

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2025 ()

IN THE MATTER OF THE COMPANIES ACT (2025 REVISION)

IN THE MATTER OF REDUCTION OF SHARE CAPITAL OF BIT ORIGIN



PETITION

To: The Grand Court of the Cayman Islands

The humble petition of Bit Origin Ltd, of McGrath Tonner Corporate Services Limited, Genesis Building, 5th Floor, Genesis Close, PO Box 446, Grand Cayman, Cayman Islands, KY1-1106 (the **Petitioner** or the **Company**) (the **Petition**) shows that:

The Company

1. The Company was registered with registration number 332059 on 23 January 2018 as an exempted company incorporated with limited liability under the Companies Act (as amended) (the **Companies Act**). The Company was previously named China Xiangtai Food Co., Ltd. and changed its name to its current name on 29 April 2022.
2. The principal activity of the Company is to act as a holding company and conducts its business through its subsidiaries which include SonicHash LLC, a Delaware

limited liability company and SonicHash Inc., a company organised under the laws of Alberta, Canada. The Company also owns 55% of the membership interest in Sonic Auspice DC LLC, a Delaware limited liability company. Together, the Company, SonicHash LLC, SonicHash Inc. and Sonic Auspice DC LLC are referred below as "the Group". The Group's business focuses on building Bitcoin mining ecosystems through strategic investments and acquisitions.

3. Pursuant to the amended and restated memorandum and articles of association of the Company which were adopted by special resolution passed on 14 March 2025 (the **M&A**), the objects of the Company are unrestricted and the Company has full power and authority to carry out any object not prohibited by any law, as provided by section 7(4) of the Companies Act.

Share capital and Shareholders of the Company

4. Upon incorporation, on 23 January 2018, the Company had an authorised share capital of US\$500,000 consisting of 50,000,000 ordinary shares of US\$0.01 each. Its issued share capital was US\$0.01.
5. Since the incorporation of the Company and prior to the AGM (defined at paragraph 30 below), the authorised share capital has been changed as follows:
 - (a) pursuant to a special resolution passed on 30 June 2021, the authorised share capital of the Company was increased to US\$1,500,000 consisting of 150,000,000 shares of US\$0.01 each;
 - (b) pursuant to a special resolution passed on 27 April 2022, the authorised share capital of the Company was increased to US\$3,000,000 consisting of 300,000,000 ordinary shares of US\$0.01 each;

- (c) pursuant to a special resolution passed on 18 May 2023, a 30-to-1 share consolidation was implemented resulting the authorised share capital of the Company becoming US\$3,000,000 consisting of 10,000,000 ordinary shares of US\$0.30 each; and
 - (d) pursuant to a special resolution passed on 6 February 2024, the authorised share capital of the Company was increased to US\$150,000,000 consisting of 500,000,000 ordinary shares of US\$0.30 each.
6. The Company's ordinary shares are listed on the Nasdaq Capital Market under the symbol "BTOG". As of the close of business on 22 April 2025, the Company had 58,979,111 ordinary shares (Class A and B) issued and outstanding.
7. Mr Jinghai Jiang, the Chairman of the Board, Chief Executive Officer, Chief Operating Officer and Director of the Company, owns 768,000 ordinary shares of the Company (approximately 1.3% of the outstanding shares).

Company's financial position

The Company

8. The Company is a holding company.
9. Pursuant to unaudited balance sheets as of 11 April 2025, the Company had total liabilities of US\$1,815,046.55, consisting of:
- (a) Intercompany payables owed to Sonic Auspice DC LLC, of US\$1,709,420.98;
 - (b) A payable owed to the Company's former President, Jiaming Li of US\$65,586.60; and
 - (c) Accrued liabilities to service provider Ortoli Rosenstadt LLP of US\$40,038.97.

