, we may be subject to laws and regulations regarding cybersecurity and personal data protection in the PRC.

On November 7, 2016, the Standing Committee of the National People's Congress (SCNPC) approved the Cyber Security Law of the People's Republic of China, which took effect on June 1, 2017. The Cyber Security Law created China's first national-level data protection for "network operators" which may include all network service providers in China. The PRC Civil Code, which became effective on January 1, 2021, also stipulates that the personal information of a natural person shall be protected by the law.

The PRC Data Security Law, which was promulgated by the SCNPC on June 10, 2021 and has taken effect on September 1, 2021, requires data collection to be conducted in a legitimate and proper manner, and stipulates that, for the purpose of data protection, data processing activities must be conducted based on data classification and hierarchical protection system for data security. Furthermore, the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law require (i) speeding up the revision of the provisions on strengthening the confidentiality and archives management relating to overseas issuance and listing of securities and solidifying the primary responsibility for information security of overseas listed companies, and (ii) improving the laws and regulations relating to data security, cross-border data flow, and management of confidential information. Furthermore, the Personal Information Protection Law promulgated by the SCNPC on August 20, 2021, which became effective on November 1, 2021, outlines the main systematic framework for the protection and processing of personal information. The Personal Information Protection Law also imposes enhanced penalties for those who illegally process personal information.

In addition, the State Administration for Market Regulation (SAMR) and the PRC Standardization Administration jointly issued the Standard of Information Security Technology — Personal Information Security Specification (2020 edition) on March 6, 2020, which took effect on October 1, 2020. Pursuant to this standard, any person or entity who has the authority or right to determine the purposes for and methods of using or processing personal information is considered a personal information controller. Such personal information controller is required to collect information in accordance with applicable laws, and except in certain specific events that are expressly exempted in the standard, prior to collecting such data, the information provider's consent is required. To provide reference for identifying App's illegal collection and use of personal information, the Cyberspace Administration of China (CAC), the Ministry of Industry and Information Technology (MIIT), the SAMR and the Ministry of Public Security (MPS), collectively released the Notice on Promulgation of the Method for Identifying the Illegal Collection and Use of Personal Information by Apps, on November 28, 2019, which took effect on the same day. On March 12, 2021, the MIIT, the SAMR and the MPS released the Notice on Promulgation of the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications, effected on May 1, 2021, which stipulates that operators of mobile Internet applications (APPS) shall not deny users access to basic App functions because users do not agree to collect unnecessary personal information. On April 15, 2022, the SAMR and the PRC Standardization Administration jointly issued the Information Security Technology—Basic Requirements for Collecting Personal Information in Mobile Internet Applications, which took effect on November 1, 2022. This document stipulates the implementation process and evaluation methods for the personal information security assessment of mobile internet applications.

Furthermore, the CAC issued the Provisions on the Cyber Protection of Children's Personal Information, which took effect on October 1, 2019. According to these provisions, no person or entity is allowed to produce, release, or disseminate information that infringes upon the personal information security of children aged below 14. Network operators collecting, storing, using, transferring, or disclosing children's personal information are required to enact special protections for such information.

The Announcement of Launching Special Crackdown Against Illegal Collection and Use of Personal Information by Mobile Apps was issued with effect on January 23, 2019 and commenced coordinated efforts among the CAC, the MIIT, the MPS, and the SAMR to combat the illegal collection and use of personal information by mobile apps throughout China. On October 31, 2019, the MIIT issued the Notice on the Special Rectification of Mobile Apps Infringing Users' Rights and Interests, pursuant to which application providers were required to promptly rectify issues that the MIIT designated as infringing application users' rights such as collecting personal information in violation of PRC regulations and setting obstacles for user account deactivation. In July 2020, the MIIT issued the Notice on Conducting Special Rectification Actions in Depth Against the Infringement upon Users' Rights and Interests by Applications, to rectify the following issues: (i) illegal collection and use of personal information of users by an application and a software development kit, (ii) setting up obstacles and frequently harassing users, (iii) cheating and misleading users, and (iv) inadequate implementation of application distribution platforms' responsibilities.

On December 28, 2021 the CAC and several other regulatory authorities in China jointly promulgated the Cybersecurity Review Measures which came into effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, (i) CIIOs who purchase network products and services and internet platform operators who conduct data processing activities shall be subject to the cybersecurity review requirement if their relevant activities affect or may affect national security; (ii) an application for cybersecurity review shall be made by an issuer who is an internet platform operator holding personal information of more than one million users before such issuer applies to list its securities on a foreign stock exchange; and (iii) relevant governmental authorities in the PRC may initiate cybersecurity review if they determine an operator’s network products or services or data processing activities affect or may affect national security. Numerous regulations, guidelines and other measures are expected to be adopted under the umbrella of the Cyber Security Law.

In addition, on August 30, 2021, CSRC issued Two Financial Industry Standards of Basic Requirement for Classified Protection for Cybersecurity of Securities and Futures Industry and others, which replaced old standards and provides general requirement for related industries and set general safe requirement and expended safe requirement for targets to be protected from Class I to IV.

On February 24, 2023, the CSRC, jointly with other relevant governmental authorities, promulgated the Provisions on Strengthening Confidentiality and Archives Management of Overseas Securities Issuance and Listing by Domestic Enterprises (the “Confidentiality and Archives Management Provisions”), which took effect on March 31, 2023. According to the Confidentiality and Archives Management Provisions, Mainland China-based companies, whether offering and listing securities overseas directly or indirectly, must strictly abide by the applicable laws and regulations when providing or publicly disclosing, either directly or through their overseas listed entities, documents and materials to securities service providers such as securities companies and accounting firms or overseas regulators in the process of their overseas offering and listing. If such documents or materials contain any state secrets or government authorities work secrets, the Mainland China-based companies must obtain the approval from competent governmental authorities according to applicable laws, and file with the competent secrecy administrative department at the same level. Furthermore, the Confidentiality and Archives Management Provisions provide that securities companies and securities service providers shall fulfill the applicable legal procedures when providing overseas regulatory institutions and other relevant institutions and individuals with documents or materials containing any state secrets or government authorities work secrets or other documents or materials that, if divulged, will jeopardize national security or public interest.

On March 18, 2023, the CAC released the Provisions on the Administrative Law Enforcement Procedures for the Cyberspace Administration Authorities, which came into effect on June 1, 2023. These provisions clarify the procedures of cyberspace administrative law enforcement actions of the cyberspace administration authorities, as well as the procedures and requirements for administrative penalty. These provisions state that, prior to the imposition of administrative penalties, cyberspace administration authorities must notify parties concerned of their right to request a hearing, and that they must make such request within five days of receiving a notification, otherwise they shall be deemed to have waived their right to a hearing.

On July 10, 2023, the CAC, together with other relevant authorities, released the Interim Measures on Generative AI Services, which came into effect on August 15, 2023 and mainly impose compliance requirements on providers of generative AI services. According to the Interim Measures on Generative AI Services, individuals or organizations that provide generative AI services of text, image, audios, videos and other content shall be responsible as the producers of such network information content and as the personal information processors to protect any personal information involved. Providers of generative AI services shall enter into service agreements with users registering for their generative AI services and shall adopt effective measures to prevent minor users from over-relying or addicting to generative AI services. In the event illegal content or users engaging in illegal activities using generative AI services are discovered, the generative AI services providers are required to take appropriate measures, including stopping the generation of such illegal content and suspending or terminating the provision of services, undergo rectifications, keep relevant records and report to the competent authority. Any provider of generative AI services with attribute of public opinions or capable of social mobilization shall conduct security assessment and complete certain filings in accordance with the Administrative Provisions on Internet Information Service Algorithm Recommendation. Providers of generative AI services may be subject to penalties for non-compliance, including warning, public denouncement, rectification orders and suspension of the provision of relevant services.

On September 24, 2024, the State Council of the People's Republic of China published the Regulation on Network Data Security Management, which took effect on January 1, 2025. The regulations are issued pursuant to the Cyber Security Law, the Data Security Law, and the Personal Information Protection Law, providing clearer guidelines on the key network data security requirements under these laws. The Regulation on Network Data Security Management also regulates extraterritorial network data processing activities that may harm national security, public interest, or the lawful rights and interests of Chinese citizens and organizations. In addition, foreign network data controllers which are required under the Personal Information Protection Law to establish a dedicated agency or appoint a representative in China, should note that apart from having reporting obligations to the relevant personal information protection departments, they shall also report the name of the relevant agency or the representative and their contact information to the local cyberspace administration at the districted city level.

Regulations Relating to Data Cross-border Transfer

Although we currently conduct business in Hong Kong, we may obtain data from our historical operations in the PRC. Consequently, we may be subject to laws and regulations regarding data cross-border transfer in the PRC.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Data Cross-border Transfer (the "Security Assessment Measures"), which took effect on September 1, 2022. The Security Assessment Measures require that any data processor providing important data collected and generated during operations within the territory of the PRC or personal information that should be subject to security assessment according to the laws to an overseas recipient shall conduct security assessment. The Security Assessment Measures provide four circumstances under which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer, including: (i) circumstances where the data to be transferred to an overseas recipient contain important data collected and generated by data processors; (ii) circumstances where the data to be transferred to an overseas recipient are personal information collected and generated by operators of critical information infrastructure or data processors processing over one million users' individual information; (iii) circumstances where the personal information of more than 100,000 people or sensitive personal information of more than 10,000 people are transferred overseas accumulatively since January 1 of the previous year; or (iv) other circumstances under which security assessment of data cross-border transfer is required as prescribed by the national cyberspace administration.

On August 31, 2022, the CAC promulgated the first edition of the Guide to Applications for Security Assessment of Outbound Data Transfers (the "Security Assessment Guide"). The Security Assessment Guide provides practical guidance to the implementation of the Security Assessment Measures. The Security Assessment Guide also reaffirms CAC's position that a cross-border data transfer out of Mainland China includes circumstances where a data processor stores data collected or generated in its operations in Mainland China to an overseas recipient, and circumstances where a data processor allows an overseas entity, organization, or individual to access, retrieve, download, or export data the data processor collects or generates and stores in Mainland China.

On February 22, 2023, the CAC promulgated the Measures for Standard Contract for Outbound Data Transfer of Personal Information (the “Measures”), which came into effect on June 1, 2023. The Measures provide a transitional period of six months from the effective date for companies to take necessary measures to comply with the requirements. According to the Measures, in the cases where the personal information processor provides personal information abroad by concluding a standard contract, the contract shall be concluded in strict compliance with the form Standard Contract that is attached as an annex to the Measures. The Measures further provide that personal information processors may agree on other terms with overseas recipients, but such terms shall not be in conflict with the Standard Contract. According to the Measures, the personal information processor shall, within ten business days from the effective date of the standard contract, file with the local provincial cyberspace administration and submit the standard contract and personal information protection impact assessment report for record.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flow, which provide several exemptions from undergoing security assessment, obtaining personal information protection certification, or entering into prescribed agreement for cross-border transfer of personal information for businesses. These exemptions include, among others, scenarios where a data processor transfers personal information abroad for the necessity of entering into or performing a cross-border shopping, cross-border delivery, cross-border remittances, or cross-border payments contract to which an individual is a party. The provisions also explicitly state that data processors are not required to conduct data security assessment for cross-border data transfers if the concerning data has not been notified or published as important data by relevant departments or regions.

Regulations relating to Labor and Social Welfare of Hong Kong

Our employees in Hong Kong are subject to the Hong Kong Employment Ordinance (the “EO”). The EO is the main employment legislation in Hong Kong, providing for certain minimum benefits and protections, including:

- paid annual leave;
- paid sick leave;
- paid maternity leave; and
- compensation payments in certain cases of severance, unfair dismissal or termination after long service.

Subject to limited exceptions, the EO applies to all employees working in Hong Kong, regardless of their nationality. Other mandatory laws that are likely to apply to the employment relationship with our Hong Kong employees include the following:

- **The Personal Data (Privacy) Ordinance.** This ordinance regulates an employer’s collection or surveillance, use and disclosure of an employee’s personal data (including personal data contained in e-mails and phone calls).
- **Mandatory Provident Fund Schemes Ordinance.** Subject to limited exceptions, this ordinance requires employers in Hong Kong to enroll employees in a Mandatory Provident Fund Scheme, to which the employer and employee must make certain contributions. Foreign nationals are exempt if they are posted in Hong Kong to work for a period not exceeding 13 months or belong to a retirement scheme outside of Hong Kong. In certain cases, a Hong Kong national working outside of Hong Kong may still be subject to this ordinance if the employment has sufficient connection with Hong Kong.
- **Occupational Safety and Health Ordinance.** This ordinance imposes a duty on all employers, as far as is reasonably practical, to ensure the safety and health in the workplace of its employees. The Occupational Safety and Health Ordinance covers most industrial and non-industrial workplaces in Hong Kong.
- **Employees’ Compensation Ordinance.** If an employee suffers injury arising out of and in the course of employment in Hong Kong (or overseas, if the travel is authorized by the employer), the employer is usually liable to compensate the employee under the Employees’ Compensation Ordinance. Eligible family members of an employee killed in an accident at work may also be entitled to compensation. If an employer carries on business in Hong Kong, its employees are protected under the ordinance. All employers are required to maintain valid employees’ compensation insurance policies to cover their liabilities under the ordinance and at common law.

- Sex Discrimination Ordinance, Disability Discrimination Ordinance, Family Status Discrimination Ordinance and Race Discrimination Ordinance. All four of these ordinances legislate against various forms of discrimination.
- Labour Tribunal Ordinance. This ordinance empowers the Labour Tribunal to hear and resolve disputes relating to employment contracts as well as alleged breaches of the Employment Ordinance. It potentially covers disputes involving foreign nationals or Hong Kong residents working abroad.

Regulations on Anti-Money Laundering and Counter-Terrorist Financing of Hong Kong

Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong)

The AMLO imposes requirements relating to client due diligence and record-keeping and provides regulatory authorities with the powers to supervise compliance with the requirements under the AMLO. In addition, the regulatory authorities are empowered to (i) ensure that proper safeguards exist to prevent contravention of specified provisions in the AMLO; and (ii) mitigate money laundering and terrorist financing risks.

Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong)

The Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong), or the DTROP, contains provisions for the investigation of assets suspected to be derived from drug trafficking activities, the freezing of assets on arrest and the confiscation of the proceeds from drug trafficking activities. It is an offence under the DTROP if a person deals with any property knowing, or having reasonable grounds to believe, it to be the proceeds from drug trafficking. The DTROP requires a person to report to an authorized officer if he/she knows or suspects that any property (directly or indirectly) is the proceeds from drug trafficking or is intended to be used or was used in connection with drug trafficking, and failure to make such disclosure constitutes an offence under the DTROP.

Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong)

The Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong), or the OSCO, empowers officers of the Hong Kong Police Force and the Hong Kong Customs and Excise Department to investigate organized crime and triad activities, and it gives the Hong Kong courts jurisdiction to confiscate the proceeds from organized and serious crimes, to issue restraint orders and charging orders in relation to the property of defendants of specified offences. The OSCO extends the money laundering offence to cover the proceeds of all indictable offences in addition to drug trafficking.

United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong)

The United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong), or the UNATMO, provides that it is a criminal offence to: (i) provide or collect funds (by any means, directly or indirectly) with the intention or knowledge that the funds will be used to commit, in whole or in part, one or more terrorist acts; or (ii) make any funds or financial (or related) services available, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, such person is a terrorist or terrorist associate. The UNATMO also requires a person to report his knowledge or suspicion of terrorist property to an authorized officer, and failure to make such disclosure constitutes an offence under the UNATMO.

Guidelines issued by the SFC

Licensed corporations are required to comply with the applicable anti-money laundering and counter-terrorist financing laws and regulations in Hong Kong as well as the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism, or the AML & CFT Guideline and the Prevention of Money Laundering and Terrorist Financing Guideline issued by the Securities and Futures Commission for Associated Entities issued by the SFC and as amended or supplemented by the SFC from time to time.

The AML & CTF Guideline provides guidance to licensed corporations and their senior management in designing and implementing their own anti-money laundering and counter-terrorist financing policies, procedures and controls in order to meet the relevant legal and regulatory requirements in Hong Kong. Pursuant to the AML & CTF Guideline, licensed corporations should, among other things, assess the risks of any new products and services before they are offered to the market, identify the client and verify the client's identity, conduct on-going monitoring of activities of the clients, maintain a database of names and particulars of terrorist suspects and designated parties and conduct on-going monitoring for identification of suspicious transactions.

Regulations on Personal Data of Hong Kong

The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (“**PDPO**”), as amended, supplemented or otherwise modified from time to time places a statutory duty on data users to comply with the requirements of the six data protection principles contained in Schedule 1 to this ordinance. The PDPO provides that a data user shall not do an act, or engage in a practice, that contravenes a data protection principle unless the act or practice, as the case may be, is required or permitted under the PDPO. The six data protection principles are:

- Principle 1 — purpose and manner of collection of personal data;
- Principle 2 — accuracy and duration of retention of personal data;
- Principle 3 — use of personal data;
- Principle 4 — security of personal data;
- Principle 5 — information to be generally available; and

- Principle 6 — access to personal data.

The PDPO also gives data subjects certain rights, inter alia:

- the right to be informed of whether it is obligatory or voluntary for him/her to supply the data and the purpose for which the data is to be used;
- the right to be informed by a data user whether the data user holds personal data of which the individual is the data subject; and
- the right to request access to and to request correction of his/her personal data.

Non-compliance with a data protection principle may lead to a complaint to the Privacy Commissioner for Personal Data. A claim for compensation may also be made by a data subject who suffers damage by reason of a contravention of a requirement under the PDPO.

Regulations on Hong Kong Taxation

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), where an employer commences to employ in Hong Kong an individual who is or is likely to be chargeable to tax, or any married person, the employer shall give a written notice to the Commissioner of Inland Revenue not later than three months after the date of commencement of such employment. Where an employer ceases or is about to cease to employ in Hong Kong an individual who is or is likely to be chargeable to tax, or any married person, the employer shall give a written notice to the Commissioner of Inland Revenue not later than one month before such individual ceases to be employed in Hong Kong.

Tax on dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Capital gains and profit tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of shares. However, trading gains from the sale of shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong, will be subject to Hong Kong profits tax which is imposed at the rates of 8.25% on assessable profits up to HK\$2,000,000 (approximately US\$256,000) and 16.5% on any part of assessable profits over HK\$2,000,000 (approximately US\$256,000) on corporations from the year of assessment of 2018/2019 onwards. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Stamp duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of Hong Kong shares). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of Hong Kong shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate duty

Hong Kong estate duty was abolished effective from February 11, 2006. No Hong Kong estate duty is payable by shareholders in relation to the shares owned by them upon death.

C. Organizational Structure

The Company's major subsidiaries as of the date of this annual report are summarized as follows:

Name of the entity Subsidiaries	Date of incorporation	Percentage of ownership	Place of incorporation	Principle business activities
Santech Global BVI Limited	July 26, 2019	100%	BVI	Investment holding
Santech Global International Limited	August 20, 2019	100%	Hong Kong	Investment holding
Santech Global Hong Kong Limited	May 3, 2016	100%	Hong Kong	Provision of client referral services
New Innovations BVI Limited	June 27, 2025	100%	BVI	Investment holding
New Innovations Limited	March 15, 2023	100%	Hong Kong	Technology development
BitVentures America Inc	September 16, 2015	100%	United States	Technology development

D. Property, Plant and Equipment

As of June 30, 2025, we had approximately 150 square meters of leased office space in Hong Kong and the United States. The lessor for the leased premises had valid title to the property. We believe that our existing facilities are adequate for our current business operations and we will be able to enter into lease arrangements on commercially reasonable terms for future expansion.

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties about our business and operations. Our actual results and the timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those we describe under "Item 3. Key Information—D. Risk Factors" and elsewhere in this annual report.

Historically, we operated in China through our subsidiaries and contractual arrangements with VIEs in China. On June 28, 2024, we exited the wealth management businesses in China by terminating the VIE arrangements with Hywin Wealth Management, which, along with its subsidiaries, was previously our primary corporate vehicle to provide wealth management services in China. Although the contractual arrangements with the remaining VIEs, namely Shanghai Hywin Network Technology and Shenzhen Panying, have not yet been terminated, the remaining VIEs are no longer active in operations, and we have not been able to exercise control over any of our PRC subsidiaries or VIEs given that all of the Company's PRC subsidiaries and VIEs are effectively owned or controlled by our previous Chairman, Mr Han Hongwei, and are seized in the PRC subsequent to Mr. Han's detention. Accordingly, Santech deems to have lost de facto control of all of its PRC subsidiaries, VIEs, and their associated assets and operations, and deems its contractual agreements with its VIEs as invalid. Accordingly, our combined financial statements for the year ended June 30, 2024 were prepared excluding such PRC subsidiaries and VIEs. For comparative purposes, for the years ended June 30, 2023, our combined financial statements are recast to exclude PRC subsidiaries and VIEs as well.

