



The Next EVOLUTION Of Games

ICO PLATFORM FOR BLOCKCHAIN GAMES • BLOCKCHAIN &
WALLET SDK FOR GAMES • EXCHANGE FOR GAME CRYPTOCURRENCIES

BIT.GAME WHITEPAPER



PLATFORM

BIT.GAME Platform is based on DAICOs, and it offers technical support, incubation funds and asset trading for all the innovative, high-potential blockchain game projects.

SOLUTION

BIT.GAME provides an original and complete set of development kits for traditional game publishers based upon Ethereum, Achain, TrustNote, Gamechain System, and Matrix AI Network etc, which contains Off-Chain Circulation Solution, Single-Public Blockchain Solution and Multi-Public Blockchain Solution.



EXCHANGE

BIT.GAME is the world's first digital asset exchange for blockchain games, it will not only grow together with all the members but also share benefits through PoC Mining Pool and Double Repurchase Program with global game players as well as exchange users.

AIDEX

BIT.GAME will construct the next generation of decentralized exchange jointly with Matrix AI Network based on AI and blockchain technology which has larger transaction loop and lower cost.





ABSTRACT

In 2017, cryptocurrencies and blockchain grew explosively, and the influx of capital brought unprecedented prosperity to the market. Current blockchain ecosystem urgently needs more applications to take effect in the market. As an important monetizing force of internet, game becomes the right choice for blockchain projects to achieve success in the market.

At the current stage, blockchain games are still confronted with two major issues, as value circulation barrier and technical support barrier. **BIT.GAME** will help blockchain games to achieve breakthroughs from the above two aspects.

BIT.GAME is the world's first digital asset exchange for blockchain games and vertical fields, and also an exchange that grows with users. Not only did we take 30% of total BGX to build PoC mining pool for game players and exchange users, but also will share dividends with all BGX holders through double repurchase program.

BIT.GAME has created **BIT.GAME** Solution for blockchain games by means of existing technologies. On the one hand, the solution helps blockchain game publishers solve technical problems; on the other hand, it seamlessly connects games with **BIT.GAME** Exchange, thus to help quickly achieve the value circulation of blockchain games and accelerate the development of blockchain games positively.

BIT.GAME is a public practice for DAICO, as the DAICO theory mentioned by Vitalik Buterin, the founder of Ethereum. The intent is to help game developers and communities openly raise capital on **BIT.GAME** PLATFORM.

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1.1 BLOCKCHAIN'S EXPLOSIVE DEVELOPMENT

2017 has been the explosive year of blockchain development. Blockchain technology can be applied in various industries, help them start various new directions. According to the data of Coinmarketcap, there are more than 1,500 kinds of tokens circulating in global blockchain market on February 16th, 2018, with a total value of up to 900 billion dollars and a circulation value of more than 500 billion dollars.

The influx of capital brought unprecedented prosperity to the market. However, when looking through the market value, we can find that many tokens are facing the problem to be applied in real situation. Before the blockchain future finally coming, the blockchain industry still needs to go further in 2018, looking for faster and more effective ways to put blockchain technology into full use.

1.2 GAME IS THE CORE STRENGTH OF INTERNET

The income scale of global game market in 2017 has reached up to 116 billion dollars (according to Newzoo statistics). There is a year-on-year growth of 10.7% compared with that of 2016. The mobile game market has taken up 43% of the market and reached 50.4 billion dollars with a year-on-year growth of 23.3%; revenue of PC games is 32.3 billion dollars, accounting for 28%.

With the rapid growth of the game market as a whole, paying for in-game items has become the most important part of the game market income. Companies such as Tencent and Facebook continue to grow their market value in 2017; the market value contributed from game revenue has far exceeded a trillion dollars. Nowadays, game has become the core force of Internet monetizing method, on par with advertising and e-commerce.



