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**MEMORANDUM**

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***Attorney-Client Communication***

***Privileged and Confidential***

**DATE:** 23 March 2021

**TO:** gxtplatform INC. (the "**Company**")

**FROM:** Duane Morris & Selvam LLP

**SUBJECT:** Regulatory treatment of GXT Tokens under Singapore law, specifically the Securities and Futures Act (Chapter 289 of Singapore) and the Payment Services Act (2019) of Singapore.

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**1. SCOPE**

1.1. We have been instructed to address the following queries:

- (a) whether the GXT tokens ("**GXT Tokens**" or "**Tokens**") issued by the Company will fall within the definition of a "capital markets product" under the Securities and Futures Act (Chapter 289 of Singapore) and its subsidiary legislation (the "**SFA**"); and
- (b) whether the Tokens constitute "digital payment tokens" under the Payment Services Act (2019) of Singapore ("**PS Act**").

1.2. This legal opinion is strictly limited to the matters stated herein and is not to be read as extending by implication to any other matter in connection with the GXT Tokens, the Platform (as defined below) or the Company's business. Other than the Company which may rely on this legal opinion for the sole purpose of making an independent assessment on whether the GXT Tokens fall within the definition of "capital markets products" under the SFA or "digital payment tokens" under the PS Act (the "**Assessment**"), this legal opinion is not to be transmitted to, nor is it to be relied upon by, any other person, whether in whole or in part, or otherwise referred to in any public document or filed with or provided to any other governmental agency or other person without our specific consent in writing.

## 2. DOCUMENTS REVIEWED

- 2.1. For the purposes of this legal opinion, we have examined the following documents (the "Documents"):
  - (a) a copy of the Company's white paper (the "White Paper") version 5.0 received on 17 March 2021, which is attached hereto as "Annex 1"; and
  - (b) the Company's email responses and comments dated 18 February and 3, 9, 15 and 17 March 2021 in relation to our further email enquiries on the White Paper, and an English-language translation of such responses and comments, which is attached hereto as "Annex 2".
- 2.2. Except as stated above, we have not, for the purpose of this legal opinion, examined any other agreements, marketing materials or other documentation disseminated or made available by the Company to the public.
- 2.3. We have not been involved in the drafting of the White Paper but have been instructed by the Company to provide this legal opinion solely based on our review of the White Paper.
- 2.4. For the avoidance of doubt, in preparing this legal opinion we have only reviewed the English language content contained in the Documents.

## 3. BACKGROUND

- 3.1. The Company is developing a platform ("Platform") which uses the GXT Token for the following services/ purposes:
  - (a) as a means of payment (including through auction mechanisms) for goods and services (such as household goods, luxury goods, or jewelry) from third-party suppliers or service providers onboarded on the Platform, which are decentralized application service providers ("dApp");
  - (b) as a means of payment (either full payment or partial payment, with the remainder of partial payments being paid through fiat currency) for goods at physical shops partnered with the Company/Platform, via G-Pay (a QR code payment feature of the Platform), and there are currently two physical shops partnered with the Platform, in Apgujeong and Busan (both in Korea); and
  - (c) as a platform where Tokens can be staked in exchange for more Tokens as rewards.
- 3.2. The GXT Tokens can be transferred between holders of the GXT Tokens on the Platform including between holders in different countries.
- 3.3. The GXT Token are intended to be listed on existing cryptocurrency exchanges.
- 3.4. The GXT Tokens are ERC20 based and not denominated in or pegged to any currency.
- 3.5. The GXT Tokens can be staked with a participating exchange for fixed periods of 3, 6, or 12 months and holders of the staked GXT Tokens can receive an additional percentage of the staked GXT Tokens as a reward, and such reward is not tied to the revenue or profits of the Company.

- 3.6. The GXT Tokens can be rewarded by the Company as a reward for activities on the Platform (for example, by making purchases on the Platform using Tokens), or by recommending other users to the Platform.
- 3.7. The Platform further includes an e-wallet feature, which allows users of the Platform to store their GXT Tokens and other cryptocurrencies such as Bitcoin.
- 3.8. There are, at the time of publishing of the White Paper, about 20,000 users of the Platform with about 2000 monthly users using the Platform for online purchases (including auctions) as set out in **paragraph 3.1(a)**.
- 3.9. The Company intends to expand the services and products offered by and through the Platform in the future.

#### **4. THE MONETARY AUTHORITY OF SINGAPORE'S ("MAS") APPROACH TOWARDS VIRTUAL CURRENCIES**

- 4.1. The MAS has made known its approach towards virtual currencies and digital token offerings through a number of statements and the release of a guide to digital token offerings. On 13 March 2014, the MAS had stated that it would regulate virtual currency intermediaries in Singapore to address potential money laundering and terrorist financing risks ("**ML/TF risks**")<sup>1</sup>. More significantly, the MAS said that, "*Singapore, like most jurisdictions, does not regulate virtual currencies per se, as these are not considered as securities or legal tender. MAS' regulation of virtual currency intermediaries pertains specifically to the money laundering and terrorist financing risks they pose. It does not extend to the safety and soundness of virtual currency intermediaries nor the proper functioning of virtual currency transactions. Investors in virtual currencies will not have the safeguards that investors in securities enjoy under the Securities and Futures Act and the Financial Advisers Act.*"
- 4.2. On 1 August 2017, the MAS clarified its position on the offer of digital tokens in Singapore<sup>2</sup>. In addition to restating its concerns relating to ML/TF risks, the MAS stated that, "*Where digital tokens fall within the definition of securities in the SFA, issuers of such tokens would be required to lodge and register a prospectus with MAS prior to the offer of such tokens, unless exempted. Issuers or intermediaries of such tokens would also be subject to licensing requirements under the SFA and Financial Advisers Act (Cap. 110), unless exempted, and the applicable requirements on anti-money laundering and countering the financing of terrorism. In addition, platforms facilitating secondary trading of such tokens would also have to be approved or recognised by MAS as an approved exchange or recognised market operator, respectively, under the SFA.*" This was an important clarification as it gave certainty that if offers of digital tokens did not fall under the relevant laws of Singapore, they would not be regulated.

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<sup>1</sup> MAS Website, "MAS to Regulate Virtual Currency Intermediaries for Money Laundering and Terrorist Financing Risks" (14 March 2014) <<https://www.mas.gov.sg/news/media-releases/2014/mas-to-regulate-virtual-currency-intermediaries-for-money-laundering-and-terrorist-financing-risks>> (Retrieved 16 March 2021).

<sup>2</sup> MAS Website, "MAS Clarifies regulatory position on the offer of digital tokens in Singapore" (1 August 2017) <<https://www.mas.gov.sg/news/media-releases/2017/mas-clarifies-regulatory-position-on-the-offer-of-digital-tokens-in-singapore>> (Retrieved 16 March 2021).

- 4.3. On 14 November 2017, the MAS released "A Guide to Digital Token Offerings" (the "**MAS Guide**"). The MAS further updated the MAS Guide on 5 April 2019<sup>3</sup> and 26 May 2020<sup>4</sup>. In the updated MAS guide, the MAS elaborated on the approach originally set out in their 1 August 2017 statement, including providing examples of how digital token offerings and intermediaries would be regulated by the SFA and other legislation.
- 4.4. On 19 December 2017, the MAS cautioned against investments in cryptocurrencies<sup>5</sup>. Importantly, the MAS stated that "*As in most jurisdictions, MAS does not regulate cryptocurrencies. Nor do MAS regulations extend to the safety and soundness of cryptocurrency intermediaries or the proper processing of cryptocurrency transactions*". The MAS reiterated that to the extent cryptocurrencies are not regulated under existing legislation, such cryptocurrencies and their related transactions will not be regulated by the MAS.
- 4.5. Further to the MAS' statements and the MAS Guide, the MAS has made clear its position that unless a virtual currency and/or an offer of digital tokens is a security or capital markets product under the SFA, the offer of the same will not be subject to the offering requirements set out in the SFA.

## 5. SFA REGULATIONS IN RELATION TO THE TOKENS

- 5.1. The Tokens will be regulated by the SFA if they are deemed to be "capital market products". The Tokens will additionally be required to comply with certain requirements in relation to the offer of the same if the Tokens are deemed to be securities, securities based derivative contracts or units of a collective investment scheme ("**CIS**") under the SFA.
- 5.2. A capital market product is defined in the SFA as "*any securities, units in a collective investment scheme, derivatives contracts, spot foreign exchange contracts for the purposes of leveraged foreign exchange trading, and such other products*" as the MAS may prescribe.

### **Are the Tokens a "security"**

- 5.3. The term "securities" is defined under section 2(1) of the SFA as:
- (a) shares, units in a business trust or any instrument conferring or representing a legal or beneficial ownership interest in a corporation, partnership or limited liability partnership;
  - (b) debentures; or
  - (c) any other product or class of products as the MAS may prescribe.

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<sup>3</sup> MAS Website, "A Guide to Digital Token Offerings" <<https://www.mas.gov.sg/-/media/MAS/Regulations-and-Financial-Stability/Regulations-Guidance-and-Licensing/Guide-to-Digital-Tokens-Offering-last-updated-on-5-April-2019.pdf>> (Retrieved 16 March 2021).

<sup>4</sup> MAS Website, "A Guide to Digital Token Offering" (26 May 2020) <https://www.mas.gov.sg/regulation/explainers/a-guide-to-digital-token-offerings>> (Retrieved 16 March 2021).

<sup>5</sup> MAS Website, "MAS cautions against investments in cryptocurrencies" (20 December 2017) <<https://www.mas.gov.sg/news/media-releases/2017/mas-cautions-against-investments-in-cryptocurrencies>> (Retrieved 16 March 2021).

The term "securities" excludes any unit of a CIS, bills of exchange and certificates of deposit issued by a bank or finance company, or any such other product or class of products as may be prescribed.

