



IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2025 (DDJ)

IN THE MATTER OF XCHANGE TEC.INC

AND IN THE MATTER SECTION 15 OF THE COMPANIES ACT (2025 REVISION)

AND THE GRAND COURT RULES (2023 CONSOLIDATION)

PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of XCHANGE TEC.INC shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Act (2025 Revision) (the “**Companies Act**”) confirming a reduction of the share capital of the Petitioner, XChange TEC.INC (the “**Company**”).
2. The Company was incorporated on 14 August 2014 under the Companies Act as an exempted company with registration number 290837.
3. The registered office of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

4. As at the date of incorporation of the Company on 14 August 2014, its authorised share capital was US\$50,000 divided into 5,000,000 ordinary shares of a nominal or par value of US\$0.01 each.
5. By way of resolutions of the then sole shareholder of the Company passed on 15 December 2014, the memorandum of association of the Company was amended such that the authorised share capital of the Company became US\$50,000 divided into 500,000,000 shares, par value of US\$0.0001 each, consisting of a total of 60,000,000 Ordinary Shares of a par value of US\$0.0001 each, consisting of 40,967,092 authorised Class A Ordinary Shares of par value US\$0.0001 each and a total of 19,032,908 authorised Class B Ordinary Shares of par value US\$0.0001 each.
6. By way of resolutions of the then shareholders of the Company passed on 18 May 2015, the memorandum of association of the Company was amended such that the authorised share capital of the Company became US\$50,000 divided into 500,000,000 shares, par value of US\$0.0001 each, comprising of (i) 439,412,141 Class A Ordinary Shares of a nominal or par value of US\$0.0001 each; (ii) 19,032,908 Class B Ordinary Shares of a nominal or par value of US\$0.0001 each; (iii) 25,554,951 Series A Preferred Shares of a nominal or par value of US\$0.0001 each, of which 13,161,756 are designated as Series A-1 Preferred Shares, 4,012,150 are designated as Series A-2 Preferred Shares, and 8,381,045 are designated as Series A-3 Preferred Shares; and (iv) 16,000,000 Series B Preferred Shares of a nominal or par value of US\$0.0001 each.
7. By way of resolutions of the then shareholders of the Company passed on 25 April 2017, the memorandum of association of the Company was amended such that the authorised share capital of the Company became US\$50,000 divided into 5,000,000,000 shares, par value of US\$0.00001 each, comprising of (i) 4,274,121,410 Class A Ordinary Shares of a nominal or par value of US\$0.00001

each; (ii) 310,329,080 Class B Ordinary Shares of a nominal or par value of US\$0.00001 each; (iii) 255,549,510 Series A Preferred Shares of a nominal or par value of US\$0.00001 each, of which 131,617,560 are designated as Series A-1 Preferred Shares, 40,121,500 are designated as Series A-2 Preferred Shares; and 83,810,450 are designated as Series A-3 Preferred Shares; and (iv) 160,000,000 Series B Preferred Shares of a nominal or par value of US\$0.00001 each.

8. By way of resolutions of the then shareholders of the Company passed on 26 July 2017, the memorandum of association of the Company was amended such that the authorised share capital of the Company became US\$50,000 divided into 5,000,000,000 shares, par value of US\$0.00001 each, comprising of (i) 4,154,121,410 Class A Ordinary Shares of a nominal or par value of US\$0.00001 each; (ii) 310,329,080 Class B Ordinary Shares of a nominal or par value of US\$0.00001 each; (iii) 255,549,510 Series A Preferred Shares of a nominal or par value of US\$0.00001 each, of which 131,617,560 are designated as Series A-1 Preferred Shares, 40,121,500 are designated as Series A-2 Preferred Shares; and 83,810,450 are designated as Series A-3 Preferred Shares; (iv) 160,000,000 Series B Preferred Shares of a nominal or par value of US\$0.00001 each and (v) 120,000,000 Series C Preferred Shares of a nominal or par value of US\$0.00001 each.