1. BACKGROUND

1.3 GAMES WILL BECOME THE RIGHT CHOICE FOR BLOCKCHAIN

Recalling the development of the Internet industry for both home and abroad, it has experienced a sequence of developing stages, as bubble burst, slow recovery, value recognition, and other stages. All of the tech companies that have developed and become Internet industry giants over the past 20 years have all found a way to monetize the internet traffic.

In 2017, there were more than 2.2 billion gamers globally. if you could build a huge blockchain application scenario through blockchain games, then not only the value of digital tokens in many blockchain projects can be sustained, but also it allows greater imagination space.

Game industry is one of the most data-based driven industry, and it has blockchain to ensure that game data is not tampered with. Game users would gather in game communities, and tokens will be given out to reward users in the community as an incentive. As a result, in 2018, blockchain games will be the right choice for blockchain projects.

1.4 OPPORTUNITY FOR BLOCKCHAIN GAMES

With an estimated market value of a trillion dollars, blockchain games link blockchain and game industries together. As the next generation of Internet value and basic solutions, blockchain will bring fundamental revolution to the present game business. Competitions in game industry have already entered into deep waters, and only platforms with huge traffic would become the ultimate winner in game industry. While with the penetration of blockchain technology into game industry, the commercial value of games will be reshaped.

1.4.1 Next Generation Of Game Business Model

The first generation of game business model is pay-to-play by selling license cards and point cards, which did not carry out differentiated operation service to customers. This way is relatively impartial, but mostly out of date. Games such as World of Warcraft, EverQuest2, Halo, etc., are operating on this business model.



1. BACKGROUND

The second generation of game business model is free-to-play, which attracts users by making it as a free game and obtain income by selling game props. This kind of game have conducted differentiated operation service for customers. Rich players will spend more money but less time in games, while poor players may spend no money but more time in games. This has led to the present fact that publishers keep spending more and more expense on advertising to buy the traffic. Games such as The Legend of Mir, Zhengtu, Clash of Clans, etc., are examples of this business model.

The next generation of game business model is play-to-earn, as a win-win situation in communities. Players do not have to pay in game communities, instead, they receive game tokens as the reward. Investors, developers and players, whether they have money or not, will work together to grow the game community, in order to promote the overall value of the entire game community. Each character will benefit from the community and the project.

1.5 FRAMEWORK OF BLOCKCHAIN GAMES

Blockchain games will be a decentralized autonomous community for players, developers and investors. Every transaction, autonomy and behavior in community will all be derived from the digital tokens issued by blockchain games. As the reward, both game developers and investors will hold a certain initial number of tokens, and the rest of tokens will be put in the pool and dug by game players.

Mining activity based on the consensus mechanism of PoC (Proof of Contribution) will become the standard configuration of every blockchain games. All players get tokens through participation and obtain the autonomy by voting according to the share of tokens. All revenues from blockchain games will also be assigned to each holder based on the number of tokens held.

Tokens will be the only circulating currency in the game; all virtual prop transactions as well as distribution of game revenues will only be conducted through tokens.



1.6 EVOLUTION OF BLOCKCHAIN GAMES

Due to technical restrictions of the main chain, under no condition is it allowed to directly transfer game assets, data, and contents to the block chain. Therefore, blockchain games will gradually evolve according to the following three stages:

1.6.1 Stage 1: Data Mapping

A Token-based game economy system is simply establishing mapping between game assets and tokens. Most behaviors of game players, including the interaction and modification of game data, are carried out on a centralized game server. Only when game players redeem, deposit, and trade game assets, etc., can they redeem, deposit and trade tokens mapped by these game assets. Blockchain games at this stage is still the simplest version that it has not reached the full utilization of the blockchain platform.

1.6.2 Stage 2: Data Decentralization

Game data can be transferred from off-chain to on-chain, but the playing method, game system and other data interaction centers are still centralized, thus to ensure that game data cannot be tampered with during the stored procedure.

In the well-known blockchain game of CryptoKitties, users can only utilized limited functions of blockchain games at this stage and there is still much room to develop in the aspect of gameplay.