5.4. Accordingly, determining whether the Token is a security under section 2(1) of the SFA will require an analysis of whether the Tokens fall within any of the types of securities set out in **paragraph 5.3:** -

(a) Shares or any instrument conferring or representing a legal or beneficial ownership interest in a corporation, partnership or limited liability partnership. Pursuant to our review of the Documents, there is nothing contained therein that suggests that the Tokens are likely to be deemed as either shares or instruments conferring or representing a legal or beneficial ownership interest in a corporation, partnership or limited liability partnership.

In particular, nothing contained in the Documents suggests that: (i) the holders of the Tokens will receive a financial benefit solely by virtue of their passive holding, ownership or possession of the Tokens; (ii) the Tokens will provide the holder with an ownership interest in the Company or any other corporate entity; (iii) the Tokens will provide the holder with voting rights or other decision-making rights in the Company or any other corporate entity or its assets.; or (iv) the Token will provide the holder a right to receive dividends or other distributions from the Company or any other corporate entity.

(b) Unit in a business trust. Pursuant to our review of the Documents, nothing contained therein leads us to believe that the Tokens are likely to be deemed as units in a business trust. In particular, nothing contained in the Documents suggest that the Company is a registered business trust pursuant to the Business Trusts Act (Cap 31A) of Singapore.

(c) Debenture. Pursuant to our review of the Documents, nothing contained therein leads us to believe that the Tokens are likely to be deemed as debentures. In particular, nothing contained in the Documents suggests that: (i) the holder of the Tokens will receive a financial benefit by virtue of their holding, ownership or possession of the Tokens; (ii) the Company has a legal obligation to repay the holder in full or part for his purchase of the Tokens; (iii) the Tokens will provide the holder with a direct or indirect exposure to assets of the Company; or (iv) the Tokens will provide the holder with a payment of interest.

Therefore, the Tokens are unlikely to fall under the definition of "securities" as set out in section 2(1) of the SFA.

**Is the Token a "derivative contract"**

5.5. Section 2(1) of the SFA defines a derivative contract to be:

- (a) any contract or arrangement under which —
  - (i) a party to the contract or arrangement is required to, or may be required to, discharge all or any of its obligations under the contract or arrangement at some future time; and

(ii) the value of the contract or arrangement is determined (whether directly or indirectly, or whether wholly or in part) by reference to, is derived from, or varies by reference to, either of the following:

- (A) the value or amount of one or more underlying things;
  - (B) fluctuations in the values or amounts of one or more underlying things;
- or

(b) any contract or arrangement that is, or that belongs to a class of contracts or arrangements that is, prescribed to be a derivatives contract,

but does not include, securities; any unit in a collective investment scheme; a spot contract; deposits defined under (i) the Banking Act (Cap. 19) ("BA") where such deposit is accepted by a bank licensed under the BA or a merchant bank approved under the Monetary Authority of Singapore Act or, deposits defined under (ii) the Finance Companies Act (Cap 108); and/or specified contracts for insurance under the Insurance Act (Cap. 142).

5.6. Pursuant to our review of the Documents, nothing contained therein leads us to believe that the Tokens are likely to be deemed as derivatives contracts.

5.7. Further, nothing contained in the Documents leads us to believe that the Tokens are likely to be deemed as securities-based derivatives contracts.<sup>6</sup> In particular, nothing contained in the Documents suggests that: (i) the Tokens will provide the holders with an interest in underlying securities (as based on the interpretation of Singapore law regarding the nature of the Tokens); or (ii) the Tokens will provide the holder with a direct or indirect exposure to underlying profits and/or losses, or assets and/or liabilities.

**Is the Token a "spot foreign exchange contract for the purposes of leveraged foreign exchange trading"**

5.8. Pursuant to our review of the Documents, there is nothing that suggests that the Tokens are or can be used for such purposes.

**Is the Token a "unit in a CIS"?**

5.9. In addition, pursuant to our review of the Documents, nothing contained therein leads us to believe that the Tokens are likely to be deemed as units in a CIS.<sup>7</sup> In particular, there is nothing

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<sup>6</sup> "securities-based derivatives contract" is defined under section 2(1) of the SFA to mean any derivatives contract of which the underlying thing or any of the underlying things is a security or a securities index, but does not include any derivatives contract that is, or that belongs to a class of derivatives contracts that is, prescribed by regulations made under section 341 of the SFA.

<sup>7</sup> "collective investment scheme" is defined under section 2(1) of the SFA to mean –

- (a) an arrangement in respect of any property –
  - (i) under which the participants do not have day-to-day control over the management of the property, whether or not they have the right to be consulted or to give directions in respect of such management,
  - (ii) under which either or both of the following characteristics are present:
    - (A) the property is managed as a whole by or on behalf of the manager;
    - (B) the contributions of the participants, and the profits or income from which the payments are to be made to them, are pooled; and
  - (iii) under which either or both of the following characteristics are present:
    - (A) the effect of the arrangement is to enable the participants (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise) –
      - (AA) to participate in or receive profits, income, or other payments or returns arising from the acquisition, holding, management, disposal, exercise, redemption or expiry of, any right, interest, title or benefit in the property or any part of the property; or
      - (AB) to receive sums paid out of such profits, income, or other payments or returns;

contained in the Documents that suggests that any profits, income, other payments or returns will be received by holders of Tokens solely by virtue of their passive ownership of the Tokens.

## 6. PS ACT REGULATIONS IN RELATION TO THE TOKENS

6.1. The Company will be regulated by the PS Act if the Tokens are deemed to be "digital payment tokens" under the PS Act, and the Company is providing a "digital payment token service" under the PS Act.

6.2. A digital payment token is defined under the PS Act as

any digital representation of value (other than an excluded digital representation of value<sup>8</sup>) that

- (a) is expressed as a unit;
- (b) is not denominated in any currency, and is not pegged by its issuer to any currency;
- (c) is, or is intended to be, a medium of exchange accepted by the public, or a section of the public, as payment for goods or services or for the discharge of a debt;
- (d) can be transferred, stored or traded electronically; and
- (e) satisfies such other characteristics as MAS may prescribe.

6.3. On 11 May 2020, the MAS released responses to a number of frequently asked questions in relation to the PS Act<sup>9</sup>. Importantly, a question was raised to MAS querying the meaning of "section of the public" in the definition of a digital payment token. MAS stated the following:

*"What comprises a "section of the public" under the PS Act is a fact-sensitive determination. A group of individuals with a subsisting relationship with the service provider, or a group of individuals selected because of rational characteristics common to them may not be regarded as a section of the public per se. This determination depends on factors such as size of the group, nature of the service offered, and the significance of the particular characteristic that is common. However, a group of individuals selected with reference to the public, i.e. with a certain degree of indiscriminability, would likely be regarded as a section of the public.*

*For example, a token may be regarded as a medium of exchange accepted by a "section of the public", where the token is accessible by individuals who do not subscribe to the services of the issuer, and is used by them as payment for goods and services that are not exclusively provided by the issuer.*

[Emphasis added.]

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- (B) the purpose, purported purpose or purported effect of the arrangement is to enable the participants (whether by acquiring any right, interest, title or benefit in the property or any part of the property or otherwise) –
    - (BA) to participate in or receive profits, income, or other payments or returns arising from the acquisition, holding, management, disposal, exercise, redemption or expiry of, any right, interest, title or benefit in the property or any part of the property; or
    - (BB) to receive sums paid out of such profits, income, or other payments or returns. *[remaining definition of CIS truncated]*

<sup>8</sup> Pursuant to section 2 of the PS Act, an "excluded digital representation of value" refers to a digital representation of value that is prescribed as such by the MAS.

<sup>9</sup> MAS, Frequently Asked Questions (FAQs) On The Payment Services Act (PS Act), 11 May 2020. <<https://www.mas.gov.sg/media/MAS/Fintech/Payment-Services-Act/Payment-Services-Act-FAQ-11-May-2020.pdf>> (Retrieved 16 March 2021).

This was an important clarification as it clarified that individuals with close relationships with the service provider, such as subscribers of the service provider, may not satisfy the “section of the public” definition.

#### **Are the Tokens a “digital payment token”**

- 6.4. Pursuant to our review of the Documents, we understand that the Tokens:
- (a) are a digital representation of value;
  - (b) are expressed as a unit;
  - (c) are not denominated in any currency and is not pegged by its issuer to any currency;  
and
  - (d) can be transferred, stored or traded electronically.

We further note that we have not sighted anything pursuant to the PS Act that suggests that the Tokens are an excluded digital representation of value.

- 6.5. However, for the Tokens to be a digital payment token, it would also have to be a medium of exchange accepted by the public, or a section of the public, as payment for goods or services or for the discharge of a debt.
- 6.6. As set out in **paragraph 6.3**, what comprises a section of the public is a fact-sensitive determination, and some relevant (non-exhaustive) factors to consider would be (a) whether the persons using the Tokens have a subsisting relationship with the Platform or the Company, (b), the size of the group, (c) the nature of the service provided, or (d) or whether the Tokens are accepted as payment for goods or services by parties other than those on the Platform.
- 6.7. Relevant factors identified in the Documents which may have an influence on whether the Tokens are accepted by a section of the public include the information set out in (i) **paragraph 3.1(a)**, which contemplates the Tokens being accepted as payment by physical stores, (ii) **paragraph 3.8**, which estimates the number of users on the Platform as 20,000 and about 2000 monthly users using the Platform for online purchases (including auctions), and (iii) **paragraph 3.9**, which sets out the Company’s intention to expand the services and products offered by and through the Platform in the future.
- 6.8. Based solely on the currently available information, given the factors identified in **paragraph 6.7**, the Tokens may be found to be a digital payment token as defined under the PS Act by MAS. Notwithstanding the foregoing, the determination of whether or not the Tokens are found to be a digital payment token will change over time depending on, inter alia, the factors set out in **paragraph 6.6**.