9. By way of resolutions of the then shareholders of the Company passed on 22 March 2018, the memorandum of association of the Company was amended such that the authorised share capital of the Company became US\$50,000 divided into 5,000,000,000 shares of a par value of US\$0.00001 each, comprising of (a) 2,500,000,000 Class A Ordinary Shares; (b) 1,000,000,000 Class B Ordinary Shares; and (c) 1,500,000,000 preferred shares comprising of (i) 255,549,510 Series A Preferred Shares, of which 131,617,560 were designated as Series A-1 Preferred Shares, 40,121,500 were designated as Series A-2 Preferred Shares, and 83,810,450 were designated as Series A-3 Preferred Shares; (ii) 160,000,000

Series B Preferred Shares; (iii) 120,000,000 Series C Preferred Shares; (iv) 103,500,000 Series C-1 Preferred Shares and (v) 860,950,490 were undesignated.

10. By way of resolutions of the then shareholders of the Company passed on 3 June 2019, the memorandum of association of the Company was amended such that the authorised share capital of the Company became US\$50,000 divided into 5,000,000,000 shares of a par value of US\$0.00001 each, comprising of (a) 2,500,000,000 Class A Ordinary Shares; (b) 1,000,000,000 Class B Ordinary Shares; and (c) 1,500,000,000 Preferred Shares comprising of (i) 255,549,510 Series A Preferred Shares, of which 131,617,560 were designated as Series A-1 Preferred Shares, 40,121,500 were designated as Series A-2 Preferred Shares, and 83,810,450 were designated as Series A-3 Preferred Shares, (ii) 160,000,000 Series B Preferred Shares, (iii) 120,000,000 Series C Preferred Shares; (iv) 103,500,000 Series C-1 Preferred Shares, (v) 273,360,850 Series C-2 Preferred Shares, and (vi) 587,589,640 were undesignated.
11. By way of resolutions of the then shareholders of the Company passed on 30 September 2019, effective immediately prior to the completion of the Company's initial public offering,
 - (a) the authorised share capital of the Company were redesignated and re-classified such that the authorized share capital of the Company became US\$50,000 divided into 5,000,000,000 shares of a nominal or par value of US\$0.00001 each, of which 3,750,000,000 shall be designated as Class A Ordinary Shares of a nominal or par value of US\$0.00001 each, 250,000,000 shall be designated as Class B Ordinary Shares of a nominal or par value of US\$0.00001 each and 1,000,000,000 shall be designated as preferred shares of a nominal or par value of US\$0.00001 each; and

- (b) the authorised share capital were increased from (i) US\$50,000 divided into 5,000,000,000 shares of a nominal or par value of US\$0.00001 each, of which 3,750,000,000 Class A Ordinary Shares, 250,000,000 Class B Ordinary Shares and 1,000,000,000 Preferred Shares to (ii) US\$500,000 divided into 50,000,000,000 shares of a nominal or par value of US\$0.00001 each, of which 37,500,000,000 shall be designated as Class A Ordinary Shares, 2,500,000,000 shall be designated as Class B Ordinary Shares and 10,000,000,000 shall be designated as Preferred Shares, by the creation of an additional 33,750,000,000 Class A Ordinary Shares, 2,250,000,000 Class B Ordinary Shares and 9,000,000,000 Preferred Shares.

