

DISCLAIMER

PLEASE READ THIS SECTION (AND THE KUDI GAMES WHITEPAPER GENERALLY) CAREFULLY. YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX, AND OTHER PROFESSIONAL ADVISOR(S) BEFORE TAKING ANY ACTION IN CONNECTION WITH THIS WHITEPAPER.

This document is for informational purposes only and shall not constitute any type of solicitation or investment advice. We do not accept responsibility for any omission, error, or inaccuracy in this document or any action taken in reliance thereon.

The acquisition of Tokens involves a high degree of risk. Before acquiring Tokens, it is recommended that each Purchaser conduct its own careful examination of all relevant information and risks about the Token Generator, Platform and Tokens and, specifically, the disclosures and risk factors set out below. If any of the following risks actually occurs, the Platform, Tokens and Purchaser's Tokens may be materially and adversely affected, including the Purchaser's Tokens being rendered worthless or unusable.

1 DISCLOSURES REGARDING TOKENS

1.1 Nature of Tokens. Tokens is a utility token. Tokens are digital utility tokens that afford Tokens holders to [access the Platform] and/or execute certain functions on the Token Smart Contract. Tokens do not represent a loan to Token Generator nor do they provide Purchaser with any ownership or other interest in or to Token Generator. For greater certainty, the purchase of Tokens does not provide Purchaser with any form of ownership right or other interest in or to Token Generator or its present or future assets and revenues, including, but not limited to, any voting, distribution, redemption, liquidation, revenue sharing, proprietary (including all forms of intellectual property), or other financial or legal rights.

1.2 Tokens are non-refundable. Token Generator is not obliged to provide Tokens holders with a refund for any reason, and Tokens holders will not receive money or other compensation in lieu of a refund. Statements set out in the Whitepaper are merely expressions of the Token Generator's objectives and desired work plan to achieve those objectives. and no promises of future performance or price are or will be made in respect to Tokens, including no promise of inherent value, and no guarantee that Tokens will hold any particular value.

1.3 Tokens are provided on an "as is" basis . Tokens are provided on "as is" basis. The Token Generator Parties and each of their respective directors, officers, employees, shareholders, a laities and licensors make no representations or warranties of any kind, whether express, implied, statutory or otherwise regarding Tokens, including any warranty of title, merchantability or fitness for a particular purpose or any warranty that Tokens and Platform will be uninterrupted, error-free or free of harmful components, secure or not otherwise lost or damaged. Except to the extent prohibited by applicable law, the Token Generator Parties and each of their respective directors, officers, employees, shareholders, affiliates and licensors disclaim all warranties, including any implied warranties of merchantability, satisfactory quality, fitness for a particular purpose, non-infringement, or quiet enjoyment, and any warranties arising out of any course of dealings, usage or trade.

1.4 Not an offering of securities, commodities or swaps. The sale of Tokens and Tokens themselves are not securities, commodities, swaps on either securities or commodities, or a financial instrument of any kind. Purchases and sales of Tokens are not subject to the protections of any laws governing those

commodities, swaps on either securities or commodities, or a financial instrument of any kind. Purchases and sales of Tokens are not subject to the protections of any laws governing those types of financial instruments. This Whitepaper and all other documents referred to in this Whitepaper including the Terms and Conditions do not constitute a prospectus or offering document, and are not an offer to sell, nor the solicitation of an offer to buy an investment, a security, commodity, or a swap on either a security or commodity.

1.5 Non-Investment purpose. Purchaser acknowledges and agrees that Purchaser is not purchasing Tokens for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes. Tokens are not designed for investment purposes and should not be considered as a type of investment.

1.6 Force majeure . The Token Generation and the performance of the Token Generator's activities set out in Whitepaper development roadmap may be interrupted, suspended or delayed due to force majeure events. For the purposes of this Whitepaper, a force majeure event shall mean any extraordinary event or circumstances which could not be prevented by Token Generator and shall include: hardware, software or other utility failures, changes in market forces or technology, software or smart contract bugs, changes in blockchain-related protocols, acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies or other circumstances beyond Token Generator's control, which were not in existence at the time of Token Generation. Purchaser understands and agrees that Token Generator shall not be liable and disclaims all liability to Purchaser in connection with a force majeure event.

1.7 Insurance. Unlike bank accounts or accounts at financial institutions, Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by Token Generator to offer recourse to Purchaser.

2 GOVERNMENTAL DISCLOSURES

2.1 Risk of unfavorable regulatory action in one or more jurisdictions. The regulatory status of cryptographic tokens, digital assets, and blockchain technology is undeveloped, varies significantly among jurisdictions and is subject to significant uncertainty. It is possible that certain jurisdictions may adopt laws, regulations, policies or rules directly or indirectly affecting the Bitcoin and Tron network, or restricting the right to acquire, own, hold, sell, convert, trade, or use Tokens. Developments in laws, regulations, policies or rules may alter the nature of the operation of the blockchain network upon which Tokens are dependent. There can be no assurance that governmental authorities will not examine the operations of Token Generator Parties and/or pursue enforcement actions against Token Generator Parties.