## **7. QUALIFICATIONS**

The opinions in this legal opinion are subject to the following assumptions, reservations, qualifications, limitations and exclusions set out below:

- 7.1. We have assumed without enquiry:
- (a) that our understanding of the Company, the Platform, and the Token set out in **paragraph 3** is correct in all respects;
  - (b) that the Company has the necessary capacity and corporate power under the laws of its country of incorporation and under its constitutional documents to: (i) issue the



Documents; (ii) make all representations in the Documents; and (iii) create any obligations / undertakings pursuant to the Documents, and has taken all necessary corporate actions under its constitutional documents to authorise the same;

- (c) that all the statements made in the Documents are accurate and not misleading in all respects, and that the Company will: (i) develop the Platform, and the Token in accordance with the representations made in the Documents; (ii) operate the Platform in accordance with the representations made in the Documents; and (ii) honour all representations made in the Documents; and
  - (d) that any exchange assessing the nature of the Tokens does not rely solely on our opinions as contained herein and that such exchange has, in its role as the operator of a cryptocurrency exchange, acted reasonably and has carried out its own independent research, including but not limited to obtaining its own legal opinion on the nature of the Tokens, in arriving at any conclusions in respect of the nature and/or characteristics of the Tokens.
- 7.2. Our examination of the Documents is limited to those as attached in the **Annexes**. For the avoidance of doubt, our opinions in **paragraphs 5 and 6** are strictly limited to our review of such Documents.
- 7.3. We make no opinion on whether the activities or internal payment mechanisms carried out on the Platform are regulated by the SFA and/or any other laws in Singapore.
- 7.4. The scope of this legal opinion is limited to the queries set out in **paragraph 1.1** and does not consider any other legislation, subsidiary legislation, notice or other binding authority in Singapore or in any other jurisdiction that may be relevant to the said queries. In particular we have not reviewed, nor express any opinion on whether the Company's business or the Platform are regulated under any other aspect of the PS Act besides the aspects relating to "digital payment tokens" (including but not limited to whether the Company or the Platform are providing account issuance or remittance services), or under any other law.
- 7.5. There is limited regulatory guidance available in respect of the issues on which the opinions in **paragraphs 5 and 6** (the "Issues") are made. While we have made said opinions pursuant to our foregoing analysis of the Issues, we express no opinion as to the interpretations of the Singapore Government, the Courts of Singapore or the MAS in respect of the Issues. It is difficult to opine with legal certitude under Singapore law due to the dearth of legal authorities.
- 7.6. Further to **paragraph 7.5**, it is noted that the definition of a digital payment token relies on a fact-sensitive determination of what constitutes a "section of the public", as interpreted by the MAS. Our opinion as set out in **paragraph 6.8** on whether the Tokens are regarded as a digital payment token is subject to the interpretations of the MAS having regard to the factual situation of how persons (whether related to the Company/Platform or not) intend to use or use Tokens as a medium of exchange between themselves, notwithstanding the intentions of the Company/Platform, amongst other factors. We have opined that the Tokens are likely to be found to be a digital payment token assuming the Platform and/or the Tokens grow in popularity, on the basis that the increased number and type of persons using the Tokens as a medium of exchange may be a factor which the MAS could consider in interpreting whether the Tokens fall within the definition of a digital payment token.
- 7.7. We note that the Tokens are being considered for listing on cryptocurrency exchanges (the "**Token Listings**"). We have not made any opinions in respect of any public sale of the Tokens

or the Token Listings nor have we considered or analysed such public sales or Token Listings in arriving at our opinions as set out here.

- 7.8. The opinions set out in this legal opinion are rendered as of the date hereof and are only an expression of our understanding of the Issues based on current Singapore legislation, which is subject to change. Where our opinion herein refers to events to occur at a future date, we have assumed that there will have been no changes in the relevant laws or facts between the date hereof and such future date. We do not undertake to advise the Company of any changes in respect of this legal opinion due to matters that may hereafter arise or be brought to our attention, including any prospective and/or future use of the Tokens on the Platform, or to revise or supplement this legal opinion should the laws in Singapore be changed by legislative action, judicial decision or otherwise.
- 7.9. Our opinions are not intended to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed by any applicable laws or governmental authorities.
- 7.10. Except to the extent expressly authorised by us, the Company and/or its affiliates shall keep confidential and shall not publish, whether in whole or in part, or otherwise disclose to any other person or entity the contents of this opinion.
- 7.11. We do not express any opinion in this legal opinion on the enforceability of any of the terms or conditions set out under the White Paper, and/or the initial version of the White Paper. For this purpose, the term "enforceability" means that an obligation is of a type that the courts of Singapore may enforce.
- 7.12. We express no opinion on the design of the Token, and/or mechanisms to be implemented (whether now or in the future) in relation to the Token on the Platform, nor have we opined on any fiscal/monetary policy mechanisms to be implemented with respect to the supply of the Tokens.
- 7.13. We express no opinion on any matter in respect of the Documents other than what is set out in **paragraphs 5 and 6**.

Yours faithfully,



**DUANE MORRIS & SELVAM LLP**

**ANNEX 1**  
**THE WHITE PAPER**



GXT

BIG DATA

recently

currently

concluding remarks

BIG DATA

concluding remarks

some time

BIG DATA

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Whitepaper Ver5.0

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What is crypto currency? To answer this question, you first need to analyze the crypto currency in terms of value theory. crypto currency is a type of product that is currently traded on the market. A product has value in use and exchange. Although crypto currency is named currency, it has no function as currency, and its main value in use (availability) is a means of speculation for capital gains. Therefore, it has a value that is not socially beneficial, and if society does not accept value in use as a means of speculation, it becomes meaningless as a commodity and has no value in use.

In order for a product to become a currency, it must first function as a general equivalent. A generic equivalent should be able to exchange it for all products that exist in the economy, so that the relative value of all products can be expressed as a unit of goods that have achieved this general equivalence status. For example, if gold is a common equivalent, a pair of Nike Air can be described as a pure gold, a laptop as a net gold of 10 dollars, and a new Mercedes-Benz as a net gold of 100 dollars, and there has to be this constant exchange in society.

However, All most crypto currency is currently in a position where it cannot be exchanged directly with any product, and it cannot express the relative value of any product on its own. There is an article that reported that crypto currency was used in the purchase of other goods at the store and that there was a store that could be paid with the crypto currency, but it was used for purchasing the crypto currency after evaluating it as legal currency, not expressing the relative value of the product directly.

In general, money has functions such as the measure of value, the medium of circulation (=exchange method), the means of accumulating value, and the means), and the means of payment.

First, because crypto currency does not have a general equivalent status, it cannot be a measure of the relative value of all goods traded on the market.

Second, crypto currency has little function as a medium of distribution since it has been valued as a legal currency and has become a medium of distribution in the exchange of goods very narrowly and accidentally. Compared to other things, crypto currency does not have the ability to purchase more than credit card. It does not function as a medium of value and distribution, so it is not a means of accumulating. The payment method is an important function in the capitalist economy used in the credit transactions of goods, and for the same reason, the crypto currency does not have this function.

But I think it's worth it if you have the ability to "fill your needs." How does something meet your needs? There are two ways. One is to use it to fill your needs, and the second is to exchange it for something else you want to use. For example, if you own a gem, you can double your beauty or cash it if you need it.

The possibility of this exchange has created an "indirect value". As a result, when people talk about value, they usually think about the market price. Some say raw materials such as jewelry are of intrinsic value, but this argument is merely that there is a market for jewelry. Unless you are planning to use the jewelry yourself, it is only meaningful that you can exchange it for something else that is useful for you. In other words, jewelry has this meaning because it has a tightly formed market. You can sell jewelry on the market at any time and exchange it for cash, and you can purchase what you want with that cash.(On the other hand, if you live in a situation where you don't have a jewelry market, as defined by it, you can't exchange jewelry for what you want.) That is, if you have a market, it's worth it.

We, GXT PLATFORM INC(here in after referred to as "GXT Company"), are creating a "real economy and crypto ecosystem" to give value to GXT Token. This means that GXT Token has created a platform that can be used as an exchange value, and is already used by many people who have GXT Token.

Currently, GXT platforms operated by GXT company offer a variety of services that enable GXT tokens to be used. On line shopping mall sells various products such as household goods, clothing, and groceries. You can purchase products at a lower price than normal price through Auction (Jewelry and Luxury), and GXT can also Crypto-currency exchange cash and other crypto-currency through exchanges. As such, the indirect value of GXT Token is very high, and the utilization value of GXT Token is expected to be a big part of the financial services platform we are preparing for.

Although GXT Token is difficult to exchange or purchase directly for jewelry, it is somewhat lacking in the law of equivalence, we are currently providing GXT and we are working to increase and increase the value of GXT Token through various additional services.

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# 1. Introduction to GXT Project


## 1-1. Arrangement of terms regarding GXT

Classification	Meaning
GXT Platform	The service is available through GXT Token and GXT Cash as a platform that provides services such as GXT Platform shopping mall, Auction, luxury fashion miscellaneous goods and jewelry.
GXT Token	GXT Token is a utility token that is listed on the Public Cryptocurrency Exchange as a value-changing type and can be used in GXT Platform.
G-Pay	G-Pay is an Off Line Shop Payment System that recognizes and pays the holder's GXT QR code when purchasing a product with a GXT token.
Shopping Mall	Shopping Mall is a global online shopping mall that sells products for everyday life, luxury fashion goods, and jewelry.
Auction	Overseas Luxury Goods and Diamonds are sold through general auction and random auction, and can participate as GXT Token when participating in auction.
Diamond Brokerage Platform	Diamond's P2P transaction is available, and more than 10,000 diamonds are registered as a platform that provides consignment sales and shopping mall services, and you can select and purchase types and grades.
Luxury Shop	Offline shop is an editorial shop of several luxury brands, and refers to a store (a franchise) that can be used for service use and purchase goods through GXT Token.
Staking	For stable service and value of GXT Project and Token, it is a policy that GXT Token holders provide agreed rewards during the staking period..
Burning	All GXT Tokens used through transactions in the GXT Platform will be incinerated
Off –chain	It means storing data outside the Off-chain block chain, and seeking to reduce the data entered into the block by utilizing external network without increasing the size of the block, and this is the realistic direction of service technology that can be implemented as a block chain.
On-chain	When using services in the On-chain GXT Platform, transaction information on the main block network is registered on the block by synchronizing the details of transactions made with GXT Cash through off-chain transactions, and the information imported from the off-chain is uploaded on the block by summarizing only the key information.