For the years ended June 30, 2023, 2024 and 2025, our primary businesses reported in our financial statements were overseas wealth management and asset management business conducted in Hong Kong. On August 14, 2024, we further pursued our corporate restructuring plan, by strategically exiting our businesses in overseas wealth management and asset management and disposing of certain subsidiaries in Hong Kong, namely, Haiyin Insurance (Hong Kong) Co., Limited and Hywin International Insurance Broker Limited for nil consideration, and Haiyin International Asset Management Limited and Hywin Asset Management (Hong Kong) Limited for \$0.6 million. After the disposals, the Company no longer holds financial service licenses in Hong Kong. As a result of this strategic exit, we have reclassified our historical financial results relating to overseas wealth management and asset management services under discontinued operations.

A. Operating Results

Key Factors Affecting Our Results of Operations

Key factors affecting our results of operations during the reported periods include the following. Due to the Company's significant changes in business focus during fiscal years ended June 30, 2024 and 2025, our historical results may not be indicative of our future performance.

Client Referral Services

For the three years ended June 30, 2025, under client referral services, we introduced clients to external financial product partners. Most of these products were insurance products sourced through external insurance brokers. Conducting client referrals in Hong Kong generally does not require us to hold financial services licenses in Hong Kong. Since fiscal year 2024, due to significant loss of clients and challenges that we encountered in our financial services businesses, revenues from client referral services has declined precipitously. Although we may continue to conduct client referral services opportunistically, we expect revenues from client referral services to remain significantly challenged in the near future, or we may not be able to obtain any revenue from client referral services at all.

New Business Initiatives

The Company has been developing innovative new businesses by refocusing its business strategy on high-growth opportunities in the technology industry. The Company targets opportunities in industries including but not limited to e-commerce, digital assets, consumer healthcare, and other areas of consumer and enterprise technology. The Company believes that early-stage companies in the technology industry may offer exceptional growth opportunities. Therefore, we expect the Company's results of operations to depend on its ability to execute its new business initiatives. The success of these new business initiatives will depend on, among other things, the Company's ability to identify and nurture such high-potential ventures. New business initiatives may significantly change the Group's revenue mix and cost structure. For example, the Company may incur significant sales and marketing expenses to acquire new consumers, and the Company may incur significant general and administrative expenses to manage new businesses. As a result, the Company is likely to incur losses at the initial stages of its business transformation.

Key Components of Results of Operations

Net revenues

From continuing operation

	For the year ended June 30,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
	<i>(in thousands, except for percentages)</i>					
Client referral service	15,256	100.0	21,818	100.0	-	-

For the years ended June 30, 2023 and 2024, we derived fee incomes by referring clients to external financial product partners, primarily external insurance brokers, to purchase insurance products. These insurance products we offered included (i) life insurance products such as individual whole life insurance, individual term life insurance, universal life insurance and individual health insurance, (ii) annuity insurance products, and (iii) critical illness insurance products (including personal accident insurance products). The one-time fee incomes were typically computed as a pre-agreed percentage of the underlying insurance premiums received by the insurance companies.

From discontinued operation

	For the year ended June 30,				Two Months Ended August 31, 2024	
	2023		2024		US\$	%
	US\$	%	US\$	%	US\$	%
	<i>(in thousands, except for percentages)</i>					
Wealth management services	376	11.3	2,286	36.8	11	0.9
Asset management services	2,952	88.7	3,919	63.2	1,170	99.1
Total	3,328	100.0	6,205	100.0	1,181	100.0

Wealth Management Services

For the two years ended June 30, 2023 and 2024 and two months ended August 31, 2024, we derived fee incomes from insurance brokerage services by providing insurance products through our Hong Kong subsidiaries. These insurance products we offered included (i) life insurance products such as individual whole life insurance, individual term life insurance, universal life insurance and individual health insurance, (ii) annuity insurance products, and (iii) critical illness insurance products (including personal accident insurance products).

Asset Management Services

For the two years ended June 30, 2023 and 2024 and two months ended August 31, 2024, under asset management services, we provided asset management services in the offshore space through our licensed subsidiary in Hong Kong. Our net revenues from the asset management services primarily consisted of management fees calculated either as a percentage of the asset under management of the funds or mandates, and to a lesser extent, retrocession from custodian banks, commissions from trade, and performance-based fees.

Operating Costs and Expenses

Our operating costs and expenses primarily consist of (i) compensation and benefits; (ii) sales and marketing expenses; (iii) general and administrative expenses; and (iv) share-based compensation expenses. The following table sets forth the components of our operating costs and expenses for the periods indicated.

From continuing operations

	For the year ended June 30,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
	<i>(in thousands, except for percentages)</i>					
Compensation and benefits	5,114	27.5	15,808	70.0	—	—
Sales and marketing	2,117	11.4	3,131	13.9	530	14.4
General and administrative expenses	5,301	28.5	3,551	15.7	2,919	79.2
Share-based compensation expenses	753	4.1	102	0.4	236	6.4
Asset impairment loss	5,305	28.5	—	—	—	—
Total operating cost and expenses	18,590	100.0	22,592	100.0	3,685	100.0

From discontinued operations

	For the year ended June 30,				Two Months Ended August 31, 2024	
	2023		2024		US\$	%
	US\$	%	US\$	%	US\$	%
	<i>(in thousands, except for percentages)</i>					
Compensation and benefits	1,372	37.8	1,451	24.4	602	69.4
Sales and marketing	536	14.8	359	6.0	—	—
General and administrative expenses	1,720	47.4	1,969	33.2	266	30.6
Share-based compensation expenses	—	—	—	—	—	—
Asset impairment loss	—	—	2,158	36.4	—	—
Total operating cost and expenses	3,628	100.0	5,937	100.0	868	100.0

Compensation and benefits expenses

Our compensation and benefits are operating costs relating to base salary, sales commission and other compensation and benefits of personnel who directly contribute to our revenues generation activities, such as distribution of fund products and insurance products.

Unpaid commissions were separately presented as commission payable and commission payable-long term on our consolidated balance sheets, depending on whether the amounts are expected to be paid within or after one year of each reporting date.

Sales and Marketing Expenses

Our sales and marketing expenses primarily include salaries and bonus for our sales and marketing staff, and other expenses related to marketing activities such as events and travel.

General and Administrative Expenses

Our general and administrative expenses primarily include compensation of management and administrative staff, rental and other expenses of our headquarters and other overhead expenses including listing fees, accounting and auditor fees, and legal expenses.

Share-based Compensation Expenses

On December 6, 2020, we adopted a share incentive plan, or the 2020 Plan. Under the Share Incentive Plan, the maximum aggregate number of ordinary shares available for issuance will be 5,000,000 ordinary shares, equal to 10% of the total outstanding ordinary shares of our company immediately prior to completion of our public offering. As of the date of this annual report, 1,776,000 restricted shares have been granted to our executive officers and directors under the 2020 Plan. For details of the 2020 Plan, see “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans—2020 Plan.” For the years ended June 30, 2023, 2024 and 2025, US\$0.8 million, US\$0.1 million and US\$0.2 million were recorded in share-based compensation expenses, respectively.

Asset impairment loss

Impairment losses on long-lived assets are recorded in the year ended June 30, 2023 and 2024, related to our impairment of assets held in the PRC, and our intangible assets including software and licenses, as a result of significant disruption to our brand and our licensed financial services operations in Hong Kong during 2024.

Other Income / (Expenses)

Interest Income, Net

Our net interest income primarily represented interests from bank deposits for the years ended June 30, 2023, 2024 and 2025.

Other Income/ (Expenses) , Net

Our net other income or expenses are recorded as a result of non-operating income or expenses. For the year ended June 30, 2023 and 2024, our other income or expenses mainly represented foreign exchange related losses. For the year ended June 30, 2025, our other income or expenses mainly represented one-off legal settlement amounts for a class action lawsuit brought against us and associated legal expenses of US\$1.8 million, and loss on early termination of operating lease of US\$0.2 million.

Income Tax Expense

Cayman Islands

Santech Holdings Limited is incorporated in the Cayman Islands as an exempted company. Under the current laws of the Cayman Islands, our company is not subject to income or capital gains taxes. In addition, dividend payments are not subject to withholdings tax in the Cayman Islands.

British Virgin Islands (“BVI”)

Under the current laws of the BVI, our subsidiaries incorporated in BVI are not subject to tax on income or capital gains. Additionally, upon payments of dividends by these BVI companies to their respective shareholders, no BVI withholding tax will be imposed.

Hong Kong

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax rate of 16.5% for taxable income generated from operations in Hong Kong. Effective from April 1, 2018, a two-tier corporate profits tax system was officially implemented in Hong Kong, which is 8.25% for the first HK\$2.0 million of assessable profits, and 16.5% for the subsequent profits. In addition, the 8.25% tax rate can only be utilized by one entity in a controlled group, while all other entities in the controlled group utilize the 16.5% tax rate.

Results of Operations

The following table sets forth a summary of our consolidated results of continuing operations for the periods indicated. The information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this annual report. The operating results in any period are not necessarily indicative of results that may be expected for any further period.

Continuing operations

	For the year ended June 30,					
	2023		2024		2025	
	US\$	%	US\$	%	US\$	%
<i>(in thousands, except for percentages)</i>						
NET REVENUE						
Client referral services	15,256	100.0	21,818	100.0	—	—
Total net revenues from third parties	15,256	100.0	21,818	100.0	—	—
Compensation and benefits	5,114	27.5	15,808	70.0	—	—
Sales and marketing	2,117	11.4	3,131	13.9	530	14.4
General and administrative expenses	5,301	28.5	3,551	15.7	2,919	79.2
Asset impairment loss	5,305	28.5	—	—	—	—
Share-based compensation expenses	753	4.1	102	0.4	236	6.4
Total operating cost and expenses	18,590	100.0	22,592	100.0	3,685	100.0
Interest income/(expense), net	141	—	(61)	—	121	—
Other income/(expenses), net	32	—	70	—	(2,109)	—
Loss before income tax expense	(3,161)	—	(765)	—	(5,673)	—
Income tax expense	—	—	—	—	117	—
Net loss and comprehensive loss	(3,161)	—	(765)	—	(5,790)	—

Year Ended June 30, 2025 Compared to Year Ended June 30, 2024

Net Revenues

Our net revenues from insurance referral services decreased from US\$21.8 million for the year ended June 30, 2025 to nil for the year ended June 30, 2024, primarily due to the significant loss of clients that we encountered in our financial services businesses in 2024, which caused our revenues from client referral services to decline precipitously. While the Company continues to operate client referral services, the Company has repositioned to become a technology company to focus on developing early-stage ventures in e-commerce, digital assets, consumer healthcare, and other areas of consumer and enterprise technology.

Operating Cost and Expenses

Our total operating costs and expenses decreased from US\$22.6 million for the year ended June 30, 2024 to US\$3.7 million for the year ended June 30, 2025.

Compensation and benefits

Our cost of compensation and benefits decreased from US\$15.8 million for the year ended June 30, 2024 to nil for the year ended June 30, 2025, as compensation and benefits directly associated with revenue produced in overseas wealth and asset management were reclassified under discontinued operations.

Sales and marketing expenses

Our sales and marketing expenses decreased from US\$3.1 million for the year ended June 30, 2024 to US\$0.5 million for the year ended June 30, 2025, primarily due to aggressive cost cutting measures that senior management undertook in fiscal year 2025.

General and administrative expenses

Our general and administrative expenses decreased from US\$3.5 million for the year ended June 30, 2024 to US\$2.9 million for the year ended June 30, 2025, primarily due to aggressive cost cutting measures that senior management undertook in fiscal year 2025, partially offset by an increase in legal and accounting expenses during the year due to restructuring and business reorganization.

Share-based compensation expenses

Our share-based compensation expenses increased from US\$0.1 million for the year ended June 30, 2024 to US\$0.2 million for the year ended June 30, 2025, primarily due to new restricted share awards granted under the 2020 Plan in 2025. For details, see “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans.”

Interest Income, Net

We recorded net interest expense of US\$0.1 million for the year ended June 30, 2024 and net interest income US\$0.1 million for the year ended June 30, 2025.

Other Income/(Expenses), Net

We recorded net other expenses of US\$2.1 million for the year ended June 30, 2025, primarily representing one-off legal settlement amounts for a class action lawsuit brought against us and associated legal expenses of US\$1.8 million, and loss on early termination of operating lease of US\$0.2 million.

Income Tax Expense

Our income tax expense were nil for the year ended June 30, 2024, and US\$0.1 million for the year ended June 30, 2025 primarily representing the under-provision of income tax expense in previous year.

Net Loss

As a result of the foregoing, our net loss increased from US\$0.7 million for the year ended June 30, 2024 to US\$5.8 million for the year ended June 30, 2025.

Year Ended June 30, 2024 Compared to Year Ended June 30, 2023

Net Revenues

Our net revenues increased from US\$15.2 million for the year ended June 30, 2023 to US\$21.8 million for the year ended June 30, 2024, primarily due to a strong surge in demand for overseas insurance products post Covid-19 reopening in Hong Kong, particularly during the first half of the fiscal year, partially offset by a loss in the number of clients and as a result a reduction in the transaction value of overseas insurance products distributed on our platform during the second half of the fiscal year.

Operating Cost and Expenses

Our total operating costs and expenses increased from US\$18.6 million for the year ended June 30, 2023 to US\$22.6 million for the year ended June 30, 2024.

Compensation and benefits

Our cost of compensation and benefits increased from US\$5.1 million for the year ended June 30, 2023 to US\$15.8 million for the year ended June 30, 2024, primarily due to increase in direct compensation to grow insurance referral revenue.

Sales and marketing expenses

Our sales and marketing expenses increased from US\$2.1 million for the year ended June 30, 2023 to US\$3.1 million for the year ended June 30, 2024, primarily due to increase in sales and marketing activities devoted to overseas insurance referral businesses.

General and administrative expenses

Our general and administrative expenses decreased from US\$5.3 million for the year ended June 30, 2023 to US\$3.6 million for the year ended June 30, 2024, primarily due to reduction in overhead in the second half of the year ended June 30, 2024.

Share-based compensation expenses

Our share-based compensation expenses decreased from US\$0.8 million for the year ended June 30, 2023 to US\$0.1 million for the year ended June 30, 2024, primarily because most of the options issued by the 2018 and 2019 Plan have been fully vested in prior years. For details, see “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans.”

Asset impairment loss

Asset impairment loss are recorded in the year ended June 30, 2023, related to our cash deposits held at bank accounts in the PRC.

Interest Income/(Expenses), Net

We recorded net interest income of 0.1 million for the year ended June 30, 2023 and net interest expenses of 0.1 million for the year ended June 30, 2024.

Other Income/(Expenses), Net

We recorded net other income of nil for the years ended June 30, 2023, and June 30, 2024.

Income Tax Expense

Our income tax expense were nil for the year ended June 30, 2023 and 2024.

Net Loss

As a result of the foregoing, our net loss decreased from US\$3.2 million for the year ended June 30, 2023 to US\$0.8 million for the year ended June 30, 2024.

B. Liquidity and Capital Resources

To date, we have financed our operations primarily through cash flows from operations and proceeds from our initial public offerings. We had net loss of approximately US\$5.8 million, US\$0.7 million and US\$3.2 million from continuing operation for the years ended June 30, 2025, 2024 and 2023, respectively. We had a negative cash flow from continuing operation activities of US\$5.2 million, US\$3.2 million and US\$9.1 million for the years ended June 30, 2025, 2024 and 2023, respectively and accumulated deficit of US\$36.1million and US\$30.7 million as of June 30,2025 and 2024. As of June 30, 2025 and 2024, we had cash and cash equivalents of US\$1.0 million and US\$13.3 million respectively, and we have short term investments of US\$8.8 million and nil respectively.

We believe that our current cash and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs, including our cash needs for at least the next 12 months. We may, however, need additional capital in the future to fund our continued operations and strategic initiatives. For example, we may need a substantial amount of capital to develop or acquire our e-commerce, digital asset, consumer healthcare, or other technology businesses. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand at the time, we may seek to issue equity or debt securities or obtain credit facilities. The issuance and sale of additional equity or debt securities would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that might restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended June 30,		
	2023	2024	2025
	US\$		
	(in thousands)		
Net cash provided by/(used in) operating activities	9,447	2,564	(6,482)
Net cash used in investing activities	(256)	—	(8,760)
Net cash provided by financing activities	—	—	1,008
Effect of exchange rate changes	—	—	—
Net increase/(decrease) in cash, cash equivalents, and restricted cash	9,191	2,564	(14,234)
Cash and cash equivalents at beginning of the year	3,429	12,620	15,184
Cash and cash equivalents at end of the year	12,620	15,184	950

Operating Activities

Net cash used by operating activities for the year ended June 30, 2025 was US\$6.4 million. This reflected net loss of US\$5.4 million, as adjusted by non-cash and non-operating items primarily including decrease in commissions payable, depreciation and amortization, and decrease in operating lease liabilities.

Net cash provided by operating activities for the year ended June 30, 2024 was US\$2.6 million. This reflected net loss of US\$0.7 million, as adjusted by non-cash and non-operating items primarily including asset impairment losses, net changes in related parties balances, depreciation and amortization, and decrease in operating lease liabilities.

Net cash provided by operating activities for the year ended June 30, 2023 was US\$9.4 million. This reflected net loss of US\$3.5 million, as adjusted by non-cash and non-operating items primarily including net changes in related party balances, depreciation and amortization, and decrease in operating lease liabilities.

Investing Activity

Net cash used in or provided by investing activity for the year ended June 30, 2025 was US\$8.8 million, primarily due to placement of short term investments, and net cash inflow from disposal of subsidiaries.

Net cash used in or provided by investing activity for the year ended June 30, 2024 was nil.

Net cash used in investing activity for the year ended June 30, 2023 was US\$0.3 million, due to investment in long-lived assets related to our software.

Financing Activities

Net cash provided in financing activities for the years ended June 30, 2025 was US\$1.0 million due to new share issuance.

Net cash provided in financing activities for the years ended June 30, 2024 and 2023 was nil.

Holding Company Structure

Our holding company, Santech Holdings Limited, is a holding company with no material operations of its own. As most of our operations are conducted through our subsidiaries, our ability to pay dividends is primarily dependent on receiving distributions of funds from our subsidiaries.

C. Research and Development, Patents and Licenses, etc.

See “Item 4. Information on the Company—B. Business Overview—Information Technology” and “Item 4. Information on the Company—B. Business Overview—Intellectual Property.”

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended June 30, 2025 that are reasonably likely to have a material and adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

E. Critical Accounting Estimates

We prepare financial statements in accordance with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect the reported amounts of our assets and liabilities and the disclosure of our contingent assets and liabilities at the end of each fiscal period and the reported amounts of revenues and expenses during each fiscal period. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. Out of our significant accounting policies, which are described in Note 3 - Summary of Significant Accounting Policies included elsewhere in this annual report, certain accounting policies are deemed “critical”, as they require management’s highest degree of judgment, estimates and assumptions, including (i) impairment loss of assets.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. We believe the following accounting estimates involve the most significant judgments used in the preparation of our financial statements.

Impairment loss of assets

All long-lived assets, which include tangible long-lived assets and intangible long-lived assets with finite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to be generated by the assets. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount of the asset and its fair value. For the years ended June 30, 2023, 2024 and 2025, the Company recognized impairment of long-lived assets from discontinued operations of nil, US\$192 and nil respectively.

An intangible asset that is not subject to amortization shall be tested for impairment annually and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. Based on the qualitative assessment, if it is more likely than not that the fair value of an indefinite-lived intangible asset is less than the carrying value, a quantitative test to measure the amount of impairment must be performed. The quantitative impairment test compares the fair value of the asset with the carrying amount. If the carrying amount exceeds the fair value, then an impairment loss equal to that excess is recorded. For the years ended June 30, 2023, 2024 and 2025, the Company recognized impairment of indefinite-lived intangible assets from discontinued operations of nil, US\$1,966 and nil respectively.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information regarding our executive officers and directors.

Directors and Executive Officer	Age	Position/Title
Mr. Lawrence Wai LOK	43	Director, Chairman, CEO
Mr. Kelvin Chun YU	33	Head of Finance
Mr. Joel A. GALLO	53	Independent Director
Ms. CHEN Jie	54	Independent Director
Mr. Howard Wing To CHAN	39	Independent Director
Mr. Geoffrey Fai KAM	42	Independent Director

Mr. Lawrence Wai LOK. Mr. LOK currently serves as our Chairman and CEO since March 2025, following his tenure as Acting CEO from September 2024 to March 2025. Mr. LOK has been instrumental in leading the Company through a critical period of restructuring and business reorganization. Prior to joining the Company, Mr. LOK was an investment banker at Citigroup and Jefferies, bringing over 16 years of professional experience in investment banking, capital markets and mergers and acquisitions. Mr. LOK also has extensive global experience, having worked and transacted deals across the United States, China, Asia and Europe. As an investment banker, Mr. LOK led a large number of landmark technology deals globally, including IPOs, private fundraising and cross-border mergers and acquisitions for leading technology companies and financial service groups, and advised clients on their growth strategies and transformative initiatives. Mr. LOK holds dual degrees from the University of California, Berkeley with B.A. in Economics and B.S. in Business Administration, where he graduated magna cum laude. Mr. Lok is a Chartered Financial Analyst and an active member of the CFA Institute and CFA Society San Francisco.

