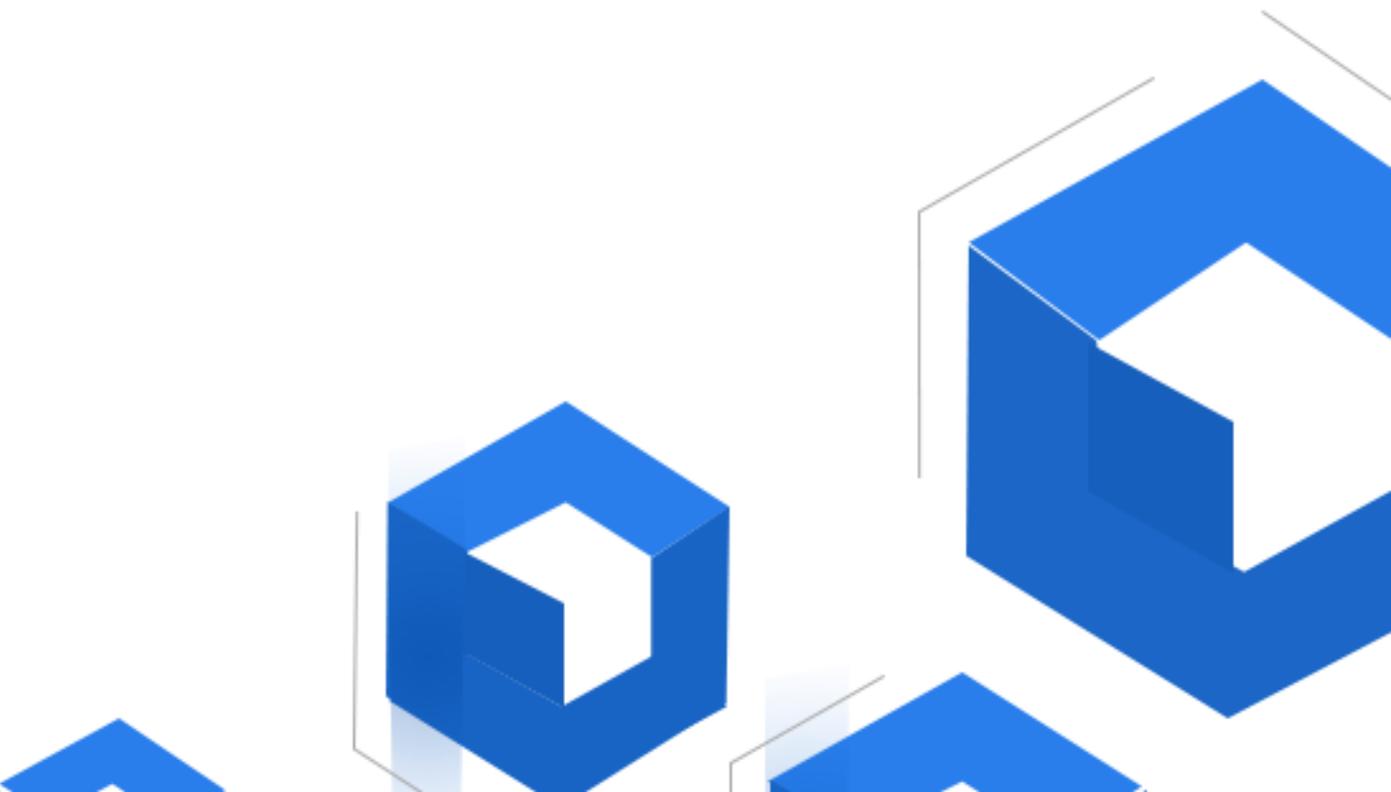


USECHAIN

Mirror Identity Blockchain Ecosystem

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Project Whitepaper V2.0

2019-01-10

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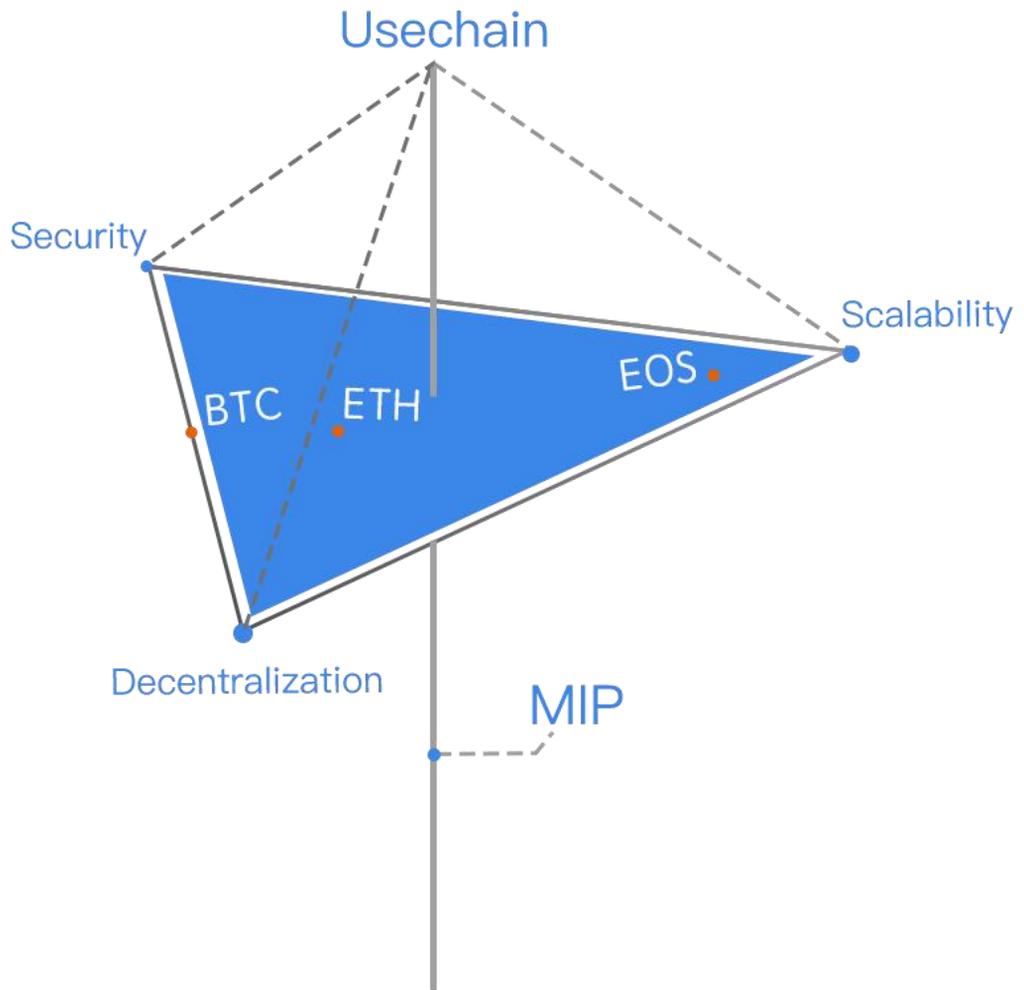
I

EXECUTIVE SUMMARY

Usechain is dedicated to developing the first mirror identity blockchain ecosystem of its kind. Based on existing blockchain technology, Usechain is built on the Mirror Identity Protocol and integrates innovation in technology and structural design, which can be used to remove the existing bottlenecks in the blockchain development process, provide the technological infrastructure for the future virtual world, build an identity blockchain system that is based on a new technical structure, develop more widely-used Dapps and provide underlying technical support for the development of applications in finance, consumption, entertainment, social networking, games, the Internet of Things (“IoT”), supply chain management, asset management and social management.

Featuring the same level of security and privacy between the identity blockchain and anonymous public blockchain, Usechain can provide the infrastructure with support for Dapps for various industries via the use of the Mirror Identity Protocol (“MIP”) and the separation of identity and identity verification based on zero-knowledge proof. At the same time, through innovation in technology and structural design, Usechain aims to solve the “Impossible Trinity” of blockchain technology, achieving the perfect balance between scalability, security and decentralization.

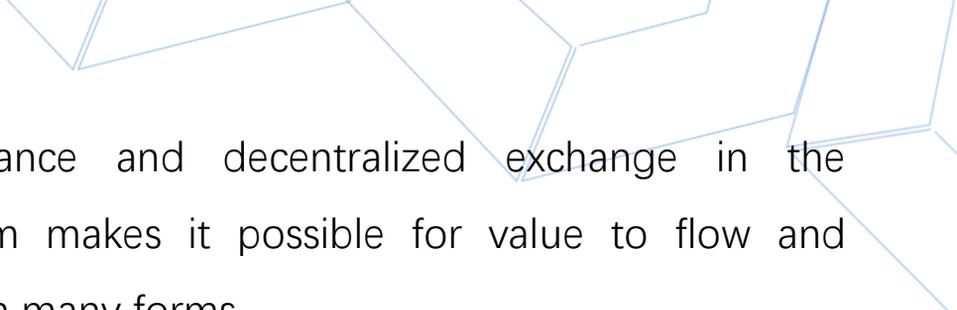
Drawing upon commercial and academic support from top business schools, Usechain will work together with established companies from various industries to quickly scale the user base and bolster the development of the Usechain ecosystem.



