



ALCHEMINT

Whitepaper

A Hybrid Model Stablecoins Issuing Platform

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Abstract

The biggest barrier that hinders Bitcoins and other digital currency becoming the most widely accepted payment methods is the huge price fluctuation of Bitcoins and other digital currency. At the same time, the large amount of decentralized projects use the token that is issued by themselves having huge price fluctuation as the tool that transfers value under its ecosystem, and it leads to that those applications cannot be accepted by the market. Under this condition, the encrypted digital currency that maintains the stable purchasing power, which also refers to the stablecoin is needed to handle these problems.

There are three existing kinds of modes for the schemes to handle the problems of the stablecoins are the deposit model of legal tenders, the mode of the right of coinage and the centralization model of digital asset. However, facing the key problem of the supply of the stablecoins and the long-acting stabilization mechanism, the three kinds of modes and all the related projects of the stablecoins have not established the completed mechanisms to handle the problems. Thus, Alchemint uses the forth kind of mode in an innovative way, which refers to the mixed mode, as the scheme which aims to handle the problems of the stablecoins in a comprehensive way and aims to help the stablecoins to develop in medium-term and in long term.

In the early stage of the development of the block chain, Alchemint mainly use the deposit model of the legal tender to enable the commercial institutions to issue the stablecoins in order to meet the needs of its own ecosystem and to satisfy the demand of the applications for users. With the continuous improvement and maturity of the technology of the block chain, the traditional assets would be reflected on the block chain. At the same time, the individual information such as people's credit and big data of people's behaviors that cannot be owned privately would become one part of the individual assets and be reserved on the block chains based on the block chain technology and the ecosystem. In the next three to five years, it might occur a great trend that assets are transferred to tokens and it is predicted that over 10% of the global GDP would be reserved on the block chain. Under this condition, the stablecoins that are issued by the individuals through the collateralization model of digital assets would replace the stable currency that is issued through the collateralization model of legal tender step by step and then it would become the important approach to issue the

currency that can circulate globally.

1 Introduction

1.1 Why Does Price Stability Matter

Since the birth of Bitcoin in 2009, it has been developing for nearly nine years. The background of its birth was based on dissatisfaction with the existing monetary system and the ambiguity of currency marketization. From the name of the white paper: Bitcoin: A Peer-to-peer Electronic Cash System, Nakamoto conceived the original intention of inventing Bitcoin as a means of payment. In short, Bitcoin should be useful. For the past nine years, Bitcoin's supporters have high expectation for this and have paid considerable effort for it. This effort comes not only from the private sector but also from commercial institutions and even from sovereign governments. Unfortunately, Bitcoin cannot always be a widely accepted payment method.

At present, Bitcoin has in fact become a commodity for speculation. At the highest point in less than 9 years, it rushed to around 20,000 U.S. dollars, which was about 10 million times higher than when it was born. In the period from May 2017 to May 2018, Bitcoin prices rose from a low of around US\$1,400 to a maximum of nearly US\$20,000 with a volatility of 1400%. In May 2018, Bitcoin had the lowest price of US\$7,400 and the highest price of US\$9,900, with a single monthly volatility of 34%. Even the current daily price fluctuations are around 10%.

We believe that the huge fluctuations in purchasing power and instability of Bitcoin and other cryptocurrencies are the biggest obstacles to their inability to be widely accepted as a means of payment. In the mainstream economics profession today, the basic opinions are consistent with the requirements for the stability of the purchasing power of money under the modern economic system. If the total amount of a currency is constant, or the scale of its total growth cannot catch up with the growth of the economy's demand for money, then this currency cannot support the rapid growth of the economy, or even cause a recession.

Today's economies are mainly forced to use the fiat currency controlled by the sovereign government,

and through the central bank's monetary policy adjustment tools to solve the problem of stability in the purchasing power of money. Unlike fiat currency, the total amount of cryptocurrency is either generally fixed, or issuance destruction according to a linear rule, and cannot be flexibly changed according to demand. Therefore, the market's change in demand for cryptocurrency will cause great fluctuations in its price. If people cannot be certain that the purchasing power of the currency they hold is stable, then people will not use this currency as their first choice when exchanging. For example, if an iPhone is priced at 0.1BTC or US\$800, it may become 0.2 BTC or 0.05 BTC tomorrow, but the US\$800 price will not change. In this case, in order to protect the profit of both buyers and sellers, people will only tend to use USD as a medium of exchange.

Today, decentralized applications based on blockchain technology have taken root in various fields such as finance, e-commerce, social networking, gaming, and artificial intelligence. A considerable number of projects and DApps have been born so far. These projects will basically create a token as a tool for their ecological value transfer. However, because the prices of these tokens are not stable, these projects will also encounter problems of low market acceptance and difficult commercial landing. The emergence of stablecoin will help these DApps to successfully complete the payment, value transfer and other activities so that they can smoothly enter the stage of being usable. Therefore, the large-scale application and landing of the stablecoin is the premise for the entire blockchain industry to break away from the concept and hype, accelerate commercialization landing and serve for the real economy.

1.2 Market Prospect and Global Use Case of Stablecoin

Cryptocurrency is a kind of currency that has never been emerged in history of human being before. The advent of Bitcoin has led to several charming characteristics of currency in the following aspects:

■ Security

Bitcoin has truly realized that the private property cannot be violated by everyone technologically. If you have a private key, you possess the absolute ownership of the account. As long as your private key is not revealed, no one can take away your Bitcoin and no one can seize or block your Bitcoin as well.

■ Hold Costs

Whether you have 1 Bitcoin or 10,000 Bitcoins, the costs are the same and very low, you only have to think of ways to keep your private key safe.