Mr. Kelvin Chun YU. Mr. YU currently serves as our Head of Finance. Mr. Yu joined our company in May 2025, and is responsible for overseeing our financial and treasury operations. Mr. YU has over 8 years of experience working in the accounting and finance industry. Prior to joining the Company, Mr. YU worked as an auditor at Crowe (HK) CPA Limited, specialized in auditing companies listed in Hong Kong. Mr. YU holds a Bachelor of Business Administration (Honours) in Accountancy degree from Hong Kong Baptist University. Mr. YU is a member of CPA Australia.

Mr. Joel A. GALLO. Mr. GALLO was appointed as our independent director in June 2020, and his appointment was effective in March 2021. Mr. GALLO has been the chief financial officer of HD EDU since February 2023. In addition, Mr. GALLO has been an adjunct professor at New York University since January 2021. Mr. GALLO was the chief financial officer of CoinTiger from July 2022 to January 2023. From March 2021 to May 2022, Mr. GALLO was the chief financial officer of ETAO International Group. Prior to that role, he was the chief executive officer of Columbia China League Business Advisory Co. from November 2019 to February 2021, providing advisory professional services, including advising Chinese companies on initial public offering issues in the U.S. From April 2013 to December 2018, Mr. GALLO served as co-founder and principal of GLS Group LLC, responsible for providing management consulting services to financial sector firms. Previously, between February 1994 and March 2013, Mr. GALLO was a senior executive at Scudder Kemper Investments (Deutsche Bank Asset Management), TLX Trading Networks, Deloitte, Ernst & Young, EMC and PricewaterhouseCoopers. In those roles, Mr. GALLO advised over 100 global financial institutions on finance, strategy, transformation, and risk management projects. Mr. GALLO obtained his bachelor's degree in management from Binghamton University – State University of New York in 1993, a master's degree in international relations from Tufts University in 2008, and a master's degree in public administration from Columbia University in 2018.

Ms. CHEN Jie. Ms. CHEN was appointed as our independent director in September 2019, and her appointment was effective in March 2021. Ms. CHEN has been the chief financial officer of SPI Energy Co., Ltd. since June 2021, and Ms. CHEN was previously the executive director of Brainzoom Business Consulting Co., Ltd. since July 2007, responsible for the operation of the company and also leading the consulting department providing business & financial consulting services to various companies. From January 2006 to May 2007, Ms. CHEN served as a vice president and finance director of Cellon International Holdings Corporation, responsible for leading the work of corporate finance department. From July 2000 to January 2006, Ms. CHEN served as the southern China regional administration manager of PricewaterhouseCoopers (2002-2006) and former Arthur Andersen (2000-2002), Shenzhen & Guangzhou branches, responsible for the regional office administration work. From June 1993 to June 2000, Ms. CHEN served as an audit manager of Arthur Andersen, Shenzhen branch, providing audit assurance services to various PRC companies that were listed on the international stock markets. Ms. CHEN obtained her bachelor's degree in accounting from Shenzhen University in 1993 and is a member of CICPA and FCCA.

Mr. Howard Wing To CHAN. Mr. CHAN was appointed as our independent director in March 2025. Mr. CHAN is a Certified Public Accountant in the United States. Mr. CHAN has extensive experience in corporate finance and transaction advisory in Mainland China and Hong Kong. From 2022 to 2025, Mr. CHAN was a Director of Corporate Finance and Capital Markets Transactions at Jones Lang LaSalle, based in Shanghai, focusing on real estate equity and debt advisory and investment sales for institutional clients in Mainland China. Prior to that, Mr. CHAN worked in various corporate finance, capital markets, and transaction advisory roles at Ernst and Young, Manulife, Cushman & Wakefield, and Briscoe Wong Ferrier in both Hong Kong and Mainland China. Mr. CHAN received his Master of Finance from Tsinghua University in 2013, and his bachelor degree in Business Administration from Albertson College of Idaho in 2006.

Mr. Geoffrey Fai KAM. Mr. KAM was appointed as our independent director in March 2025. Mr. KAM is a solicitor practicing in Hong Kong. Mr. KAM has wide experience in a broad range of litigation matters including commercial litigation, contract disputes, criminal litigation, family laws, and wills and probate matters. Mr. KAM is currently a Consultant at Messrs. Boase Cohen & Collins. Previously Mr. KAM was a Partner at a law firm in Hong Kong. Mr. KAM holds dual degrees in law and commerce from Monash University in Melbourne and a Postgraduate Certificate in Laws from City University of Hong Kong. Mr. KAM also actively serves the community and public bodies in Hong Kong, most recently serving as a member of the Hong Kong SAR government's Panel of Film Censorship Advisers, and the Law Society of Hong Kong's Members Benefit Committee.

B. Compensation

Compensation of Directors and Executive Officers

Our board of directors has not adopted or established a formal policy or procedure for determining the amount of compensation paid to our executive officers.

For the year ended June 30, 2025, we paid an aggregate of approximately US\$0.7 million in cash to our directors and executive officers. As required by Hong Kong laws and regulations, we participate in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance, or MPF Scheme. Otherwise, we have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors.

Employment Agreements

We have entered into employment agreements with each of our executive officers. Pursuant to the agreements, the executive officers are entitled to receive annual compensation and bonus approved by the board of the directors. The agreements also provide that the executive officers are to work a minimum of 40 hours per week and are entitled to all legal holidays as well as other paid leave in accordance with applicable laws and regulations and our internal work policies.

Under applicable laws and regulations, we may immediately terminate the employment agreement and dismiss the contracted employee, such as, the employee provides false personal information when joining our company, the employee commits serious violation of labor disciplines or rules and regulations of our company, and the employee commits serious dereliction of job duties, malpractice or breach our company's confidence. The employee may also immediately terminate the employment agreement, when we fail to pay remuneration as stipulated as stipulated.

Additionally, we have entered into separate confidentiality & non-compete combined agreements with most of our executive officers. However, where no separate confidentiality & non-compete combined agreement is signed, the employment agreement provides for confidentiality and nondisclosure provisions. Each of our executive officers is subject to keeping trade secrets confidential during the course of their employment and not rendering services to or for our competitors, directly or indirectly, during the course of their employment and three to six months following the termination of their employment.

Share Incentive Plans

2020 Plan

On December 6, 2020, we adopted a share incentive plan, or the 2020 Plan. Under the Share Incentive Plan, the maximum aggregate number of ordinary shares available for issuance will be 5,000,000 ordinary shares, equal to 10% of the total outstanding ordinary shares of our company immediately prior to completion of our public offering. As of the date of this annual report, the number of outstanding restricted share awards that we granted to our executive officers and directors under the 2020 Plan are as follows:

Name	Grant Date	Vesting Schedule	Ordinary Shares Underlying Restricted Share Awards
Lawrence Wai Lok	April 15, 2025	One-fourth on each anniversary, or one-third on each anniversary	*
Chen Jie	April 15, 2025	One-third on each anniversary	*
Joel Gallo	April 15, 2025	One-third on each anniversary	*

* Less than 1% of our total outstanding ordinary shares

Type of Awards. The plan permits the awards of options, restricted shares, restricted share units and other share awards that relate to our ordinary shares.

Plan Administration. Our board of directors or a committee of one or more members of the board of directors will administer the plan, provided that grants to committee members, non-independent directors and executive officers of our Company will be made by the full board. The committee or the board of directors, as applicable, will determine the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each grant, the way of settling or amendment of each grant, all other matters that must be determined and the revision of rules if deemed necessary to administer the 2020 Plan. We refer to our board of directors or a designated committee as the plan administrator.

Award Agreement. Awards granted under the plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each award, which may include the term of the award, vesting schedule, the provisions applicable in the event that the participant's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Vesting Schedule and Conditions. The vesting schedule and conditions of granted share awards was determined by the board.

Exercise of Options. Subject to applicable laws, the plan administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, the maximum exercisable term is ten years from the date of grant.

Transfer Restrictions. Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the plan or the relevant award agreement or otherwise determined by the plan administrator, such as transfers to us or one of our subsidiaries, transfers by gift to "immediate family" as that term is defined in SEC Rule 16a-1(e) promulgated under the Exchange Act, transfers by will or the laws of descent and distribution.

Expiration. The plan terminates on the tenth year anniversary of the Company's initial public offering.

Termination and Amendment of the Plan. Our board of directors has the authority to terminate, amend, suspend or modify the plan in accordance with our articles of association and subject to applicable laws. However, without the prior written consent of the participant, no such action may adversely affect in any material way any award previously granted pursuant to the plan.

C. Board Practices

Board of Directors

Our Board of Directors currently consists of five directors, including four independent directors.

A director may vote with respect to any contract, proposed contract or arrangement in which he is materially interested provided (a) such director, if his interest in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The Nasdaq Capital Market corporate governance rules require that a majority of an issuer's board of directors must consist of independent directors. However, as a Cayman Islands company listed on the Nasdaq Capital Market, we are a foreign private issuer and are permitted to follow the home country practice with respect to certain corporate governance matters. Cayman Islands law does not require a majority of a publicly traded company's board of directors to be comprised of independent directors. We rely on this home country practice exception and from time to time, may not have a majority of independent directors serving on our board of directors.

Our board of directors may exercise all the powers of our company to borrow money, mortgage its undertaking, property and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any obligation of our company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service.

A director is not required to hold any shares in our company to qualify to serve as a director.

Committees of the Board of Directors

Under Nasdaq Capital Market standards, a listed company must have a compensation committee and a nominating/corporate governance committee composed only of independent directors. Cayman Islands does not require a company to establish such committees. As a foreign private issuer, we intend to follow our home country practice. As of the date of this annual report, our remuneration committee does not consist solely of independent directors, and we have not established a nominating/corporate governance committee.

We have established an audit committee and a remuneration committee under the board of directors and adopted a charter for each of the audit committee and remuneration committee, which are available on our website at <https://ir.santechholdings.com/corporate/corporate-governance>. The audit committee's and remuneration committee's members and functions are described below.

Audit committee

Our audit committee consists of Ms. Chen Jie (Chair), Mr. Joel A. Gallo and Mr. Howard Chan. Ms. Chen Jie, Mr. Joel A. Gallo and Mr. Howard Chan satisfy the "independence" requirements of Rule 5605(a)(2) of the listing rules of the Nasdaq Capital Market and meet the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. Our board of directors has determined that Ms. Chen Jie qualifies as an "audit committee financial expert" within the meaning of paragraph (b) of Item 16A of Form 20-F. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Remuneration Committee

Our remuneration committee consists of Lawrence Wai Lok (Chair), Howard Chan and Geoffrey Kam. Howard Chan and Geoffrey Kam satisfy the “independence” requirements of Rule 5605(a)(2) of the listing rules of the Nasdaq Capital Market and meet the independence standards under Rule 10C-1 under the Securities Exchange Act of 1934, as amended. The compensation committee reviews and approves certain compensation matters relating to our directors and executive officers. The compensation committee is responsible for, among other things:

- reviewing the compensation for our executive officers and directors and making recommendations to the board with respect to it;
- periodically reviewing and approving any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, and employee pension and welfare benefit plans;
- appointing and overseeing any compensation consultants or advisors

Duties of Directors

Under Cayman Islands law, all of our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act bona fide in what they consider in good faith to be in our best interests of the company, a duty not to make a profit based on his or her position as director and a duty not to put himself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended from time to time. Our company has the right to seek damages if a duty owed by any of our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

The functions and powers of our board of directors include, among others:

- convening shareholders’ annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board of directors. Our directors are not subject to a term of office or mandatory retirement age, and hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our company to be or becomes of unsound mind.

We have no service contracts with any of our directors that provide benefits to them upon termination.

D. Employees

We had 36 and 6 employees as of June 30 2024 and 2025, respectively.

As required by Hong Kong regulations, we are required to enroll Hong Kong employees in a Mandatory Provident Fund Scheme, to which the employer and employee must make certain contributions. We are also required to provide our Hong Kong employees with certain minimum benefits and protections, including paid annual leave, paid sick leave, paid maternity leave and compensation payments in certain cases of severance, unfair dismissal or termination after long service. See “Item 4. Information on the Company—A. Business Overview—Regulations—Regulations relating to Labor and Social Welfare of Hong Kong.” We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

E. Share Ownership

The following table sets forth information concerning the beneficial ownership of our ordinary shares as of June 30, 2025:

- each of our directors and executive officers; and
- each shareholder known by us to be the beneficial owner of more than 5% of our outstanding ordinary shares.

We have determined beneficial ownership in accordance with the rules of the SEC, which generally define beneficial ownership to include any shares over which a person exercises sole or shared voting or investment power. Such determination is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power or the power to receive the economic benefit with respect to all ordinary shares that they beneficially own, subject to applicable community property laws. None of the shareholders listed in the table are a broker- dealer or an affiliate of a broker dealer.

Applicable percentage ownership is based on 168,000,000 ordinary shares outstanding as of June 30, 2025. Unless otherwise indicated, the principal executive address of Mr. Lawrence Wai Lok is Level 15, AIA Central, No.1 Connaught Road Central, Hong Kong.

Name of Beneficial Owner	Beneficial Ownership (1)	
	Ordinary Shares	%
Directors and executive officers		
Lawrence Wai Lok (2)	112,000,000	66.67
Kelvin Chun Yu	Nil	Nil
Joel A. Gallo	Nil	Nil
Chen Jie	Nil	Nil
Howard Chan	Nil	Nil
Geoffrey Kam	Nil	Nil
Any additional directors/executive officers		
Principal Shareholders		
Carmel Holdings Limited	112,000,000	66.67
Grand Lead Group Limited	39,850,000	23.72

Notes:

- (1) For each person and entity included in this column, percentage ownership is calculated by dividing the number of ordinary shares beneficially owned by such person or entity by the sum of (i) 168,000,000 being the number of ordinary shares issued and outstanding as of this annual report, and (ii) the number of shares such person or entity has the right to acquire within 60 days after the date of this annual report.
- (2) Represents 112,000,000 ordinary shares held by Carmel Holdings Limited. Carmel Holdings Limited is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Lawrence Wai Lok, the chairman of our board of directors. The registered address of Carmel Holdings Limited is Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands.

For arrangements involving the issue or grant of options or shares or securities of the Company, please refer to “Item 6. Directors, Senior Management and Employees—B. Compensation.”

As of the date of this annual report, we are not aware of any other arrangement that may, at a subsequent date, result in a change of control of our company. Mr. Lawrence Wai Lok has the power to direct the voting of Carmel Holdings Limited over Santech Holdings Limited, and as a result, Mr. Lawrence Wai Lok is able to control and exert significance influence over our company.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

Please refer to “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

B. Related Party Transactions

Contractual Arrangements with Our Consolidated Affiliated Entity and Its Shareholders

See “Item 4. Information on the Company—C. Organizational Structure.”

Employment Agreements and Indemnification Agreements

See “Item 6. Directors, Senior Management and Employees—B. Compensation.”

Share Incentive Plans

See “Item 6. Directors, Senior Management and Employees—B. Compensation.”

Other Related Party Transactions

None.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

We have appended combined financial statements filed as part of this annual report.

Legal Proceedings

We may from time to time be involved in litigation and claims incidental to the conduct of our business. Our businesses are also subject to extensive regulation, which may result in regulatory proceedings against us.

In March 2024, a securities class action was filed against the Company in the Supreme Court of New York in the County of New York (docket number: 152554/2024). The plaintiff complained that the registration statement and prospectus issued in the Company’s initial public offering in 2021 contained misleading or materially false information, and alleged the Company of fraud, as a result of which investors suffered financial losses on their investments. The Company denied any wrongdoings, and vigorously defended itself against all allegations, and filed a motion to dismiss all claims asserted in the complaints. Subsequently, the Company reached settlement with the plaintiff to dismiss all claims against the Company and agreed to pay US\$1 million. The Company denied any wrongdoings and accepted the settlement solely for the purposes of eliminating the burden, expenses and uncertainties of litigations. In August 2025, a final judgment by the Court approved the settlement.

Except the proceedings disclosed herein, we are not currently subject to any pending judicial, administrative or arbitration proceedings that we expect to have a material impact on our results of operations or financial condition.

Dividend Policy

We did not declare or pay any dividend during the year ended June 30, 2025 and do not have any plan to pay any dividends on our ordinary shares or ADSs in the foreseeable future. We intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Any future determination to pay dividends will be made at the discretion of our board of directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, we will pay our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares.” Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

We are an exempted company incorporated in the Cayman Islands. Under Cayman Islands law, a Cayman Islands company may pay a dividend on its shares out of either profit or the share premium account, provided that in no circumstances may a dividend be paid out of the share premium account if, immediately following the date on which the dividend is proposed to be paid, this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. In order for us to distribute any dividends to our shareholders and ADS holders, we may rely on dividends distributed by our operating subsidiaries. Local regulations may restrict the ability of our local subsidiaries to pay dividends to us. See “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations on Dividend Distribution.”

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited combined financial statements included in this annual report.

Item 9. The Offer and Listing

A. Offering and Listing Details

Our ADSs was listed on the Nasdaq Global Market on March 26, 2021 and have been transferred to Nasdaq Capital Market since December 5, 2024. Our ADSs trade under the symbol “STEC.” Each ADS represents two of our ordinary shares.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs was listed on the Nasdaq Global Market on March 26, 2021 and have been transferred to Nasdaq Capital Market since December 5, 2024 under the symbol “STEC.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information**A. Share Capital**

Not applicable.

B. Memorandum and Articles of Association**Corporate Objects**

Under our amended and restated memorandum of association, our objects are unrestricted and we have the full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

Board of Directors

See “Item 6. Directors, Senior Managers and Employees—C. Board Practices.”

Material Terms of Ordinary Shares

The following are summaries of material provisions of our amended and restated memorandum and articles of association and of the Companies Act, insofar as they relate to the material terms of our ordinary shares. For a description of our ADSs, see Exhibit 2.4.

Issuance of Shares and Changes to Capital

Subject to the rules of any the Nasdaq Capital Market and any other stock exchange or interdealer quotation system on which our ADSs are listed or quoted, and subject to the provisions in our amended and restated memorandum and articles of association, our board of directors has general and unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any unissued shares in our capital without the approval of our shareholders (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Companies Act. We will not issue bearer shares.

We may, subject to the provisions of the Companies Act and our amended and restated memorandum and articles of association and the SEC and Nasdaq rules, from time to time by shareholders resolution passed by a simple majority of the voting rights entitled to vote at a general meeting, increase our capital by such sum, to be divided into shares of such amounts, as the relevant resolution shall prescribe; consolidate and divide all or any of our share capital into shares of larger amount than our existing shares; convert all or any of its paid up shares into stock and reconvert that stock into paid up shares of any denomination; sub-divide our existing shares, or any of them, into shares of smaller amounts than is fixed pursuant to our amended and restated memorandum and articles of association; and cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of our share capital by the amount of the shares so cancelled.

We may also, subject to the provisions of the Companies Act, our amended and restated memorandum and articles of association, the SEC and the Nasdaq Capital Market, issue shares on terms that they are to be redeemed or are liable to be redeemed; purchase our own shares (including any redeemable shares); and make a payment in respect of the redemption or purchase of our own shares in any manner authorized by the Companies Act, including out of our capital.

Dividends

Subject to the Companies Act, our shareholders may, by resolution passed by a simple majority of the voting rights entitled to vote at the general meeting, declare dividends (including interim dividends) to be paid to our shareholders but no dividend shall be declared in excess of the amount recommended by our board of directors. Dividends may be declared and paid out of funds lawfully available to us. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. All dividends shall be paid in proportion to the number of ordinary shares a shareholder holds during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly. Our board of directors may also declare and pay dividends and authorize payment of the same out of the funds of our Company lawfully available therefore.

In addition, our board of directors may resolve to capitalize any undivided profits not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the our share premium account or capital redemption reserve; appropriate the sum resolved to be capitalized to the shareholders who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of a nominal amount equal to such sum, and allot the shares or debentures credited as fully paid to those shareholders, or as they may direct, in those proportions, or partly in one way and partly in the other; resolve that any shares so allotted to any shareholder in respect of a holding by him/her of any partly-paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly paid shares rank for dividend; make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions; and authorize any person to enter on behalf of all our shareholders concerned in an agreement with us providing for the allotment of them respectively, credited as fully paid, of any shares or debentures to which they may be entitled upon such capitalization, any agreement made under such authority being binding on all such shareholders.

Voting and Meetings

As a condition of admission to a shareholders' meeting, a shareholder must be duly registered as our shareholder at the applicable record date for that meeting and all calls or installments then payable by such shareholder to us in respect of our ordinary shares must have been paid. Subject to any special rights or restrictions as to voting then attached to any shares, at any general meeting every shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative not being himself or herself a shareholder entitled to vote) shall have one vote per share.