12. By way of resolutions of the then shareholders of the Company passed on 18 September 2023,

- (a) each issued and unissued share of the Company with a par value of US\$0.00001 each was sub-divided into 100 shares of a par value of US\$0.0000001 each, such that immediately following such share subdivision becoming effective, the authorised share capital of the Company were changed from (i) US\$500,000 divided into 50,000,000,000 shares of a nominal or par value of US\$0.00001 each, of which 37,500,000,000 were designated as Class A Ordinary Shares of a nominal or par value of US\$0.00001 each, 2,500,000,000 were designated as Class B Ordinary Shares of a nominal or par value of US\$0.00001 each, and 10,000,000,000 were designated as Preferred Shares of a nominal or par value of US\$0.00001 each, to (ii) US\$500,000 divided into 5,000,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 3,750,000,000,000 were designated as Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 250,000,000,000 were designated as Class B Ordinary Shares of a nominal or par value of

US\$0.0000001 each, and 1,000,000,000,000 were designated as Preferred Shares of a nominal or par value of US\$0.0000001 each;

- (b) immediately following the aforesaid share subdivision becoming effective, 500,000,000,000 Preferred Shares of a nominal or par value of US\$0.0000001 each not having been taken up or agreed to be taken up by any person were cancelled, and the amount of the authorised share capital of the Company was diminished by US\$50,000, namely from US\$500,000 to US\$450,000; and following the Capital Diminution, the authorised share capital of the Company became US\$450,000 divided into 4,500,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 3,750,000,000,000 were designated as Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 250,000,000,000 were designated as Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each, and 500,000,000,000 were designated as Preferred Shares of a nominal or par value of US\$0.0000001 each; and
- (c) immediately following the aforesaid capital diminution becoming effective, the authorised share capital of the Company was increased from (i) US\$450,000 divided into 4,500,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 3,750,000,000,000 were designated as Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 250,000,000,000 were designated as Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each, and 500,000,000,000 were designated as Preferred Shares of a nominal or par value of US\$0.0000001 each, to (ii) US\$1,000,000 divided into 10,000,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 8,500,000,000,000 shall be designated as Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 1,000,000,000,000 shall be designated as Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each, and

500,000,000,000 shall be designated as Preferred Shares of a nominal or par value of US\$0.0000001 each, by the creation of an additional 4,750,000,000,000 unissued Class A Ordinary Shares of a par value of US\$0.0000001 each to rank *pari passu* in all respects with the existing Class A Ordinary Shares and 750,000,000,000 unissued Class B Ordinary Shares of a par value of US\$0.0000001 each to rank *pari passu* in all respects with the existing Class B Ordinary Shares.

13. By way of resolutions of the then shareholders of the Company passed on 20 May 2024, the authorised share capital of the Company was increased from (i) US\$1,000,000 divided into 10,000,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 8,500,000,000,000 shall be designated as Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 1,000,000,000,000 shall be designated as Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each, and 500,000,000,000 shall be designated as Preferred Shares of a nominal or par value of US\$0.0000001 each, to (ii) US\$48,000,000 divided into 480,000,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 419,500,000,000,000 shall be designated as Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 60,000,000,000,000 shall be designated as Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each, and 500,000,000,000 shall be designated as Preferred Shares of a nominal or par value of US\$0.0000001 each, by the creation of an additional 411,000,000,000,000 unissued Class A Ordinary Shares of a par value of US\$0.0000001 each to rank *pari passu* in all respects with the existing Class A Ordinary Shares and 59,000,000,000,000 unissued Class B Ordinary Shares of a par value of US\$0.0000001 each to rank *pari passu* in all respects with the existing Class B Ordinary Shares.
14. By way of resolutions of the shareholders of the Company passed at the annual general meeting (the “**Annual General Meeting**”) of the Company on 24 January

2025:

- (a) every one hundred thousand (100,000) issued and unissued shares of the Company of a nominal or par value of US\$0.0000001 each was consolidated into one share of a nominal or par value of US\$0.01 each (each a “**Consolidated Share**”); and
- (b) the authorised share capital of the Company was increased to US\$50,000,000,000,000 divided into 5,000,000,000,000,000 shares of a nominal or par value of US\$0.01 each, of which 4,374,500,000,000,000 are Class A Ordinary Shares of a nominal or par value of US\$0.01 each, 625,000,000,000,000 are Class B Ordinary Shares of a nominal or par value of US\$0.01 each and 500,000,000,000 are Preferred Shares of a nominal or par value of US\$0.01 each.