1.6.3 Stage 3: Content Decentralization

The complete decentralization of game contents includes game assets, data, gameplay methods, as well as game systems, these are all achieved through senior smart contracts. Players will be able to create new contents jointly with developers.



2.1 VALUE CIRCULATING BARRIER

Game tokens have a certain value within games. The increasing user number will lead to a rapid increase in token value as well. According to the present standard of digital currency exchange, tokens of blockchain games are unable to be listed in exchanges due to the reason of small community size, single audience and other problems. Meanwhile, the high entrance fee of the exchange is also unbearable for the blockchain game communities.

As a result, investors, developers, operators and players will face the same problem: tokens as the game economic foundation need to be circulated and traded.

Even if a small number of blockchain games enter the comprehensive digital currency exchange after waiting for a long time and paying high entrance fees, they will still encounter problems such as insufficient exchange traffic, or complicated completing transactions. While the present exchanges are also facing problems of traffic competition, except for some extremely large exchanges, the others could only bid through prices and service quality. So, it is impossible for them to gather more users to make transactions effectively, thus leading to a final result in difficult transactions of certain trade categories.

2.2 TECHNICAL SUPPORT

The current blockchain game industry is staying in primary stage. There still lacks of professional technical personnel in blockchain industry, and the salary standard has surpassed the AI industry and jumped to be the highest in technology industry. Without talents and technical support, it is difficult for small or medium-sized game developers to transit towards the path of blockchain games.

Excellent game content and community will not be limited to a single public chain. As mobile games will be released in multiple versions on iOS, Android, and Win10, blockchain games will also seek access to multiple public chains allowing more players to participate in the game content and community. In this way, games should be able to solve many technical issues during the R&D phase, such as release of assets on the public chain and the circulation of transactions. At present, there is no public chain has provided a completely developed interface for blockchain game asset transactions. At the same time, the development and maintenance of multi-chain version is even more difficult.



BIT.GAME ECOSYSTEM



3.1 BIT.GAME EXCHANGE: THE WORLD'S FIRST BLOCKCHAIN GAME EXCHANGE

In order to solve the value circulating barrier, BIT.GAME first focuses on constructing an exchange for blockchain games and its vertical fields. With the circulation as the core content, it contributes to establishing the blockchain game ecosystem together with global game developers and reshape the value of the entire game chain system.

3.1.1 An Exchange To Grow With Users

BIT.GAME always pursues a win-win situation with users and partners. BIT.GAME will not only take 30% of the total tokens into PoC mining pool to reward all the users who make contributions for the development of BIT.GAME, but also allow BGX holders to vote on important decisions for BIT.GAME projects, in compliance with the management principles of BIT.GAME community. BIT.GAME will share development dividend to all users through continuous repurchase.

3.1.2 PoC Mining Program

PoC (Proof of Contribution) is a consensus mechanism rooted in the community. BIT.GAME community will dynamically and continuously adjust the incentive according to contribution, so as to ensure the community keeps growing under the open and transparent incentive boost.

3.1.2.1 Playing As Mining

All the games produced by BIT.GAME will support mining function. Users are able to mine BGX in games which have integrated with BIT.GAME mining SDK according to PoC program. Besides, users could also conduct transactions in BIT.GAME Exchange.



Playing=Mining, The Core Traffic Acquisition of BIT.GAME

There are many similarities between game users and blockchain users, they are all young and willing to accept new things. Mining function not only makes game users get in touch with blockchain, but also allows blockchain users to participate in the game community, thus to make them become the users of **BIT.GAME** Exchange. Thereout, **BIT.GAME** establishes a platform for all these three aspects to transform and alternate, holding the traffic entrance of blockchain games.

3.1.2.2 **Trading As Mining**

Users of **BIT.GAME** could mine BGX not only when playing games, but also when conducting transactions in **BIT.GAME** exchange based on PoC program.