Compared with current mainstream public blockchains like BTC, ETH and EOS, Usechain solves the “Impossible Trinity” among scale, security and decentralization and provides a new way to design the application scenarios based on massive use of identity since it is built on MIP and receives multi-level reorganizations in underlying level of blockchain.

	Usechain	Bitcoin	Ethereum	EOS
Consensus	RPOW	POW	POW	DPOS
Security level	Higher	High	Higher	Low
Performance	Thousands TPS	7 TPS	25 TPS	Thousands TPS
Decentralization	Yes	Yes	Yes	Partly decentralized

The core idea of Usechain is the adding of value to identity. Usechain aims to build a new blockchain commercial model based on MIP and a comprehensive bottom-up reorganisation, which will go far beyond the traditional models like the “identity data economy” and “identity trust model”. Usechain will support decentralized Dapps for financial services to be developed in the future. For example, a seamless channel between the real and digital world can be built by the use of the personalized identity token, thus making it possible to “tokenise” people, organizations, and assets with identity tokens.



The high-performance and decentralized exchange in the Usechain ecosystem makes it possible for value to flow and operate efficiently in many forms.

To grow the identity mirror blockchain ecosystem, Usechain will continually build the platform and input high-quality resources based on a solid technological foundation and commercial and academic support from top business schools. At the same time, Usechain will promote the development and iteration of commercial projects together with leading commerce and application platforms in various industries, gradually forming a blockchain-based economic system to improve industry efficiency. We will work with community to accelerate the development of the Usechain ecosystem and lead the industry into blockchain 3.0 in the future.



PART I

INTRODUCTION

1. Blockchain Industry

Blockchain technology and the blockchain industry have made great progress since 2009. Bitcoin and Ethereum have brought about innovative ideas and concepts such as “decentralized currency” and “smart contracts” into the world of blockchain technology. The blockchain technology and cryptocurrency have given society the potential to be autonomous and secured. However, performance inefficiency, poor scalability and a high technical threshold have thus far limited blockchain technology applications to cryptocurrency trading and exchange. Although many underlying blockchain communities have made tremendous contributions to optimizing the technology, blockchain technology has yet to be adopted by the mass market to the extent that the Internet has because of the lack of commercial support and weak market connection. The huge potential market value of the blockchain industry has not been fully recognized.

2. Blockchain Industry Bottlenecks

The birth of Bitcoin started the era of blockchain 1.0. A finite total supply and declining production make Bitcoin a highly sought-after commodity by investors. However, Bitcoin is also widely criticized for low transaction performance and high power consumption.

Blockchain 2.0 is based on Ethereum. Ethereum allows for easier exchange of different cryptocurrencies, and also the use of smart contracts. It has also proven to be an effective crowd funding platform which provides a channel to connect blockchain technology and industry development with capital investment and a gateway to develop and build the blockchain industry globally.

Apart from token creation and distribution, Ethereum has yet to provide a platform for value exchange that can be adopted by the public in their daily life. Many blockchain companies are looking for commercially viable applications of blockchain technology.

In the blockchain world, people need an ecosystem that can be adopted into their daily lives , support various transaction scenarios and bring value to the masses. Presently, there are many bottlenecks in the cryptocurrency and blockchain technology development process. The 3 major problems are listed as below:



Low performance

Existing blockchain networks such as Bitcoin and Ethereum play a crucial role in blockchain ecosystem. However, they have not yet been adopted into people's lives to the extent of apps like Alipay. At present, Bitcoin and Ethereum can only support 7 and 25 transactions per second respectively, which far below the number of transactions that VISA supports. The slow transaction speed of existing blockchain systems makes it difficult for mass market adoption.



Anonymous environment

The existing blockchain industry's core applications are centered on anonymity. The on-chain address of cryptocurrency account does not have any association with the user's real identity off-chain, making it a channel for criminal activities such as money laundering, drug trafficking, smuggling and illegal fundraising. Most potential mass market applications for blockchain technology will require the service providers to perform KYC and AML checks in order to be compliant with regulations.



High technical difficulties

Currently, it is still difficult to build mainstream decentralized applications that can be flexibly and swiftly deployed on existing blockchain platforms. The development of underlying blockchains has high technical barriers to entry.

Blockchain technology currently at the same stage of development as the early Internet, which was similarly used mainly by a small core of enthusiasts. Due to technical bottlenecks and complications, mass adoption remains difficult. Therefore, there are currently no widely-adopted public blockchains, cryptocurrency or decentralized platforms, and centralized solutions still dominate.

3. Vision

The rapid development of the blockchain industry and technology focuses on the characteristics like transparency, security, decentralization, irreversibility, network consensus, etc, which have laid an ideal foundation for large-scale transmission of value. The Internet makes large-scale information transmission possible. We believe that the large-scale transmission of value should be as easy as transmitting information, while at the same time not compromising security.

With the establishment of more global communities, the increased participation and investment of resources are pushing the whole blockchain industry to blockchain 3.0. It is believed that blockchain 3.0 is the era where blockchain becomes mainstream technology, and changes the way humans innovate. Also, It's time for large-scale ecosystems to utilise blockchain as the infrastructure and decentralize. Large-scale Dapps will reach more users and change to peoples' lives.

To increase the adoption and utilization rates of blockchain technology, cryptocurrency and its underlying blockchain system need to be improved in the following areas:

- **Performance and scalability** : Provide efficient transaction process management and support for millions of Dapps and billions of users.
- **Identity-based** : Establish a connection between the on-chain addresses and the off-chain identity to meet requirements of KYC and AML requirements, making it possible to be massively adopted in everyday applications such as consumption, loans, insurance, etc.
- **Low technical barrier** : The continuous optimization and enhancement of smart contracts, more sophisticated and flexible definition of application protocols and increased accessibility can provide a more user-friendly interface with existing Internet technologies and low-cost and low-risk integration with mature technologies.

The Usechain foundation is establishing the first blockchain ecosystem that satisfies the above conditions and can be applied to the mass market. The system has features like a new underlying framework of blockchain technology linked with real identity. It is also built on a high-performance, secure and reliable infrastructure and can handle high transaction volumes and high value transactions.

Based on its solid technological foundation, and the high-performance and secure infrastructure centered on identity mapping, Usechain will be able to be applied to a wide range of scenarios that require identity verification. Drawing upon resources from the commercial field and renowned business schools gives Usechain a competitive advantage, and will unite leading companies and application platforms under a common goal, and stimulate the development of the Usechain ecosystem to lead the industry into blockchain 3.0.

As the Usechain ecosystem continues to be improved, the behavioral data generated by people, events and objects within the identity-based ecosystem will be transparent, open and irreversible. Using its private and secure protocol, , traditional identity information , which originally exists in scattered and fragmented form, is aggregated and individualised. Individuals can create value in the ecosystem by continually investing time, attention, assets, etc. to generate returns from the ecosystem. The identity value in the ecosystem will be given back to their original owners after all participants reach a consensus, which will eliminate oligopolies and centralization, making it a possible to build a truly decentralized “virtual society”.



PART II

TECHNICAL ARCHITECTURE

Due to numerous bottlenecks in efficiency and usability, it is difficult to use existing blockchain platforms to create mass market use cases.