15. As at the date of this Petition,

- (a) the authorised share capital of the Company is US\$50,000,000,000,000 divided into 5,000,000,000,000,000 shares of a nominal or par value of US\$0.01 each, of which 4,374,500,000,000,000 are Class A Ordinary Shares of a nominal or par value of US\$0.01 each, 625,000,000,000,000 are Class B Ordinary Shares of a nominal or par value of US\$0.01 each and 500,000,000,000 are Preferred Shares of a nominal or par value of US\$0.01 each; and
- (b) the issued share capital of the Company is US\$24,631,068.31 divided into 2,399,178,941 Class A Ordinary Shares of a nominal or par value of US\$0.01 each and 63,927,890 Class B Ordinary Shares of a nominal or par value of US\$0.01 each, all of which have been fully paid-up or credited as fully paid-up.

16. The American depository shares, each representing the Class A Ordinary Shares of the Company, have been listed on the NASDAQ Capital Market since 5 November 2019 under trading symbol “XHG”. Notwithstanding its status as a company listed on the NASDAQ Capital Market, the Company is a holding company and has no operations of its own in the United States of America. The subsidiaries of the group, of which the Company forms part, conduct substantially all of the group’s business in China. Since the Company’s listing on the NASDAQ Capital Market, all the board meetings and the general meetings of the shareholders of the Company were also held in China.
17. The objects for which the Company was established are unrestricted.
18. The Articles of Association of the Company provide, *inter alia*, as follows:
- “6. *The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve in any manner permitted by the Law.*”
19. In accordance with section 14(1) of the Companies Act and by way of special resolution of the shareholders of the Company at the same Annual General Meeting on 24 January 2025, it was also resolved (the “**Special Resolution**”):-
- “**THAT** subject to and conditional upon, amongst other things, (i) the Share Consolidation and the Authorised Share Capital Increase becoming effective; (ii) an order being made by the Grand Court of the Cayman Islands (the “**Court**”) confirming the Capital Reduction (as defined below); (iii) registration by the Registrar of Companies of Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act (As Revised) of the Cayman Islands (the “Companies Act”) in respect of the Capital Reduction and compliance with any conditions the Court may impose (if applicable); and (iv) obtaining of all

necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reduction (if applicable), with effect from the date on which these conditions are fulfilled:

- (a) the par value of each issued Consolidated Share of par value of US\$0.01 each in the share capital of the Company be reduced to US\$0.0000001 par value each (the “**Capital Reduction**”) by cancelling the paid-up capital to the extent of US\$0.0099999 on each of the then issued Consolidated Shares;
- (b) the credit arising from the Capital Reduction be authorised to be applied towards offsetting the accumulated losses of the Company (if any) as at the effective date of the Capital Reduction (the “**Accumulated Losses**”) and the balance of any such credit (if any) remaining after offsetting the Accumulated Losses be transferred to a distributable reserve account of the Company which may be utilised by the Company as the Directors may deem fit and in any manner as permitted by all applicable laws and the memorandum and articles of association of the Company, including, without limitation, eliminating or setting off the accumulated losses of the Company which may arise from time to time and/or paying dividends and/or making any other distribution out of such account from time to time;
- (c) each of the authorised but unissued Consolidated Shares of a par value of US\$0.01 each be sub-divided into 100,000 unissued shares of the Company of a nominal or par value of US\$0.0000001 each (the “**Share Subdivision**”) such that the authorized share capital of the Company shall be US\$50,000,000,000,000 divided into 500,000,000,000,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 437,450,000,000,000,000,000 are Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 62,500,000,000,000,000,000 are Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each and 50,000,000,000,000,000,000 are Preferred Shares of a nominal or par value of

US\$0.0000001 each;