# 1. Introduction to GXT Project

## 1-2. GXT General Qualification

- Token Name ----- GXT
- Symbol -----  GXT
- Total Issued Quantity ----- 500 million
- Algorithm ----- Ethereum / ERC 20
- Type ----- UTILITY
- Service Platform ----- GXT PLATFORM



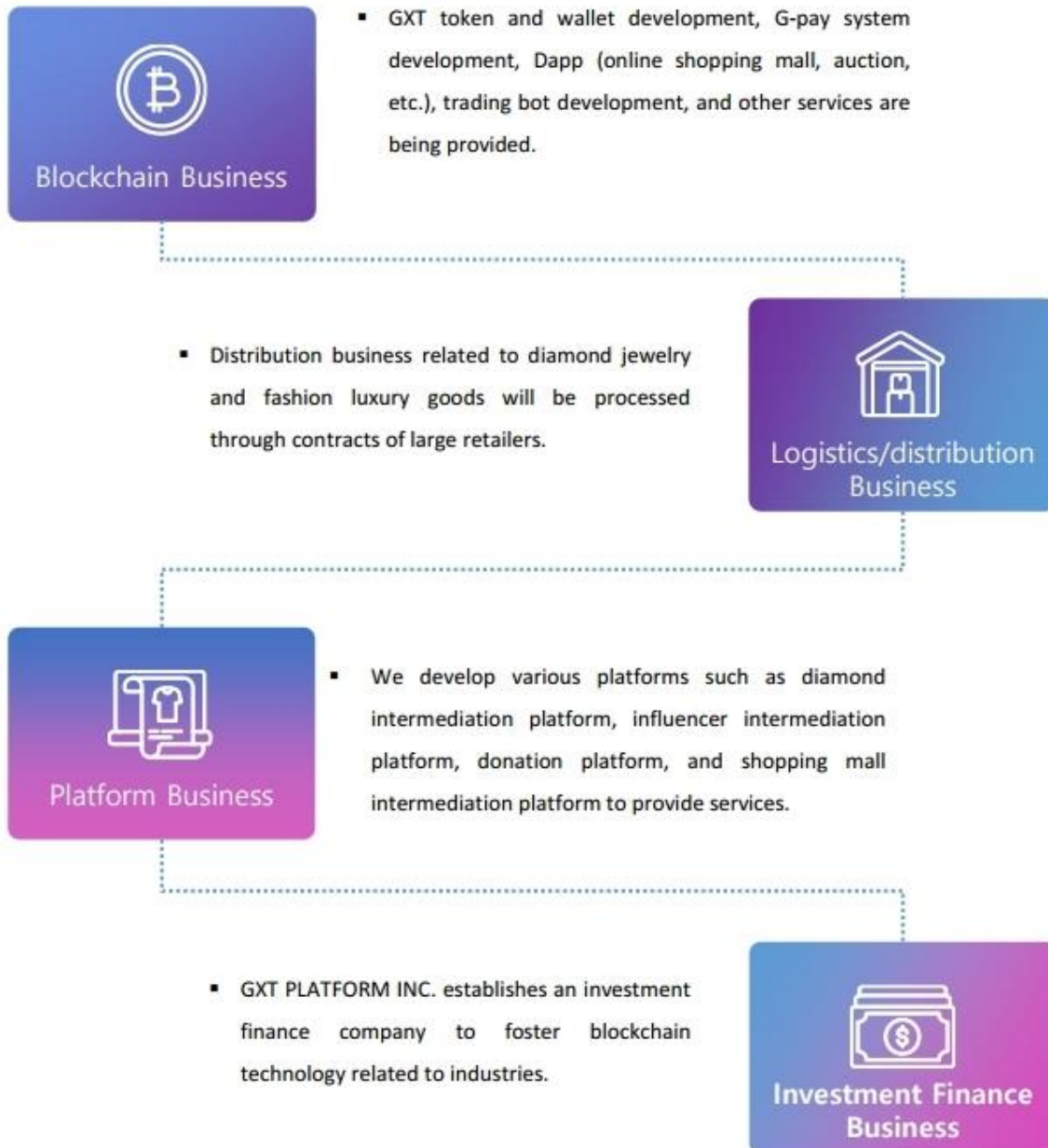
# GXT

## GEM EXCHANGE & TRADING

# 1. Introduction to GXT Project

## 1-3. GXT Business Range

GXT PLATFORM INC is promoting logistics/distribution business and platform business, and investment financial business based on blockchain-based technology.

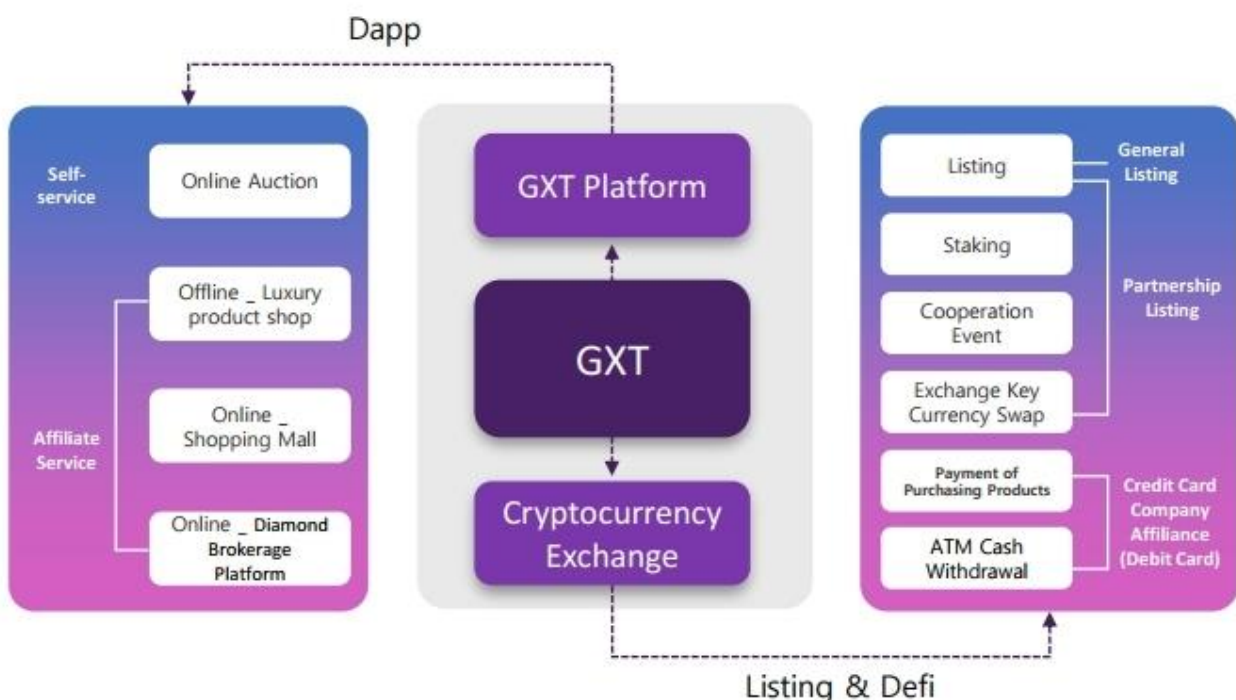


# 1. Introduction to GXT Project

## 1-4. GXT Token Ecosystem

GXT Token's ecosystem consists of service platforms, exchanges, and payment services, which work as important components of the token economy.

- GXT Token can be traded through cryptocurrency exchange listing and can be used in GXT Service Platform and Payment Service.
- GXT Platform has its own services, Auction (luxury and jewelry), and affiliate services such as online shopping malls (daily life goods), and diamond transaction platforms are being provided. (\* For the affiliated services, not only GXT Token, but also cash and credit card are possible for payment as well. )
- Cryptocurrency exchange is processing the listing after dividing by strategic partner exchange and general exchange. If it is partner exchange, more wide range relationships on listing, staking, and key currency swap will be established. (\* The exchanges that has met standards such as government approval, KYC & AML function, security system, will process in where customers' assets protection is possible.)
- The payment service will also list the debit card that can be used like cash through the credit card company's alliance, and is planning the service that can provide more convenience to GXT Token users.



# 1. Introduction to GXT Project

## 1-5. GXT Competitiveness

- **Composition of Real Economy and Cryptocurrency Ecosystem**

GXT Token is listed on the public exchange as an ERC2 based utility token, and in current GXT Service Platform, service (online shopping mall, auction, diamond intermediation platform, etc.) as GXT Token will be available for using. Furthermore, GXT PLATFORM INC. has the plan to develop cryptocurrency ecosystem further by fostering blockchain technology corporates through investment financial business.

- **Offline ecosystem configuration through FinTech solution technology**

GXT Token's payment method technology has independently developed a financial payment solution in the form of an electronic wallet so that payments can be made when purchasing products at offline stores (e.g., Jewelry Shop, Luxury Shop, etc.) by introducing QR code processing method, and is planning to activate the business by forming a consortium.

- **Validation of legal and technical evaluation of GXT Token**

GXT Token was certified as a utility token in a Legal Review through a law firm, and its final audit was approved by a trusted company for conducting a business stability assessment.

- **Incineration and publication of GXT Token**

GXT Tokens recovered from the GXT Service Platform are partially burned in considering the total amount used and traded, and the amount of incineration is determined by analyzing the amount used annually and the amount held in total issuance. This is to maintain the value of GXT Token and to ensure the stability of the service.

## 2. Introduction to GXT Platform

### 2-1. GXT Platform Key Configurations

GXT Platform is expanding its ecosystem so that users can use crypto more conveniently by developing various services based on a block chain.



- **GXT Wallet**

The GXT Wallet consists of Staking / Payment / Dapp (shopping malls, Auction, etc.) and has been developed as a reactive web.

- **Staking**

Staking of GXT Token is GXT PLATFORM INC's operating policy for stable system and business operations, and Staking is compensated differently according to quantity and time period.

- **G-Pay**

G-Pay is a payment system that enables GXT Token to be used in offline stores.