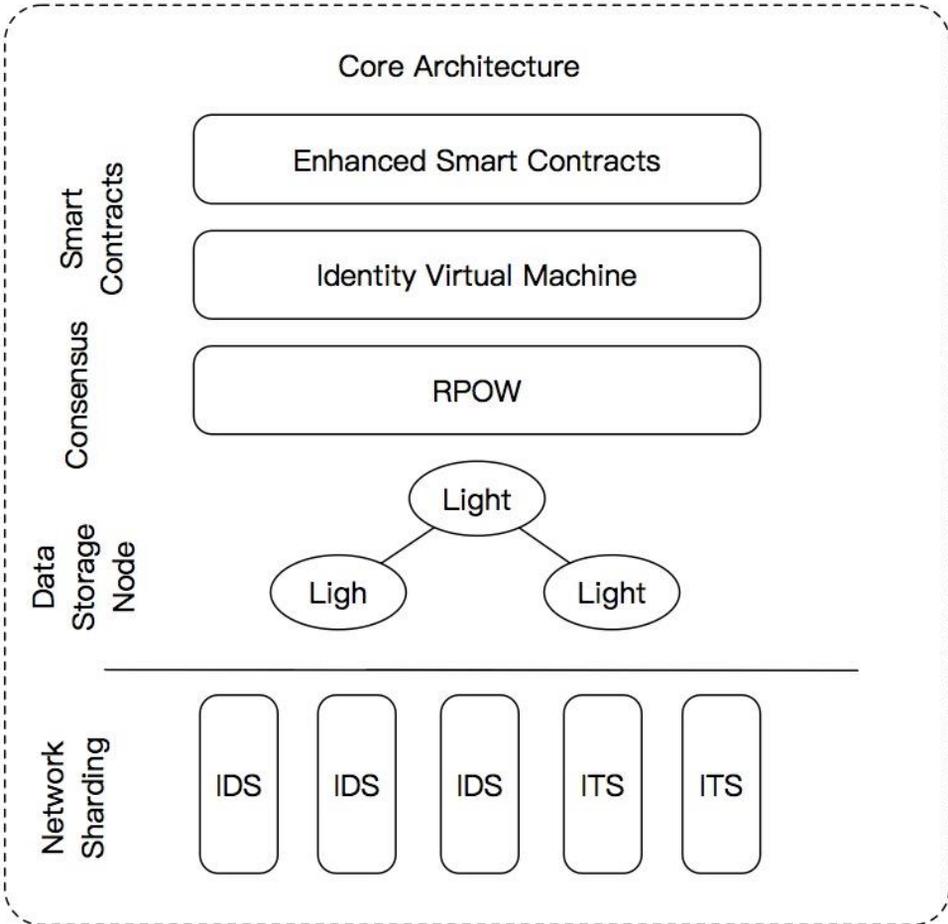
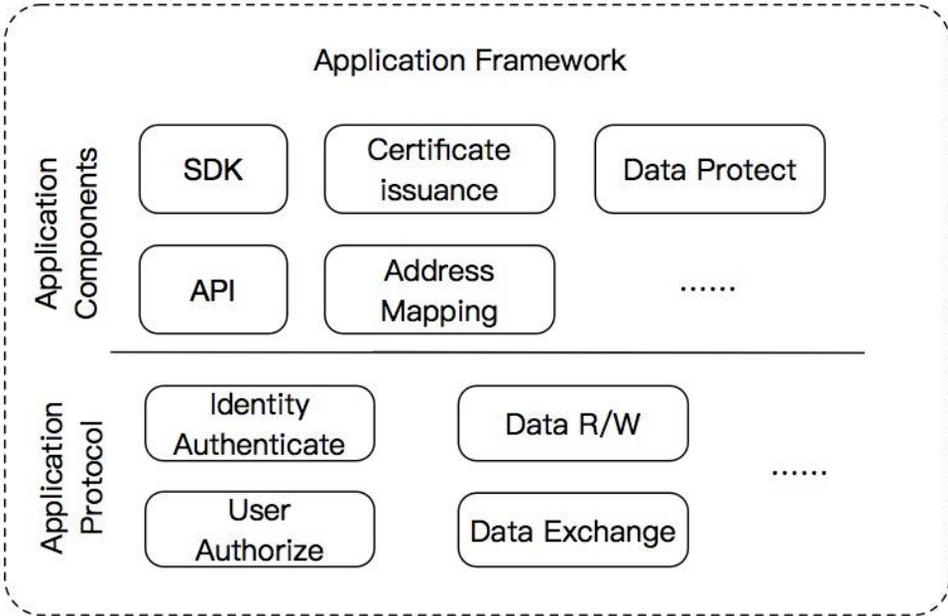
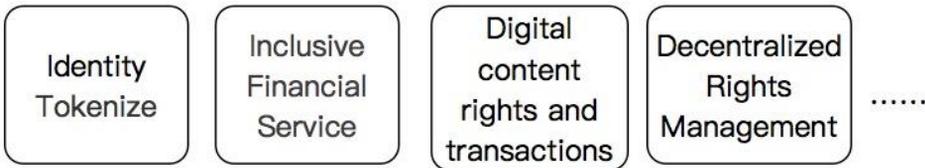
1. Design Objectives

Usechain will develop the first mirror identity blockchain ecosystem by starting with an innovative design approach to blockchain infrastructure. This will improve the efficiency of transaction verification to meet the requirements for mass market application, decrease the deployment cost of smart contracts and increase their flexibility and usability. In addition, virtual machines will be optimized to simplify the development and launch process, thereby reducing the resources required to launch a product, thereby lowering the barriers to entry.

Usechain will be designed to handle high volume, high value transactions to meet the demands of millions of users at the same time and to manage the huge range of commercial and social applications on the platform.

2. Architecture Design and Innovation

Usechain's design architecture includes application services, application components, application protocols and a core framework of the underlying public blockchain.



Usechain's vision and goals, include improve the transaction efficiency to support its platform applications in the mass market. The Usechain foundation proposes an innovative blockchain solution for Usechain to be based on mirror identity, which includes innovations in both security and performance.

Usechain's design innovations can be divided into a network layer, data layer, consensus layer, incentive layer and smart contract layer. Each layer can serve certain applications, meet the specific needs of different applications, and provide foundation for individuals and enterprises with the possibility to quickly and securely implement various application and business models with low cost. Some of the key features are:



Multi-level authentication mechanism

Using a cryptographic solution, Usechain establishes a mechanism that links the on-chain address and the identity of authenticated users. The blockchain only records the relationship between these two data points, without disclosing any other identifiable personal information, which allows Usechain to conduct the authentication process without raising privacy or security concerns.

RPOW consensus mechanism

Based on up-to-date algorithms and secure, high-performance, and highly attack-resistant, hardware-based Trusted Execution Environments (TEEs), the Randomized Proof of Work (RPOW) consensus algorithm can achieve high-frequency transaction verification whilst simultaneously consuming less energy and ensuring fairness. At the same time, the use of a decentralization and a distributed ledger further enhances its resistance to attacks. Usechain can thereby achieve the of scale, speed, and cost required by applications.

Network sharding technology

Utilising the KaZaA P2P protocol, in conjunction with Identity Network Sharding (“INS”) and Identity Transaction Sharding (“ITS”) strategies, transactions from a specific user’s address can be confirmed within the shard which the address belongs to, which erases the need for confirmation by all nodes in the network. That way, a transaction can be confirmed more quickly, and the system will have higher capacity, whilst also being more resistant to double-spending attacks.



Identity Virtual Machine

The Identity Virtual Machine (“IVM”) is a new standard for building high-performance smart contracts that can, with some adaptations, be defined and sandboxed. Usechain will build an intermediate communication layer so that IVM can interact with the underlying blockchain, external APIs, and sub-chains, or even be directly programmed based on the intermediate communication layer, to make up for the shortage of Ethereum virtual machines and build efficient smart contracts. These smart contracts can be used in conjunction with external data sources, which will increase its applications.



Light node client

The adoption of higher-level Merkle Tree BCMT is used to enable transactions and status verification, reduce the amount of data required for synchronization for light-node clients, and verify the accuracy of transactions or data.



Online fault tolerance

When a specific node encounters a conflict or fork, the disputed accounts and blocks will be frozen based on the sole identity mapping. Other nodes as will continue to transact and generate blocks as per normal. The disputed blocks and accounts will be judged by a specialized committee.

For more technical details,
please download the Technical White Paper

3. Innovative Solutions -- Consensus Algorithm Revolution

Usechain uses blockchain technology to generate commercial value and enable contribution to society. It is built on an analysis of the Bitcoin and Ethereum networks from multiple perspectives including security, performance, risk, resource investment and user participation. Usechain has combined the technical and competitive advantages of existing blockchain models and arrived at one of the most suitable solutions, a consensus-based algorithm called Randomized Proof of the Work (“RPOW”), which is coupled with identity mapping, to create a novel solution that addresses many of the challenges facing blockchain technology.

Usechain is the first mirror identity protocol-based blockchain system. It not only minimizes the risks and issues problems that are potentially caused by the fact that some individuals can control most of the nodes on a blockchain, but also makes possible to the consensus algorithm of RPOW.

The following features allows Usechain to be differentiated from other existing mainstream technology in blockchain:

- **High-level Security:** Based on POW, a random algorithm with intellectual property rights can reduce the degree of centralization of the hashing power. It can also reduce the chances of success of double-spending attacks and the so-called 51% attack, thereby greatly reducing the probability of a fork, which greatly increases the security and impartiality of network.
- **High Performance:** Through a random algorithm, the degree of difficulty to mine each block will be different for each miner. This will allow for the adjustment of the distribution of virtual harsh power, which can dramatically increase the efficiency of transaction confirmation based on POW and lay the foundation for increased consumer use.
- **Low Energy Consumption:** Based on the characteristics of identity mapping, the blockchain network can greatly reduce the dependence on hashing power and reduce the consumption of computing resources and energy.

- **Public Participation:** On top of being Usechain secure and efficient, it will be able to support mining on mobile devices due to its low resource and energy consumption, allowing the public to participate in the ecosystem.

In the future, Usechain-based hardware will become part of users' daily lives and will be ubiquitous on mobile devices such as phones, tablets, PDAs, smart watches and other smart devices.