Trading=Mining, The Core Transaction Growth of BIT.GAME

All parties in the token transaction procedure, such as regular users (buy/sell), agents, project partners and market makers, will acquire BGX according to the volume they contribute to the exchange.

Through mining in games and transactions, **BIT.GAME** will share dividends brought by the growth of the exchange with all game players and traders to achieve win-win situations.

3.1.3 **Double Repurchase Program**

STAGE ONE:

BIT.GAME will take out 50% of the net income of annual commission fees (excluding costs) to repurchase BGX tokens and burn them until the remaining quantity of circulation is 5 billion, ensuring that repurchase details are public and transparent.

STAGE TWO:

After the Stage One, **BIT.GAME** will continuously take out 30% of annual commission fees (excluding costs) to repurchase BGX tokens, ensuring that repurchase details are public and transparent. Obtained BGX will be supplemented into the mining pool to ensure that the mining output is reasonable.



3.2 BIT.GAME SOLUTION

BIT.GAME will establish the Blockchain Game Development Lab (BGDL) jointly with strategic partners such as Achain、Matrix AI Network、TrustNote、GCS etc., and build the blockchain game development platform based on new public chain together, in order to help transform into blockchain games and relieve the problems of game developers.

BIT.GAME Solution will not only help blockchain game developers solve the technical barriers, but also provide with an access into **BIT.GAME** Exchange to work out the value circulation barrier, thus to improve the whole blockchain game industry in a positive way.

3.2.1 Off-Chain Circulation (iou)

It will cost a lot of effort to teach global 2.2 billion game players about blockchain technical knowledge, such as installing a digital wallet before playing games, managing the public keys and private keys, purchasing and transferring digital tokens. The game industry will certainly not put too much energy into this aspect. Therefore, for the blockchain games in data mapping stage, the IOU based circulation solution provided by **BIT.GAME** will effectively help the blockchain game developers cross the barriers. Game users can easily purchase, sale and transfer game Token in games.

3.2.2 Single-Public Blockchain Solution

BIT.GAME's single-public blockchain solution can help blockchain game developers and community not to pay much attention on the blockchain technology, but more attention on the construction of game contents. With this solution, developers could quickly issue assets on public blockchains, such as Ethereum, Achain, TrustNote, GCS, Matrix AI Network, Neo, Qtum, etc.

3.2.3 Multi-Public Blockchain Solution

BIT.GAME believes that a good game content and community should not be limited into one public blockchain. Just like mobile games will publish iOS, Android, and Win10 versions version, blockchain games will seek access to multiple public blockchains, allowing more players to participate in game content and community construction.



BIT.GAME's multi-public blockchain solution will help the game community solve many problems, such as asset distribution, asset circulation, asset transaction and so on, and become an important boost to the development of blockchain games.

3.3 BIT.GAME PLATFORM

BIT.GAME sets a BGX investment fund for investing blockchain games in connection with **BIT.GAME** Exchange for transaction, this will continuously add value for BGX.

DAICO Platform for Blockchain Game.

In January 2018, Vitalik Buterin mentioned a DAICO theory (shorted for Decentralized Anonymous Initial Coin Offering). Instead of an ICO, this is for better investment risk control.

Since it takes at least one year or more for present blockchain projects to land, DAICO may contain too many uncertain factors for these projects, making it not suitable for them in the long term. But the game industry is far more mature than blockchain. 3 to 6 months is quite enough to develop a stable game, making game projects more suitable for DAICO.

Therefore, in **BIT.GAME** Platform, we'll help raise capital by setting soft caps for each period including R&D, publishing and updating periods etc. The raised capital will be allocated through voting by all the investors.

3.4 BIT.GAME AIDEX

3.4.1 Integrate Wallet And Lite In-Game Wallet

In order to help game players to manage game assets, **BIT.GAME** will work with BGDL to develop an integrated wallet to manage all types of game tokens.

At the same time, we also provide Light In-game Wallet solution for blockchain games developers and communities, thus to improve the blockchain game technologies.