- **Dapp**

Dapp has its own developed auction and online shopping mall and diamond intermediation service is providing services through strategic alliance. All services can be paid by GXT Token during the process of using services and purchasing products.

# 2. Introduction to GXT Platform

## 2-2. GXT Platform Features and Advantages



Login



Dash Board



Remittance



Deposit

### [Function]

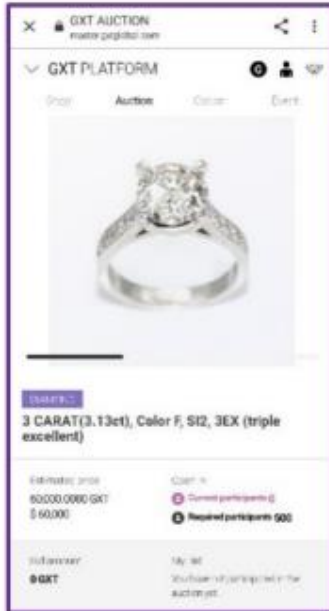
- GXT Platform is developed as a reactive web and is freely available on PCs and mobile devices.
- GXT Platform membership is made very easy and fast through mobile phone number and email authentication.
- Through the GXT Dash Board, you can check the quantity of GXT Token and other registered Token that you currently own, and it is convenient to deposit and transfer.
- "We can easily pay for services and products through coin (token) link at online merchants and QR code recognition at offline merchants."

### [Goods]

- The GXT Platform is linked to various services (Dapp) to provide quick and easy access to the service.
- GXT Platform operates a recommendation bonus system that provides GXT Token to new members when they register through friend recommendation.
- GXT Service Platform is protecting users' assets safely by applying specific security technologies.

## 2. Introduction to GXT Platform

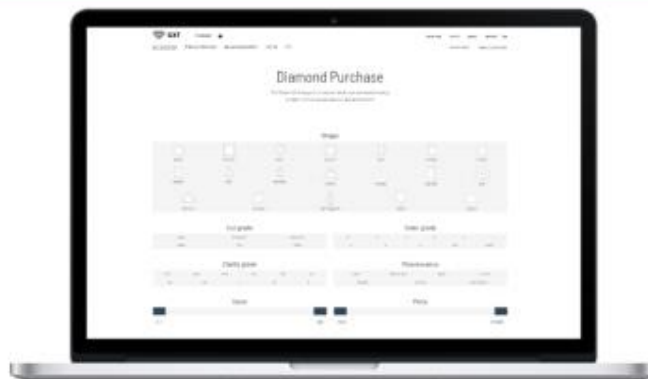
### 2-3. Dapp



### AUCTION

- The auction will be processed with diamond jewelry and luxury fashion products.
- Auction participation is just available by using GXT Token, and participation tickets have to be bought to participate in the auction.
- The auction will be processed with the highest bid method and random draw.
- The auction will be processed once or twice a month.
- The company will pay for the shipping insurance fee for the successful bid, the person who got the successful bid has to pay custom tax.

### Diamond Brokerage Platform



- GXT WORLD is available for diamond P2P transaction, and it is a platform providing consignment sales and shopping mall services.
- Users can choose type and grade of diamonds from more than 10,000 diamonds on the website.
- Guaranteed certificates will be provided for P2P transaction in GXT WORLD, and if Blockchain technology is applied in the future, diamond products can be guaranteed even without certificates.
- GXT WORLD is a strategic affiliate where diamond can be purchased by GXT Token.

## 2. Introduction to GXT Platform

### 2-3. Dapp



### Shopping Mall

More than 800,000 products are registered, and products can be purchased in legal currency as well as GXT Token. (\*5% to 100% of the product amount can be easily purchased using the crypto.)

### Luxury Shop & G-Pay



- Products can be purchased by GXT Token through partnership with luxury editing shop. (20~200% can be paid depending on the product)
- There are five affiliates across the country currently, and we are planning to increase affiliates.

### G-PAY



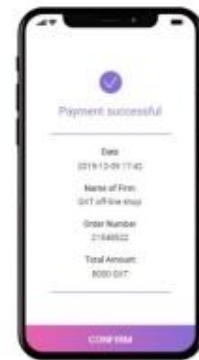
QR Code Vitalization



QR Code Message



Enter Password



Payment Successful

- Payment can be processed through G-Pay payment terminal developed by GXT Platform. (QR code recognition method payment)
- The GXT Token has been paid will be returned to the company's GXT wallet with name of company.



## 3. Major Partners

### Xangle

**Xangle** is an information disclosure platform built to improve the crypto market to a transparent and reliable information environment, and the platform provides services that collect information from crypto projects and disclose corporate information and disclose information transparently.

In addition, Xangle has a network with the global exchange, and many crypto exchanges have confidence in the report provided by Xangle, so it can be listed on the global exchange on good terms.

We, GXT PLATFORM INC. are working on various projects with Xangle and have been recognized as a viable project as a result of the Xangle Report.

### HAECHE LABS

**Haechi Labs** is a company that finds security vulnerabilities in smart contracts and provides audit services, commissioned by many companies, and projects that receive results reports from Hatch Labs are market-recognized for technology and security.

Major customers of Hatch Labs include leading ICT (Information Communication Technology) companies such as SK Telecom, Coinplug, and Kakao Ground X, LG Group, and Shinhan Bank, which are also provided with consulting when establishing digital switching strategies such as linking existing services with block chain.

GXT PLATFORM INC. has passed technical and security inspections with Hatch Labs and will work with Hatch Labs to upgrade and build services for the GXT platform.



The **XIGNAL Exchange** is a global exchange that allows Fiat trading and provides bank accounts to foreigners. We are currently preparing for the exchange business after receiving the first exchange license in the southwestern Asian country.

XIGNAL exchanges are business-special partners, and GXT PLATFORM INC. shares the technology (patent) held by GXT PLATFORM INC. with XIGNAL, while XIGNAL exchanges have contracted to open non-face-to-face bank accounts for GXT Token holders. The XIGNAL Exchange is preparing to open its service in the first half of 2021.

## 4. GXT Blockchain Tech.

### 4-1. GXT On-Chain Blockchain Platform Ethereum

Ethereum is a distributed computing platform created based on block chain technology. Ethereum is an advanced block chain technology from Bitcoin, which stores simple transaction records and is only used as a means of payment, and provides tools, libraries, and APIs for third-party developers to develop their own DAPP SERVICE.

The biggest difference with Bitcoin is that it provides smart contracts in these development environments and complete turing languages to configure core logic and algorithms for services. However, conventional block-making mechanisms have created a high cost of maintaining nodes and have caused a pull for mining companies, such as mining workshops.

CryptoKitties, the first block chain game, was represented by Ethereum Blockchain-based DAPP, revealing the limitations of Ethereum. The explosive attention of CryptoKitties has driven unprecedented traffic to the Ethereum network, which has caused delays in the service to make it impossible to reproduce or sell cats on time.

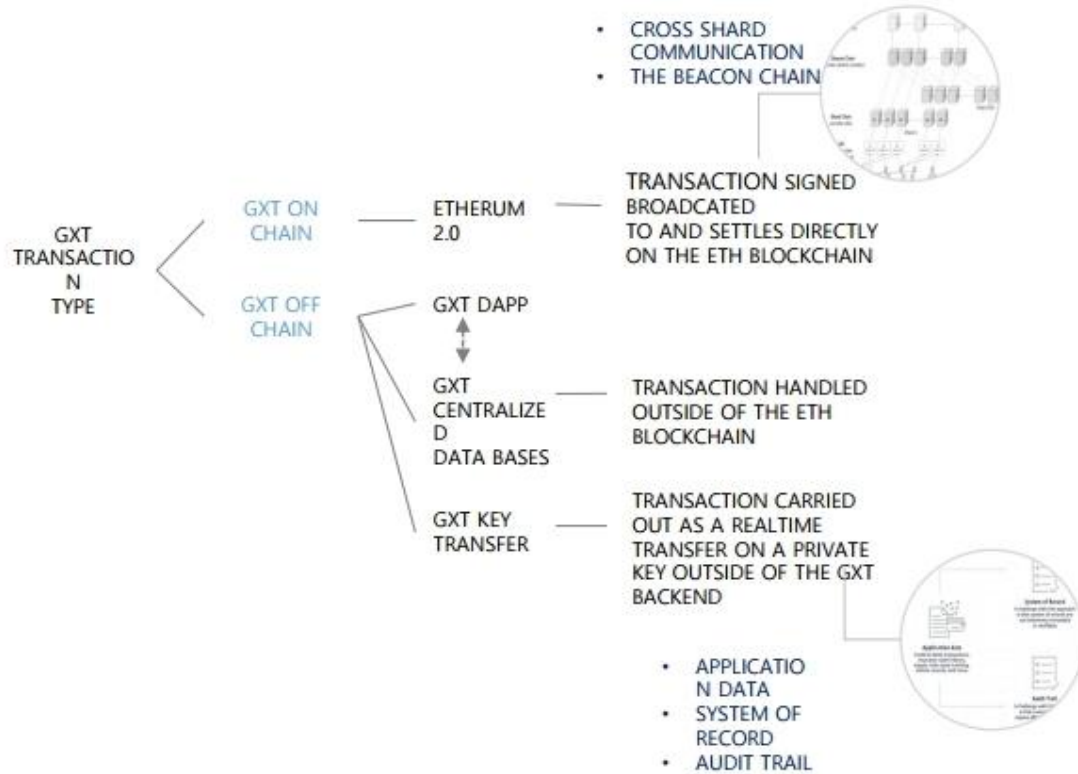
To compensate for this problem, Ethereum has been developing 2.0, and recently the test net Zinken has been successfully distributed. Ethereum's 2.0 Test Net ran error-free as a final test net and is expected to be released within the year, with a participation rate of over 75% since the first block was created, successfully leading the threshold. Ethereum 2.0 will be implemented on a run schedule of 0 – Beacon Chain Phase 1 – Shard Phase 2.