As a Cayman Islands exempted company, we may but are not obliged by the Companies Act to call annual general meetings. Our amended and restated memorandum and articles of association does not require us to hold an annual general meeting of shareholders either. Also, we may, but are not required to (unless required by the Companies Act), in each year hold any other extraordinary general meeting.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our amended and restated memorandum and articles of association provide that upon the requisition of shareholders representing not less than two-thirds, in par value of the issued shares which as at the relevant date carry the right to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, shareholders may propose only ordinary resolutions to be put to a vote at such meeting and shall have no right to propose resolutions with respect to the election, appointment or removal of directors or with respect to the size of the board. Our amended and restated memorandum and articles of association provide no other right to put any proposals before annual general meetings or extraordinary general meetings. Subject to regulatory requirements, our annual general meeting and any extraordinary general meetings must be called by not less than ten (10) clear days' notice prior to the relevant shareholders meeting and convened by a notice discussed below. Alternatively, upon the prior consent of all holders entitled to attend and vote (with regards to an annual general meeting), and the holders of 95% in par value of the shares entitled to attend and vote (with regard to an extraordinary general meeting), that meeting may be convened by a shorter notice and in a manner deemed appropriate by those holders.

We will give notice of each general meeting of shareholders by publication on our website and in any other manner that we may be required to follow in order to comply with Cayman Islands law, Nasdaq and SEC requirements. The holders of registered shares may be convened for a shareholders' meeting by means of letters sent to the addresses of those shareholders as registered in our shareholders' register, or, subject to certain statutory requirements, by electronic means. We will observe the statutory minimum convening notice period for a general meeting of shareholders.

A quorum for a general meeting consists of shareholders holding not less than an aggregate of one-third in nominal value of our total issued voting shares entitled to vote upon the business to be transacted.

A resolution put to the vote of the meeting shall be decided on a poll. An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote present in person or by proxy and voting at the meeting. A special resolution requires the affirmative vote of no less than two-thirds of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting (except for certain matters described below which require an affirmative vote of two-thirds). Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Act and our amended and restated memorandum and articles of association.

Our amended and restated memorandum and articles of association provide that the affirmative vote of no less than two-thirds of votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting shall be required to approve any amendments to any provisions of our amended and restated memorandum and articles of association that relate to or have an impact upon the procedures regarding the election, appointment, removal of directors and size of the board.

Transfers of Shares

Subject to any applicable restrictions set forth in our amended and restated memorandum and articles of association, any of our shareholders may transfer all or a portion of their ordinary shares by an instrument of transfer in the usual or common form or in the form prescribed by Nasdaq or in any other form which our board of directors may approve. Our board of directors may, in its absolute discretion, refuse to register a transfer of any common share that is not a fully paid up share to a person of whom it does not approve, or any common share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any common share to more than four joint holders or a transfer of any share that is not a fully paid up share on which we have a lien. Our board of directors may also decline to register any transfer of any registered common share unless: a fee of such maximum sum as Nasdaq may determine to be payable or such lesser sum as the board of directors may from time to time require is paid to us in respect thereof; the instrument of transfer is in respect of only one class of shares; the ordinary shares transferred are fully paid and free of any lien; the instrument of transfer is lodged at the registered office or such other place (i.e., our transfer agent) at which the register of shareholders is kept, accompanied by any relevant share certificate(s) and/or such other evidence as the board of directors may reasonably require to show the right of the transferor to make the transfer; and if applicable, the instrument of transfer is duly and properly stamped.

If our board of directors refuse to register a transfer, they are required, within one month after the date on which the instrument of transfer was lodged, to send to each of the transferor and the transferee notice of such refusal.

Liquidation

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation applicable to any class or classes of shares (1) if we are wound up and the assets available for distribution among our shareholders are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* among our shareholders in proportion to the amount paid up at the commencement of the winding up on the shares held by them, respectively, and (2) if we are wound up and the assets available for distribution among our shareholders as such are insufficient to repay the whole of the paid-up capital, those assets shall be distributed so that, as nearly as may be, the losses shall be borne by our shareholders in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them, respectively.

If we are wound up, the liquidator may with the sanction of a special resolution and any other sanction required by the Companies Act, divide among our shareholders in specie the whole or any part of our assets and may, for such purpose, value any assets and determine how such division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may also, with the sanction of a special resolution, vest any part of these assets in trustees upon such trusts for the benefit of our shareholders as the liquidator shall think fit, but so that no shareholder will be compelled to accept any assets, shares or other securities upon which there is a liability.

Anti-Takeover Provisions

Some provisions of our amended and restated memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

Inspection of Books and Records

Holders of ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, our board of directors may determine from time to time whether our accounting records and books shall be open to the inspection of our shareholders not members of our board of directors. Notwithstanding the above, our amended and restated memorandum and articles of association provide our shareholders with the right to receive annual audited financial statements. Such right to receive annual audited financial statements may be satisfied by filing such annual reports as we are required to file with the SEC.

Register of Shareholders

Under Cayman Islands law, we must keep a register of members that includes: the names and addresses of the members, a statement of the shares held by each member which (a) distinguishes each share by its number, so long as the share has a number; (b) confirms the amount paid or agreed to be considered as paid, on the shares of each member; (c) the number and category of shares held by each member; (d) confirming whether each relevant category of shares held by a member carries voting rights under our articles of association and if so, whether such voting rights are conditional, the date on which the name of any person was entered on the register as a member; and the date on which any person ceased to be a member.

Exempted Company

We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. An exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies in the Cayman Islands;

- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue shares with no par value;
- may obtain an undertaking against the imposition of any future taxation for a period of up to 20 years;
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Preferred Shares

Our board of directors is empowered to issue from time to time one or more classes or series of preferred shares and to fix the designations, powers, preferences and relative, participating, option and other rights of each such class or series so authorized. Such action may adversely affect the voting power and other rights of the holders of our ordinary shares or could have the effect of discouraging any attempt by a person or group to obtain control of us.

Differences in Corporate Law

The Companies Act is modeled after that of England but does not follow recent English statutory enactments and differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Act provides for the merger or consolidation of two or more companies into a single entity. The legislation makes a distinction between a “consolidation” and a “merger.” A consolidation involves the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company, and a merger involves the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company. Upon a merger or consolidation becoming effective, the Registrar of Companies in the Cayman Islands shall strike off the register (a) a constituent company that is not the surviving company in a merger; or (b) a constituent company that participates in a consolidation. Two or more Cayman-registered companies may merge or consolidate. Cayman-registered companies may also merge or consolidate with foreign companies provided that the laws of the foreign jurisdiction permit such merger or consolidation. A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a subsidiary is a company of which at least ninety percent (90%) of the issued shares entitled to vote are owned by the parent company.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands upon application of the constituent company that has issued the security.

Save in certain circumstances, a dissenting shareholder of a Cayman constituent company is entitled to payment of the fair value of his shares upon dissenting to a merger or consolidation. The exercise of appraisal rights shall exclude the enforcement by the shareholder of any right to which that person might otherwise be entitled by virtue of that person holding shares save for the right to institute proceedings to obtain relief on the grounds that the merger or consolidation is void or unlawful.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by (a) a majority in number of each class of creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of creditors that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose; or (b) shareholders representing three-fourths in value of each class of shareholders that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

When a takeover offer is made and accepted by holders of 90.0% of the shares within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands.

If an arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, there are exceptions to the foregoing principle, including when:

- a company acts or proposes to act illegally or ultra vires and is therefore incapable of ratification by the shareholder;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- the act complained of purport to abridge or abolish the individual rights of a member; and those who control the company are perpetrating a "fraud on the minority."

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against the consequences of committing a crime, or against the indemnified person's own fraud or dishonesty. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, directors of Cayman Islands companies owe fiduciary duties to their respective companies to, amongst other things, act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. Core duties are:

- a duty to act in good faith in what the directors bona fide consider to be the best interests of the company;
- a duty not to personally profit from opportunities that arise from the office of director;
- a duty not to put himself in a position where the structures of a company conflict of his or her personal interest on his or her duty to a third party to avoid conflicts of interest; and
- a duty to exercise powers for the purpose for which such powers were conferred.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our amended and restated memorandum and articles of Association provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders any right to put any proposal before a meeting. However, these rights may be provided in the company's memorandum and articles of association.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. Under the laws of the Cayman Islands, there is no cumulative voting for the election of directors unless so provided in the memorandum and articles of association of a company.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our amended and restated memorandum and articles of association, our Company may by ordinary resolution passed by shareholders appoint any person to be a director or may by ordinary resolution remove any director.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an “interested shareholder” for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target’s outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target’s board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation’s outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our amended and restated memorandum and articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation’s governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law, our amended and restated memorandum and articles of association may only be amended with a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

C. Material Contracts

Other than in the ordinary course of business and other than those described in “Item 4. Information on the Company” or “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions” or elsewhere in this annual report, we have not entered into any material contract during the two years immediately preceding the date of this annual report.

D. Exchange Controls

Other than applicable taxation, anti-money laundering, and counter-terrorist financing law and regulations and certain economic sanctions which may be in force from time to time, including as described in “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Foreign Exchange and Regulations on Dividend Distribution,” there are no exchange control regulations or currency restrictions in the Cayman Islands, or any provision of the Articles, which would prevent the transfer of capital or remittance of dividends, interest and other payments to holders of the Company’s securities who are not residents of the Cayman Islands on a general basis.

E. Taxation

The following summary of the material Cayman Islands, Hong Kong and U.S. federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, Hong Kong and the United States. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Appleby, our counsel as to Cayman Islands law.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Pursuant to Section 6 of the Tax Concessions Act (as revised) of the Cayman Islands, we have obtained an undertaking from the Governor-in-Council:

- that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and
- that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on our shares, debentures or other obligations.

The undertaking for us is for a period of 20 years from August 8, 2019.

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by a U.S. holder (as defined below) that holds our ADSs or ordinary shares as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (“Code”). This discussion is based upon provisions of the Code and Treasury regulations, rulings and judicial interpretations thereof, in force as of the date hereof. Those authorities are subject to differing interpretations and may be changed, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (“IRS”) with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, traders in securities that have elected the mark-to-market method of accounting for their securities, accrual method taxpayers subject to special tax accounting rules as a result of their use of financial statements, partnerships and their partners, controlled foreign corporations, passive foreign investment companies, regulated investment companies, real estate investment trusts, and tax-exempt organizations (including private foundations)), investors who are not U.S. holders, investors who own (directly, indirectly, or constructively) 10% or more of our stock by vote or value, investors that hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, or investors that have a functional currency other than the U.S. dollar, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this discussion does not discuss any non-U.S., alternative minimum tax, state, or local tax or any non-income tax (such as the U.S. federal gift or estate tax) considerations, or the Medicare tax on net investment income. Each U.S. holder is urged to consult its tax advisor regarding the U.S. federal, state, local, and non-U.S. income and other tax considerations of an investment in our ADSs or ordinary shares.

WE URGE POTENTIAL PURCHASERS OF OUR ADSs OR ORDINARY SHARES TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR ADSs OR ORDINARY SHARES.

General

For purposes of this discussion, a “U.S. holder” is a beneficial owner of our ADSs or ordinary shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise elected to be treated as a U.S. person under applicable U.S. Treasury regulations.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or ordinary shares and partners in such partnerships are urged to consult their tax advisors as to the particular U.S. federal income tax consequences of an investment in our ADSs or ordinary shares.

For U.S. federal income tax purposes, a U.S. holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. holder of our ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. Accordingly, deposits or withdrawals of ADSs or ordinary shares will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be a “passive foreign investment company,” or “PFIC,” for U.S. federal income tax purposes, if, in any particular taxable year, either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. Cash is generally categorized as a passive asset. However, under recently proposed Treasury regulations, on which taxpayers may rely, an amount of cash held in a non-interest bearing financial account that is held for the present needs of an active trade or business and is no greater than the amount necessary to cover operating expenses incurred in the ordinary course of the trade or business and reasonably expected to be paid within 90 days is generally not treated as a passive asset. The company’s goodwill and other unbooked intangibles associated with active business activities may generally be classified as active assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets.

We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation if we own, directly or indirectly, at least 25% (by value) of such other corporation’s stock. Based upon our current and expected income and assets and projections as to the market price of our ordinary shares and the ADSs, we do not presently expect to be a PFIC for the current taxable year.

While we do not expect to be or become a PFIC in the current taxable year, the determination of whether we are or will become a PFIC will depend in part upon the value of our goodwill and other unbooked intangibles (which will depend upon the market price of our ordinary shares and the ADSs from time-to-time, which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our market capitalization. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become a PFIC for the current or future taxable years. It is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being or becoming a PFIC for the current or one or more future taxable years.

The determination of whether we will be or become a PFIC will also depend, in part, on the composition of our income and assets, which may be affected by how, and how quickly, we use our liquid assets and the cash raised in financing activities. If we hold a substantial amount of cash, our risk of being classified as a PFIC may substantially increase. Because our PFIC status for any taxable year is a factual determination that can be made only after the close of a taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year. If we are a PFIC for any year during which a U.S. holder holds our ADSs or ordinary shares, we generally will continue to be treated as a PFIC for all succeeding years during which such U.S. holder holds our ADSs or ordinary shares.

The discussion below under “Dividends” and “Sale or Other Disposition of ADSs or Ordinary Shares” is written on the basis that we will not be or become a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply if we are a PFIC for the current taxable year or any subsequent taxable year are generally discussed below under “Passive Foreign Investment Company Rules.”

Dividends

Subject to the PFIC rules discussed below, any cash distributions paid on our ADSs or ordinary shares (including the amount of any tax withheld) out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. holder as dividend income on the day actually or constructively received by the U.S. holder, in the case of ordinary shares, or by the depository, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, we will generally report any distribution paid as a dividend for U.S. federal income tax purposes. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations.

Individuals and other non-corporate U.S. holders will generally be subject to tax at the lower capital gain tax rate applicable to “qualified dividend income,” provided that certain conditions are satisfied, including that (1) our ADSs are readily tradable on an established securities market in the United States or if we are eligible for the benefits of certain applicable U.S. treaties, (2) we are neither a PFIC nor treated as such with respect to a U.S. holder (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. If the requirements of the immediately preceding sentence are not satisfied, a dividend paid by us to a U.S. holder, including a U.S. holder that is an individual, estate, or trust, generally will be taxed at ordinary income tax rates (and not at the preferential tax rates applicable to long-term capital gains). Because our ADSs are listed on the Nasdaq Capital Market and are therefore readily tradable on an established securities market in the United States, we will be a qualified foreign corporation with respect to dividends paid on the ADSs. There can be no assurance that our ADSs will continue to be considered readily tradable on an established securities market in later years. Since we do not expect that our ordinary shares will be listed on established securities markets, we do not believe that dividends that we pay on our ordinary shares that are not backed by ADSs currently meet the conditions required for the reduced tax rate. The dividend rules are complex. Each non-corporate U.S. holder is advised to consult its tax advisors regarding the availability of the reduced tax rate applicable to qualified dividend income for any dividends we pay with respect to our ADSs or ordinary shares.

Dividends generally will be treated as income from foreign sources for U.S. foreign tax credit purposes and generally will constitute passive category income which is treated separately from other types of income for purposes of computing the foreign tax credit allowable to you. The rules governing the foreign tax credit are complex. U.S. holders are advised to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition of ADSs or Ordinary Shares

Subject to the PFIC rules discussed below, a U.S. holder generally will recognize capital gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. holder’s adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss will be long-term if the ADSs or ordinary shares have been held for more than one year and generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Long-term capital gains of individuals and other non-corporate U.S. holders generally are eligible for a reduced rate of taxation. The deductibility of a capital loss may be subject to limitations.

U.S. holders are advised to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the availability of the foreign tax credit under their particular circumstances and the effects of any applicable income tax treaties.

Passive Foreign Investment Company Rules

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares, and unless the U.S. holder makes certain election such as a mark-to-market election (as described below), the U.S. holder will generally be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, for subsequent taxable years, on (i) any excess distribution that we make to the U.S. holder (which generally means any distribution paid during a taxable year to a U.S. holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. holder’s holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or ordinary shares. Under the PFIC rules:

- such excess distribution and/or gain will be allocated ratably over the U.S. holder’s holding period for the ADSs or ordinary shares;
- such amount allocated to the current taxable year and any taxable years in the U.S. holder’s holding period prior to the first taxable year in which we are a PFIC, or pre-PFIC year, will be taxable as ordinary income;
- such amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for that year; and
- an interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. holder holds our ADSs or ordinary shares and any of our non-U.S. subsidiaries is also a PFIC, such U.S. holder would be treated as owning a proportionate amount (by value) of the shares of the lower tier PFIC for purposes of the application of these rules. U.S. holders are advised to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing rules, a U.S. holder of “marketable stock” in a PFIC may make a mark-to-market election with respect to our ADSs, provided that the ADSs are regularly traded on the Nasdaq Capital Market. Because a mark-to-market election cannot be made for any lower-tier PFICs that a PFIC may own, a U.S. holder who makes a mark-to-market election with respect to our ADSs will generally continue to be subject to the foregoing rules with respect to such U.S. holder’s indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

If a U.S. holder makes a mark-to-market election with respect to our ADSs, the U.S. holder generally will (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. holder’s adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. Further, in each year that we are a PFIC any gain recognized upon the sale or other disposition of the ADSs will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. It should also be noted that only the ADSs and not the ordinary shares are currently listed on the Nasdaq Capital Market. Consequently, if a U.S. holder holds ordinary shares that are not represented by ADSs, such holder generally will not be eligible to make a mark-to-market election if we are or were to become a PFIC.

If a U.S. holder makes a mark-to-market election in respect of a PFIC and such corporation ceases to be a PFIC, the U.S. holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not a PFIC.

We do not intend to provide information necessary for U.S. holders to make qualified electing fund elections, which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, such holder would generally be required to file an annual IRS Form 8621. Each U.S. holder is advised to consult its tax advisors regarding the potential tax consequences to such holder if we are or become a PFIC, including the possibility of making a mark-to-market election.

Information Reporting and Backup Withholding

Dividend payments with respect to our ADSs or ordinary shares and proceeds from the sale, exchange or redemption of our ADSs or ordinary shares may be subject to information reporting to the IRS and possible U.S. backup withholding. A U.S. holder may be eligible for an exemption from backup withholding if the U.S. holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. holder's U.S. federal income tax liability, and such U.S. holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

Additional Information Reporting Requirements

Certain U.S. holders who are individuals (and certain entities) that hold an interest in “specified foreign financial assets” (which may include our ADSs or ordinary shares) are required to report information relating to such assets, subject to certain exceptions (including an exception for ADSs or ordinary shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. holders fail to satisfy such reporting requirements. U.S. holders should consult their tax advisors regarding the applicability of these requirements to their acquisition and ownership of our ADSs or ordinary shares.

Hong Kong Taxation

Our wholly-owned Hong Kong subsidiaries are subject to Hong Kong profit tax on their activities conducted in Hong Kong. Effective for tax years ending on or after December 31, 2018, the applicable tax rate was 8.25% on the first HK\$2.0 million of assessable profits and 16.5% on any assessable profits above that threshold. In addition, the 8.25% tax rate can only be utilized by one entity in a controlled group, while all other entities in the controlled group utilize the 16.5% tax rate. Dividends from our Hong Kong subsidiaries to Hywin are exempt from Hong Kong withholding tax.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We previously filed a registration statement on Form F-1 (Registration No. 333-253591) with the SEC to register the issuance and sale of our ordinary shares represented by ADSs in our initial public offering. We have also filed a registration statement on Form F-6 (Registration No. 333-254412) with the SEC to register the ADSs.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers, and are required to file reports and other information with the SEC. Specifically, we are required to file annually an annual report on Form 20-F within four months after the end of each fiscal year, which is June 30, and are required to furnish reports on Form 6-K. All information filed with and furnished to the SEC can be obtained over the internet at the SEC’s website at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act requiring the filing of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish Deutsche Bank Trust Company Americas, the depository of the ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders’ meetings and other reports and communications that are made generally available to our shareholders. The depository will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders’ meeting received by the depository from us.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

Financial instruments that potentially subject us to significant concentrations of credit risk consist primarily of cash and cash equivalents and certificates of deposit that we held to maturities. As of June 30, 2025, most of our cash and cash equivalents and certificates of deposit were held by major financial institutions located in Hong Kong and the United States. We believe that these financial institutions located in Hong Kong and the United States are of high credit quality. For accounts receivable, short-term loan receivables, and deposit to suppliers, we typically extend credit based on an evaluation of the customer's or other parties' financial condition, generally without requiring collateral or other security. In order to minimize the credit risk, we have dedicated staff responsible for credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Further, we review the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate allowances are made for doubtful accounts. In this regard, we consider that our credit risk for accounts receivable and deposit to suppliers is significantly reduced.