PART III

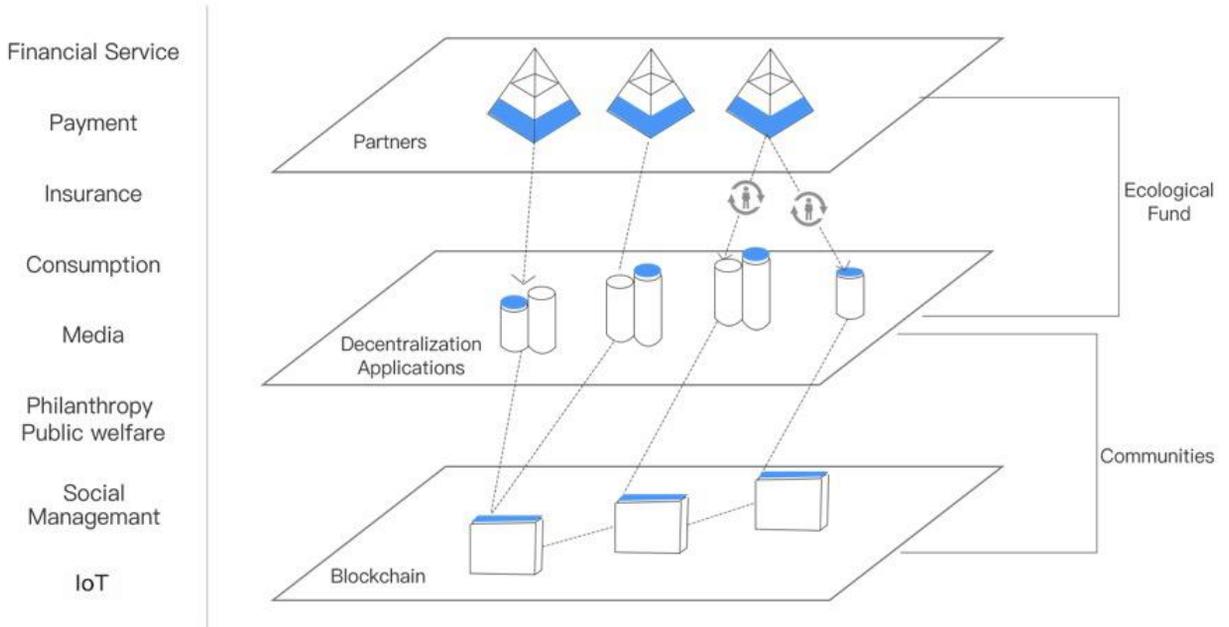
USECHAIN ECOSYSTEM

1. Ecosystem Value

Usechain has a leading blockchain technology team that will work closely with partners and experts from technical communities around the world to establish the first high-performance mirror identity blockchain.

Drawing upon deep connections with top business schools, Usechain has networks and resources in various industries that will allow it to collaborate with reputable companies to create identity-based applications. The goal is to create an identity-based blockchain ecosystem with the most advanced technology, richest application scenarios and largest user community.

2. Ecosystem Architecture



Users

Individuals, assets, things and objects can use the verification mechanism and service applications in the Usechain ecosystem for complete address mapping and identity verification. It also helps to confirm and preserve users' rights, which can help to accumulate value in their identity by continually generating transparent and public behavioral data.

Technology Participants

As the most essential participants in Usechain ecosystem, the Usechain development team is fully responsible for the architecture framework, the development and operation of protocols, the coordination with technology partners and continually optimizing Usechain's ability to operate in underlying public chain, network layer and application layer and protocol layer within the ecosystem.

3. Ecosystem Applications

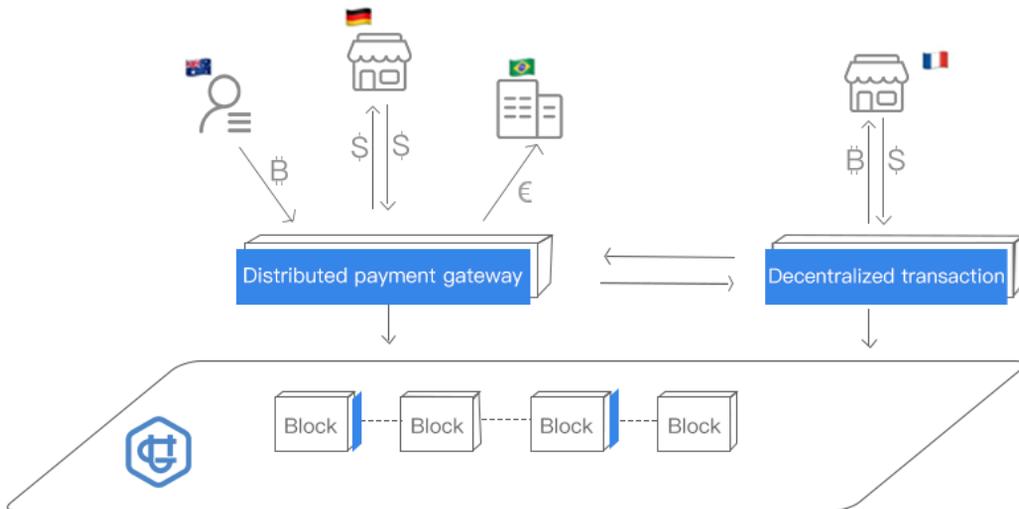
Innovative Application: Identity Tokenization

There is zero cost for individuals to learn how to tokenize identity, and the barriers to entry for doing so are low. Usechain will develop a channel to seamlessly connect the real and digital worlds to establish a highly-efficient, secure, unbounded and decentralized tool for value transmission. Within the identity ecosystem, there is a diverse and flexible variety of value conversion channels, which enables highly efficient transmission of value, regardless of form, within the system.

There are many potential applications, such as a fan-based or content-based token economy, the sharing of rights and interests with between trusted parties, as well as the store of value for sizeable assets.

Usechain foundation will also set up public accounts and manage the price by trading with other stable cryptocurrencies.

Scenario I: Cryptocurrency Payments

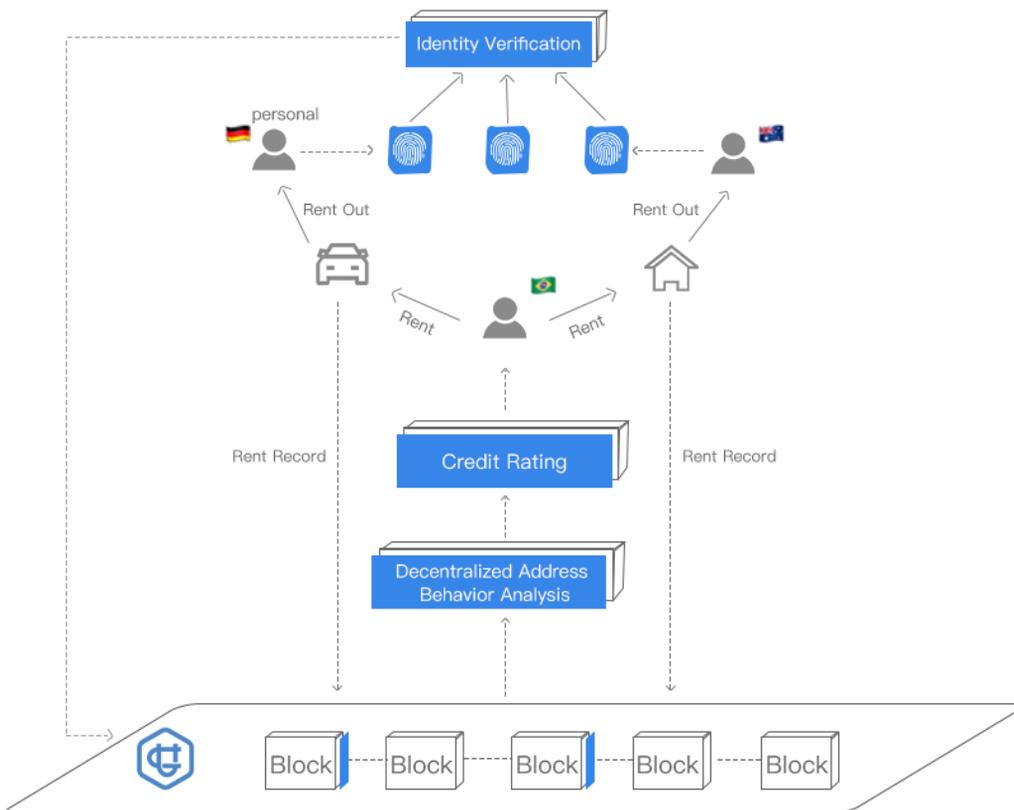


Users can use cryptocurrency stored in an e-wallet for payment. These payments will be processed in a decentralized peer-to-peer network, and allow users to use cryptocurrency and digital discount coupons for payment.

Such a payment method can save merchants the transactions fees that are associated with credit cards. This also facilitates worldwide point-to-point payments. USE tokens can be used to purchase digital coupons and merchants can use it as a promotional strategy by adjusting the limit of USE tokens accepted.

Subsequently, everyone will be able to perform mutual authentication. The information recorded on the blockchain cannot be amended or deleted, which makes the decentralized system reliable and trustworthy.