Ethereum will announce 2.0 and the consensus algorithm will change from Pow to Pos. The introduction of Shard is expected to lower the cost of fees incurred so far, as blocks are created through the equity method of holding Ethereum, away from expensive mining operations. Also, we expect it to expand to 100,000 TPS by introducing Shard technology in terms of the speed of contract signing, which has been a problem. In the meantime, it is expected that users will experience little delay in handling events at the actual DAPP.

The GXT platform is developing advanced services in line with the introduction of Ethereum 2.0. We will link the data of OFF-CHAIN through the ON-CHAIN Ethereum platform with the GXT system and establish commerce and FinTech platform services.

# 4. GXT Blockchain Tech.

## 4-2. GXT Network Chain Structure



### ▪ On-chain transaction (GXT MAIN)

On-chain (Ethereum Protocol) registers transaction information on the GXT main block chain network by synchronizing the accumulated information through GXT off-chain transactions. At this time, only the necessary information is registered on the block by minimizing the information from the off-chain.

### ▪ Off-chain transaction (GXT SUBNETWORK)

The GXT platform service requires a recording system application repository to track and store sensitive data. Important data include credit/input transactions/internal regulatory data (e.g. GDPR) in GXT accounts, and GXT COMMERCIAL SERVICES. This information records the traditional database in a traditional way. Using relational databases to build auditing capabilities can make mistakes and require custom development, making it difficult to track and verify unintended data changes. By building a cloud-delivered off-chain system, GXT leverages a scalable serverless architecture to easily verify the integrity of past records. By effectively managing and connecting data generated from numerous off-chain logic to the on-chain, we aim to create a hybrid GXT system with a centralized and distributed ownership operation.

# 4. GXT Blockchain Tech.

## 4-3. GXT Network Chain Structure

- **On-Chain + Off Chain**

The GXT service platform will be available anytime, anywhere with SERVICES through GXT TOKEN, which is the main currency of the global exchange, and aims to build financial transaction services. Currently, about 20,000 people use the GXT service platform, and the number of monthly use reaches 100,000.

The data generated by the GXT service platform generates countless transactions in real time, and the result information must be known immediately.

Transaction processing cannot respond to real-time services with the mainnet's on-chain. (Because of the impact of payment response speed on block creation) That's why GXT manages and processes many information registered and stored on the front DAPP and Service Manager screens in off-chain.

Upload the final result value to the on-board (Ethereum) block to specify completeness for integrity. The off-chain layer will sign the results, but the final result information will be broadcast over a separate network and fed outside the Ethereum Blockchain.

- **On-Chain / Off-Chain Structural Needs of GXT**

### Transaction processing speed

After a transaction occurs, it takes quite a long time for the transaction to propagate to the block chain network and be finalized. If GXT is used as a payment method in GXT's commercial service, it will take several seconds for Ethereum to generate blocks and deliver this result. This is because services that need to be handled quickly are not handled by the on-chain and must be handled by the off-chain.

### Private

All details of transactions going up in the block chain are disclosed to everyone through open books. However, if you need to generate a transaction that contains personal information that you don't want to disclose, you can process it off-chain.

### Cost/Extensionality

When validate the transaction, we have to pay the fee to the miners but we can only deal with few transactions per second (TPS). So if you're doing services like frequent micro-payment on the current online, you might have to pay more fees than the amount of money sent.



Centralized Network



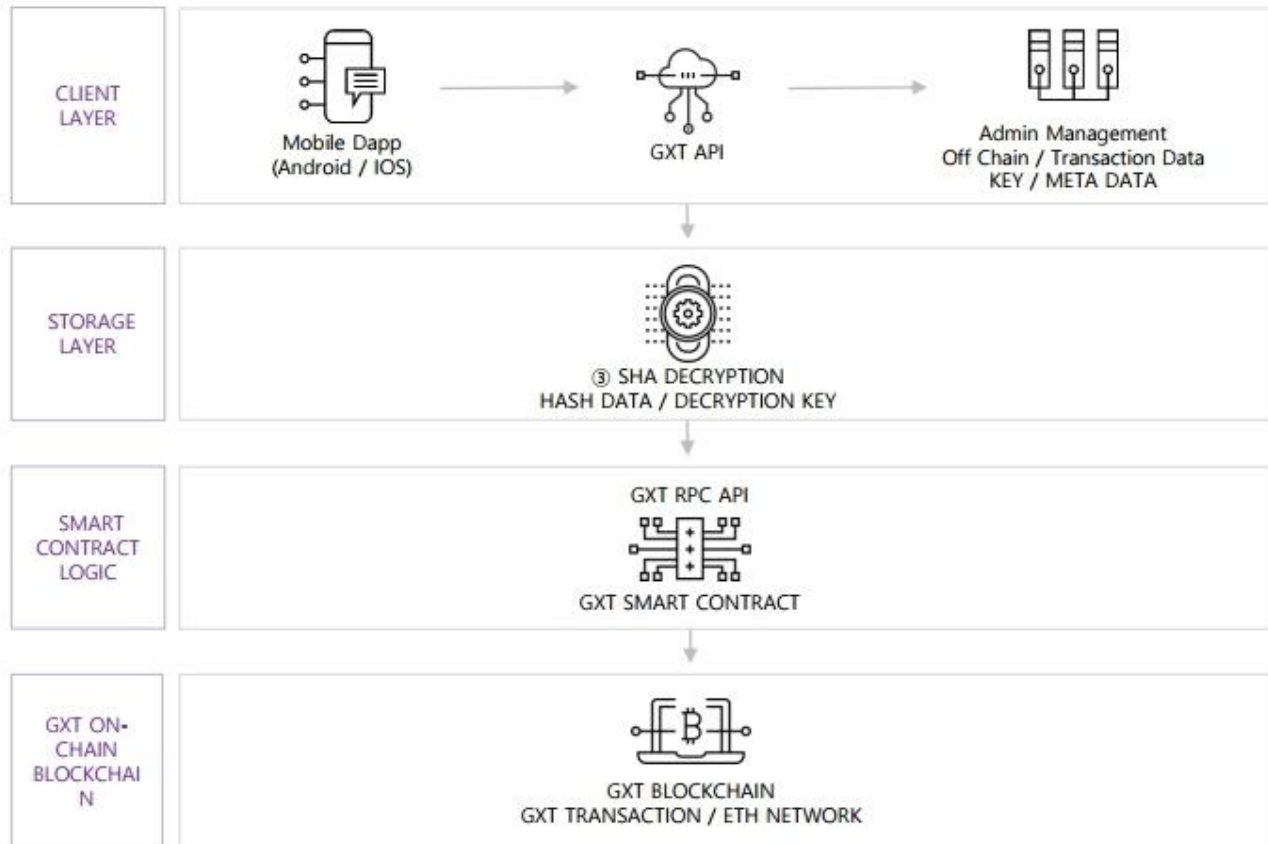
Decentralized Network



GXT HIBRID Network

# 4. GXT Blockchain Tech.

## 4-4. GXT System Architecture



### CLIENT LAYER

: Provides a block chain application interface. Sends data used by services in the GXT Platform to the server via the GXT API to the End Point..

### STORAGE LAYER

: The data linked to GXT turns to be Hash Code and operate the role as accumulating information on transaction.

### GXT ONCHAIN LAYER

: Validate your transaction with the node where the transaction occurred and share the transaction history. If there are nodes that are propagated to other nodes and are judged to be malicious attacks, they are synchronized to transactions that have been initialized and verified for integrity.

### GXT ON-CHAIN BLOCKCHAIN

: The storage space of the block chain data structure. Store META DATA delivered from Dapp and blocks containing Merck Tree, certified digital sign information, hash, and transactions.

## 4. GXT Blockchain Tech.

### 4-5. GXT Smart Contract

- **Identity Accreditation Contract Code**

When users register for the GXT membership, users need to set up Google OTP and secondary passwords after completing KYC verification, and the stored customer information will be encrypted and administrated by the secure DB server.

- **Reward Contract Code**

Customers who use the services provided by GXT PLATFORM INC can receive GXT TOKEN as a reward for purchase information and activity. You can get an additional discount when purchasing content using GXT TOKEN, and you can receive buyback a portion of the content cost. The buyback can be confirmed through the smart contract of GXT Token in the future, and an appropriate ratio will be composed in the contract according to the platform's profit structure.

- **Payment Contract Code**

Content registered on the GXT platform is priced by the provider for the product, and when the consumer accepts the payment, a bilateral payment agreement code is executed. As soon as the content is received by the end user, the contract is completed. The settlement process is also carried out through smart contracts, and we want to establish an efficient settlement system.

- **Staking Contract Code**

Through the staking service, code to stake the assets of GXT TOKEN holders is executed. GXT Token's staking generates revenue, which is implemented in a similar context to the deposit instrument from a financial perspective. There will be an unbonded period for staking, and by establishing a process for managing the staking module, we will create an infrastructure that can communicate between the staking module in the core and smart contracts.

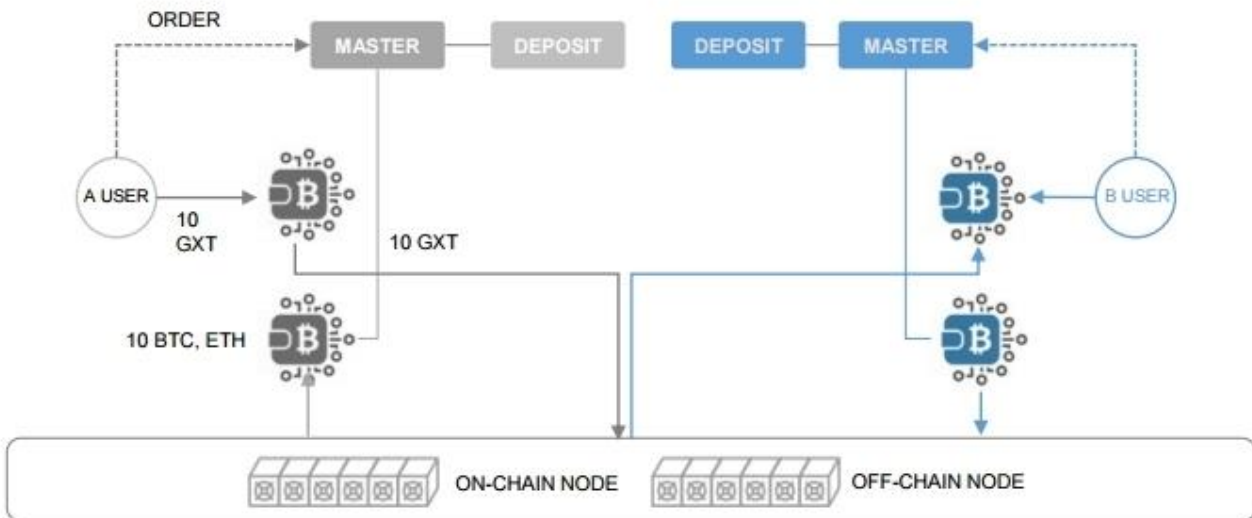
- **Security transaction security and fraud prevention**

The GXT service platform protects servers, clients, networks, and data through security solutions and When an abnormality occurs in the tracking information on the off-chain related to GXT Token illegal payment, it detects it, and implements the illegal payment prevention and black list account as SMART CONTRACT.