Customer Concentration Risk

There is no revenue from continuing operations generated for the year ended June 30, 2025. For the year ended June 30, 2024, three customers accounted for 73%, 27% and 0% of our total revenues from continuing operations. For the year ended June 30, 2023, three customers accounted for 52%, 48% and 0% of our total revenues from continuing operations. No other customer accounted for more than 10% of our revenue for the years ended June 30, 2023, 2024 and 2025, respectively.

Liquidity Risk

We are exposed to liquidity risk, which is the risk that we will be unable to provide sufficient capital resources and liquidity to meet our commitments and business needs. Liquidity risk is controlled by the application of financial position analysis and monitoring procedures. When necessary, we will turn to other financial institutions to obtain short-term funding to meet the liquidity shortage, or raise additional capital via equity offerings.

Interest Rate Risk

We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

We expect rising or falling interest rates may have a material impact on our financial condition unless uncertainty about the direction and timing of interest rate changes materially affects the level of borrowing and lending activity in the economy.

We may invest in interest-earning instruments. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

Foreign Currency Risk

Substantially all of our operating activities and our assets and liabilities are denominated in either Hong Kong dollars or U.S. dollars. Since 1983, the Hong Kong dollar has been pegged to the U.S. dollar at the rate of approximately HK\$7.80 to US\$1.00. There is no assurance that Hong Kong's currency pegging policy will not be changed in the future. If the pegging system changes or if Hong Kong dollars suffer devaluation, our business, financial condition and results of operations could be materially and adversely affected.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Expenses

As an ADS holder, you are required to pay the following service fees to the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by the ADSs):

Service Fee

To any person to which ADSs are issued or to any person to which a distribution is made in respect of ADS distributions pursuant to stock dividends or other free distributions of stock, bonus distributions, stock splits or other distributions (except where converted to cash)	Up to US\$0.05 per ADS issued
• Cancellation of ADSs, including the case of termination of the deposit agreement	Up to US\$0.05 per ADS cancelled
• Distribution of cash dividends	Up to US\$0.05 per ADS held
Distribution of cash entitlements (other than cash dividends) and/or cash proceeds from the sale of rights, securities and other entitlements	Up to US\$0.05 per ADS held
• Distribution of ADSs pursuant to exercise of rights	Up to US\$0.05 per ADS held
• Distribution of securities other than ADSs or rights to purchase additional ADSs	Up to US\$0.05 per ADS held
• Depository services	Up to US\$0.05 per ADS held on the applicable record date(s) established by the depositary bank

As an ADS holder, you are responsible for paying certain fees and expenses incurred by the depositary bank and certain taxes and governmental charges (in addition to any applicable fees, expenses, taxes and other governmental charges payable on the deposited securities represented by any of your ADSs) such as:

- Fees for the transfer and registration of ordinary shares charged by the registrar and transfer agent for the ordinary shares in the Cayman Islands (i.e., upon deposit and withdrawal of ordinary shares).
- Expenses incurred for converting foreign currency into U.S. dollars.
- Expenses for cable, telex and fax transmissions and for delivery of securities.

- Taxes and duties upon the transfer of securities, including any applicable stamp duties, any stock transfer charges or withholding taxes (i.e., when ordinary shares are deposited or withdrawn from deposit).
- Fees and expenses incurred in connection with the delivery or servicing of ordinary shares on deposit.
- Fees and expenses incurred in connection with complying with exchange control regulations and other regulatory requirements applicable to ordinary shares, deposited securities, ADSs and ADRs.
- Any applicable fees and penalties thereon.

The depositary fees payable upon the issuance and cancellation of ADSs are typically paid to the depositary bank by the brokers (on behalf of their clients) receiving the newly issued ADSs from the depositary bank and by the brokers (on behalf of their clients) delivering the ADSs to the depositary bank for cancellation. The brokers in turn charge these fees to their clients. Depositary fees payable in connection with distributions of cash or securities to ADS holders and the depositary services fee are charged by the depositary bank to the holders of record of ADSs as of the applicable ADS record date.

The depositary fees payable for cash distributions are generally deducted from the cash being distributed or by selling a portion of distributable property to pay the fees. In the case of distributions other than cash (i.e., share dividends, rights), the depositary bank charges the applicable fee to the ADS record date holders concurrent with the distribution. In the case of ADSs registered in the name of the investor (whether certificated or uncertificated in direct registration), the depositary bank sends invoices to the applicable record date ADS holders. In the case of ADSs held in brokerage and custodian accounts (via DTC), the depositary bank generally collects its fees through the systems provided by DTC (whose nominee is the registered holder of the ADSs held in DTC) from the brokers and custodians holding ADSs in their DTC accounts. The brokers and custodians who hold their clients' ADSs in DTC accounts in turn charge their clients' accounts the amount of the fees paid to the depositary banks.

In the event of refusal to pay the depositary fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees from any distribution to be made to the ADS holder.

The depositary may make payments to us or reimburse us for certain costs and expenses, by making available a portion of the ADS fees collected in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

Payment of Taxes

As an ADS holder, you are responsible for any taxes or other governmental charges payable, or which become payable, on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register or transfer your ADSs or allow you to withdraw the deposited securities represented by your ADSs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any net proceeds, or send to you any property, remaining after it has paid the taxes. You agree to indemnify us, the depositary, the custodian and each of our and their respective agents, directors, employees and affiliates for, and hold each of them harmless from, any claims with respect to taxes (including applicable interest and penalties thereon) arising from any refund of taxes, reduced rate of withholding at source or other tax benefit obtained for you. Your obligations under this paragraph shall survive any transfer of ADRs, any surrender of ADRs and withdrawal of deposited securities or the termination of the deposit agreement.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Material Modifications to the Rights of Security Holders

None.

Use of Proceeds

The following “Use of Proceeds” information relates to the registration statement on Form F-1 for our initial public offering (File Number 333-253591), which was declared effective by the SEC on March 25, 2021. Our initial public offering closed in March 2021. Network 1 Financial Securities, Inc., Alexander Capital L.P. and Valuable Capital Limited were the underwriters for our initial public offering. We offered and sold an aggregate of 3,000,000 ADSs (each representing two ordinary shares) at an initial public offering price of US\$10.00 per ADS, taking into account the ADSs sold upon the exercise of the over-allotment option by our underwriters. We raised US\$28.0 million in net proceeds from our initial public offering after deducting underwriting commissions and discounts and the offering expenses payable by us.

For the period from the effective date of the registration statement to June 30, 2025, the total expenses incurred for our company’s account in connection with our initial public offering was US\$2.0 million, which included US\$1.7 million in underwriting discounts and commissions for the initial public offering and US\$0.3 million in other costs and expenses for our initial public offering. None of the transaction expenses included payments to directors or officers of our company or their associates, persons owning more than 10% or more of our equity securities or our affiliates. None of the net proceeds from the initial public offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities or our affiliates.

For the period from March 25, 2021, the date that the registration statement was declared effective by the SEC, to June 30, 2025, we have used net proceeds from our initial public offering for working capital and general corporate purposes, and prior to June 30, 2024, to grow our asset management service business and wealth management service business in China in the amount of US\$19.6 million approximately. We have been placing the rest of our net proceeds into short-term interest-bearing deposits with licensed banks. Based on our ongoing reevaluation of the changing business environment, we may deploy portions of the net proceeds for additional purposes, such as developing or acquiring new businesses in the technology sector.

Item 15. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our chief executive officer and principle financial officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2025. As defined in Rule 13a-15(e) of the Exchange Act, the term disclosure controls and procedures means controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and principle financial officer as appropriate to allow timely decisions regarding required disclosures.

Based upon that evaluation, our chief executive officer and principle financial officer have concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were not effective as of June 30, 2025.

Management’s Annual Report on Internal Control over Financial Reporting and Attestation Report of the Registered Public Accounting Firm

This annual report does not include a report of management’s assessment regarding internal control over financial reporting or an attestation report by our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies. We are also not required to provide an attestation report by our independent registered public accounting firm because we qualify as an emerging growth company.

Because of such inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Also, projection of any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Internal Control over Financial Reporting

In the course of preparing our consolidated financial statements, we identified the following material weaknesses, which were first identified before we became a public company in March 2021, and had been in place for the years ended June 30, 2024 and 2025. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified related to (i) our lack of sufficient resources with U.S. GAAP and SEC reporting experience in the accounting department to provide accurate information in a timely manner; (ii) our lack of key monitoring mechanisms such as internal control department to oversee and monitor our risk management, business strategies and financial reporting procedures; (iii) our lack of revenue progress monitoring mechanisms, such as no established transaction progress synchronization mechanism between the business side and the finance side, leading to the inability to track the timing of insurance policy effectiveness or service fulfillment, and potential misrecognition of commission income based on the collection of service fee rather than at risk transfer point; (iv) our lack of control in contract management, such as failure to systematically archive insurance brokerage or distribution agreements, which may affect our revenue recognition accuracy; and (v) our lack of automated interface to obtain the fair value of the underlying fund’s or mandate’s net assets, which may cause miscalculation risks to our revenue accuracy, and (vi) our lack of documented approval process exists for revenue transactions requiring collaboration between business, legal, and finance teams, to ensure revenue is recorded only when supporting documents are complete and (vii) our lack of a centralized commission policy with predefined calculation formulas and hierarchical review (e.g., supervisor approval) for variable compensation calculations; and (viii) our lack of policies for critical transactions (revenue, commissions, bonuses) are either nonexistent or not formally communicated.

Neither we nor our independent registered public accounting firm undertook a comprehensive assessment of our internal control under the Sarbanes-Oxley Act for purposes of identifying and reporting any material weakness or significant deficiency in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional material weaknesses may have been identified.

To remediate the material weakness identified in internal control over our financial reporting, we have: (a) hired an experienced personnel in accounting department with adequate experience with financial reporting and compliance requirements; (b) continued our efforts to provide ongoing training courses in U.S. GAAP to existing personnel, including our Principal Financial Officer; (c) continued our efforts to enhance the effectiveness of our internal control over financial reporting by increasing technology adoption, reducing reliance on paper records or single personnel, and migrating our internal processes to cloud-based software systems that are suitable for U.S. reporting companies, which we believe will enhance areas such as contract management, document retention, transaction approvals, and automation in financial reporting. The implementation of these measures may not fully address the material weaknesses identified in our internal control over financial reporting and we cannot conclude that they have been fully remedied.

We qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company’s internal control over financial reporting.

Changes in Internal Control over Financial Reporting

The changes in our internal control over financial reporting that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting are described above.

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Ms. CHEN Jie, a member of our audit committee and an independent director (under the standards set forth in Rule 5605(c)(2) of the Nasdaq Stock Market Rules and Rule 10A-3 under the Securities Exchange Act of 1934), is an audit committee financial expert as defined in Item 16A of Form 20-F.

Item 16B. Code of Ethics

Our board of directors has adopted a code of business conduct and ethics that applies to our directors, officers and employees. Certain provisions of our code of business conduct and ethics apply specifically to our chief executive officer, chief financial officer, other chief officers, senior financial officer, controller, senior vice presidents, vice presidents and any other persons who perform similar functions for us. We have posted a copy of our code of business conduct and ethics on our website at <https://ir.santechholdings.com/corporate/corporate-governance>. The information contained on our website is not included in, or incorporated by reference into, this annual report on Form 20-F.

Item 16C. Principal Accountant Fees and Services

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Audit Alliance LLP, our principal external auditors for the fiscal years ended June 30, 2025 and 2024, and Marcum Asia CPAs LLP (formerly Marcum Bernstein & Pinchuk LLP), our principal external auditors for the first half of the fiscal year ended June 30, 2024 and the fiscal year ended June 30, 2023.

	For the years ended June 30,		
	2023	2024 US\$	2025
Audit fees (1)	618,000	555,000	150,000
Audit-related fees (2)	Nil	Nil	Nil
Tax fees (3)	Nil	Nil	Nil
All other fees (4)	Nil	Nil	Nil

(1) “Audit fees” means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors for the audit of our annual financial statements and assistance with and review of documents filed or furnished with the SEC including interim earnings releases.

- (2) “Audit-related fees” means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors associated with certain permissible services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “audit fees.”
- (3) “Tax fees” means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors associated with certain permitted tax compliance, tax advice and tax planning services.
- (4) “All other fees” means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors associated with certain permissible services to review and comment on internal control design over financial reporting and other advisory services.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by the principal external auditors, including audit services, audit-related services, tax services and other services as described above, other than those for de minimis services which are approved by the audit committee prior to the completion of the audit.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant’s Certifying Accountant

On January 22, 2025, our audit committee and board of directors approved the engagement of Audit Alliance LLP (“Audit Alliance”) and the dismissal of Marcum Asia CPAs LLP (“Marcum Asia”) as our independent registered public accounting firm for the fiscal year ended June 30, 2024 for U.S. financial reporting purposes, effective from November 15, 2024. Please refer to our annual report for the year ended June 30, 2024 on Form 20-F which was filed on May 13, 2025 for more information.

During the financial years ended June 30, 2023 and up to the date of Marcum Asia’s dismissal on November 15, 2024, there were no reportable event (as that term is described in Item 16F(a)(1)(v) of Form 20-F) except as described below:

1. As disclosed in the Company’s previous 20-F filings, there were material weaknesses that have been identified relating to (i) our lack of sufficient resources with U.S. GAAP and the SEC reporting experiences in the accounting department to provide accurate information on a timely manner; (ii) our lack of key monitoring mechanisms such as internal audit department to oversee and monitor our risk management, business strategies and financial reporting procedures, and also our lack of adequately designed and documented management review controls to properly detect and prevent certain accounting errors and omitted disclosures in the footnotes to the consolidated financial statements.
2. Marcum Asia also noted that on September 17, 2024, the Company announced that its then Chairman of the Board, Han Hongwei, and its then Chief Executive Officer, Madame Wang Dian, had been detained by and were under investigation by Chinese authorities. The Company was unable to provide Marcum Asia with further information on the situation regarding the Company’s then Chairman of the Board or then Chief Executive Officer before Marcum Asia’s dismissal. As such, Marcum Asia was unable to assess whether this matter would require them to significantly expand the scope of its audit or whether it may continue to rely on the previous management’s representations or be associated with the Company’s financial statements.

We provided a copy of the foregoing disclosure to Marcum Asia and requested that Marcum Asia furnish us with a letter addressed to the SEC stating whether it agrees with the statements made above, and if not, stating the respects in which it does not agree. A copy of the letter from Marcum Asia is filed as Exhibit 15.4 to the annual report for the year ended June 30, 2024 on Form 20-F which was filed on May 13, 2025.

During the Company's most recent two fiscal years, neither the Company nor anyone on its behalf has consulted with Audit Alliance on either (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that Audit Alliance concluded was an important factor considered by the Company in reaching a decision as to any accounting, audit, or financial reporting issue or (b) any matter that was the subject of a disagreement, as that term is defined in Item 16F(a)(1)(iv) of Form 20-F (and the related instructions thereto) or a reportable event as set forth in Item 16F(a)(1)(v)(A) through (D) of Form 20-F.

Item 16G. Corporate Governance

As a Cayman Islands company with ADSs listed on the Nasdaq Capital Market, we are subject to the Nasdaq Stock Market Rules. However, the Nasdaq Stock Market Rules permit a foreign private issuer like us to follow the corporate governance practices of its home country in lieu of certain provisions applicable to U.S. domestic public companies. Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from the Nasdaq listing standards. Our current corporate governance practices differ from Nasdaq corporate governance requirements for U.S. companies in certain respects, as summarized below:

- **Composition of Board.** Nasdaq Rule 5605(b)(1) requires a Nasdaq listed company to have a majority of the board be independent. In this regard, we have elected to adopt the practices of our home country, the Cayman Islands, which practices do not require a majority independent board.
- **Under Nasdaq Capital Market standards,** a listed company must have an audit committee of at least 3 members of the Board and be comprised only of independent directors. The Cayman Islands does not require a publicly traded company to establish such committee. We have established an audit committee, consisting of three independent directors, Ms. Chen Jie, Mr. Joel A. Gallo and Mr. Howard Chan.
- **Under Nasdaq Capital Market standards,** a listed company must have a compensation committee composed only of independent directors. The Cayman Islands does not require a publicly traded company to establish such committee. As a foreign private issuer, we intend to follow our home country practice and will not establish a compensation committee composed only of independent directors. We have established a remuneration committee, consisting of our Chairman, Mr. Lawrence Wai Lok, and two independent directors, Mr. Howard Chan and Mr. Geoffrey Kam.
- **Under Nasdaq Capital Market standards,** a listed company must have a nominating/corporate governance committee composed only of independent directors. The Cayman Islands does not require a publicly traded company to establish such committees. As a foreign private issuer, we intend to follow our home country practice and will not establish a nominating/corporate governance committee.

Our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq corporate governance listing standards applicable to U.S. domestic issuers. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our ADSs—As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters in lieu of the corporate governance listing standards applicable to U.S. domestic issuers, which home country practices may afford comparatively less protection to shareholders."

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

As of the date of this annual report, to our best knowledge, (i) no governmental entities in the Cayman Islands or in China own shares of Santech Holdings Limited, (ii) the governmental entities in China do not have a controlling financial interest in Santech Holdings Limited, (iii) none of the members of the board of directors of Santech Holdings Limited is an official of the Chinese Communist Party, and (iv) none of the currently effective memorandum and articles of association of Santech Holdings Limited contains any charter of the Chinese Communist Party.

For information supporting our assertion that governmental entities in China do not have a controlling financial interest in our company, please see the Supplemental Submission Pursuant to Item 16I(a) of Form 20-F filed as Exhibit 15.5 to this annual report.

Item 16J. Insider Trading Policies

We have adopted an insider trading policy governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees. A copy of the insider trading policy is attached as an exhibit to this annual report.

ITEM 16K. CYBERSECURITY

Cybersecurity risk management is an important part of our overall risk management efforts. Our historical services in wealth management and asset management involve the exchange, storage and analysis of highly confidential information, including detailed personal and financial information, through a variety of electronic and non-electronic means. Our new business development in e-commerce, digital assets, consumer healthcare or other consumer and enterprise technology industries will also involve significant reliance on technology. We rely on a network of process and software controls to protect the confidentiality of data provided to us or stored on our systems. Even though we have exited our historical services in wealth management and asset management, we still have obligations to protect our historical clients' privacy and confidential information. We will also continue to focus on developing our cybersecurity risk management policies and procedures as we shifted our business focus to exploring technology opportunities.

Our board of directors has oversight of our overall compliance and risk management framework, including cybersecurity risk management. Our senior management is responsible for day-to-day supervision of regulation compliance, including compliance with cybersecurity laws and regulations.

To-date, we have not faced any significant cybersecurity events that have materially affected or are reasonably likely to materially affect us, including our business, results of operations, or financial condition. However, despite the cybersecurity risk management procedures and measures that we have implemented, we still face risks of security breaches and attacks against our systems and network from time to time, which may adversely affect our operation and reputation. For more information, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business— Any cybersecurity or technology failure could lead to legal liability, adversely affect our reputation and have a material adverse effect on our business, financial condition or results of operations."

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The audited combined financial statements of us and our subsidiaries are included at the end of this annual report.

Item 19. Exhibits

Exhibit	Description of Document
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- | | |
|--------|---|
| 1.1 | <u>Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated by reference to Exhibit 3.2 to the registration statement on Form F-1 (File No. 333-253591), as amended, initially filed with the Securities and Exchange Commission on February 26, 2021)</u> |
| 2.1 | <u>Specimen American Depositary Receipt (incorporated by reference to Exhibit 4.1 to the registration statement on Form F-1 (File No. 333-253591), as amended, initially filed with the Securities and Exchange Commission on February 26, 2021)</u> |
| 2.2 | <u>Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 to the registration statement on Form F-1 (File No. 333-253591), as amended, initially filed with the Securities and Exchange Commission on February 26, 2021)</u> |
| 2.3 | <u>Form of Deposit Agreement, among Santech Holdings Limited, the depository and holders and beneficial owners of the ADSs (incorporated by reference to Exhibit 4.3 to the registration statement on Form F-1 (File No. 333-253591), as amended, initially filed with the Securities and Exchange Commission on February 26, 2021)</u> |
| 2.4 | <u>Description of Rights of Securities Registered under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 2.4 from our Form 20-F (File No. 001-40238) filed with the Commission on May 13, 2025)</u> |
| 4.1 | <u>Form of Restricted Share Award Agreement for 2020 Share Incentive Plan (incorporated by reference to Exhibit 4.1 from our Form 20-F (File No. 001-40238) filed with the Commission on May 13, 2025)</u> |
| 4.2 | <u>2020 Share Incentive Plan (incorporated by reference to Exhibit 10.1 to the registration statement on Form F-1 (File No. 333-253591), as amended, initially filed with the Securities and Exchange Commission on February 26, 2021)</u> |
| 4.3 | <u>Form of Employment Agreement between Santech Global Hong Kong Limited and LOK Wai (incorporated by reference to Exhibit 4.5 to the annual and transition report on Form 20-F (File No. 001-40238), filed with the Securities and Exchange Commission on October 12, 2021)</u> |
| 8.1* | <u>List of Significant Subsidiaries</u> |
| 11.1 | <u>Insider Trading Policy (incorporated herein by reference to Exhibit 11.1 to the annual report for the fiscal year ended June 30, 2023 on Form 20-F (File No. 001-40238), filed with the SEC on October 18, 2023)</u> |
| 12.1* | <u>Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u> |
| 12.2* | <u>Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u> |
| 13.1** | <u>Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u> |
| 13.2** | <u>Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u> |
| 15.1* | <u>Consent of Audit Alliance, an independent registered public accounting firm</u> |

15.2*	Consent of Appleby
15.3*	Supplemental Submission Pursuant to Item 16I(a) of Form 20-F
97.1*	Clawback Policy of the Registrant
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed with this Annual Report on Form 20-F.