Scenario II: Sharing Economy

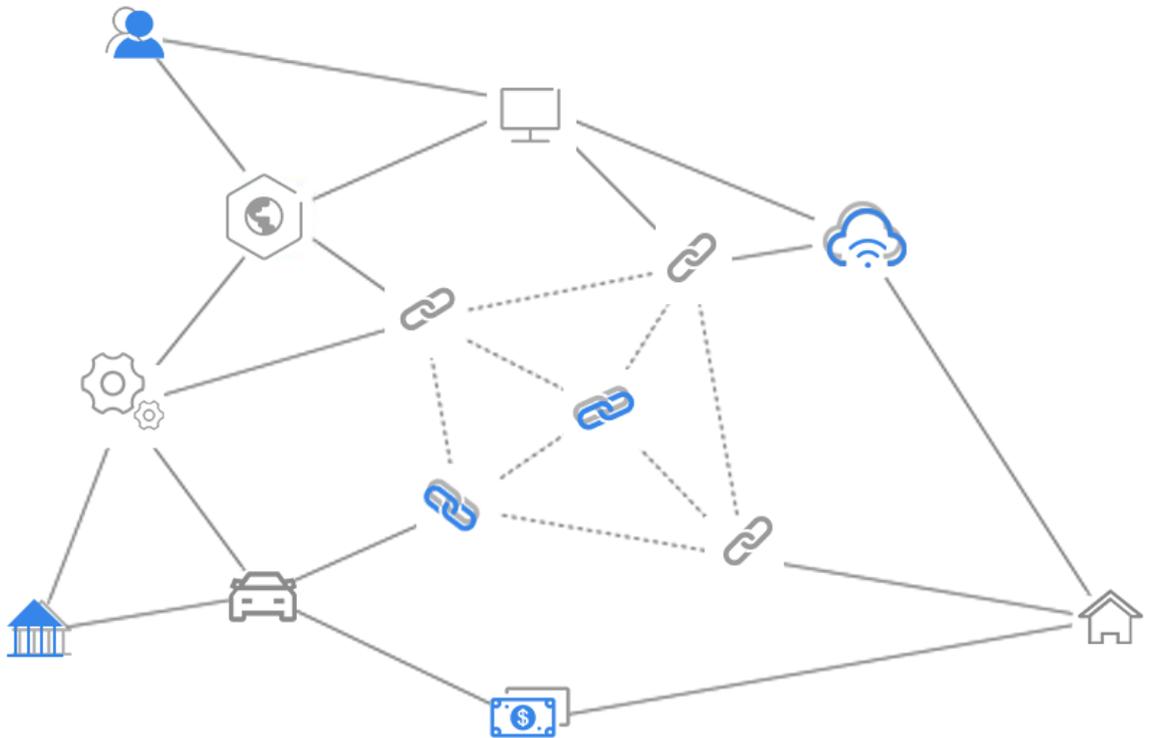


Whether it is sharing a car, a bicycle, an apartment or an investment, the crucial problem in a sharing economy is trust. This can be resolved by applying blockchain technology.

Take Airbnb for example. One may have concerns with a stranger living in one's home. However, if the guest's previous behavioral data is broadcast on the blockchain, and can't be manipulated, deleted or changed without being detected, Airbnb hosts may then easily determine and conclude if the guests are trustworthy before reaching a deal. This will also cause individuals to pay more attention to their own behavior.

Apart from the advantages of transparency and familiarity within the shared economy, Usechain can use such an economic model to provide sharing economy with higher-level of credibility and mutual trust. In addition, any businesses using the sharing economy model will be linked to a realistic, verified and immutable identity and a compatible ledger. Transaction histories will be accessible to all parties. Any misbehavior or misconduct will face be visible to all.

Scenario III: Efficient and Secure IoT Applications

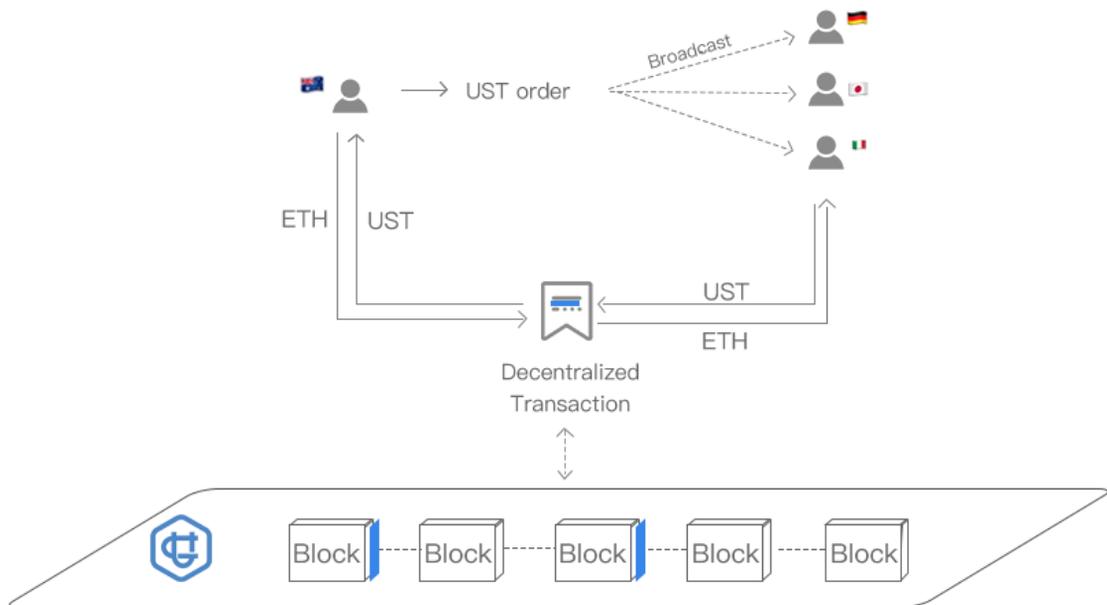


With the rapid development of the Internet of Things (“IoT”) and smart devices, it is expected that, by 2020, there will be more than 6 smart devices attached to each person. Smart devices will likely be able to replace us in some of our day-to-day activities through smart IoT. However, IoT devices bring with them various problems such as security risks, privacy issues and high operating costs because they are highly centralized.

Usechain’s identity-based ecosystem not only provides high-performance, secure and decentralized solutions, but also features characteristics such as high efficiency, low-cost authentication and reliable identity verification for scenarios that

require it, such as bicycle sharing, car sharing, and near-field communication payments.

Scenario IV: Decentralized Exchanges



Currently, there are hundreds of centralized exchanges in the cryptocurrency market. These exchanges, which act as intermediaries to provide a platform for arbitrage trading, have been revealed to be involved in market manipulation as well as profiteering through the setting of high transaction fees. They also store users' digital assets and data in a centralized storage system, which exposes users not only to threats from hackers, but also other potential operational risks that exchanges might encounter.

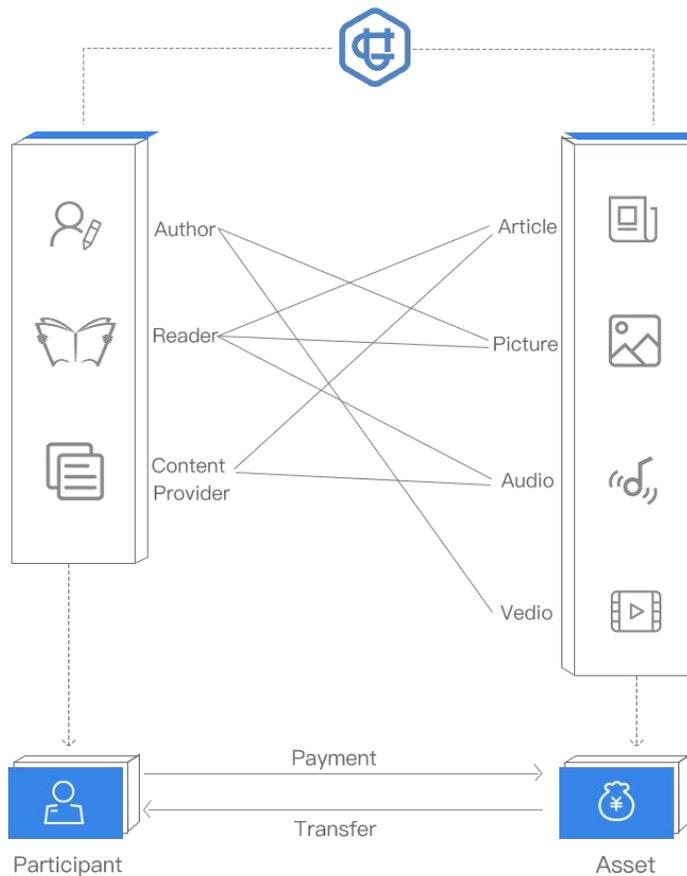
Usechain's public chain is decentralized, with thousands of transactions per second. It is also scalable. It is on this basis upon

which Usechain will build a decentralized exchange. We will also use RPOW to have a randomized central transaction matching service and a decentralized clearance and settlement service. Essentially, the matching of buyers and sellers is still done by a single dealer, but the dealer is chosen randomly from a group of dealers. The basis of our design is based on RPOW.

Using a high-performance identity-based blockchain, Usechain will be able to build a decentralized exchange focusing on security, efficiency and better user experience. It ensures that users' assets will not be lost as they remain intact in their accounts throughout the whole transaction process. Usechain will, provide massive and low-cost transmission of value services, thereby ensuring adequate liquidity for exchanges.

Decentralized exchanges will become the ideal trading platform for personalized identity tokens. As the Usechain ecosystem continues to grow, the number of participants and resources will also increase to provide sufficient liquidity for decentralized exchanges in the future.