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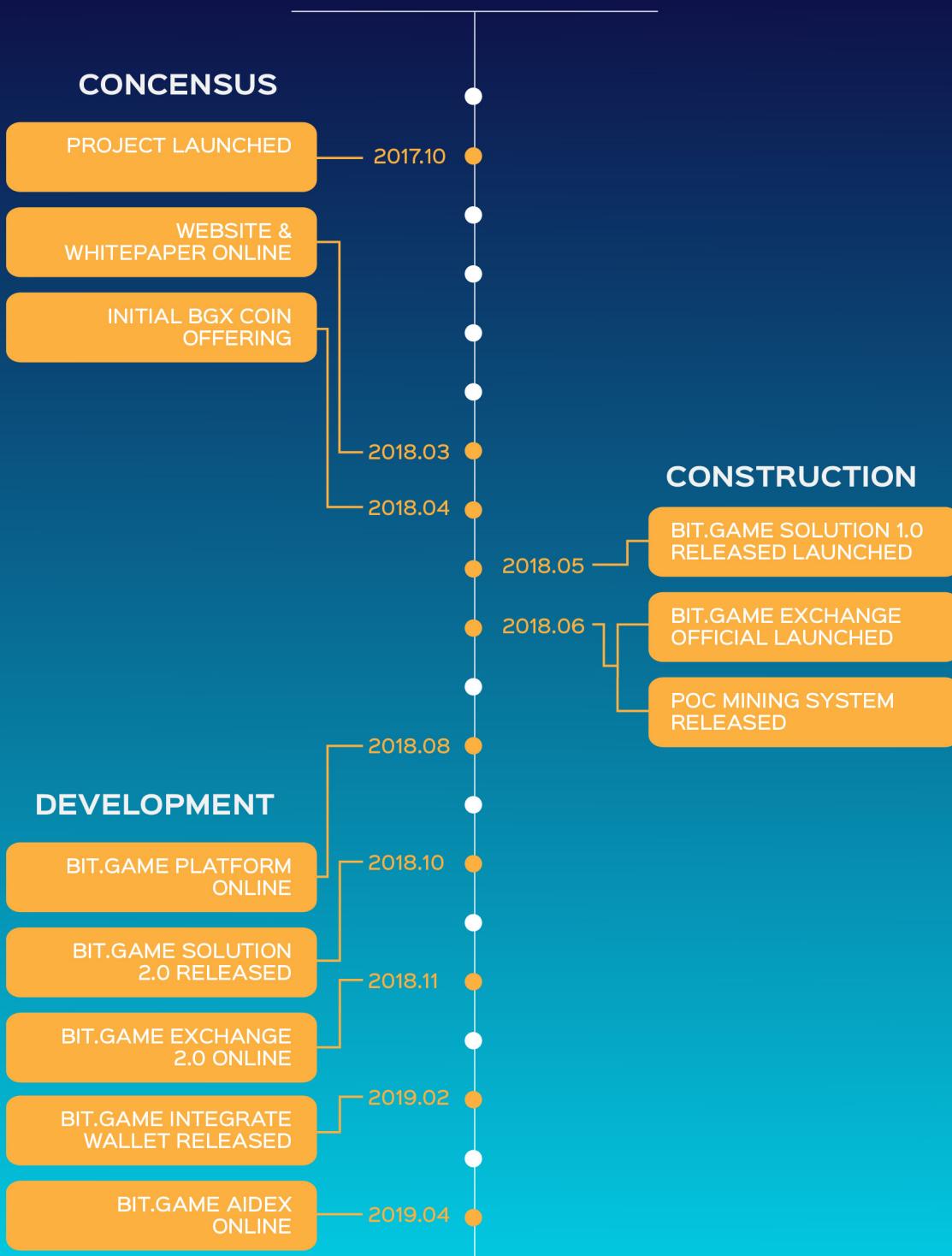
3.4.2 AIDEX, To Build The Future

BIT. GAME will construct a next generation of decentralized exchange as AIDEX jointly with Matrix AI Network, which specializes in developing artificial intellectual and blockchain technology. The next version of exchange will have the following characteristics:

- Million-level concurrent transactions
- Support cross-chain transactions
- Transaction matching system based on artificial intelligence
 - Dynamic matching
 - The largest transaction loop
 - The lowest transaction cost

BIT.GAME AIDEX will seek the best bonding point of decentralization and user experience. On the basis of safety and transparency, **BIT. GAME** will continuously optimize user experience, including low user costs, sufficient trading depth, affluent circulating ability and so on.

