Announcement on the PP Upgrade of X Layer and Optimisation of the OKB Gas-Token Economic Model

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Dear X Layer community members, ecosystem partners, and users:

Since OKX, in collaboration with Polygon, launched the zkEVM-based public network X Layer in 2023, we have made significant progress in its technical performance and ecosystem development. Facing the continuous expansion of the decentralized world, OKX has made the strategic decision to upgrade X Layer and build it into a leading public network with a dedicated focus on DeFi, payments, and real-world asset (RWA) applications. We hereby outline the key details and the timeline of this upgrade below.

1. Underlying technology — PP Upgrade

- Following Polygon's strategic adjustments to the Polygon technology stack, X Layer has fully integrated the latest version of **Polygon CDK (formerly zkEVM)** and completed the "PP upgrade" on August 5, 2025.
- Performance improvements:
  - **Throughput**: Transactions per second (TPS) has been increased to 5,000, ensuring support for high-concurrency scenarios.
  - **Gas cost**: Reduced to a negligible level, improving user transaction experience.
  - **Security and compatibility**: Greater alignment with the Ethereum mainnet and enhanced support for a more robust, developer-friendly blockchain.

2. Ecosystem construction strategy

- **Key scenarios**: DeFi, global payments, and issuance/circulation of RWA by developers.
- **Incentive plan**: Establishment of an ecosystem fund and liquidity incentives to attract developers and project teams to build on X Layer.
- **Infrastructure**: Upgrades and improvements to cross-chain bridges, oracles, and compliance services to accelerate the deployment of ecosystem applications.

3. Deep integration with OKX Wallet, OKX Exchange, OKX Pay

- **OKX Wallet**: Full integration with the X Layer network, supporting a robust global on-chain ecosystem with low gas fees.
- **OKX Exchange:** Introducing **0 gas fast withdrawal**, enabling one-click gasless withdrawals/transfers of USDT and other major assets using X Layer.
- **OKX Pay**: X Layer will serve as OKX Pay's default public network, providing faster, more cost-efficient and secure payment settlements.

4. Decommissioning OKTChain

Due to the high degree of overlap between OKTChain and X Layer, OKX will gradually discontinue maintenance and support for OKTChain.

On **August 13, 2025, 2:10 PM (UTC+8)**, OKT trading will cease on OKX Exchange. All pending orders not withdrawn by then will be automatically canceled.

From **August 15, 2025**, OKX Exchange will automatically and periodically convert their OKT into OKB based on the **average closing price** of OKB and OKT in the OKX Exchange spot market **from July 13, 2025 to August 12, 2025** ("**Average Closing Price**").

OKTChain will remain operational until January 1, 2026. Prior to January 1, 2026, on-chain OKT holders can continue to deposit OKT to OKX Exchange, which will automatically and periodically convert the deposited OKT into OKB at the Average Closing Price.

5. Native gas token — OKB economic model upgrade

- **Role as gas and native token**: OKB will continue to be the only gas and native token for X Layer.
- From this announcement date, the Ethereum L1 version of OKB will be gradually phased out. Holders are advised to deposit OKB on Ethereum to OKX Exchange and utilize the "Withdraw to X Layer" feature for an one-click swap. Future OKB withdrawals to Ethereum will no longer be supported on OKX Exchange.
- **Single-instance burn of 65,256,712.097 OKB repurchased historically and in treasury reserves**:
  OKX will carry out a one-time burn of the **65,256,712.097 OKB** that has been accumulated from historical repurchases and treasury reserves and will switch to using a smart contract to automatically burn all OKB transferred to a blackhole address. After this operation is completed, the total OKB supply will be fixed at 21 million.
- **Upgrading the OKB smart contract**: After completing the above operation, we will upgrade the OKB smart contract to remove minting and burning functionalities.

Implementation timeline:

- **August 13, 2025, 2:10 PM (UTC+8)**: OKT trading is suspended on OKX Exchange; OKTChain continues block production and transaction processing.
- **August 13, 2025, 3:00 PM (UTC+8)**: OKX Exchange stops OKB withdrawals to Ethereum L1.
- **August 15, 2025, 10:00 AM (UTC+8)**: Automatic exchange of OKT for OKB executed on user accounts at the Average Closing Price.
- **August 15, 2025, 2:00 PM (UTC+8)**: Single-instance burn of historically repurchased OKBs and on-chain burn of OKB.
- **August 18, 2025, 2:00 PM (UTC+8)**: OKB smart contract upgrade completed, removing minting and burning functionalities.

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