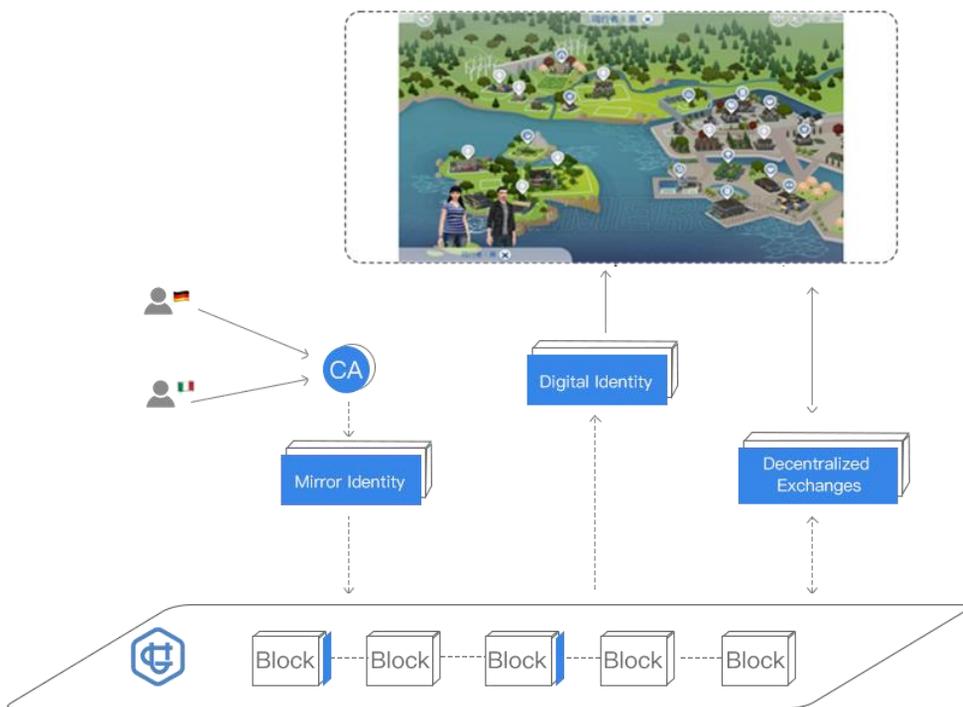
Scenario V : Digital Content Production and Trading



Content creators can perform copyright registration of their works based on blockchain technology and broadcast this on the network to reach a consensus. This will allow copyright holders to reliably know when their copyright has been infringed, as a verifiable timestamp can be appended to such data with the help of blockchain technology. Blockchain technology can also be used to allow participants to vote on penalties or whether infringement has occurred. In addition, the nature of blockchain technology is such that any misbehavior will be broadcast on the network, making the cost of intellectual property infringement prohibitive to would-be violators.

USE tokens will allow the owners of verified copyrights to transmit and realise its value by exchanging USE tokens on a decentralized and highly efficient token exchange. One can even build one's own Usechain ecosystem based on the "tokenized" value of individuals by issuing personalized identity tokens.

Scenario VI: Blockchain Games



Through the mapping of one's real identity onto blockchain, online communities can be established on blockchain network, allowing users to build relationships and teams. One of the characteristics of blockchain technology is that it can exist independently of its creator. One possible application of such scenario will be a virtual avatar that exists on the blockchain.

PART IV

USECHAIN GOVERNANCE

1. Usechain Foundation

The Usechain Foundation (“Foundation”) is a non-profit organization established in Singapore and is committed to developing Usechain, advocating governance transparency, and promoting the security and harmony within the open-source ecosystem.

To avoid events in violation of the design concept of blockchain, the Foundation will develop a suitable governance structure to provide assistance to general affairs of the Foundation.

2. Foundation Principles

The Usechain Foundation has three fundamental principles:

- **Impartiality**

The Usechain Foundation's sole objective is to develop Usechain and its applications.

- **Non-profit governance**

The Usechain Foundation serves the interests of USE token holders and seeks to develop a stable and scalable system, and the token issuance and distribution is managed by the Usechain Foundation,

- **Strong governance system**

The Usechain Foundation is an independent legal entity with well-defined procedures and governance framework, and is advised by top professionals.

3. Goals

The mission of Usechain Foundation is to develop a real-name credit ecosystem, making it possible for consumers to enjoy all products and service based on credit. At the same time, The Usechain Foundation will give developers an open and sustainable platform to, develop, deliver and enhance those existing services to attract users. To accomplish that, the Usechain foundation will devote its resources to three specific areas including research, development and governance.

● **Governance Goals**

The Foundation will devote resources to establishing fair and transparent governance, and take feedback and suggestions for requirements from all participants in the ecosystem into consideration. This open governance model will underpin all engagements with users in decisions about processes, rules, token issuance, pricing, legal matters as well as content and compliance guidelines. The Usechain Foundation will be responsible for administering and overseeing the security of the USE token reserve and ensuring that the use of USE tokens and any token proceeds is done transparently.

● **Research Goals**

The Usechain Foundation aims to foster an innovative environment by working closely with its partners. This collaboration includes testing new methods to participate in the ecosystem, drive the creation of value and network effects. The Usechain Foundation can also fund research to support an autonomous network that can provide secure and effective business services.

● **Development Goals**

The Usechain Foundation aim to direct and fund the development of Usechain itself. It will also provide tools for partners in the ecosystem to build, develop and create value in the ecosystem. As part of such process, Foundation will open source code to support new communities and join development team to continue improving and supporting the technology kit and maintaining the base which can be used by participants in the ecosystem.

PART V

TOKEN SALES

1. USE tokens

Usechain will issue an official token – USE tokens – to effectively reward community developers and supporters, support the growth of the ecosystem and allow all participants to use the decentralised applications.

After the Usechain main net goes live, the rate of increase of the issuance rate will be determined in accordance with the growth rate of the ecological economy, which will ensure that the inflation of the Usechain Ecological Economy remains stable.

Usechain, the first global mirror identity public chain, is a high-growth ecological platform, which will carry a large number of identity-based applications in the future and USE tokens are the common circulating token in the Usechain ecosystem.

To build the Usechain ecosystem, USE tokens will allow Usechain's core applications to realise, inter alia, the following:

1. To encourage members of communities and participants to contribute computing capabilities, USE tokens will be regarded as a "gas" on the public chain. The Usechain network charges fees for token transactions and the operation of smart contracts so as to incentivise bookkeepers and prevent resource abuse.
2. Usechain will carry a large number of commercial applications in the future. USE tokens, as the universal circulating token in the ecosystem, will be the common payment tokens for all participants (companies, institutions, individuals) who will use it to, exchange for assets, goods, services, etc.

It is important that USE tokens are circulated on the platform. Usechain has access to high-quality commercial networks and resources across various industries and in the world's top business schools, which it can draw on to rapidly deploy Dapps across a large number of industries. This will increase the commercial applications and user base, further spurring demand for USE tokens.

2. Token Distribution

The total quantity of USE tokens will be 20,000,000,000. The distribution plan is as follows:

Distribution Ratio	USE Quantity	Distribution Plan
45%	9,000,000,000	For Sale
5%	1,000,000,000	Marketing & Partner Support
20%	4,000,000,000	Community Rewards
15%	3,000,000,000	Technical Community Rewards
15%	3,000,000,000	Core Team

- **For Sale**

To cover technical research, hardware and bandwidth costs, as well as operation, and marketing costs of the Usechain platform. The private sale USE tokens are distributed as follows: 25% unlocked before exchange listing, 25% unlocked every 2 months thereafter, with all tokens unlocked after 6 months.

Soft Cap: 2,700,000,000

Hard Cap: 9,000,000,000

- **Community Rewards**

35% of USE tokens will be reserved as community rewards, which will be divided into two parts: 15% will be set aside as technical community rewards, mainly used to motivate developers to contribute their technology to the Usechain ecosystem; and 20% will be set aside as community rewards, mainly used to support the business' operational costs. All distribution rules and process are transparent, and the distribution can be completed automatically through smart contracts.

- **Core Team**

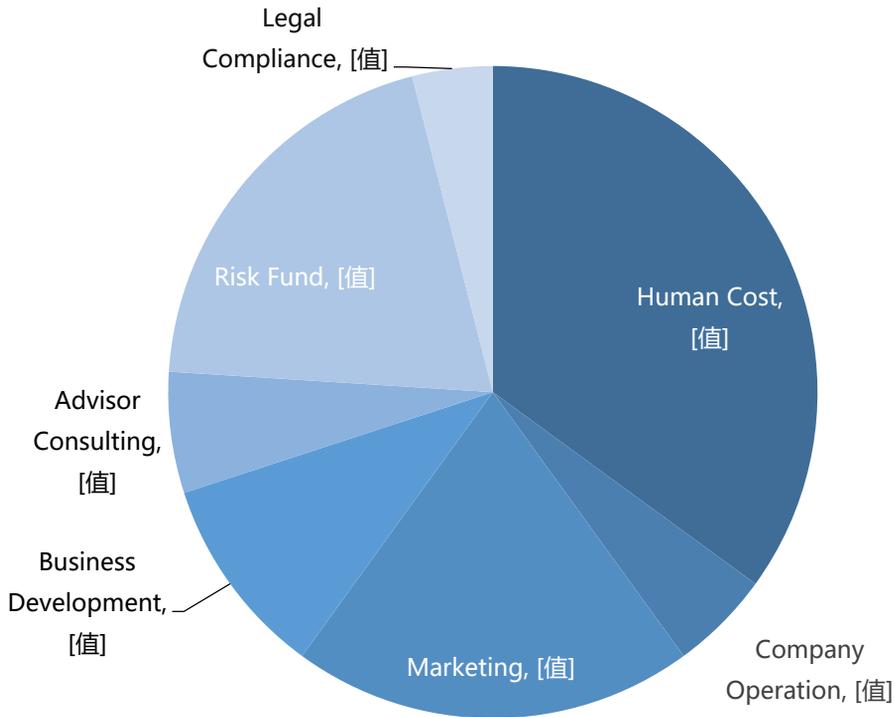
Early team members who provide product and technical support will be rewarded for the development of Usechain during the early stages. This portion of Use tokens will be released in 25% tranches over four 12 month periods.