# 4. GXT Blockchain Tech.

## 4-5. GXT Smart Contract

### ▪ GXT Smart Contract Procedure



### ▪ How GXT Electronic Signatures Work

For example, suppose that the GXT Service Platform service is used as the Ethereum

1. The node electronically signs transaction information through SIGNING and confirms it in the off-chain.
2. The off-chain node raises its shares with the signature.
3. When a transaction is approved by the GXT network, the node is rewarded by a smart contract.
4. Once the shares in the node are unlocked, the amount of coins received will increase.
5. The transferred node will confirm more honest transactions and increase its shares.

### ▪ Node Types and Features

All nodes in the GXT network are responsible for modular operation.

Generic node : Connects to a simple P2P network to ensure network functionality and decentralization.

Full node : Provides the ability to view the entire transaction history of the network.

Master node : Supports application layer subnetworks that run GXT layer and app layer algorithms.

Bridge : Supports protocols that link data sent to off-chain and on-chain networks.

Service Node: Perform the predetermined logic operation to ensure the functionality of GXT Service Platform.

# 5. GXT Members



**SCOTT MATHEINA**  
CEO (Singapore & global)

- World Foundation Customer Support Manager / Community Manager / DevOps
- BlockchainOS, Inc. US Branch Manager & Global Customer Support Manager
- Senior Operations Manager (United States Army)



**JR Davis**  
CEO (India)

- GXT CUTTING & POLISHING CEO (India)
- Cutting & Polishing & Trading



**Keith Tan**  
CEO (Singapore)

- Business Development Manager
- Director of Business Development
- [LinkedIn](#)



**LI ZUOJUN**  
COO (Dubai)

- GXT Trading COO (Dubai)
- Trading & Sales & Finance



**Liu Gang**  
CTO (China)

- Renren.net Development and Operation Officer
- China Alibaba Platform Officer CTO
- China Baidu Mobile Platform Operations Officer CTO
- China COIN BIRDS Blockchain Media CEO



**Henry Kim**  
CTO (Korea)

- Current Chief Executive Officer of MTO Association LLC
- Current NIOK Group Representative Director
- Former Los Child Bank Asia Investment Partner
- China COIN BIRDS Blockchain Media CEO
- [LinkedIn](#)



**RASHID JEMAL**  
Director (Tanzania)

- MANAGING DIRECTOR (Tanzania)
- GOLD AND DIAMOND MINING COMPANY
- Former Los Child Bank Asia Investment Partner
- Senior technician power generation unit



**Irvan T**  
CEO (Indonesia)

- Blockchain Trailblazer
- Building partnerships in the Blockchain and Cryptocurrency space.
- Consult and support Marketing strategies for Tech Unicorns
- [LinkedIn](#)



**Lily Pham**  
Marketing Manager

- Teacher of technical analysis
- Investment strategy consultant
- [LinkedIn](#)



**Nette Ramos**  
Marketing Manager

- Harvard Extension School
- Strong information technology professional
- Management and Operations
- [LinkedIn](#)



**Anne Shokrian**  
Marketing Manager

- Communication & Event manager



**Tricia Gabrielle**  
Project Manager

- Strategic Communications
- [LinkedIn](#)



# 5. GXT Members



**Mark Dave M.**  
Project Speaker

- Project management, business consulting, marketing consulting, public relations, software custom development, speech, IT consulting, digital marketing, web development and business analysis
- [linkedin](#)



**Yoottapong**  
Marketing Manager

- Managing Director
- Business Development Executive
- Business Development Managing
- [linkedin](#)



**Myrtle A**  
Marketing Manager

- PR company for Tech and Blockchain HQ
- [linkedin](#)



**Mohd Shoaib**  
Marketing Manager

- CEO and Marketing Manager of Digital Notice Media Labs
- Keynote Speaker, Blockchain Educator and Enthusiast, Entrepreneur, Influencer and Technology Futurist.
- [linkedin](#)



**Aqeel Ahmed**  
Marketing Manager

- Global Marketing Advisor
- [linkedin](#)



**R.W**  
Legal Counsel

- Legal Counsel



**Louis Leakey**  
Analyst (Kenya)

- Trade Network Agency



**Daniel Hagelstrom**  
Blockchain Leader

- Latin America at Oracle

# 6. Issuance and Operations Policy

GXT issued a total of **500 million tokens**.

- Ecosystem & Holder Compensation ..... 250 million Tokens.
- Holding Foundation ..... 100 million Tokens.
- Incineration & Exchange ..... 50 million Tokens.
- Sales ..... 150 million Tokens.

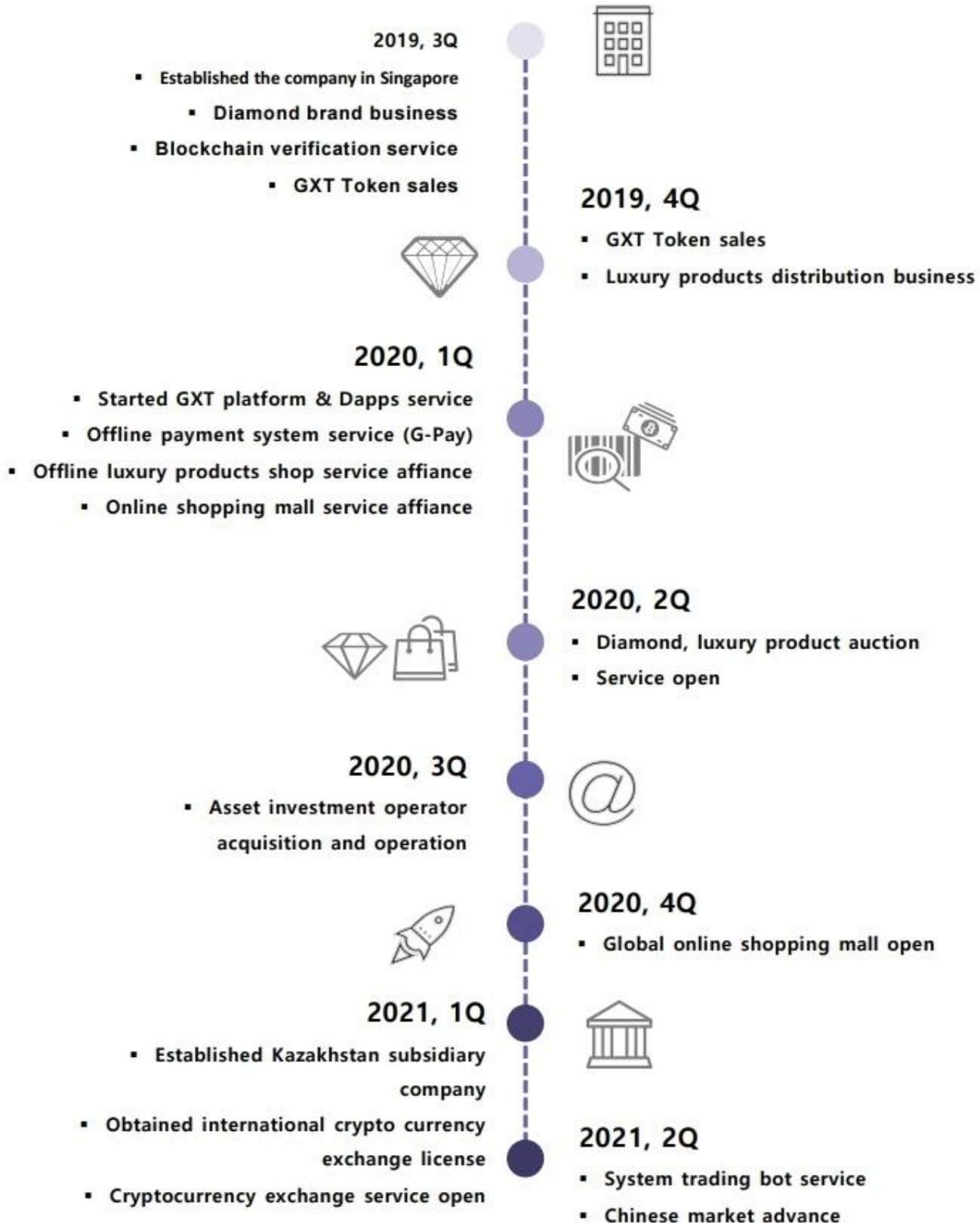


**120 million tokens** Allocated to Sale

- System R&D ..... 40%
- Marketing ..... 20%
- Operating ..... 20%
- Bonus ..... 20%



# 7. ROADMAP



## 8. VISION

"Based on the real economy, GXT creates a new cryptocurrency system and true value of cryptocurrency."



- GXT SERVICE PLATFORM is expanding into a variety of convenience services, focusing on blockchain-based diamond and luxury distribution services, and it is developing into a platform for global users.
- The GXT token has been listed on a big global exchange and it is trying to become a global universal token as its value has been recognized.
- GXT PLATFORM INC. will lead blockchain ecosystem as it investment in companies that offer blockchain-based services (Dapp).