10. The entities listed above are the Company's only **current** creditors. The only contingent or prospective creditor, of which the Company is aware, is Mourant Ozannes (Cayman) LLP, in respect of its fees for this petition.
11. Previously, the Company's largest creditor had been ATW Digital Asset Opportunities LLC (ATW), which, as at 31 December 2024, had been owed US\$5,697,071¹ by the Company, pursuant to two convertible debenture notes issued by the Company:
 - (a) the first for US\$6,740,000, due on 29 December 2026 (First Debenture); and
 - (b) the second is for US\$2,000,000, due on 30 May 2026 (Second Debenture) (together, the **Notes**).
12. During the period from December 2024 to April 2025, ATW:
 - (a) first, partially converted the principal and interest owed under the Notes. This reduced the amounts owed under those notes and resulted in ATW receiving 12,292,074 newly issued Class A Ordinary Shares in the Company; and
 - (b) second, from 12 March to 8 April 2025, following a failure by the Company to pay an amortization payment due under the Notes, which constituted an event of default under the Notes, elected to convert the redemption payments that were due and owing of \$21.9m into Class A Ordinary Shares in the Company. This eliminated the remaining debt owed to ATW and resulted in ATW receiving a further 30,306,157 Class A Ordinary Shares in the Company (together, the **ATW Conversion**).

¹ On a fair value basis (rather than using the face value of those notes), as per the applicable accounting standards.

13. Following the ATW Conversion, as at the date of this Petition, the Company no longer owes any debt to ATW.
14. Pursuant to unaudited balance sheets as of 11 April 2025, the Company had total assets of US\$37,402,046.37, consisting of:
 - (a) current assets of US\$2,369,656.37; and
 - (b) long-term assets of US\$35,032,390.

The Group

15. The Group incurred substantial losses and generated significant net cash outflows from operating activities during the years ended 30 June 2023 and 2024. In December 2023, it temporarily ceased its Bitcoin mining operations due to high operating costs in the US. Since June 2024, the Group has become a non-exclusive sales representative of Aethir Edge miners and related hardware. The Group has sold 295 Aethir Edge miners which has generated revenue in 2025 so far.
16. As set out below, prior to the ATW Conversion, the losses incurred by the Group had impacted on its balance sheet position, such that it briefly became balance sheet insolvent in and around 31 December 2024.
 - (a) According to consolidated audited financial statements as of 30 June 2024, the Group's total assets were US\$6,684,745 and its total liabilities were US\$5,775,162;
 - (b) According to consolidated unaudited balance sheets as of 31 December 2024, the Group's total assets were US\$4,033,749 and its total liabilities were US\$5,932,694; and

- (c) According to consolidated unaudited balance sheets as of 11 April 2025, the Group's total assets were US\$3,670,786.22 and its total liabilities were US\$105,625.57 (i.e., the Group is, once again, balance sheet solvent).
17. The Company is planning to raise additional capital and has secured a placement agent for the offering. Such new capital should enable the Group to continue its operations so that it can become profitable again.

The purpose of the Proposed Capital Reduction

18. The primary reason for the Proposed Capital Reduction (defined below) is to comply with Cayman Islands law, which prohibits the issuance of shares at a price below their par value (other than in certain limited circumstances provided for in the Companies Act). Maintaining a par value of US\$0.30 per share has proven impractical in the Company's operations as it has restricted the Company's ability to issue shares at a price that reflects current market conditions and investor expectations.
19. By reducing the par value to US\$0.000001 per share, the Company aims to enable itself to:
- (a) pursue a reverse stock split of its ordinary shares. This will increase the trading price of the Company's shares, which have to trade at above US\$1 per share in order for the Company to maintain its NASDAQ listing and retain access to further capital which will benefit the Company, the Group and their creditors; and
 - (b) issue further shares, at a price above their par value (after the reverse stock split), to raise further capital to support the Group's ongoing operations (to the benefit of the Company's creditors).

20. In light of the above, the Proposed Capital Reduction is intended to assist the Company in its capital raising activities, ensuring that it can issue shares at a price that is both legally compliant and economically viable.

Form of the Capital Reduction

21. The proposed capital reduction requires the reduction of the par value of each authorised share in the capital of the Company (including all issued shares) from US\$0.30 to US\$0.000001, such that the authorised share capital of the Company shall be US\$500, divided into 500,000,000 shares of par value US\$0.000001 each, comprising of:

(a) 475,000,000 Class A Ordinary Shares of par value US\$0.000001 each; and

(b) 25,000,000 Class B Ordinary Shares of par value US\$0.000001 each,

(the **Proposed Capital Reduction**).

22. Upon completion of the Proposed Capital Reduction, the Company's share capital account, which currently consists of US\$17,693,733 (i.e., 58,979,111 outstanding shares multiplied at a par value of US\$0.30), will be reduced to US\$58.98 to reflect the change in 58,979,111 outstanding shares multiplied at a par value of US\$0.000001, and the difference of US\$17,696,674 will be re-allocated to the Company's paid in capital account.