** Furnished with this Annual Report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: October 17, 2025

Santech Holdings Limited

By: /s/ Lawrence Wai LOK

Name: Lawrence Wai LOK

Title: Chairman and CEO

SANTECH HOLDINGS LTD.
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders
of Santech Holdings Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Santech Holdings Ltd. and its subsidiaries (the “Company”) as of June 30, 2024 and 2025, the related consolidated statements of operations and comprehensive loss, changes in shareholders’ equity, and cash flows for each of the years ended June 30, 2023, 2024 and 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2024 and 2025, and the results of its operations and its cash flows for each of the years ended June 30, 2023, 2024 and 2025, in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

We were not engaged to audit, review or apply any procedures to the adjustments to retroactively apply the effects of the loss of control described in Note 1, accordingly, we do not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2(d) to the consolidated financial statements, the Company incurred net loss of US\$5.8 million from continuing operation, negative cash flow from continuing operating activities of US\$5.2 million in the year ended June 30, 2025 and the accumulated deficit of US\$36.1 million as of June 30, 2025 that raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Completeness of revenue recognition

As described in Note 2(m) to the consolidated financial statements, management applies FASB Topic 606, Revenue from Contracts with Customers (“ASC 606”) to recognize revenue. Management recognizes revenue upon the collection of introduction fees from insurance brokers, insurance companies or commercial banks by referring clients to insurance brokers, insurance companies or banks to purchase insurance products offered by insurance companies and wealth management products offered by banks. Managements recognize revenue upon the collection of introduction fees through bank statement or other payment mode by only referral potential customers without further requirement of satisfaction of performance obligation.

The principal considerations for our determination that performing procedures over the full completion of revenue recognition is a critical audit matter. For wealth management fee and asset management fee, this in turn led to significant effort in performing our audit procedures which were designed to evaluate whether the matched collection of introduction fee, the timing of revenue recognition and the subsequent collections of our customers were appropriately identified and accounted for by management under ASC 606.

Accuracy of revenue recognition in relating to transaction price

As described in Note 2(m) to the consolidated financial statements, for wealth management service, management has minimal monitoring measures and control throughout all stages of referring process and has no access right to obtain the detailed information of matched subscription agreements or related documents. For asset management fee, management has minimized control of service provider process, and has no access to respective fund contract (mandate agreement) and mandate particular portfolio management report, to ensure the transaction price which is either as a percentage of the total investments made by the investors or as a percentage of the fair value of the fund’s or mandate’s net assets.

The principal consideration for our determination that performing procedures over the transaction price accuracy is a critical audit matter. This in turn led to significant effort in performing our audit procedures which were designed to evaluate whether the contractual terms, examining the particular transaction price and commission rate were appropriately identified and accounted for by management under ASC606.

Our audit procedures included, among others, understanding of controls relating to management's revenue recognition process, confirming revenue collections with a sample of the customers, and detail testing to the balance sheet date.

How the Critical Audit Matter Was Addressed in the Audit

Our audit of revenue recognition included, but was not limited to, the following procedures:

- Understanding of internal controls relating to management assessment of the revenue recognition;
- Informed and discussed with Audit Committee;
- Interviewed with personnel involved in the financial reporting process;
- Interviewed with lawyer to assess financial and legal implication related to the financial statements;
- Reviewed minutes of the board of directors meetings;
- Reviewed journal entries and other adjustments for evidence of possible material misstatement;
- Examined original transaction related documents;
- Reviewed the bank statements.

We have served as the Company's auditor since 2024.

/s/ Audit Alliance LLP

Singapore

October 17, 2025

SANTECH HOLDINGS LTD.
CONSOLIDATED BALANCE SHEETS
(In thousands, except for number of shares and per share data)

	As of June 30,	
	2024	2025
	(US\$)	(US\$)
Assets		
Current assets:		
Cash and cash equivalents	13,311	950
Short term investments	-	8,791
Deposits, prepayments and other current assets	320	143
Current assets of discontinued operations	1,873	-
Total current assets	15,504	9,884
Property and equipment, net	3	5
Right-of-use asset	1,235	-
Non-current assets of discontinued operations	-	-
Total non-current assets	1,238	5
Total Assets	16,742	9,889
Liabilities and Shareholders' equity		
Current liabilities:		
Due to related parties	9,518	-
Other payables and accrued liabilities	426	158
Lease liability	1,059	-
Current liabilities of discontinued operations	2,927	-
Total current liabilities	13,930	158
Lease liability	250	-
Non-current liabilities of discontinued operations	-	-
Total non-current liabilities	250	-
Total Liabilities	14,180	158
Shareholders' Equity:		
Ordinary shares (US\$0.0001 par value; authorized 500,000,000 shares; issued and outstanding 56,000,000 and 168,000,000 shares as of June 30, 2024 and 2025, respectively)	6	17
Additional paid-in capital	33,256	45,783
Accumulated deficit	(30,700)	(36,069)
Total shareholders' equity	2,562	9,731
Total Liabilities and shareholders' equity	16,742	9,889

The accompany notes are an integral part of these consolidated financial statements.

SANTECH HOLDINGS LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In Thousands, except for share and per share data, or otherwise stated)

	Years Ended June 30,		
	2023 (US\$)	2024 (US\$)	2025 (US\$)
Continuing operations			
Net revenues			
Client referral services	15,256	21,818	-
Total net revenues	15,256	21,818	-
Operating cost and expenses			
Compensation and benefits	5,114	15,808	-
Share-based compensation expense	753	102	236
Sales and marketing expenses	2,117	3,131	530
General and administrative expenses	5,301	3,551	2,919
Asset impairment loss	5,305	-	-
Total operating cost and expenses	18,590	22,592	3,685
Loss from operations	(3,334)	(774)	(3,685)
Other income/(expenses)			
Interest income/(expense)	141	(61)	121
Other income/(expense), net	32	70	(2,109)
Total other income/(expense), net	173	9	(1,988)
Loss before income tax expense	(3,161)	(765)	(5,673)
Income tax expense	-	-	117
Net loss and comprehensive loss from continuing operations, net of tax	(3,161)	(765)	(5,790)
Discontinued operations			
(Loss)/ income for the year from discontinued operations, net of income taxes	(308)	22	421
Net loss and comprehensive loss for the year	(3,469)	(743)	(5,369)
(Loss)/ income per share			
From continuing operations			
Ordinary share - Basic	(0.06)	(0.01)	(0.07)
Ordinary share - diluted	(0.06)	(0.01)	(0.07)
From discontinued operations			
Ordinary share - Basic	(0.01)	0.00	0.00
Ordinary share - diluted	(0.01)	0.00	0.00
From continuing and discontinued operations			
Ordinary share - Basic	(0.06)	(0.01)	(0.06)
Ordinary share - diluted	(0.06)	(0.01)	(0.06)
Weighted average number outstanding:			
Ordinary share - Basic	56,000,000	56,000,000	88,131,148
Ordinary share - Diluted	56,000,000	56,000,000	88,131,148

The accompany notes are an integral part of these consolidated financial statements.

SANTECH HOLDINGS LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In Thousands, except for share and per share data, or otherwise stated)

	Ordinary shares		Additional paid-in capital	Accumulated deficit	Total Shareholders' equity
	Number of ordinary shares *	Amount (US\$)	(US\$)	(US\$)	(US\$)
Balance as of June 30, 2022	56,000,000	6	32,401	(26,488)	5,919
Net loss for the year	-	-	-	(3,469)	(3,469)
Share-based compensation recognized in equity	-	-	753	-	753
Balance as of June 30, 2023	56,000,000	6	33,154	(29,957)	3,203
Net loss for the year	-	-	-	(743)	(743)
Share-based compensation recognized in equity	-	-	102	-	102
Balance as of June 30, 2024	56,000,000	6	33,256	(30,700)	2,562
New shares issued	112,000,000	11	997	-	1,008
Waiver of loan for capital contribution	-	-	11,294	-	11,294
Net loss for the year	-	-	-	(5,369)	(5,369)
Share-based compensation recognized in equity	-	-	236	-	236
Balance as of June 30, 2025	168,000,000	17	45,783	(36,069)	9,731

The accompany notes are an integral part of these consolidated financial statements.

SANTECH HOLDINGS LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In thousands)

	Years Ended June 30,		
	2023 (US\$)	2024 (US\$)	2025 (US\$)
Cash flows from operating activities			
Net loss for the year	(3,469)	(743)	(5,369)
Adjustments to reconcile net loss to net cash provided by operating activities			
Depreciation and amortization	1,176	1,014	498
Expected credit loss	6	49	-
Share-based compensation expenses	753	102	236
Loss on early termination of right-of-use asset	-	-	273
Gain on disposal of subsidiaries	-	-	(138)
Asset impairment loss	-	2,158	-
Changes in deferred taxes	-	(324)	-
Changes in operating assets and liabilities			
Deposits, prepayments and other current assets	125	(45)	(397)
Due from related parties	1,386	-	-
Commission payable	489	(56)	(482)
Income tax payable	-	36	(102)
Lease liability	(955)	(1,024)	(525)
Other payables and accrued liabilities	(173)	18	(275)
Due to related parties	10,109	1,379	(201)
Net cash provided by/ (used in) operating activities	9,447	2,564	(6,482)
Cash flows from investing activities			
Purchase of intangible assets	(256)	-	-
Purchase of property and equipment	-	-	(2)
Net cash inflow from disposal of subsidiaries	-	-	33
Placement of short term investments	-	-	(8,791)
Net cash used in investing activities	(256)	-	(8,760)
Cash flows from financing activity			
Proceeds from issuance of ordinary shares	-	-	1,008
Net cash financing activity	-	-	1,008
Net increase/(decrease) in cash, cash equivalents	9,191	2,564	(14,234)
Cash and cash equivalents at beginning of the year	3,429	12,620	15,184
Cash and cash equivalents at end of the year	12,620	15,184	950
Supplemental disclosure of cash flow information:			
Income taxes paid	3	192	479
Supplemental disclosure of non-cash flow information:			
Waiver of loan for capital contribution	-	-	11,294
Lease liabilities arising from obtaining right-of-use assets	2,916	-	-

The accompany notes are an integral part of these consolidated financial statements.

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

1. Organization

Santech Holdings Ltd. (“Santech”, the “Company”) was incorporated in the Cayman Islands on July 19, 2019. The Company, through its subsidiaries in Hong Kong, previously engaged in providing insurance referral service, wealth management service and asset management service in Hong Kong through its Hong Kong subsidiaries. The Company is engaging in the development of technology business.

On March 26, 2021, the Company completed its initial public offering (“IPO”) of 3,000,000 ADSs at US\$10.00 per ADS on NASDAQ. Each ADS represents two ordinary shares of the Company.

On August 14, 2024, the Company exited its businesses in overseas wealth management and asset management and disposed of certain subsidiaries in Hong Kong, namely, Haiyin Insurance (Hong Kong) Co., Limited and Hywin International Insurance Broker Limited for nil consideration, and Haiyin International Asset Management Limited and Hywin Asset Management (Hong Kong) Limited for \$641. After the disposals, the Company no longer holds financial service licenses in Hong Kong.

In September 2024, Mr. Han Hongwei, previously Chairman of the Board, and Madame Wang Dian, previously Chief Executive Officer and a director of the Company, have been detained by, and are currently under investigation by certain branch office of Shanghai Municipal Public Security Bureau with respect to alleged illegal activities. As such, they have been unable to fulfill their obligations to the Company under the VIE agreements, and the Company is unable to enforce its rights against them under the VIE agreements, and their assets in the PRC have been frozen since then. As a result, the preparation of the combined financial statements as of and for fiscal year ended June 30, 2024, management determines that it has lost control of all of its subsidiaries, variable interest entities (“VIEs”), assets and operations in China. On June 28, 2024, Santech terminated the contractual arrangements with Hywin Wealth Management, which, along with its subsidiaries, was previously its primary corporate vehicle to provide wealth management services in China. In addition, despite that the contractual arrangements with the remaining VIEs have not yet been terminated, Santech has not been able to exercise control over any of its PRC subsidiaries or VIEs given that all of the Company’s subsidiaries and VIEs in the PRC were effectively owned or controlled by Han Hongwei and as a result are seized in the PRC. Accordingly, Santech deems to have lost the facto control of all of its PRC subsidiaries, VIEs, and their associated assets and operations, and deems its contractual agreements with its VIEs as invalid. Santech’s combined financial statements for the year ended June 30, 2024 are prepared excluding such PRC subsidiaries and VIEs. For the years ended June 30, 2022 and 2023, Santech’s combined financial statements are recast to exclude PRC subsidiaries and VIEs as well for the purpose of comparison.

As of June 30, 2025, detailed information of the Company and the Company’s major subsidiaries is summarized as follows:

<u>Name of the entity</u>	<u>Date of incorporation</u>	<u>Percentage of ownership</u>	<u>Place of incorporation</u>	<u>Principle business activities</u>
Subsidiaries				
Santech Holdings Limited	July 19, 2019	-	Cayman Islands	Investment holding
Santech Global BVI Limited	July 26, 2019	100%	BVI	Investment holding
Santech Global International Limited	August 20, 2019	100%	Hong Kong	Investment holding
Santech Global Hong Kong Limited	May 3, 2016	100%	Hong Kong	Investment holding and provision of client referral services
Santech Global USA Inc	September 16, 2015	100%	United States	Investment holding and technology development

On March 11, 2025, the Company effectuated a change of control and issued to Carmel Holdings Limited 112,000,000 restricted ordinary shares of the Company.

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2. Summary of Significant Accounting Policies

a) Basis of presentation

The Company's consolidated financial statements are prepared and presented in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and with the rules and regulations of the U.S. Securities Exchange Commission ("SEC").

b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All inter-company transactions and balances among the Company and its subsidiaries have been eliminated upon consolidation. A subsidiary is an entity in which (i) the Company directly or indirectly controls more than 50% of the voting power; or (ii) the Company has the power to appoint or remove the majority of the members of the board of directors or to cast a majority of votes at the meetings of the board of directors or to govern the financial and operating activities. The consolidation of all entities have been accounted for in accordance with ASC 810.

c) Discontinued operations

The Company reports a disposal of its component or a group of its components as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on the Company's operations and financial results. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. In the consolidated statements of operations and comprehensive loss, the results from discontinued operations are reported separately from the income and expenses from continuing operations and prior periods are presented on a comparative basis. Cash flows for discontinued operations are presented separately in the consolidated statements of cash flows. Unless otherwise noted, discussion in the notes to consolidated financial statements refers to the Company's continuing operations. Refer to note 3 for additional information.

d) Going concern

The Company incurred a net loss from the continuing operations of US\$5,790 and a net cash outflow from continuing operating activities of US\$5,151 for the year ended June 30, 2025, and the accumulated deficit was US\$36,069 as of June 30, 2025 (all amounts in thousands). These factors raise substantial doubts about the Company's ability to continue as a going concern.

Management of the Company has evaluated the sufficiency of additional capital resources. Management's plan is to obtain such resource by seek debt financing and/or third party equity sufficient to meet its minimal operating expenses. The Company has also acquired the financial support letter from Mr. Lawrence Wai Lok CEO of the Company, who has expressed the willingness and intention to provide the necessary financial support to the Company. However, there is uncertainty as to whether these will be effectively implemented or yield sufficient results.

Accordingly, the Company's consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and, accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations as they fall due. In the event the Company will not be able to continue as a going concern, adjustments will have to be made to reflect the situation that assets will need to be realized other than in the amounts at which they are currently recorded in the balance sheet. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities.

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e) Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of these consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. On an ongoing basis, management reviews these estimates and assumptions using the currently available information. Changes in facts and circumstances may cause the Company to revise its estimates. In accordance with ASC 250, the changes in estimates will be recognized in the same period of changes in facts and circumstances. The Company bases its estimates on past experiences and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Estimates are used when accounting for items and matters including, but not limited to, useful lives and impairment of long-lived assets

f) Foreign currency translation and transactions

The Company's reporting currency is US dollars ("US\$") and the functional currency of the Company and its subsidiaries is the US\$ and Hong Kong dollars ("HK\$"). For those subsidiaries which have the functional currency other than US\$, the financial statements are translated from their respective functional currencies into US\$. Assets and liabilities are translated using the exchange rate at each balance sheet date. Revenue and expenses are translated using average rates prevailing during each reporting period, and shareholders' equity is translated at historical exchange rates. For the years ended June 30, 2023, 2024 and 2025, there are no translation differences from the subsidiaries' functional currency to the reporting currency as it pegged to the reporting currency (US\$1: HK\$7.8).

g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank deposits and short-term, highly liquid investments, which have original maturities of three months or less, and that are readily convertible to known amounts of cash and have insignificant risk of changes in value related to changes in interest rates. The Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents. For the years ended June 30, 2023, 2024 and 2025, the Company recognized an impairment loss from continuing operations of US\$5,305, nil and nil on cash deposits held at Pingan Bank and Ningbo Bank, due to the lost de facto control of its PRC bank accounts. As of June 30, 2024 and 2025, the Company accrued the full amount provision of the bank balance.

h) Short term investments

All investments with original maturities less than twelve months or investments that are expected to be realized in cash during the next twelve months are classified as short-term investments. The Company accounts for short-term debt investments in accordance with ASC Topic 320, Investments – Debt Securities ("ASC 320"). The Company classifies the short-term investments in debt securities as held-to-maturity or available-for-sale, whose classification determines the respective accounting methods stipulated by ASC 320. Dividend and interest income for all categories of investments in securities are included in earnings. Any realized gains or losses on the sale of the short-term investments are determined on a specific identification method, and such gains and losses are reflected in earnings during the period in which gains or losses are realized. For the years ended June 30, 2023, 2024 and 2025, the Company recognized the interest income from short term investments of nil, nil and US\$121, respectively. No impairment loss on short term investments was identified for the years ended June 30, 2023, 2024 and 2025, respectively.

i) Current expected credit loss

In June 2016, the FASB issued ASU 2016-13: Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), using the modified retrospective transition method ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. Upon adoption, the Company changed the impairment model to utilize a forward-looking current expected credit losses (CECL) model in place of the incurred loss methodology for financial instruments measured at amortized cost and receivables resulting from the application of ASC 606.

The Company maintains an allowance for credit losses in accordance with ASC Topic 326, Credit Losses ("ASC 326") and records the allowance for credit losses as an offset to financial assets, and the estimated credit losses charged to the allowance in the consolidated statements of operations and comprehensive loss. The Company assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist, primarily based on similar business lines, services or product offerings and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status, the age of the accounts receivable balances, credit quality of the Company's customers based on ongoing credit evaluations, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect the Company's ability to collect from customer.

We recognized allowance from continuing operations of credit losses of US\$6, US\$49 and nil for other current assets for the years ended June 30, 2023, 2024 and 2025, respectively.

j) Leases

The right-of-use assets and related lease liability are recognized at the lease commencement date. The Company recognizes operating lease expenses on a straight-line basis over the lease term.

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Right-of-use of assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liability. The cost of right-of-use assets includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. All right-of-use assets are reviewed for impairment annually. There was no impairment for right-of-use lease assets for the years ended June 30, 2023, 2024 and 2025.

Lease liability

Lease liability is initially measured at the present value of the outstanding lease payments at the commencement date, discounted using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed lease payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee and any exercise price under a purchase option that the Company is reasonably certain to exercise. Lease liability is measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in future lease payments, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if there is any change in the Company assessment of option purchases, contract extensions or termination options.

There was loss on early termination of lease from continuing operations of nil, nil and US\$273 for the years ended June 30, 2023, 2024 and 2025.

The Company elected not to recognize short-term leases with an initial lease term of twelve months or less.

k) Fair value of financial instruments

The Company's financial instruments primarily consist of cash and cash equivalents and deposit to suppliers. The carrying values of these financial instrument approximate fair values due to their short maturities.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. This topic also establishes a fair value hierarchy which requires classification based on observable and unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Determining which category an asset or liability falls within the hierarchy requires significant judgment. The Company evaluates its hierarchy disclosures each quarter.

The carrying amount of cash and cash equivalents, deposit and other current assets, commission payables, due to related parties, other payables and accrued liabilities approximates fair value because of their short-term nature.