4. ROADMAP



TOKEN SALE (ICO)



5. Token Sale (ICO)

5.1 ISSUANCE PURPOSE

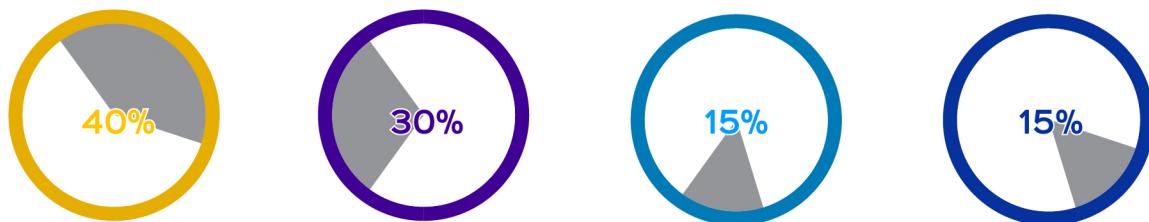
BIT.GAME Exchange decide to raise digital assets from global investors to support the project. All the digital assets will be put into full use for development, team construction and global operation. BIT.GAME will keep promoting the development of game industry for the future prosperity.

5.2 ISSUANCE PLAN

The total quantity of tokens is 10 billion BGX (in line with ERC 20 standard), of which 40% (about 4 billion tokens) will be used for ICO.

5.3 DISTRIBUTION OF TOKENS

PROPORTION



DISTRIBUTION



DETAILS

Will be used for development, marketing, operation and ecosystem support.	Will be used as rewards during mining and making transactions based on PoC.	Will be used for rewarding founding teams, technical teams, and consulting teams that make great contributions to the construction of BIT.GAME.	Will be used for long-term game promotion and landing support, as well as for rewarding the community members who make contributions to BIT.GAME.
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5.4 LOCKING PLAN FOR TEAM TOKENS

Locking period of 1/2 year: 10% of total team tokens (150M BGX)

Locking period of 1 year: 15% of team tokens (225M of BGX)

Locking period of 2 years: 20% of team tokens (300M of BGX)

Locking period of 3 years: 25% of team tokens (375M of BGX)

Locking period of 4 years: 30% of team tokens (450M of BGX)

5.5 FUND USE

■ Continuous developing BIT.GAME Exchange: 30%

Fund will be used to improve the usability, security and universality of the entire BIT.GAME Exchange, including function development and system operation, as well as recruiting talents for product, operation, marketing and technical teams. The fund will also be used to incent team members or used as research and development cost.

■ Promotion: 20%

Fund will be used for brand promoting and advertising for traditional games and blockchain games. Promoting and advertising will help game projects obtain more players and the acceptance of the whole market.

■ Ecosystem support: 20%

Fund will be used to support blockchain games. BIT.GAME will hold the entrance of exchange for all the game projects and will incubate projects coming in later stages to have more competitive advantages.

■ IDC and security: 5%

BIT.GAME will continue to invest in security development, making BIT.GAME Exchange the fastest, stablest, and most reliable platform for digital token transactions.

■ Compliance management: 5%

BIT.GAME will allocate special risk budgets for legislation, finance and taxation. BIT.GAME will continuously perfect its own legal, financial and auditing systems, ensuring that it is in compliance with the regulatory requirements of various laws and regulations while carrying out business.