- (d) upon the effectiveness of the Capital Reduction and the Share Subdivision, the Company cancels US\$49,999,500,000,000 of its authorised and unissued share capital, by the cancellation of 437,445,625,500,000,000 Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 62,499,375,000,000,000 Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each and 49,999,500,000,000,000 Preferred Shares of a nominal or par value of US\$0.0000001 each, each not having been taken or agreed to be taken by any person, such that following such cancellation, the authorized share capital of the Company will be diminished from (i) US\$50,000,000,000,000 divided into 500,000,000,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 437,450,000,000,000,000 are Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 62,500,000,000,000,000 are Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each and 50,000,000,000,000,000 are Preferred Shares of a nominal or par value of US\$0.0000001 each to (ii) US\$500,000,000 divided into 5,000,000,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 4,374,500,000,000,000 are Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 625,000,000,000,000 are Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each and 500,000,000,000 are Preferred Shares of a nominal or par value of US\$0.0000001 each (the “**Diminution of Authorised Share Capital**”); and
- (e) immediately following the Capital Reduction, the Share Subdivision and the Diminution of Authorised Share Capital becoming effective, the fourth amended and restated memorandum and sixth amended and restated articles of association of the Company (together the “**New M&A-2**”), which contains the proposed Capital Reduction, Share Subdivision and the Diminution of Authorised Share Capital and a copy of which has been

attached as Annex B to this notice, be and are hereby approved and adopted in substitution for and to the exclusion of the then existing memorandum and articles of association of the Company with immediate effect, and any Director, registered office provider or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect and implement, or otherwise required in connection with, the adoption of the New M&A-2, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and with any other relevant authorities.”

20. The Special Resolution to approve and give effect to the Capital Reduction was duly passed by the shareholders of the Company at an extraordinary general meeting held on 24 January 2025, thus satisfying the requirements for passing a special resolution to approve the Capital Reduction under the Articles of Association of the Company and under the Companies Act.

21. The proposed Capital Reduction does not involve the diminution of any liability in respect of unpaid capital and the Company has no intention to make any payment of paid up capital of the Company to its shareholders. Furthermore, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company.
22. The form of Minute proposed to be registered is as follows:

*“The issued share capital of XChange TEC.INC (the “**Company**”) was by virtue of a Special Resolution passed on 24 January 2025 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [], reduced from US\$0.01 per each issued share to US\$0.0000001 per each issued share (the “**Capital Reduction**”). Upon the Capital Reduction becoming effective, each authorised but unissued share of US\$0.01 each shall be subdivided into 100,000 unissued shares of US\$0.0000001 each in the share capital of the Company, and US\$49,999,500,000,000 of its authorised and unissued share capital shall be cancelled. At the date of the registration of this Minute, the authorised share capital of the Company is US\$500,000,000 divided into 5,000,000,000,000 shares of a nominal or par value of US\$0.0000001 each, of which 4,374,500,000,000,000 are Class A Ordinary Shares of a nominal or par value of US\$0.0000001 each, 625,000,000,000,000 are Class B Ordinary Shares of a nominal or par value of US\$0.0000001 each and 500,000,000,000 are Preferred Shares of a nominal or par value of US\$0.0000001 each.”*

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 16 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.

- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

Dated this 3rd day of March 2025

Conyers Dill & Pearman LLP

Conyers Dill & Pearman LLP
Attorneys-at-Law for the Petitioner herein

This Petition was filed by Conyers Dill & Pearman LLP, Attorneys-at-Law for and on behalf of the Petitioner herein whose address for service is that of its Attorneys, SIX, 2nd Floor, Cricket Square, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands

Notice of Hearing

This Petition having been presented to the Court on the _____ day of _____ will be heard at the Law Courts, George Town, Grand Cayman on the 29th day of April 2025 at 10:00 a.m./~~p.m.~~ or as soon thereafter as the Petition can be heard.