Creditors

23. As set out above, the Company's liabilities total US\$1,815,046.55, and consist of:

(a) intercompany payables of US\$1,709,420.98;

(b) a payable owed to Jiaming Li of US\$65,586.60; and

- (c) accrued liabilities to service provider Ortolí Rosenstadt LLP of US\$40,038.97.
24. The Company's Directors consider that the Proposed Capital Reduction will not affect or prejudice any creditor of the Company, because:
- (a) the Company's current assets of US\$2,369,656.37 and total assets of US\$37,402,046.37 are both greater than its total liabilities of US\$1,815,046.55. Accordingly, the Company is solvent on both a cash-flow and balance sheet basis and fully capable of paying its creditors in full;
- (b) the Proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital; and
- (c) one primary purpose behind the Proposed Capital Reduction is to enable the Company to issue further shares to raise additional capital. The Company's aim is to raise new capital, which would then be available to pay its creditors.
25. Accordingly, the effect of the Proposed Capital Reduction on the Company's Creditors should be positive.
26. Furthermore, written consent to the Proposed Capital Reduction has been obtained from:
- (a) Sonic Auspice DC LLC to which the Company owes the intercompany payables;
- (b) Jiaming Li;
- (c) Ortolí Rosenstadt LLP; and
- (d) Mourant Ozannes (Cayman) LLP.

Director / Shareholder approval

27. Article 37A of the Company's M&A, as adopted by Special Resolution on 14 March 2025, provides the Company with the power to reduce its share capital:

"Subject to the Companies Act, the Company may by Special Resolution from time to time reduce its share capital in any way, and in particular, without prejudice to the generality of the foregoing power, may:

(a) cancel any paid-up share capital which is lost, or which is not represented by available assets; or

(b) pay off any paid-up share capital which is in excess of the requirements of the Company,

and may, if and so far as is necessary, alter the Memorandum of Association by reducing the amounts of its share capital and its Shares accordingly."

28. Article 2 of the Company's Articles² defines a special resolution as:

"a resolution passed by a majority of at least two-thirds of the votes of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, or a written resolution signed by all Members entitled to vote at a general meeting and otherwise in accordance with Section 60 of the Act"

29. The quorum requirements are set out at Article 43(a) of the Company's Articles:

² The Articles in effect as at the commencement of the AGM were the amended and restated Memorandum and Articles adopted by special resolution passed on 6 February 2024.

"No business shall be transacted at any general meeting unless a quorum of Members is present at the time that the meeting proceeds to business; save as herein otherwise provided, one or more Members holding in the aggregate not less than one-third of the total issued share capital of the Company present in person or by proxy and entitled to vote shall be a quorum."

30. The directors considered and recommended to the shareholders that Proposed Capital Reduction be approved, subject to the sanction of the Court. At the annual general meeting of the Company's members on 14 March 2025 (the AGM), the shareholders were asked to vote on the Proposed Capital Reduction.
31. The Company's shareholders having had the opportunity to consider and query the terms and effect of the Proposed Capital Reduction have determined that the Proposed Capital Reduction best serves the interests of the Company and have, by vote at the AGM, approved this special resolution, subject to sanction of the Court.
32. The minutes of the AGM record that 2,853,356 ordinary shares, or approximately 33.39% of the total issued and outstanding shares on 21 January 2025 (i.e., the record date for the purposes of the AGM) were present at the meeting or represented by proxies. A quorum was therefore declared at the AGM.
33. On the vote for the Proposed Capital Reduction resolution, 2,843,202 votes had been cast in favour, 9,820 votes had been cast against, and 334 abstentions had been submitted. Accordingly, 99.7% of shareholders in attendance at the EGM voted in favour of this resolution. The chairperson of the AGM therefore declared that the Proposed Capital Reduction resolution had been passed as a special resolution.

34. Subject to sanction of the Court, the registered office of the Company will be instructed to file the Proposed Capital Reduction resolution and minute of order made on the Petition with the Registrar of Companies.
35. The form of the Minute proposed to be registered is as follows:

"The par value of each authorised share (including all issued shares) in the capital of Bit Origin Ltd (the "Company") was by virtue of a special resolution of its shareholders passed on 14 March 2025, and with the sanction of an order of the Grand Court of the Cayman Islands, reduced from US\$0.30 to US\$0.000001.