■ Reserves and emergency: 20%

Fund will be used to deal with all kinds of emergencies.



6. TEAM and ADVISORS

6.1 CORE TEAM



Eric Sun
Founder & CEO
Former CEO of Plamjoy.
Worked at Perfect
World, French Telecom.
Expert in blockchain and
Consultant of Bitcoin IFO.
MS of THU, SS



Kelvin Wong
Co-Founder & COO
Former CEO of
BigchessAI. Worked at
Netelusion and Fang.
com. Expert in operating
game and global trading
platform.
BS of PKU, PHY



Keynes Zhang
Co-Founder & CFO
Former Manager of
Huobi. Worked as VP 3
years in BSB bank. Rich
experience in internal
control and auditing.
MS of USW



Sean He
Co-Founder & CMO
Successful
entrepreneurship.
15 years senior
management experience
in communication and
media companies.
EMBA of CEIBS,
MS of PKU



Alex Wu
CTO
Blockchain, IoT,
Microservice Architecture



Li Gu
Bgdl Techleader
Senior developer and
technical director with 15
years of development



Cindy Zhang
Marketing Director



Freya Ruan
**Global Community
Director**
International Business
Development - DewMobile
Inc.





6. TEAM and ADVISORS

6.2 SPECIAL ADVISORS



Hunter Gao
Senior security adviser

Member of FIRST(Global Forum of Incident Response and Security Teams), worked in the world's leading communications technology company, well-known security expert. Responsible for the erection of safety protection system of the exchange of [BIT.GAME](#).



Jefferson Chen
Independent director

The partner of GSR Ventures, focused on the investment of the Internet, artificial intelligence, financial technology and enterprise services for a long time. Assist in improving the operating level and supervise important decisions of [BIT.GAME](#).

6.2 STRATEGY ADVISORS



Rong Chen
Founder of Elastos



Feng Han
Co-founder of Elastos



Ian Maddison
EBA Chairman



Jacob Sun
AWARE Capital Founder &CEO
AWARE is the world's first blockchain token management platform focused on investing in high-quality blockchain projects.



6. TEAM and ADVISORS



Owen Tao
Matrix AI CEO
Project founder of Matrix AI Network, expert of blockchain projects.



Steve Deng
Chief AI Scientist of Matrix AI



Bill Li
Chief Network Architect of Matrix AI



Clarence Guo
Tzedek Law Llc Director



Dongfeng Wang
Forgame Chairman &CEO
Forgame is a listed company in Hong Kong (HK:00484) and it is also the world's leading mobile game and webgame company.



Jeff Zhou
TrustNote CEO
Project founder of TrustNote, research and development of blockchain technology and chips.



Duoli Zheng
VP of WBTO



Haibo Zhang
Genesis Community Founder



7. BIT GAME FOUNDATION

BIT GAME Foundation (hereinafter referred to as “the Foundation”) is a non-profit company established in Singapore in compliance with local laws and regulations. The Foundation is dedicated to the development and research of BGX digital currency and blockchain underlying technology, smart contracts, consensus algorithms, etc., and urges team members to gradually implement the setup of the exchange with digital tokens of BIT. GAME in accordance with the road map. The Foundation will develop a good governance structure to help manage the use of converted crypto currencies in accordance with the requirements of the white paper.

7.1 ORGANIZATIONAL STRUCTURE

The organizational structure of the Foundation is composed of Decision Committee, Financial Department, Market and Public Relations Department and Risk Control Department.

7.2 DECISION COMMITTEE

Decision-making Committee is the highest authority of the Foundation, it is composed of the chairman of the Foundation, the core developers and so on for each term of two years, and any decision matters need to be approved by more than 1/2 members. Decision-making matters of Decision-making Committee include the following aspects:

- To revise the governance architecture of the Foundation;
- To appoint and dismiss executive directors and directors of all functional committees;
- To formulate important decisions;

The appointment and dismissal of members of Decision-making Committee during their term of office, such as members are in violation of the scope of functions, laws, administrative regulations, actively ask for resignation, etc.