All of this may subject Token Generator Parties to judgments, settlements, fines or penalties, or cause Token Generator Parties to restructure their operations and activities or to cease offering certain products or services, all of which could harm Token Generator Parties' reputation or lead to higher operational costs, which may, in turn, have a material adverse effect on Tokens and/or the development of the Platform.

2.2 Purchaser bears responsibility of legal categorization. There is a risk that Tokens might be considered a security in certain jurisdictions, or that they might be considered to be a security in the future. The Token Generator does not provide any warranty or guarantee as to whether Tokens will be a security in the jurisdiction of the Purchaser. Each Purchaser will bear all consequences of Tokens being considered a security in their respective jurisdiction. Every Purchaser is responsible to confirm if the acquisition and/or disposal of Tokens is legal in its relevant jurisdiction, and each Purchaser undertakes not to use Tokens in any juristic on where doing so would be unlawful. If a Purchaser establishes that the purchase or use of Tokens is not legal in its jurisdiction, it should not acquire Tokens and immediately stop using or possessing Tokens.

Acquiring Tokens in exchange for cryptocurrencies will most likely continue to be scrutinized by various regulatory bodies around the world, which may impact the usage of Tokens. The legal ability of the Token Generator to provide or support Tokens in some jurisdictions may be eliminated by future regulation or legal actions. In the event the Token Generator determines that the purchase or usage of Tokens is illegal in a certain jurisdiction, the Token Generator may cease operations in that jurisdiction, or adjust Tokens or the Platform in a way to comply with applicable law.

2.3 Purchaser bears responsibility for complying with transfer restrictions. Tokens may be placed on third-party exchanges, giving future purchasers and users an opportunity to openly buy Tokens. A user seeking to enter the Platform following the Token Generation will have to buy Tokens on such exchanges. Conversely, Tokens may be sold on such exchanges if the holder of Tokens would like to exit the Platform ecosystem. Existing laws on the circulation of securities in certain countries may prohibit the sale of Tokens to the residents of those countries. When buying Tokens, Purchaser should be aware of the restrictions on their subsequent sale.

3 GENERAL SECURITY RISKS

3.1 Risk of theft and hacking . Token generation events are often targeted by hackers and bad actors. Hackers may attempt to interfere with the purchaser's wallet, the Token Smart Contract or the availability of Tokens in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, malware attacks, or consensus-based attacks. Any such attack may result in the loss of Purchaser's Tokens.

3.2 Private keys . Tokens purchased by Purchaser may be held by Purchaser in Purchaser's digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private key(s) associated with Purchaser's digital wallet or vault storing Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet or vault service Purchaser uses, may be able to misappropriate Purchaser's Tokens. Token Generator is not responsible for any such losses.

3.3 Exchange risks. If Purchaser sends TRX to the Token Generator from an exchange or an account that Purchaser does not control, Tokens will be allocated to the account that has sent

TRX; therefore, Purchaser may never receive or be able to recover Purchaser's Tokens. Furthermore, if Purchaser chooses to maintain or hold Tokens through a cryptocurrency exchange or other third party, Purchaser's Tokens may be stolen or lost.

3.4 Risk of incompatible wallet services. The wallet or wallet service provider used for the acquisition and storage of Tokens has to be technically compatible with Tokens. The failure to assure this may result in the Purchaser not being able to gain access to its Tokens.

3.5 Risk of weaknesses or exploitable breakthroughs in the field of cryptography. Advances in cryptography, or other technical advances such as the development of quantum computers, could present risks to cryptocurrencies, Tron and Tokens, which could result in the the or loss of Tokens.

3.6 Internet transmission risks. There are risks associated with using Tokens including, but not limited to, the failure of hardware, software, and internet connections. The Token Generator shall not be responsible for any communication failures, disruptions, errors, distortions or delays you may experience when using the Platform and Tokens, howsoever caused. Transactions in cryptocurrencies may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable. Cryptocurrencies transactions are deemed to be made when recorded on a public ledger, which is not necessarily the date or time when the transaction is initiated.

4 PLATFORM AND TOKEN SMART CONTRACT DISCLOSURES

4.1 No guarantee that Platform or Token Smart Contract will be developed. Purchaser acknowledges, understands and agrees that Purchaser should not expect and there is no guarantee or representation or warranty by Token Generator or Platform Operator that: (a) the Platform and Token Smart Contract will ever be adopted; and (b) the Platform and Token Smart Contract will be adopted as developed and not in a different or modified form.

4.2 Risks associated with the Token Smart Contract and associated software and/or infrastructure. (a) Malfunctions. The Token Smart Contract is based on the Tron blockchain. As such, any malfunction, unintended function or unexpected functioning of the Tron protocol may cause Tokens and/or the Platform to malfunction or function in an unexpected or unintended manner. (b) Bugs and weaknesses. The Tron blockchain rests on open source software, and accordingly there is the risk that the Token Smart Contract may contain intentional or unintentional bugs or weaknesses which may negatively affect Tokens or result in the loss or the of Tokens or the loss of ability to access or control Tokens. In the event of such a software bug or weakness, there may be no remedy and Tokens holders are not guaranteed any remedy, refund or compensation. (c) Value of Tronix. Tronix, the native unit of account of the Tron blockchain may itself lose value in ways similar to Tokens, and also other ways. More information about Tron is available at <http://www.tron.network>.