- **Marketing & Partner Support**

5% is set aside for marketing costs and for rewarding partners who provide strong promotional and publicity support. Besides this, 6% of USE tokens set aside for Marketing & Partner Support for Usechain's community-based bounty program.

3. Use of Funds

The funds raised will be mainly used in the following aspects to support the operation of Usechain:



Fundraising instructions:

Projects	Ratio	Descriptions
Human Cost	35%	We will hire experts in the field of blockchain, finance, website development, distributed ledger technology expertise, etc.
Company Operation	5%	Start-up operation cost .
Marketing	20%	Branding, advertising, cross-field cooperation and other expenses for 2 years.
Business Development	10%	Supporting the commercial development of different applications in the Usechain ecosystem.
Advisor Consulting	6%	Overseeing project development, advise, consultation and sharing of expertise.
Risk Fund	20%	To prepare for unforeseen risks.
Legal Compliance	4%	To ensure compliance with related cryptocurrency regulation and laws in various jurisdictions.

4. Commitment and Protection

- To show its commitment to the Usechain project and transparency, the team will publish an operations report each quarter, to provide token holders with updates on the progress of the Usechain Project.
- The Usechain team will regularly hold offline meetings which will allow token holders to visit us.

PART VI

CORE TEAM AND ADVISORS



Henry CAO

Founder, CEO

Finance Professor at Cheung Kong Graduate School of Business, Head of the Department of Finance, Founder of the first Finance MBA program in China, Managing director of China Blockchain Application Research Lab, Member of the Finance Society of America, taught at the University of California at Berkeley, the University of North Carolina, Chapel Hill, admitted to the USTC gifted class at 13 years old, Yale University/ UCLA PhDs.



Baohong SUN

Co-founder, CSO

Marketing Professor at Cheung Kong Graduate School of Business, Dean's Distinguished Chair Professor of Market, Associate Dean, Fomer Chaired Professor at Tepper Business School, Carnegie Mellon University, editorial board member of "Marketing Science", "Journal of Marketing" and "Journal of Marketing Research", The world economic forum on future behavior, Renmin University of China, BS, USC PhD.



Feng ZHANG

Senior Financial Advisor

"Thousand Talents" Expert, near 30 years of experience in QIHF globally, MD of Asset Management Dept of Citigroup/ Morgan Stanley, GM of Stock Investment Dept of Boserá Funds, Investment Director of BoCom-Schroders Fund, Tsinghua BS, UC Irvine, PhD.



Andy ZHOU

CTO

Technical Director of Beijing United Electronics Co, Serial entrepreneur, Senior Engineer in iFLYTEK, HUAWEI, Technical Director In ChuKong Technology, Deep understanding of big data, artificial intelligence and distributed system, Double a bachelor's degree from University of Science and Technology of China (USTC) and MS from Chinese Academy of Sciences (CAS).



Erik XU

COO

Near 10 years of experience in Internet and information security industry in General Management and Marketing, Serial entrepreneur, Served as Vice President for Beijing YunJiang Technology Limited, Head of information security project at National Information Security Engineering Center, Executive Director of the National Key Technology R&D program during the 12th Five-year Plan Period, responsible for a number of national information security and key manage center (KMC) projects, Member of National Information Security Standardization Technical Committee and Big Data Working Group, MBA from Cheung Kong Graduate School of Business.



Lin ZHAO

CPO

Near 10 years of experience in Internet and new retail industry, experienced in platform building for horizontal e-commerce, O2O, Eco-friendly product and service specialist, Chief Product Manager of the leading O2O E-commerce Bee Quick.



Gengnan SONG

Global Community Developer

Nearly 10 years of professional experience in Internet, community operations and business. Over 8 years of community operations experience at Tencent, covering products from early stage PC community product Discuz! to Tencent micro-communities on mobile Internet and Tencent Interest Tribes. She is the former Business Director at a well-known platform for evaluating catering services in China.



Liang ZHANG

Technical Architect

Many years of experience in digital currency exchanges and blockchain development. He is the former Senior R&D Engineer at Microbit Cryptocurrency Exchange and the Gibraltar National Blockchain Exchange. He started to participate in blockchain projects since 2015, and he has had deep research of the current mainstream blockchain technology.



Lucas LU

Senior Advisor

Senior expert of Blockchain, Founder & CEO of 5Miles, Founder & CEO of Cybermiles (CMT), Served as Co-Founder & CTO for Lightinthebox (LITB), the first GM of Mobile Taobao, China University of Science and Technology BS, SMU PhD.



Yin CAO

Senior Advisor

Started to do research and promote blockchain application in 2015, was among the first to propose the concept of Energy Internet in China, Co-founder of the first Energy-Blockchain Lab in the world, Chief Blockchain Expert of Cinda Securities Co.,Ltd, Former member of E-residency of Estonia, Major member of the Technical Working Group China of Hyperledger Project.



Shangjin WEI

Senior Advisor

Professor of Finance and Economics, Professor of International Affairs, and N.T. Wang Professor of Chinese Business and Economy, Columbia University, Research Fellow, Center for Economic Policy Research (CEPR), Member, Council on Foreign Relations Non-resident Senior Fellow, The Brookings Institution Director, NBER Working Group on the Chinese Economy.



Allen YAN

Senior Advisor

Senior Internet Business Specialist, Chairman of the Board & CEO of AdChina, Founder of Lakeshore, Served for E-bay, Philips, and Alcatel-Lucent, MIT EMBA.



Jeff CAO

Senior Advisor

PChain Founder. The inventor of the 1st International Blockchain patent from China, the Co-Founder of ChinaLedger, the most influential blockchain alliance of China. The Chief Scientist of Blockchain Application Committee in China Federation of Logistic and Purchasing (The 1st Gov Association in Industry), the Senior Fellow of the China Blockchain Research Alliance. Successfully accomplished the 1st blockchain based assets earning rights transfer in the world in September 2016, which is also the 1st Financial Blockchain Transaction in China. Ex-Chief Scientist of Internet Finance and cochair of the patent review board in IBM Research China, IBM Global Technical Achievement Awards three times. 22 papers in ACM/IEEE top conference and 30+ international patents.



Qian MA

Senior Advisor

Founder & President of DataMesh, Chairman of Central Big Data Development Committee, Founder/Director of Shanghai Pingfu Asset Management, Former Vice President of Fortune Link Venture Capital Co., Ltd, Over 10 years of experience in investment and business management.

PART VII

INVESTORS & PARTNERS





PART VIII

ROADMAP

Q1 2018 :

- Develop fundamental functions of underlying public blockchain.
- Develop address-identity mapping system.
- Certification Authentication Center Service.

Q2 2018 :

- Develop privacy protection system.
- Form core community and achieve 50000+ people.

Q3 2018 :

- Develop software-based RPOW consensus algorithm.
- Usechain testnet release.
- Achieve 100000+ people in the community.
- USE listed on global top exchanges.

Q4 2018 :

- Complete enhanced smart contracts development.
- Start global technical community.
- Build Usechain Labs.
- Usechain Ecosystem Dapp release.

Q1 2019 :

- Usechain mainnet alpha release.
- Usechain wallet(android) release.
- CA service release.
- Complete the committee's multi-person signature verification identity.
- Improve identity system standardization and onchain privacy protection.

Q2 2019 :

- Usechain mainnet official version release.
- Start mainnet USE swap.
- Implement a multi-level account system.
- Improve committee change and supervision function development.
- Open source mainnet wallet on full platforms release.

Q3 2019 :

- Subchain and Lightning Network release.
- Implement built-in smart contract templates to simplify financial operations.
- Complete SDK for java and python.
- Implement the transparency of committee complaint process.
- Implement level identity authentication (mutual authentication).

Q4 2019 :

- Complete mainnet USE forced swap and network swap on exchanges.
- More Dapps release.
- More built-in financial functions release.

Future :

- Hardware mining machine.
- Improve storage.
- Improve credit and identity API.
- Improve security and transaction performance.

RISK NOTICES

The purchase of any tokens involves a high degree of risk, including but not limited to the risks described below. Before purchasing USE Tokens, it is recommended that each participant carefully considers and evaluates all the information and risks involved including the risks mentioned in this White Paper, and, specifically, the following risk factors.