## 9. Legal Notices and Disclaimers

Please read this entire section carefully. If you are in any doubt as to the action you should take, please consult your legal, financial, tax or other professional advisor(s).

### 9.1 Legal Statement

(a) This whitepaper ("Whitepaper"), in its current form, is circulated for general information purposes only in relation to the GXT project as presently conceived and is subject to review and revision. Please note that this Whitepaper is a work in progress and the information in this Whitepaper is current only as of the date on the cover hereof. Thereafter, the information, including information concerning their GXT business operations and financial conditions, may have changed. We reserve the right to update the Whitepaper from time to time.

(b) No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of GXT Tokens and no payment is to be accepted on the basis of this Whitepaper. Any sale and purchase of GXT Tokens will be governed by a legally binding agreement, the details of which will be made available separately from this Whitepaper. In the event of any inconsistencies between the abovementioned agreement and this Whitepaper, the former shall prevail.

(c) This Whitepaper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by the issuer/distributor/vendor of GXT Tokens to purchase any GXT Tokens nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision.

(d) GXT Token is not intended to constitute securities, units in a business trust, or units in a collective investment scheme, each as defined under the Securities its equivalent in any other jurisdiction. Accordingly, this Whitepaper therefore, does not, and is not intended to, constitute a prospectus, profile statement, or offer document of any sort, and should not be construed as an offer of securities of any form, units in a business trust, units in a collective investment scheme or any other form of investment, or a solicitation for any form of investment in any jurisdiction.

(e) GXT tokens should not be understood, interpreted, classified or treated as an opportunity for buyers to participate in the GXT platform, GXT tokens, products, or to receive investment returns/income/payments/profits or any portion of the amount. (f) This Whitepaper or any part here of may not be reproduced, distributed or otherwise disseminated in any jurisdiction where offering coins/tokens in the manner set out this Whitepaper is regulated or prohibited.

(f) Where you wish to purchase any GXT Token, the GXT Token are not to be construed, interpreted, classified or treated as: (1) any kind of currency other than cryptocurrency; (2) debentures, stocks or shares issued by any entity; (3) rights, derivatives in respect of such debentures, stocks or shares; (4) rights under a contract for differences or under any other contract with the purpose or pretended purpose to secure a profit or avoid a loss; or (5) units or derivatives in a collective investment scheme or business trust, or any other type of securities.

### 9.2 Restrictions on Distribution and Dissemination

(a) The distribution or dissemination of this Whitepaper or any part thereof may be prohibited or restricted by the laws or regulatory requirements of any jurisdiction. In the case where restriction applies, you are to inform yourself about, to obtain legal and other relevant advice on, and to observe, any restrictions which are applicable to your possession of this Whitepaper or such part thereof (as the case may be) at your own expense and without liability to GXT Token or its representatives, agents, and related companies ("Affiliates").

(b) Persons to whom a copy of this Whitepaper has been distributed or disseminated, provided access to or who otherwise have the Whitepaper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this Whitepaper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

## 9. Legal Notices and Disclaimers

### 9.3 Disclaimer of Liability

(a) The GXT Token and related services provided by GXT Company and its Affiliates are provided on an “as is” and “as available” basis. GXT Company and its Affiliates do not grant any warranties or make any representation, express or implied or otherwise, as to the accessibility, quality, suitability, accuracy, adequacy, or completeness of the GXT Token or any related services provided by GXT Company and its Affiliates.

(b) GXT Company and its Affiliates do not make or purport to make, and hereby disclaim, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this Whitepaper.

(c) To the maximum extent permitted by the applicable laws and regulations, GXT Company and its Affiliates shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Whitepaper or any part thereof by you.

### 9.4 Cautionary Note on Forward-Looking Statements

(a) Certain information set forth in this Whitepaper includes forward-looking information regarding the future of the project, future events and projections. These statements are not statements of historical fact and may be identified by but not limited to words and phrases such as “will”, “estimate”, “believe”, “expect”, “project”, “anticipate”, or words of similar meaning. Such forward-looking statements are also included in other publicly available materials such as presentations, interviews, videos etc., information contained in this Whitepaper constitutes forward-looking statements including but not limited to future results, performance, or achievements of GXT Company or its Affiliates.

(b) The forward-looking statements involve a variety of risks and uncertainties. These statements are not guarantees of future performance and no undue reliance should be placed on them. Should any of these risks or uncertainties materialise, the actual performance and progress of GXT Company or its Affiliates might differ from expectations set by the forward-looking statements. GXT Company or its Affiliates undertake no obligation to update forward-looking statements should there be any change in circumstances. By acting upon forward-looking information received from this Whitepaper, GXT Company or its Affiliates’ website and other materials produced by GXT Company or its Affiliates, you personally bear full responsibility in the event where the forward-looking statements do not materialize.

(c) As of the date of this Whitepaper, the GXT service platform has not been completed and is not fully operational. Any description pertaining to and regarding the GXT service platform is made on the basis that the GXT service platform will be completed and be fully operational.

However, this paragraph shall in no way be construed as providing any form of guarantee or assurance that the GXT service platform will eventually be completed or be fully operational.

### 9.5 Potential Risks

(a) Please carefully read every piece of information, understand and analyse the risks and related factors before deciding to participate and purchase the GXT. The risks include, but are not limited to:

(i) risk of losing access to GXT Token due to loss of identification information, loss of requisite private key(s) associated with the digital wallet storing the GXT Token or any other kind of custodial or purchaser errors;

## 9. Legal Notices and Disclaimers

- (ii) fluctuations of the value of GXT Token post-issuance due to the general global market and economic conditions. Such volatility in the value of the GXT Token may lead to GXT Token not being able to fund the development of the GXT service platform, or may not be able to maintain the GXT service platform in the manner intended;
- (iii) changes in political, social, economic and stock or cryptocurrency market conditions, and the regulatory environment in the countries in which GXT Company or its Affiliates conduct their businesses and operations, and the ability of GXT Company or its Affiliates to survive or compete under such conditions. It is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology, which may be contrary to the GXT Token and/or the GXT service platform which may, inter alia, result in substantial modifications of the GXT service platform and the GXT service project, including termination and loss of GXT Token;
- (iv) changes in the future capital needs of GXT Company or its Affiliates and the availability of financing and capital to fund such needs. A lack of funding could impact the development of the GXT service platform and the uses or potential value of the GXT Token;
- (v) for a number of reasons including, but not limited to, an unfavorable fluctuation in the value of GXT Token, the failure of business relationships or competing intellectual property claims during development or operation, the GXT service platform may no longer be a viable activity and may be dissolved or simply not launched, negatively impacting the GXT service platform, the GXT Token and the potential utility of the GXT Token;
- (vi) the lack of interest from large number of companies, individuals and other organizations for the GXT service platform and services and that there may be limited public interest in the creation and development of distributed applications. Such a lack of interest could lead to a lack of funding and also impact the development of the GXT service platform and the uses or potential value of the GXT Token;
- (vii) significant changes made to the features or specifications of the GXT Token or the GXT service platform before the release or implementation of the GXT service project and/or the GXT service platform. While GXT intends for the GXT Token and the GXT service platform to function as described in the Whitepaper, GXT may nevertheless make such changes.
- (viii) competition from alternative platforms that may have been established, which could potentially adversely impact the GXT Token and the GXT service platform (e.g. lack of commercial success or prospects caused by competing projects);
- (ix) interference with the use of GXT Token and the infrastructure of the GXT service platform due to any weaknesses or malware that may be intentionally or unintentionally introduced into the software of the GXT service platform, whether or not by a third party. The blockchain used for the platform is also vulnerable to attacks which pose a risk to the platform and the performance of related services;
- (x) occurrences of catastrophic events, natural disasters and acts of God that affect the businesses or operations of GXT Company or its Affiliates and other factors beyond the control of GXT Company or its Affiliates. This includes mining attacks, attacks by hackers or other individuals that could result in theft or loss of proceeds of the GXT Token sale, or the GXT Token and impacting the ability to develop the GXT service platform;
- (xi) GXT Token and other cryptocurrencies are a new, untested technology and constantly developing. The full functionality of the GXT Token are not yet complete and no assurance can be provided of such completion. As technology matures, developments in cryptographic technologies and techniques or changes in consensus protocol or algorithms could present risks to the GXT Token, the GXT Token sale, the GXT service platform including the utility of the GXT Token;
- (xii) GXT Token confer no governance rights of any kind with respect to the GXT service platform project and/or GXT and all decisions will be made by GXT at its sole discretion, including decisions to discontinue the GXT's products or services, the GXT service platform project and/or GXT service platform to create and sell more GXT Token for use in the GXT service platform or to sell or liquidate GXT Token; and

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(xiii) The tax treatment and accounting of the GXT Token is uncertain and may vary amongst jurisdictions. There may be adverse tax consequences and independent tax advice in connection with purchasing GXT Token should be obtained.

In addition to the risks stipulated above, there are other risks that GXT Company and its Affiliates cannot predict. Risks may also occur as unanticipated combinations or as changes in the risks stipulated herein.

If any of such risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of GXT Company or its Affiliates could be materially and adversely affected. In such cases, you may lose all or part of the value of the GXT Token.

### 9.6 No Further Information or Update

No person has been or is authorised to give any information or representation not contained in this Whitepaper in connection with the GXT Token, GXT Company or its Affiliates and their respective businesses and operations, and, if given, such information or representation must not be relied upon as having been authorised by or on behalf of GXT Company or its Affiliates.

### 9.7 No Advice

No information in this Whitepaper should be considered to be business, legal, financial or tax advice regarding the GXT Token, GXT Company or its Affiliates. You should consult your own legal, financial, tax or other professional advisor(s) regarding the GXT Token, GXT Company or its Affiliates and their respective businesses and operations. You should be aware that you may be required to bear the financial risk of any purchase of GXT Token for an indefinite period of time.





GXT

THANK YOU

BIG DATA

recently

currently

concluding remarks

BIG DATA

concluding remarks

some time

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