Accounting guidance also describes three main approaches to measure the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

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When available, the Company uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Company will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates.

l) Impairment of Long-lived assets

All long-lived assets, which include tangible long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to be generated by the assets. If the carrying amount of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount of the asset and its fair value. There was no impairment for long-lived assets from continuing operations for the years ended June 30, 2023, 2024 and 2025.

m) Revenue recognition

In accordance with ASC Topic 606, revenues are recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. In determining when and how much revenue is recognized from contracts with customers, the Company performs the following five-step analysis: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; (5) recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from continuing operations

Client referral service

Revenues generated from insurance referral service represents one-time referral fee the Company earns by serving as a referrer to insurance agency companies through facilitating the sales of various insurance products offered by the insurance companies.

The Company provides insurance brokerage referrer services by only referring clients to insurance brokers or insurance companies to purchase insurance products offered by insurance companies and receives introductions fees from insurance brokers or insurance companies regardless of the effectiveness of insurance products commencement and is not subject to rebates, returns or other variable consideration. The Company did not have further performance obligation after referring clients to insurance brokers or insurance companies to purchase insurance products offered by insurance companies. The Company enters into referral agreements with insurance brokers or insurance companies to specify key terms and conditions of each arrangement. The Company has minimal monitoring measures to control throughout all stages of referring process and has no right to obtain detailed information about matched agreements or related documents. These referral fees are normally calculated as a percentage of first year premium depending on the type of insurance product. The corresponding payment is applied against the customer's transit periods typically do not exceed one month.

Under ASC 606, the Company evaluated whether it acts as a principal or agent in insurance referral service transactions by assessing whether it controls the specified service before transfer to the customer. The Company determined it acts as a principal because it: (i) is primarily responsible for fulfilling the promise to provide qualified insurance products referrals to insurance companies, (ii) has discretion in establishing the referral criteria and customer qualification process, and (iii) bears the risk associated with the quality and suitability of the referrals provided. As a principal, the Company recognizes revenue from insurance referral services on a gross basis, reflecting the full amount of consideration received from insurance companies.

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Revenue from discontinued operations

Wealth management service

It is mainly represented the insurance brokerage services which are considered to be rendered and completed, and revenue is recognized, at the time when referral service is completed and the receipts of referral fee. Accordingly, the Company does not accrue any insurance brokerage service prior to the receipt of the related insurance products referral fee. The revenue is not subject to rebates or returns.

Asset management service

Revenues generated from providing asset management service represents management fees and performance-based income the Company earns by serving as an investment manager. The revenue is not subject to rebates or returns.

Management fees

Management fees generated from the Company's asset management services are earned from providing investment management service throughout the duration of various investment funds.

Revenues of asset management fees are recognized point in time when management fees are collected which is calculated in accordance with the respective fund contract or mandate agreement, either as a percentage of the total investments made by the investors or as a percentage of the fair value of the fund's or mandate's net assets on a monthly basis. The management fees do not include any rights of return, credits or discounts, rebates, price protection or other similar privileges, once determined.

Performance-based income

In a typical asset management arrangement in which the Company serves as a fund manager, beside management fee, the Company is also entitled to a performance-based fee based on the extent by which the fund's investment performance exceeds a certain threshold calculated on a monthly basis. The performance-based fees earned by the Company are a form of variable consideration in the Company's asset management contracts with customers.

Such revenues of performance-based income from providing asset management services are recognized at a point in time when the performance of the fund can be determined and the Company receive above-mentioned service fee. The revenue is not subject to rebates or returns.

The following tables present the Company's revenues disaggregated by service line and timing of revenue recognition:

From continuing operations:

	Year Ended June 30,		
	2023	2024	2025
	US\$	US\$	US\$
<u>Client referral service:</u>			
Revenues recognized at a point in time	15,256	21,818	-
Total net revenues from continuing operation	15,256	21,818	-

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From discontinued operations:

	Year Ended June 30,		Two Months Ended August 31, 2024
	2023	2024	2024
	US\$	US\$	US\$
<u>Wealth Management service:</u>			
Revenues recognized at a point in time	376	2,286	11
<u>Asset management service:</u>			
Revenues recognized at a point in time	2,952	3,919	1,170
Total net revenues from discontinued operations	3,328	6,205	1,181

n) Compensation and benefit

Compensation and benefits primarily include base salary, sales commission and other compensation and benefits of the Company's relationship managers, who directly contribute to the Company's revenues generation activities, such as distribution of insurance products under wealth management and provision of investment management services under asset management.

Unpaid commissions were separately presented as commission payable and commission payable-long term on the Company's consolidated balance sheets, depending on whether the amounts are expected to be paid within or after one year of each reporting date.

o) Other Income/(Expenses), Net

Net other income/(expenses) are recorded as a result of non-operating income or expenses, including one-off legal settlement amounts for a class action lawsuit brought against us and associated legal expenses, and loss on early termination of operating lease.

p) Related party

The Company adopted ASC 850, Related Party Disclosures, for the identification of related parties and disclosure of related party transactions. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence, such as a family member or relative, shareholder, or a related corporation.

q) Income taxes

The Company follows the guidance of ASC Topic 740 "Income taxes" and uses asset and liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the period in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets, if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in statement of loss and comprehensive loss in the period that includes the enactment date.

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r) Uncertain tax positions

The Company uses a more likely than not threshold for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. As a result, the impact of an uncertain income tax position is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant tax authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.

Interest on non-payment of income taxes under requirement by tax law and penalties associated with tax positions when a tax position does not meet the minimum statutory threshold to avoid payment of penalties recognized, if any, will be classified as a component of the provisions for income taxes. The tax returns of the Company's Hong Kong subsidiaries are subject to examination by the relevant local tax authorities. According to the Departmental Interpretation and Practice Notes No.10 (Revised) ("DIPN10") of the Hong Kong Inland Revenue Ordinance (the "HK tax laws"), an investigation normally covers the six years of the assessment prior to the year of the assessment in which the investigation commences. In the case of fraud and willful evasion, the investigation is extended to cover ten years of assessment. For the years ended June 30, 2023, 2024 and 2025, the Company did not have any material interest or penalties associated with tax positions. The Company did not have any significant unrecognized uncertain tax positions as of June 30, 2024 and 2025. The Company does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months. For the years ended June 30, 2023, 2024 and 2025, the Company does not have any entity that is under tax examination.

s) Share-based compensation

The Company's share-based payment transactions with employees are measured based on the grant-date fair value of the instruments, with recognition of either a corresponding increase in equity or a liability, depending on whether the instruments granted satisfy the equity or liability classification criteria. The fair value of the award is recognized as compensation expense, net of estimated forfeitures, over the period during which an employee is required to provide service in exchange for the award on straight line basis, which is generally the vesting period. Refer to Note 16 for details.

t) Segment reporting

ASC 280, "Segment Reporting", establishes standards for companies to report in their financial statements information about operating segments, products, services, geographic areas, and major customers. Based on the criteria established by ASC 280, the Company's chief operating decision maker ("CODM") has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Company. As a whole and hence, the Company has only one reportable segment. The Company does not distinguish between markets or segments for internal reporting.

u) Earnings per share

The Company computes basic (loss)/income per share in accordance with ASC Topic 260, "Earnings per Share" by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders, as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the year. Ordinary equivalent shares consist of ordinary shares issuable upon the exercise of share options using the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such share would be anti-dilutive.

v) Commitments and contingencies

The Company accrues estimated losses from loss contingencies by a charge to income when information available before financial statements are issued or are available to be issued indicates that it is probable that an asset had been impaired, or a liability had been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Legal expenses associated with the contingency are expensed as incurred. If a loss contingency is not

probable or reasonably estimable, disclosure of the loss contingency is made in the financial statements when it is at least reasonably possible that a material loss could be incurred.

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w) Recent issued or adopted accounting standards

In January 2025, the FASB issued ASU 2025-01 Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). The Board issued Update 2024-03 on November 4, 2024. Update 2024-03 states that the amendments are effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Board's intent in the basis for conclusions of Update 2024-03 is clear that all public business entities should initially adopt the disclosure requirements in the first annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Following the issuance of Update 2024-03, the Board was asked to clarify the initial effective date for entities that do not have an annual reporting period that ends on December 31 (referred to as non-calendar year-end entities). Because of how the effective date guidance was written, a non-calendar year-end entity may have concluded that it would be required to initially adopt the disclosure requirements in Update 2024-03 in an interim reporting period, rather than in an annual reporting period. The Board's intent in the basis for conclusions of Update 2024-03 is clear that all public business entities should initially adopt the disclosure requirements in the first annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. However, the Board acknowledges that there was ambiguity between the intent in the basis for conclusions in Update 2024-03 and the transition guidance that was included in the Codification when Update 2024-03 was issued.

Accounting Standards Update (ASU) 2025-04, "Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer" was issued by the Financial Accounting Standards Board (FASB) on May 15, 2025. The main contents are as follows: Revising the Definition of Performance Conditions: ASU 2025-04 amends the definition of performance conditions in Topic 718. It includes conditions that are contingent on the purchase of goods or services by a customer (or a customer's customer) as performance conditions. For example, if an enterprise grants share-based consideration to a customer, and the vesting of this consideration is conditional on the customer purchasing a specified amount of goods or services, this condition will be regarded as a performance condition. Eliminating the Forfeiture Policy Election for Service Conditions: For share-based consideration payable to customers with service conditions, the ASU eliminates the accounting policy election for forfeiture. Entities are required to estimate expected forfeitures for all share-based consideration payable to a customer with a service condition, rather than having the option to choose whether to estimate forfeitures as before. Effective Date: The amendments in ASU 2025-04 are effective for all entities for annual reporting periods (including interim periods therein) beginning after December 15, 2026. Early adoption is permitted. In general, the purpose of ASU 2025-04 is to reduce diversity in practice and improve existing guidance, so as to more accurately regulate the accounting treatment of share-based consideration payable to customers.

In May 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses for Accounts Receivable and Contract Assets. The amendments in this Update introduce a practical expedient for all entities and an accounting policy election for entities other than public business entities related to applying Subtopic 326-20 to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. (1) Practical expedient. In developing reasonable and supportable forecasts as part of estimating expected credit losses, all entities may elect a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. (2) Accounting policy election. An entity other than a public business entity that elects the practical expedient is permitted to make an accounting policy election to consider collection activity after the balance sheet date when estimating expected credit losses. The amendments will be effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The Company's management does not believe the adoption of ASU 2025-05 will have a material impact on its financial statements and disclosures.

3. Discontinued operations

On August 14, 2024, the Company exited its businesses in overseas wealth management and asset management and disposed of certain subsidiaries in Hong Kong, namely, Haiyin Insurance (Hong Kong) Co., Limited and Hywin International Insurance Broker Limited for nil consideration, and Haiyin International Asset Management Limited and Hywin Asset Management (Hong Kong) Limited for \$641. After the disposals, the Company no longer holds financial service licenses in Hong Kong

The disposal represented a strategic shift from providing wealth management service and asset management service to focusing on exploring opportunities in consumer technology, consumer healthcare and enterprise technology, that had a major effect on the Company's operations and financial results and was accounted for as discontinued operations. The Company has classified the historical financial results of Wealth management and Asset management service as discontinued operations in the Company's consolidated statements of operations and comprehensive loss for all periods presented.

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The following tables set forth statement of operations of discontinued operations which were included in the Company's consolidated financial statements:

	Year Ended June 30,		Two Months Ended August 31,
	2023	2024	2024
	US\$	US\$	US\$
<i>Discontinued operations</i>			
Net revenues			
Wealth management	376	2,286	11
Asset management	2,952	3,919	1,170
Total net revenues	3,328	6,205	1,181
Operating cost and expenses			
Compensation and benefits	1,372	1,451	602
Sales and marketing expenses	536	359	-
General and administrative expenses	1,720	1,969	266
Asset impairment loss	-	2,158	-
Total operating cost and expenses	3,628	5,937	868
(Loss)/ income from operations	(300)	268	313
Other expense, net	(8)	(16)	(1)
(Loss)/ income before income tax expense	(308)	252	312
Income tax expense	-	(230)	(29)
Net (loss) / income from discontinued operations	(308)	22	283
Gain on disposal of subsidiaries from discontinued operations, net	-	-	138
(Loss)/ income for the year from discontinued operations, net of income taxes	(308)	22	421
Summarized cash flow information for discontinued operations is as follows:			
Net cash flows provided by/ (used in) operating activities	370	(587)	(1,265)
Net cash flows (used in)/ provided by investing activities	(256)	-	33
The following table summarizes significant non-cash operating items and capital expenditures of discontinued operations included in the consolidated statements of cash flows for the periods presented.			
Significant non-cash operating items			
Amortization of intangible asset	13	51	-
Asset impairment loss	-	2,158	-
Significant investing activities:			
Purchase of intangible asset	(256)	-	-

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Loss from disposal of subsidiaries under discontinued operations:

	Wealth management business	Asset management business	Total
	US\$	US\$	US\$
Considerations received	-	641	641
Less: Net assets disposed of	(134)	(369)	(503)
(Loss)/ gain from disposal of subsidiaries	(134)	272	138

Reconciliation of the carrying amount of assets and liabilities:

	As of June 30, 2024	As of August 31, 2025
	US\$	US\$
Assets		
Cash and cash equivalents	1,873	608
Deposits, prepayments and other current assets	-	256
Due from related parties	-	93
Income tax receivable	-	220
Total Assets	1,873	1,177
Liabilities		
Commission payable	859	378
Income tax payable	91	210
Due to related parties	1,970	86
Other payable and accrued liabilities	7	-
Total Liabilities	2,927	674
Net (liabilities)/ assets	(1,054)	503

4. Deposits, Prepayments and Other Current Assets

	As of June 30,	
	2024	2025
	US\$	US\$
Deposits, Prepayments and Other Current Assets	320	143

5. Cash and cash equivalents

	As of June 30,	
	2024	2025
	US\$	US\$
Cash and cash equivalents	13,311	950

6. Property and Equipment, net

	As of June 30,	
	2024	2025
	US\$	US\$
Electronic equipment, cost	66	18
Less: accumulated depreciation	(63)	(13)
Electronic equipment, net	3	5

Depreciation expenses from continuing operations for the years ended June 30, 2023, 2024 and 2025 were approximately US\$94, nil and US\$3, respectively.

For the years ended June 30, 2023, 2024 and 2025, no impairment loss from continuing operations was recognized for the Company's property and equipment.

The Company periodically reviews the recoverable amount of property and equipment, certain electronic equipment was disposed or written off due to no longer in use or having become technically or economically obsolete.

For the years ended June 30, 2023, 2024 and 2025, cost for the electronic equipment disposed were nil, nil and US\$50, respectively.

7. Leases

Operating leases as lessee

The Company entered into operating lease agreements primarily for offices. As of June 30, 2025, the operating leases was mutually terminated in January 2025 and which is early before the maturity date of the right-of-use asset. A loss from early termination loss from continuing operations for the years ended June 30, 2023, 2024 and 2025 was recognized approximately nil, nil and US\$273, respectively. As of June 30, 2024, the Company's operating leases had a weighted average remaining lease term of 1.17 years. As of the same date, the Company's operating leases had a weighted average discount rate of 3.50%.

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

The following tables show right-of-use asset and lease liability, and the associated financial statement line items:

	As of June 30,	
	2024	2025
	US\$	US\$
<i>Assets</i>		
Right-of-use asset, net	1,235	-
<i>Liability</i>		
Lease liability, current	1,059	-
Lease liability, non-current	250	-

The components of lease expenses are as follows:

	For the year ended June 30	
	2024	2025
	US\$	US\$
<i>Operating lease expense</i>		
Amortization of right-of-use asset	963	495
Interest of lease liability	61	17
Total	1,024	512

Maturities of lease liability were as follows:

	As of June 30,	
	2024	2025
	US\$	US\$
<i>Twelve months ending June 30,</i>		
2025	1,085	-
2026	250	-
Total lease payments	1,335	-
Less: imputed interest	26	-
Total	1,309	-

8. Other payables and accrued liabilities

	As of June 30,	
	2024	2025
	US\$	US\$
Accrued payroll	406	-
Other current liabilities	20	158
Total other payables and accrued liabilities	426	158

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

9. Related party balance

The following table shows the balance of related party:

	As of June 30,	
	2024	2025
	US\$	US\$
Hywin Enterprise Management Consulting (Shanghai) Co., Ltd.* (“Hywin Enterprise”)	9,518	-
Total due to related party	9,518	-

* The Company’s previously combined subsidiary in the PRC recorded as intercompany balances.

During the year ended 30, June 2025, Hywin Enterprise passed a shareholder resolution to irrevocably, without recourse, waive all outstanding balance due and was deemed as a capital injection into Santech Global BVI Limited.

10. Income Taxes

The entities within the Company file separate tax returns in the respective tax jurisdictions in which they operate.

Cayman Islands

The Company is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to income or capital gains taxes. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

British Virgin Islands (“BVI”)

Under the current laws of BVI, the Company’s subsidiaries incorporated in BVI are not subject to tax on income or capital gains. Additionally, upon payments of dividends by these BVI companies to respective shareholders, no BVI withholding tax will be imposed.

Hong Kong

Under the current HK tax laws, before April 1, 2018, the income tax rate of Hong Kong was 16.5%. Effective from April 1, 2018, a two-tier corporate income tax system was officially implemented in Hong Kong, which is 8.25% for the first HK\$2.0 million profits, and 16.5% for the subsequent profits. Under the HK tax laws, it is exempted from the Hong Kong income tax on its foreign-derived income. In addition, payments of dividends from Hong Kong subsidiaries to the Company are not subject to any Hong Kong withholding tax.

For each years ended June 30, 2023, 2024 and 2025, the Company’s income before tax from continuing operations consisted of:

	Years Ended June 30,		
	2023	2024	2025
	US\$	US\$	US\$
HK	(3,161)	(765)	(5,673)

For each year ended June 30, 2023, 2024 and 2025, the Company’s income tax benefit from continuing operations consisted of:

	Years Ended June 30,		
	2023	2024	2025
	US\$	US\$	US\$
Income tax expenses			
- Current year	-	-	-
- Prior year	-	-	117
	-	-	117

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

A reconciliation of the income tax expense determined at the HK statutory income tax rate to the Company's actual income tax expense is as follows:

	Years Ended June 30,		
	2023	2024	2025
	US\$	US\$	US\$
Income before income tax expense	(3,161)	(765)	(5,673)
HK statutory income tax rate	16.5%	16.5%	16.5%
Income tax at HK statutory income tax rate	-	-	-
Tax effect of prior-year tax filing difference	-	-	117
Income tax expense	<u>-</u>	<u>-</u>	<u>117</u>

The Company's deferred tax liabilities were recorded as a result of recognition of the identifiable intangible assets acquired from various acquisition transactions. As of June 30, 2024 and 2025, there was no deferred tax liabilities.

Total net operating losses (NOLs) carryforwards of the Company's subsidiaries in Hong Kong are US\$5,545 and US\$8,074 as of June 30, 2024 and 2025, respectively. The NOLs of the Company's subsidiaries in Hong Kong can be carried forward indefinitely. The Company's ability to realize deferred tax assets depends on its ability to generate sufficient taxable income within the carry forward periods provided for in the tax laws. As of June 30, 2024 and 2025, the Company's recorded nil and nil deferred tax assets related to the NOLs.

11. Equity

Ordinary shares

As of June 30, 2020, 50,000,000 ordinary shares were issued at par value, equivalent to share capital of US\$5. On March 26, 2021, the Company completed its IPO of 3,000,000 ADSs at US\$10.00 per ADS on NASDAQ. Each ADS represents two ordinary shares of the Company. On March 17, 2025, the Company effectuated a change of control and entered into a share subscription agreement with Carmel Holdings Limited and issued 112,000,000 restricted ordinary shares of the Company for consideration of approximately US\$1,008.

As of June 30, 2024 and 2025, 56,000,000 and 168,000,000 ordinary shares were issued at par value, equivalent to share capital of US\$6 and US\$17, which number of shares was same as that outstanding as of the issuance date of the financial statements.

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

12. Loss Per Share

Basic and diluted loss per share are calculated as follows:

	Years Ended June 30,		
	2023	2024	2025
	US\$	US\$	US\$
<u>Numerator:</u>			
Net (loss)/ income attributable to shareholders of Santech Holdings Ltd.			
-from continuing operations	(3,161)	(765)	(5,790)
-from discontinued operations	(308)	22	421
-from continuing and discontinued operations	(3,469)	(743)	(5,369)
<u>Denominator:</u>			
Denominator for basic loss per share:			
Weighted average number of ordinary shares outstanding	56,000,000	56,000,000	88,131,148
Dilutive effect of outstanding share options	-	-	-
Denominator for diluted loss per share	56,000,000	56,000,000	88,131,148
<u>From continuing operations</u>			
Basic loss per share	(0.06)	(0.01)	(0.07)
Diluted loss per share	(0.06)	(0.01)	(0.07)
<u>From discontinued operations</u>			
Basic loss per share	(0.01)	0.00	0.00
Diluted loss per share	(0.01)	0.00	0.00
<u>From continuing and discontinued operations</u>			
Basic loss per share	(0.06)	(0.01)	(0.06)
Diluted loss per share	(0.06)	(0.01)	(0.06)

Potential shares of common stock for the restricted share awards which were excluded from the computation of diluted EPS because their effect would have been anti-dilutive.