1. REGULATORY RISKS.

a) Regulatory status uncertain in Singapore

The regulation of digital tokens and/or cryptocurrencies such as USE tokens is still in a very nascent stage of development in Singapore. There exists a high degree of uncertainty as to how tokens and token-related activities are to be treated. The applicable legal and regulatory framework may change subsequent to the date of issuance of this Whitepaper. Such change may be very rapid and it is not possible to anticipate with any degree of certainty the nature of such regulatory evolution. UseChain Technology Asia Foundation Ltd (UEN no. 201803620N) (the “Company”) does not in any way represent that the regulatory status of USE tokens will remain unaffected by any regulatory changes that arise at any point in time before, during, and after this offering.

b) No regulatory supervision

Neither the Company or its affiliates is currently regulated or subject to the supervision of any regulatory body in Singapore, in particular, The Company and its affiliates are not registered with MAS in Singapore as any type of regulated financial institution or financial advisor and are not subject to the standards imposed upon such persons under the Securities and Futures Act (Cap. 289) (the "SFA"), Financial Advisors Act (Cap. 110) (the "FAA"), and other related regulatory instruments. Such persons are required to comply with a variety of requirements and standards concerning disclosures, reporting, compliance, and conduct of their operations for purposes or maximizing investor protections. Since the Company is not subject to such requirements or standards, it will make decisions on those issues at its own discretion. While the Company will have regard to best practices for these issues, holders of USE tokens will not necessarily enjoy the same extent and degree of investor protections as would be the case should they purchase products or services from regulated entities instead.

c) No fiduciary duties owed

As the Company is not a regulated financial institution, it does not owe holders of USE tokens any fiduciary duties. This means that the Company has no legal obligation to always act in good faith in the best interests of holders of USE tokens. While the Company

will have regard to the interests of holders of USE tokens, it is also permitted to consider the interests of other key stakeholders and to prefer these interests over the interests of USE tokens holders. This may mean that the Company is permitted to make decisions that conflict with or are not necessarily in, the interests of USE tokens. Not owing any fiduciary duties to holders of USE tokens also means that holders of USE tokens may have limited rights of recourse against the Company and its affiliates in the event of disputes.

d) [Uncertainties in tax characterisation and tax treatment](#)

The tax characterization of USE tokens is unclear. Accordingly, the tax treatment to which they will be subject is uncertain. All persons who wish to purchase USE tokens should seek independent tax advice prior to deciding whether to purchase any USE tokens. The Company does not make any representation as to whether any tax consequences may arise from purchasing or holding USE tokens.

e) [Failure to Obtain, Maintain or Renew Licenses and Permits](#)

Although as of the date of starting of the USE tokens pre-sale there are no statutory requirements obliging to receive any licenses and permits necessary for carrying out of its activity, there is the risk that such statutory requirements may be adopted in the

future. In this case, the Company's business will depend on the continuing validity of such licenses and permits and its compliance with their terms. Regulatory authorities will exercise considerable discretion in the timing of license issuance and renewal and the monitoring of licensees' compliance with license terms. Requirements which may be imposed by these authorities and which may require the Company to comply with numerous standards, recruit qualified personnel, maintain necessary technical equipment and quality control systems, monitor our operations, maintain appropriate filings and, upon request, submit appropriate information to the licensing authorities, may be costly and time consuming and may result in delays in the commencement or continuation of operation of the UseChain platform. Further, private individuals and the public at large possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts and political pressure. Accordingly, the licenses the Company may need may not be issued or renewed, or if issued or renewed, may not be issued or renewed in a timely fashion, or may involve requirements which restrict the Company's ability to conduct its operations or to do so profitably.

f) Unlawful or Arbitrary Government Action

Governmental authorities may have a high degree of discretion and, at times, act selectively or arbitrarily, without hearing or prior notice, and sometimes in a manner that is contrary a law or influenced by political or commercial considerations. Moreover, the government also has the power in certain circumstances, by regulation or government act, to interfere with the performance of, nullify or terminate contracts. Unlawful, selective or arbitrary governmental actions have reportedly included the denial or withdrawal of licenses, sudden and unexpected tax audits, criminal prosecutions and civil actions. Federal and local government entities have also used common defects in matters surrounding token sales as pretexts for court claims and other demands to invalidate or to void any related transaction, often for political purposes. In this environment, the Company's competitors may receive preferential treatment from the government, potentially giving them a competitive advantage over the Company.

END

2. DIGITAL TOKEN RISKS .

a) USE tokens have no rights, attributes or functionalities or features

USE tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features on the platform. The Company does not guarantee and are not representing in any way to purchaser that USE tokens have any rights, uses, purpose, attributes, functionalities or features. There is no assurance of any success or development of the USE tokens and UseChain platform. The UseChain platform has not been fully developed, finalized and integrated and is subject to further changes, updates and adjustments prior to its launch. Such changes may result in unexpected and unforeseen delays and impact its launch and therefore failure of the Company. If and when the platform is fully developed, there is no assurance of adoption or being utilised by its target users and therefore, there exists the risk of enterprise failure.

b) Lack of development of market for USE tokens

Because there has been no prior public trading market for USE tokens, the TO may not result in an active or liquid market for USE tokens, and their price may be highly volatile. Even if USE tokens are tradable in a secondary market, in practice, there may not be

enough active buyers and sellers or the bid-ask spreads may be too wide. USE tokens holders may not be able to exit their token holdings easily. In the worst-case scenario where no secondary market develops, a token holder may not be able to liquidate his/her token holdings at all. The exchanges or platforms that facilitate secondary trading of USE tokens may not be regulated by the applicable laws.

c) Risks related to speculative trading prices for USE tokens

The valuation of digital tokens in a secondary market is usually not transparent, and highly speculative. USE tokens do not hold any ownership rights to the Company's assets and, therefore, are not backed by any tangible asset. Traded price of the USE tokens can fluctuate greatly within a short period of time. There is a high risk that a USE tokens holder could lose his/her entire sum paid to purchase the USE tokens. In the worst-case scenario, the USE tokens could be rendered worthless.

3. BLOCKCHAIN TECHNOLOGY RISKS.

a) Dependence on Computer Infrastructure

Usechain dependence on functioning software applications, computer hardware and the Internet implies that Usechain can offer no assurances that a system failure would not adversely affect the use of your USE Tokens. Despite Usechain implementation of all reasonable network security measures, its processing center servers are vulnerable to computer viruses, physical or electronic break-ins or other disruptions of a similar nature. Computer viruses, break-ins or other disruptions caused by third parties may result in interruption, delay or suspension of services, which would limit the use of the USE Tokens.

b) Smart Contract Limitations

Smart contract technology is still in its early stages of development, and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks. Consequently, although the audit conducted by independent third party increases the level of security, reliability, and accuracy, this audit cannot serve as any form of warranty, including any expressed or implied warranty that the USE Smart Contract is fit for purpose or that it contains no flaws, vulnerabilities or issues which could cause technical problems or the complete loss of USE Tokens.

There is no representation and warranty that the process for creating the USE tokens will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of the USE tokens.

4. THIRD PARTY RISKS.

The tokenized nature of USE tokens means that they are a blockchain-based asset. The security, transferability, storage, and accessibility of blockchain assets depends on factors outside of the Company's control, such as the security, stability, and suitability of the underlying blockchain, mining disruptions, and who has access to the private key of any wallet where USE tokens are stored. The Company does not represent or otherwise assure that it can prevent such external factors from having any direct or indirect adverse impact on any USE tokens. Persons intending to purchase USE tokens should note that adverse events caused by such external factors may result in the loss of some or all USE tokens purchased. Such loss may be irreversible. USE tokens is not responsible for taking steps to retrieve USE tokens lost in this manner.

There is no representation and warranty that the process for creating the USE tokens will be uninterrupted or error-free. There is an inherent risk that the software could contain weaknesses, vulnerabilities or bugs causing, inter alia, the complete loss of the USE tokens.

5. Force Majeure.

Usechain performance may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this White Paper, force majeure shall mean extraordinary events and circumstances which could not be prevented by Usechain and shall include: 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, other circumstances beyond Usechain control, which were not in existence at the time of Token sale. If such circumstances occur prior to issuance USE tokens and Usechain is unable to issue USE tokens within 3 months from the projected date, the escrow agent may issue a refund at the request of the USE token purchasers. The refund will be issued in the original form of payment to the same bank account or digital wallet where the purchase monies or cryptocurrencies were transferred from.

6. Disclosure of Information.

Personal information received from USE token holders, the information about the number of tokens owned, the wallet addresses used, and any other relevant information may be disclosed to law enforcement, government officials, and other third parties when Usechain is required to disclose such information by law, subpoena, or court order. Usechain shall at no time be held responsible for such information disclosure.

7. Value of USE Tokens

Once purchased, the value of USE tokens may significantly fluctuate and may even become valueless due to various reasons. Usechain does not represent, warrant or guarantee any specific value of the USE Token over any specific period of time. Usechain shall not be held responsible for any fluctuations or loss in the value of USE tokens.

Assumptions with respect to the foregoing involve, among other things, judgments about the future economic, competitive and market conditions and business decisions, most of which are beyond the control of the Usechain team and therefore difficult or impossible to be accurately predicted. Although the Usechain team believes that its assumptions underlying its forward-looking statements are reasonable, any of these may prove to be

inaccurate. As a result, the Usechain team can offer no assurances that the forward-looking statements contained in this whitepaper will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements contained herein, the inclusion of such information may not be interpreted as a representation, warranty on the part of Usechain or any other entity that the objectives and plans of the Usechain project will be successfully achieved.

Save for the circumstances as set out in 5. Force Majeure, the Company shall not be obliged to provide the USE tokens holders with a refund related to the USE tokens for any reason, and the USE tokens holders will not receive money or other compensation in lieu of the refund. No promises of future performance or price are or will be made in respect to the USE tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the USE tokens will hold any particular value. Therefore, the recovery of spent resources may be impossible or may be subject to foreign laws or regulations, which may not be the same as Singapore's.

Please note that the Usechain project and USE tokens may be subject to other risks not foreseen by the Company at this time.