7.3 FINANCIAL DEPARTMENT

It is responsible for the application and audit of project funds, salary management of developers, and review of daily operation costs; At present, the daily accounting processing is temporarily outsourced to the third party.

7.4 MARKET AND PUBLIC RELATIONS DEPARTMENT

It is responsible for the management of public announcements. In the event of any impact on the reputation of the Foundation, after public review and assessment, the public relations responses will be carried out by the market and public relations department in a unified manner.

7.5 RISK CONTROL DEPARTMENT

Risk Control Department is mainly composed of three parts: experts of intellectual property experts, investment management experts and legal experts. According to their respective strengths, experts control the risk of the exchange matrix of digital tokens from many aspects so as to ensure the healthy development of BIT.GAME.



8. DISCLAIMER AND RISK STATEMENT

This white paper is limited to users' explanation of **BIT.GAME** projects (hereinafter referred to as "the exchange") and BGX conversion, it is jointly developed by sponsors of the Foundation and the exchange and does not constitute professional opinions concerning the exchange and BGX; the contents of this white paper do not constitute any commitment or guarantee; nor does it constitute any legal and compliance commitment to the items described in the white paper; this white paper is not regarded as a composition of protocol to convert BGX; the information or analysis in this white paper does not constitute any decision or suggestion, and the reader may make its own decision on the feasibility, rationality and legality of the business model described in this white paper. This white paper neither constitutes nor is it understood as providing any conversion behavior, or any invitation related to conversion, or constitutes a contract or commitment in any form.

If the intentional conversion person conducts conversion after making his own decisions, he should fully accept such risks and are willing to bear all corresponding results or consequences. The sponsors of the Foundation and the exchange expressly state that they do not assume any direct or indirect damages caused by participating in the projects of **BIT.GAME**, including but not limited to:

- Economic losses due to user transaction operations
- Any error, negligence or inaccurate information produced by personal understanding
- Losses caused by individual trading of all types of blockchain assets and any behavior resulting from it

BGX is an encrypted token used by the exchange platform. Converting BGX is not an investment, and we can not guarantee that BGX will surely add value, and there may be a decrease in value in some cases, and users that fail to make proper use of BGX may lose the right to use BGX and may even lose their BGX. The sponsors of the Foundation and the exchange hereby explicitly state to the intentional users about the risks of converting BCG, and once they participate, it should be deemed that that are clearly and fully aware of the following risks:



■ Technical security risks

Many digital asset exchanges have ceased operating because of security concerns. We attach great importance to security, but there is no absolute sense of 100% security in the world, for example, due to various losses caused by force majeure, we are committed to doing everything possible to ensure the technical safety of the exchange.

■ Risks arising from market competition

Any exchange is a highly competitive field with thousands of teams planning and developing trading platforms, competitions will be brutal, but in this era, any good concept, start-up company and even mature company will face the risk of such competitions. But for us, these competitions are driving forces in the process of development.

■ Legal policy risks

Since the issuance of encrypted currencies and tokens is largely innovative, the vast majority of countries worldwide all have legal blanks, and the industry has a great deal of law and policy uncertainty, so there is possibility that the exchange is identified to be illegal.

■ Risks of price fluctuation

If traded on an open market, encrypted tokens usually fluctuate sharply. Price shocks often occur in a short term. The price may be denominated in bitcoin, ETH, dollar or other legal currencies. Such price fluctuation may be caused by market forces (including speculation), regulatory policy changes, technological innovations, availability of the exchange and other objective factors, which also reflect changes in the balance of supply and demand. Whether or not there is a secondary market of BGX trading, the development and operation team of the exchange of BIT.GAME does not assume responsibility for BGX trading in any secondary market. Therefore, the project team of BIT.GAME is not obliged to stabilize BGX's price fluctuations. The risk involved in trading prices of BGX needs to be borne by the traders of BGX themselves.