By virtue of an ordinary resolution of its shareholders passed on 14 March 2025, the authorised share capital of the Company is increased to US\$15,000 divided into 15,000,000,000 shares of par value US\$0.000001 each, comprising of 14,250,000,000 Class A Ordinary Shares of par value US\$0.000001 each and 750,000,000 Class B Ordinary Shares of par value US\$0.000001 each."

Other Related Resolutions

36. In addition to being subject to Court approval, the Proposed Capital Reduction was also subject to the following resolutions being passed:
- (a) the adoption of a dual-class share capital structure, which would:
- i. re-designate all of the issued and outstanding ordinary shares of the Company into class A Ordinary Shares, each having one vote per share and the other rights attached to it as set out in the Company's Articles on a one for one basis;
 - ii. re-designate 25,000,000 authorised but unissued ordinary shares of the Company into 25,000,000 class B Ordinary Shares, each having twenty

votes per share and the other rights attached to it as set out in the Company's Articles on a one for one basis; and

iii. re-designate the remaining authorised but unissued ordinary shares into Class A Ordinary Shares on a one for one basis,

provided that the Company shall, at the time of the above resolution, have not less than 25,000,000 authorised but unissued ordinary shares (the **Dual-Class Share Capital Structure Resolution**).

(b) to amend and restate the Company's Articles to insert Article 37A (mentioned above at paragraph 27) (the **Article 37A Resolution**).

37. The Company's shareholders approved the Dual-Class Share Capital Structure Resolution and the Article 37A Resolution at the AGM.

38. After the Proposed Capital Reduction was approved at the AGM (subject to the Court's approval), the Company's shareholders also approved an ordinary resolution to increase the Company's share capital to US\$15,000 divided into 15,000,000,000 shares of par value US\$0.000001 each, comprising of 14,250,000,000 Class A Ordinary Shares of par value US\$0.000001 each and 750,000,000 Class B Ordinary Shares of par value US\$0.000001 each, by:

(a) the creation of 13,775,000,000 new Class A Ordinary Shares of par value US\$0.000001 each; and

(b) the creation of 725,000,000 new Class B Ordinary Shares of par value US\$0.000001 each.

39. At the AGM the Company's shareholders also approved a reverse stock split of its authorised shares (including all issued shares), at a ratio not less than 1-for-2 and

not more than 1-for-200 (the **Reverse Stock Split Ratio**), with the ratio to be determined by the Board of Directors in its sole discretion at any time after approval by the shareholders (the **Reverse Stock Split**), and authorised the Board of Directors to implement such Reverse Stock Split at its discretion at any time prior to the one-year anniversary of the AGM.

40. The Reverse Stock Split is intended to facilitate compliance with Nasdaq's minimum bid price requirements for continued listing. On 21 February 2025, the Company received a letter from the Listings Qualifications Department of Nasdaq notifying it that the minimum closing bid price per share for its ordinary shares was below US\$1.00 for a period of 30 consecutive business days and that the Company did not meet the minimum bid price requirement set out forth in Nasdaq Listing Rule 5550(a)(2).
41. Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the Company has a compliance period of 180 calendar days, or until 20 August 2025 (the **Compliance Period**), to regain compliance with Nasdaq's minimum bid price requirement. If at any time during the Compliance Period, the closing bid price per share of the Company's ordinary shares is at least US\$100 for a minimum of 10 consecutive business days, Nasdaq will provide the Company with a written confirmation of compliance and the matter will be closed. In the event the Company does not regain compliance by 20 August 2025, the Company may be eligible for an additional 180 calendar days' grace period.
42. The purpose of the Reverse Stock Split within the Reverse Stock Split Ratio is to maintain or increase the market price of the Company's ordinary shares to regain compliance with Nasdaq's minimum bid price requirement. The Company considers that the Reverse Stock Split could enhance the appeal of its ordinary

NOTICE OF HEARING

TAKE NOTICE THAT the hearing of this Petition will take place at the Law Courts, George Town, Grand Cayman, Cayman Islands on _____ 2025 at ____ am/pm.

Any correspondence or communication with the Court relating to the hearing of this Petition should be addressed to the Registrar of the Financial Services Division of the Grand Court at PO Box 495, George Town, Grand Cayman KY1-1106, Cayman Islands.