4.3 Irreversible nature of blockchain transactions. Transactions involving Tokens that have been verified, and thus recorded as a block on the blockchain, generally cannot be undone. Even if the transaction turns out to have been in error, or due to the of a user's Tokens, the transaction is not reversible. Further, at this time, there is no governmental, regulatory, investigative, or prosecutorial authority or mechanism through which to bring an action or complaint regarding missing or stolen Cryptocurrencies and Tokens. Consequently, the Token Generator may be unable to replace missing Tokens or seek reimbursement for any

erroneous transfer or the of Tokens.

4.4 Amendments to protocol. The development team and administrators of the source code for Tron blockchain or the Token Smart Contract could propose amendments to such network protocols and software that, if accepted and authorized, or not accepted, by the network community, could adversely affect the supply, security, value, or market share of Tokens.

5 TOKEN GENERATOR AND PLATFORM OPERATOR DISCLOSURES

5.1 Legal structure of Token Generator and Platform Operator. The Token Generator is an exempted company. An exempted company is a corporate body which has separate legal personality capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, and having perpetual succession. As a holder of Tokens, you are not entitled to any shares of Token Generator nor to any other right or interest in or to Token Generator (including any debt or equity interest therein) and will have no rights to appoint or remove the board of directors or operators of Token Generator.

As a holder of Tokens, you are not entitled to any shares of Platform Operator nor to any other right or interest in or to Platform Operator (including any debt or equity interest therein) and will have no rights to appoint or remove the board of directors or operators of Platform.

Because Tokens confer no governance rights of any kind with respect to the Token Generator, Platform Operator or the Platform, all decisions involving the Token Generator's and Platform Operator's products or services, including the services provided on the Platform will be made by Token Generator and/or the Platform Operator in their sole discretion. These decisions could adversely affect the platform and the utility of any Tokens you own.

5.2 Relationship between Token Generator and Platform Operator. The Token Generator and Platform Operator are not partners under any partnership arrangement and, accordingly, neither party may contractually bind the other as its partner.

5.3 Dependence on management team. The ability of each of the Token Generator's and Platform Operator's project teams, which are respectively responsible for maintaining competitive position of the Tokens and Platform, is dependent to a large degree on the services of their management teams. The loss or diminution in the services of members of such senior management team or an inability to attract, retain and maintain additional senior management personnel could have a material adverse effect on the Tokens and Platform. Competition for personnel with relevant expertise is intense due to the small number of qualified individuals, and this competition may seriously affect such entity's ability to retain its existing senior management and attract additional qualified senior management personnel, which could have a significant adverse impact on the Tokens and Platform.

5.4 Risks related to reliance on third parties. Even if completed, the Platform will rely, in whole or partly, on third-parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third-parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, any of which might have a material adverse effect on the Platform.

5.5 Insufficient interest in the Platform and Tokens. It is possible

that the Platform or Tokens will not be used by a large number of individuals, businesses and organizations and that there will be limited public interest in the creation and development of its functionalities. Such a lack of interest could impact the development of the Tokens and Platform.

5.6 Platform development risks. The development of the Token Smart Contract and/or Platform be abandoned for a number of reasons, including lack of interest from the public, insufficient funding, insufficient commercial success or prospects or departure of key personnel.

5.7 Changes to Platform. The Platform is still under development and may undergo significant changes over time. Although Platform Operator intends for the Platform to have the features and specifications set forth in this Whitepaper, changes to such features and specifications may be made for any number of reasons, any of which may mean that the Platform does not meet expectations of the Purchaser.

5.8 Other projects. The Token Smart Contract and Platform may give rise to other, alternative projects, promoted by parties that are affiliated or unaffiliated with the Token Generator Parties and such projects may provide no benefit to the Tokens or Platform.

5.9 Disclosures relating to conflicts of interest. Any of the Token Generator Parties may be engaged in transactions with related parties and conflicts of interest may arise, potentially resulting in the conclusion of transactions on terms not determined by market forces.

5.10 Licenses and approvals are not assured in all jurisdictions. Platform Operator intend to operate in full compliance with applicable laws and regulations and obtain the necessary licenses and approvals in key markets. This means that the development and rollout of all the features of the ecosystem described in this whitepaper are not guaranteed. Regulatory licenses and/or approvals are potentially to be required in a number of relevant jurisdictions in which relevant activities may take place. It is not possible to guarantee, and no person makes any assurances, that any such licenses or approvals will be obtained within a particular timeframe or at all. This means that Platform Operator and other features of the proposed ecosystem may not be available in certain markets, or at all. This could require restructuring of that ecosystem and/or its unavailability in all or certain respects.

5.11 No Auditing. The Token Generator and Platform Operator are not required to and will not provide Purchasers with any accounting regarding the use of the proceeding from the sale of the Tokens. The use of such proceeding will not be subject to any audit.