13. Financial information of Parent Company

The Company was incorporated on July 19, 2019 and became parent company of the Company upon the completion of the Reorganization on September 29, 2019. The following disclosures presented the financial positions of the Parent Company as of June 30, 2023 and 2024, and results of its operations and its cash flows for the years ended June 30, 2023, 2024 and 2025, as if the current corporate structure has been in existence throughout the periods presented.

The condensed financial statements of the Parent Company have been prepared using the same accounting policies as set out in the Company's consolidated financial statements.

The Parent Company and its subsidiaries were included in the consolidated financial statements whereby the inter-company balances and transactions were eliminated upon combination.

The Company is a Cayman Islands company, therefore, not subjected to income taxes for all years presented.

The footnote disclosures contain supplemental information relating to the operations of the Company and, as such, these statements should be read in conjunction with the notes to the consolidated financial statements of the Company. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted.

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

Balance Sheets

(In thousands, except for share and per share data, or otherwise stated)

	As of June 30,	
	2024 (US\$)	2025 (US\$)
Asset		
Due from related parties	27,968	25,982
Total Asset	27,968	25,982
Liability		
Other payables and accrued liabilities	-	150
Total Liability	-	150
Shareholders' Equity:		
Shareholders' Equity:		
Ordinary shares (US\$0.0001 par value; authorized 500,000,000 shares; issued and outstanding 56,000,000 and 168,000,000 shares as of June 30, 2024 and 2025, respectively)	6	17
Additional paid-in capital	27,967	29,200
Accumulated deficit	(5)	(3,385)
Total Shareholders' Equity:	27,968	25,832
Total Liability and Shareholders' Equity:	27,968	25,982

Statements of Operations and Comprehensive Loss

(In thousands, except for share and per share data, or otherwise stated)

	Years Ended June 30,		
	2023 US\$	2024 US\$	2025 US\$
Net loss	(118)	-	(3,380)

Statements of Cash Flows

(In thousands, except for share and per share data, or otherwise stated)

	Years Ended June 30,		
	2023 US\$	2024 US\$	2025 US\$
Cash flows used in operating activities	-	-	(1,008)
Cash flows provided by financing activities	-	-	1,008
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of the year	-	-	-
Cash and cash equivalents at end of the year	-	-	-

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

14. Employee Defined Contribution Plan

Obligations for contributions to defined contribution retirement plans for full-time employees in Hong Kong, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognized as expenses in the income statement as incurred. The total amounts for such employee benefits for the continuing operations were approximately US\$65 and US\$82 and US\$12 for the years ended June 30, 2023, 2024 and 2025, respectively.

15. Concentration of Risk

Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. As of June 30, 2025, all of the Companies' cash and cash equivalents were held by major financial institutions located in Hong Kong and United State of America. The Company believes that these financial institutions located in Hong Kong and United State of America are of high credit quality. For deposit to suppliers, the Company extends credit based on an evaluation of the customer's or other parties' financial condition, generally without requiring collateral or other security. In order to minimize the credit risk, the Company's finance team is responsible for credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Further, the Company reviews the recoverable amount of each individual receivable at each balance sheet date to ensure that adequate allowances are made for doubtful accounts. In this regard, the Company considers that the Company's credit risk for deposit to suppliers is significantly reduced.

Concentration of customers

The following tables summarized the information about the Company's concentration of customers from continuing operations for the years ended June 30, 2023, 2024 and 2025, respectively:

	A	B	C
Year Ended June 30, 2025			
Revenues, customer concentration risk	0%	0%	0%
Year Ended June 30, 2024			
Revenues, customer concentration risk	73%	27%	0%
Year Ended June 30, 2023			
Revenues, customer concentration risk	52%	48%	*

* Less than 2%.

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

16. Share-based Compensation

Restricted Shares Awards

On December 6, 2020, the Company adopted a share incentive plan (or the “2020 Plan”), which provides for the granting of restricted shares to employees of the Company. Under the Share Incentive Plan, the maximum aggregate number of ordinary shares available for issuance will be 5,000,000 ordinary shares, equal to 10% of the total outstanding ordinary shares of the Company immediately prior to completion of our public offering. The restricted share awards under 2020 Plan granted to employees contain an explicit service condition, under which the awards will be considered to be forfeited if the grantees resigned within 3 years or 4 years after the date of grant. The foregoing vesting schedule notwithstanding, if the grantee’s continuous service terminates before all of his or her restricted shares have vested due to retirement, the restricted shares shall remain outstanding and eligible for vesting based on the vesting schedule. Notwithstanding the standard vesting schedule, all unvested restricted shares shall immediately vest in full if the grantee’s continuous service is terminated (i) by the Company without cause or by the grantee for good reason at any time prior to the scheduled vesting dates, (ii) within twelve months following a change in control, or (iii) due to the grantee’s death or disability.

The summary of activities of the service-based restricted share awards under the 2020 Plan during the years ended June 30, 2025 is presented as follows:

	Number of restricted shares	Weighted average grant date fair value (US\$)
Awarded and unvested as of July 1, 2024	-	-
Granted	1,776,000	1.19
Forfeited/Cancelled	-	-
Vested	-	-
Awarded and unvested of June 30, 2025	1,776,000	1.19

For the year ended June 30, 2025, 1,776,000 restricted shares were granted under the 2020 Plan, all of which remain outstanding and unvested. The Company recognized share compensation expense for the share options under the 2020 Plan of US\$272 for the years ended June 30, 2025.

As of June 30, 2025, total unrecognized compensation cost related to unvested share-based awards related to restricted shares was approximately US1,877, which is expected to be recognized over a weighted-average period of 3.7 years.

2019 Option Plan

On September 30, 2019, the Company adopted a share option plan (the “2019 Option Plan”) for the employees to purchase ordinary shares of the Company. Under the 2019 Option Plan, the maximum aggregate number of ordinary shares available for issuance would be 2,250,000 ordinary shares. The options under 2019 Option plan granted to employees contain an explicit service condition, which the options will be considered to be forfeited if the grantees resigned within 5 years after the date they joined the 2019 Option plan (“5-year condition”). Also, all grantees were restricted to convert the options into ordinary shares until a certain period subsequent to the IPO date (“lock up period”). If the grantee resigned from the Company before the IPO or during the lock up period, the Company has the right to cancel their options. The 5-year condition and lock up period are service condition and the exercise of the options were contingent to the IPO, which is a performance condition.

SANTECH HOLDINGS LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, except for share and per share data, or otherwise stated)

The following table summarizes the option activities under the 2019 Option Plan during the years ended June 30, 2023, 2024 and 2025, respectively:

	<u>Number of options</u>	<u>Weighted Average Remaining Contractual Life (Years)</u>	<u>Weighted Average Exercise Price (US\$)</u>
Outstanding and exercisable			
As of June 30, 2023	1,883,803	0.15	5.03
Forfeited	-	-	-
Exercised	-	-	-
As of June 30, 2024	<u>1,883,803</u>	-	5.48
Forfeited	(1,883,803)	-	-
Exercised	-	-	-
As of June 30, 2025	<u><u>-</u></u>	-	-

For the year ended June 30, 2021, 2,250,000 options were granted under the 2019 Option plan. The Company recognized share compensation expense for the share options under the 2019 Option plan of US\$753, US\$102 and nil for the years ended June 30, 2023, 2024 and 2025, respectively. The 2019 Option Plan has been terminated for the year ended June 30, 2025.

17. Commitments and contingencies

a. Contingencies

The Company may be involved in various legal proceedings, claims and other disputes arising from the commercial operations, projects, employees and other matters which, in general, are subject to uncertainties and in which the outcomes are not predictable. The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. Although the outcomes of these legal proceedings cannot be predicted, the Company does not believe these actions, in the aggregate, will have a material adverse impact on its financial position, results of operations or liquidity.

In the opinion of management, there were no pending or threatened claims and litigation as of June 30, 2024 and 2025 and through the issuance date of these consolidated financial statements.

b. Lease commitment

The following table sets forth the Company's future minimum lease payments under the non-cancellable operating lease obligations with respect to the office as of June 30, 2025 are payable as follows:

	US\$
Within 1 year	<u>56</u>
Total	<u><u>56</u></u>

18. Subsequent Events

The Company has evaluated subsequent events through October 17, 2025, the date of issuance of the consolidated financial statements, and did not identify any other subsequent events with material financial impact on the Company's consolidated financial statements.

List of Significant Subsidiaries

Name of the Subsidiaries	Place of incorporation
Santech Global BVI Limited	BVI
Santech Global International Limited	Hong Kong
Santech Global Hong Kong Limited	Hong Kong
New Innovations BVI Limited	BVI
New Innovations Limited	Hong Kong
BitVentures America Inc	United States

**Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Lawrence Wai LOK, certify that:

1. I have reviewed this annual report on Form 20-F of Santech Holdings Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: October 17, 2025

By: /s/ Lawrence Wai LOK

Name: Lawrence Wai LOK

Title: Chairman and CEO (Principal Executive Officer)

**Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kelvin Chun YU, certify that:

1. I have reviewed this annual report on Form 20-F of Santech Holdings Limited;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: October 17, 2025

By: /s/ Kelvin Chun YU

Name: Kelvin Chun YU

Title: Head of Finance (Principal Financial Officer)

**Certification by the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350, as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Santech Holdings Limited (the "Company") on Form 20-F for the year ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence Wai LOK, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 17, 2025

By: /s/ Lawrence Wai LOK

Name: Lawrence Wai LOK

Title: Chairman and CEO (Principal Executive Officer)

**Certification by the Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350, as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Santech Holdings Limited (the "Company") on Form 20-F for the year ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kelvin Chun YU, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 17, 2025

By: /s/ Kelvin Chun YU

Name: Kelvin Chun YU

Title: Head of Finance (Principle Financial Officer)



AUDIT ALLIANCE LLP®

A Top 18 Audit Firm
10 Anson Road, #20-16 International Plaza, Singapore 079903.



UEN: T12LL1223B GST Reg No: M90367663E
Tel: (65) 6227 5428
Website: www.allianceaudit.com

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-260129) on Form S-8 of our report dated October 17, 2025, with respect to the consolidated financial statements of Santech Holdings Ltd. as of June 30, 2024 and 2025 and for the years ended June 30, 2023, 2024 and 2025.

/s/Audit Alliance LLP

Audit Alliance LLP
Singapore
October 17, 2025

Santech Holdings Limited
Level 15, AIA Central
No.1 Connaught Road Central
Central, Hong Kong

Email vchan@applebyglobal.com

Direct Dial +852 2905 5759

Tel +852 2523 8123

Fax +852 2524 5548

Appleby Ref 470985.0001

17 October 2025

Suites 3504B-06
35/F, Two Taikoo
Place
979 King's Road
Quarry Bay
Hong Kong

Dear Sirs

Santech Holdings Limited

We have acted as legal advisers as to the laws of the Cayman Islands to Santech Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands, in connection with the filing by the Company with the United States Securities and Exchange Commission (the "SEC") of an annual report on Form 20-F for the year June 30, 2025 (the "Annual Report").

Tel +852 2523 8123

applebyglobal.com

Managing Partner
David Bulley

We consent to the reference to our firm under the heading "Item 10. Additional Information—E. Taxation - Cayman Islands Taxation" in the Annual Report. We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report.

Partners

Fiona Chan

Vincent Chan

Chris Cheng

Richard Grasby

Eason Huang

Judy Lee

John McCarroll SC

Lorinda Peasland

Eliot Simpson

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully

/s/ Appleby.
Appleby

Bermuda ■ British Virgin Islands ■ Cayman Islands ■ Guernsey ■ Hong Kong ■ Isle of Man ■ Jersey ■ Mauritius ■ Seychelles
■ Shanghai

Supplemental Submission Pursuant to Item 16I(a) of Form 20-F

Santech Holdings Limited (the “Company”) is submitting via EDGAR the following information as required under Item 16I(a) of Form 20-F in relation to the Holding Foreign Companies Accountable Act.

In response to Item 16I(a) of Form 20-F, the Company believes that the following information establishes that it is not owned or controlled by a governmental entity in Mainland China.

Mr. Lawrence Wai Lok, our CEO and the chairman of our board of directors as of the date of this submission, beneficially owns 66.7% of the total issued and outstanding ordinary shares of the Company as of the date of this submission. These ordinary shares are held by Carmel Holdings Limited, which is wholly owned by Mr. Lawrence Wai Lok. Carmel Holdings Limited is a limited liability company incorporated in the British Virgin Islands and is not a governmental entity. The registered address of Carmel Holdings Limited is Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands.

To the Company’s knowledge, based on an examination of the Company’s register of members and public filings made by its shareholders, except for Mr. Lawrence Wai Lok, through Carmel Holdings Limited, and Mr. Han Hongwei, through Grand Lead Group Limited, no shareholder beneficially owns 5% or more of the Company’s outstanding ordinary shares as of the date of this submission.

Please refer to “Item 6.E. Directors, Senior Management and Employees-Share Ownership” of the Company’s annual report on Form 20-F for the year ended June 30, 2025, filed with the SEC on the date hereof, for more details.

In addition, the Company is not aware of any governmental entity in Mainland China that is in possession of the power, direct or indirect, to direct or cause the direction of the management and policies of the Company, whether through the ownership of voting securities, by contract, or otherwise.

Furthermore, as of the date hereof, the directors, officers and senior management of the Company consist of: Lawrence Wai Lok, Kelvin Yu, Joel A. Gallo, Chen Jie, Howard Chan and Geoffrey Kam and none of such persons is a representative of any government entity in Mainland China.

Date: October 17, 2025

By: /s/ Lawrence Wai LOK

Name: Lawrence Wai LOK

Title: Chairman and CEO

SANTECH HOLDINGS LIMITED
POLICY ON RECOUPMENT OF INCENTIVE COMPENSATION

Introduction

The Board of Directors (the “Board”) of Santech Holdings Limited (the “Company”) has adopted this Policy on Recoupment of Incentive Compensation (this “Policy”), which provides for the recoupment of compensation in certain circumstances in the event of a restatement of financial results by the Company. This Policy shall be interpreted to comply with the requirements of U.S. Securities and Exchange Commission (“SEC”) rules and Nasdaq Stock Market (“Nasdaq”) listing standards implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd-Frank Act”) and, to the extent this Policy is in any manner deemed inconsistent with such rules, this Policy shall be treated as retroactively amended to be compliant with such rules.

Administration

This Policy shall be administered by the Board. Any determinations made by the Board shall be final and binding on all affected individuals. The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy, in all cases consistent with the Dodd-Frank Act. The Board may amend this Policy from time to time in its discretion.

Covered Executives

This Policy applies to any current or former “executive officer,” within the meaning of Rule 10D-1 under the Securities Exchange Act of 1934, as amended, of the Company or a subsidiary of the Company (each such individual, an “Executive”). This Policy shall be binding and enforceable against all Executives and their beneficiaries, executors, administrators, and other legal representatives.

Recoupment Upon Financial Restatement

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “Financial Restatement”), the Board shall cause the Company to recoup from each Executive, as promptly as reasonably possible, any erroneously awarded Incentive-Based Compensation, as defined below.

No-Fault Recovery

Recoupment under this Policy shall be required regardless of whether the Executive or any other person was at fault or responsible for accounting errors that contributed to the need for the Financial Restatement or engaged in any misconduct.

Compensation Subject to Recovery; Enforcement

This Policy applies to all compensation granted, earned or vested based wholly or in part upon the attainment of any financial reporting measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measures, whether or not presented within the Company's financial statements or included in a filing with the SEC, including stock price and total shareholder return ("**TSR**"), including but not limited to performance-based cash, stock, options or other equity-based awards paid or granted to the Executive ("**Incentive-Based Compensation**"). Compensation that is granted, vests or is earned based solely upon the occurrence of non-financial events, such as base salary, restricted stock or options with time-based vesting, or a bonus awarded solely at the discretion of the Board and not based on the attainment of any financial measure, is not subject to this Policy.

In the event of a Financial Restatement, the amount to be recovered will be the excess of (i) the Incentive-Based Compensation received by the Executive during the Recovery Period (as defined below) based on the erroneous data and calculated without regard to any taxes paid or withheld, over (ii) the Incentive-Based Compensation that would have been received by the Executive had it been calculated based on the restated financial information, as determined by the Board. For purposes of this Policy, "**Recovery Period**" means the three completed fiscal years immediately preceding the date on which the Company is required to prepare the Financial Restatement, as determined in accordance with the last sentence of this paragraph, or any transition period that results from a change in the Company's fiscal year (as set forth in Section 5608(b)(i)(D) of the Nasdaq Listing Rules). The date on which the Company is required to prepare a Financial Restatement is the earlier to occur of (A) the date the Board or a Board committee (or authorized officers of the Company if Board action is not required) concludes, or reasonably should have concluded, that the Company is required to prepare a Financial Restatement or (B) the date a court, regulator, or other legally authorized body directs the Company to prepare a Financial Restatement.

For Incentive-Based Compensation based on stock price or TSR, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in the Financial Restatement, then the Board shall determine the amount to be recovered based on a reasonable estimate of the effect of the Financial Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received and the Company shall document the determination of that estimate and provide it to Nasdaq.

Incentive-Based Compensation is considered to have been received by an Executive in the fiscal year during which the applicable financial reporting measure was attained or purportedly attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

The Company may use any legal or equitable remedies that are available to the Company to recoup any erroneously awarded Incentive-Based Compensation, including but not limited to by collecting from the Executive cash payments or shares of Company common stock from or by forfeiting any amounts that the Company owes to the Executive. Executives shall be solely responsible for any tax consequences to them that result from the recoupment or recovery of any amount pursuant to this Policy, and the Company shall have no obligation to administer the Policy in a manner that avoids or minimizes any such tax consequences.

No Indemnification

The Company shall not indemnify any Executive or pay or reimburse the premium for any insurance policy to cover any losses incurred by such Executive under this Policy or any claims relating to the Company's enforcement of rights under this Policy.

Exceptions

The compensation recouped under this Policy shall not include Incentive-Based Compensation received by an Executive (i) prior to beginning service as an Executive or (ii) if he or she did not serve as an Executive at any time during the performance period applicable to the Incentive-Based Compensation in question. A majority of independent directors serving on the Board may determine not to seek recovery from an Executive in whole or part to the extent it determines in its sole discretion that such recovery would be impracticable because (A) the direct expense paid to a third party to assist in enforcing recovery would exceed the recoverable amount (after having made a reasonable attempt to recover the erroneously awarded Incentive-Based Compensation and providing corresponding documentation of such attempt to Nasdaq), (B) recovery would violate the home country law that was adopted prior to November 28, 2022, as determined by an opinion of counsel licensed in the applicable jurisdiction that is acceptable to and provided to Nasdaq, or (C) recovery would likely cause the Company's 401(k) plan or any other tax-qualified retirement plan to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Other Remedies Not Precluded

The exercise by the Board of any rights pursuant to this Policy shall be without prejudice to any other rights or remedies that the Company or the Board may have with respect to any Executive subject to this Policy, whether arising under applicable law (including pursuant to Section 304 of the Sarbanes-Oxley Act of 2002), regulation or pursuant to the terms of any other policy of the Company, employment agreement, equity award, cash incentive award or other agreement applicable to an Executive. Notwithstanding the foregoing, there shall be no duplication of recovery of the same Incentive-Based Compensation under this Policy and any other such rights or remedies.

Acknowledgment

To the extent required by the Board, each Executive shall be required to sign and return to the Company the acknowledgement form attached hereto as Exhibit A pursuant to which such Executive will agree to be bound by the terms of, and comply with, this Policy. For the avoidance of doubt, each Executive shall be fully bound by, and must comply with, the Policy, whether or not such Executive has executed and returned such acknowledgment form to the Company.

Effective Date and Applicability

This Policy was adopted by the board of Hywin Holdings Ltd on November 28, 2023, and applied to any Incentive-Based Compensation that is received by an Executive on or after October 2, 2023. This Policy is now being amended in connection with the change of company name from Hywin Holdings Ltd to Santech Holdings Limited, which has been adopted by the Board on May 15, 2025.

EXHIBIT A

DODD-FRANK COMPENSATION CLAWBACK POLICY

ACKNOWLEDGEMENT FORM

Capitalized terms used but not otherwise defined in this Acknowledgement Form (this “*Acknowledgement Form*”) shall have the meanings ascribed to such terms in the Policy.

By signing this Acknowledgement Form, the undersigned acknowledges, confirms and agrees that the undersigned: (i) has received and reviewed a copy of the Policy; (ii) is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned’s employment with the Company; and (iii) will abide by the terms of the Policy, including, without limitation, by reasonably promptly returning any recoverable compensation to the Company as required by the Policy, as determined by the Board in its sole discretion.

Sign: _____
Name: [Employee]

Date: _____