■ Payment costs

Bitcoin is a point-to-point cash system based on distributed ledger technology of block chain. Paying someone Bitcoin is as easy as sending an e-mail that does not rely on third parties. You can pay bitcoin anywhere in the world with the same speed and low cost.

■ Others

On other hands, Bitcoin has great advantages due to its characteristics that one currency should have, such as stability and can be arbitrarily partitioned.

Therefore, if the cryptocurrency can solve the problem of price fluctuations and become a commodity that can be used by people instead of being merely scrambled, we can foresee that this will open up a huge market space and at the same time make the blockchain economy divorce from concepts and hype, realize commercialization and serve for the real economy.

1.2.1 Global payments and economics

Once the problem of price fluctuations has been eliminated, the advantages of stablecoin in payment convenience will be quickly reflected. Many well-known payment service providers, such as Paypal and Alipay, are solving the problem of people's convenience in payment today. However, these companies still face poor timeliness, high costs, and complicated settlement when they face such cross-border payments. The stablecoin based on blockchain technology can effectively solve such problems.

Alchemint will establish extensive cooperation with third-party payment service providers, wallet

application service providers, and cryptocurrency exchanges to make people's payments more convenient, allowing users from different countries and regions and users of different payment tools and wallets to be truly connected. Together, transactions and value transfers are completed in an instant, secure, and low-cost environment, eliminating the boundaries of the economy and creating a more efficient global market.

1.2.2 Digital Asset Exchange

In the process of digital asset transactions, people often use US dollar as a tool to hedge against the fluctuation of digital assets. However, the problems are that more and more exchanges now only support cryptocurrency transactions and do not support fiat currencies. Therefore, people need to use stablecoin in exchanges as a hedging tool. In addition, in the United States, Japan, and other countries, the profit generated by the cryptocurrency transactions will create tax problems, but in some countries in the EU, only the conversion of cryptocurrencies to fiat currency will result in taxation problems. So stable currencies can also solve trader tax problems in some countries.

In addition to the basic lending business, it will gradually expand into digital asset management and many derivatives markets.

1.2.3 Blockchain ecological economy

Practitioners and analysts in blockchain industry generally believe that the blockchain is not just a technological innovation, but also a change in the relationship of production. The entire system of business and people's division of labor will therefore have a huge change. We can see more and more decentralized DApps based on blockchain technology emerging, such as "blockchain Uber" or "blockchain Airbnb", various wallet applications, and e-commerce, gambling and other areas of the project. As discussed earlier, these projects are using the unstable tokens created by themselves as a tool for their ecological value transfers. We hope that these projects can use stablecoin, which will make these DApps more acceptable to the market and friendlier to the users.

For the ICO, a unique financing method in the blockchain eco-economy, the use of stablecoin instead of ETH and other utility tokens as the token for raising funds of the project can effectively reduce the risk of price fluctuations of the project's raisers as well as investors.

1.3 Comparative Analysis of Existing Stablecoin Solution

As more and more people are recognizing the importance of stablecoin, we can see that many teams are trying to solve the problem. The solutions for these teams have their own characteristics, but they are mainly divided into three models.

1.3.1 Fiat currency reserve model

Projects such as Tether, TrueUSD, Centre, etc. use this model to anchor an encrypted digital currency for each US dollar by absorbing the US dollar reserve through legal institutions. For example, the USDT issued by Tether Corporation has its price anchored at US\$1, because it is behind Tether's US dollar deposit. The advantage of this model is that it can quickly provide large stablecoins liquidity. But the disadvantage is obvious, that is too centralized. For example, Tether, as a company, has the risk of bankruptcy, repayments, deposits being frozen by banks, and Tether can arbitrarily issue USDT without announcing its fiat currency reserves in detail.

TrueUSD and Centre have made improvements on the issue of over-centralization, such as introducing member units to jointly hold fiat currency assets. At the same time, they promised to regularly disclose fiat currency reserves condition and are willing to accept audits by third party organizations. But no matter what kind of improvement is made, this currency reserve model runs counter to the idea of decentralization of blockchain and can only be considered as a transition concept for the stablecoins.

1.3.2 Decentralize collateralization mode

This model is reserve digital asset on the blockchain, and issue cryptocurrency price pegged to FIAT. Bitshares, MakerDao, Havven and other projects use this approach. In this model, each issued stablecoin is backed by a corresponding digital asset, and the risk control is guaranteed by a risk control mechanism such as over-collateralization and forced liquidation. At least \$1 is worth behind. The collateral, and in the process of liquidation, ensured the power of the stablecoin holder to obtain the collateral. Compared to the FIAT reserve model with collateral, the main advantage of digital asset collateral is decentralization. The collateral is locked in a smart contract and is open and transparent, and cannot be diverted or frozen. However, its main disadvantage is that the liquidity of the stable currency will be affected by the fluctuation of the value of the collateral. Under the current scale of the total market capitalization of digital assets, it is impossible to form a stable currency

liquidity that can meet market demand.

1.3.3 Seigniorage Shares model

Basis is a kind of stable cryptocurrency with “Seigniorage Shares model”. It uses the theory of “Quantity Theory Of Money” as a theoretical basis, and uses a mechanism called “algorithmic bank”, which is similar to the central bank’s open market operation, through the supply of stablecoin. Adjustments to anchor the stablecoin price and FIAT. In simple terms, the following process is completed through three types of tokens:

- Share: Share holders can get the initial allocation of new currency according to the holding share
- Basis: Stablecoin, pegged to 1USD
- Bond: When the Basis price is lower than 1USD, the system will issue additional Bond. The Basis holder can use Basis to purchase the Bond, and the corresponding Basis will be destroyed by the system, thus reducing the total amount of Basis and putting upward pressure on the Basis price. When Basis's price rises above 1USD, the system will issue Basis. The additional portion will first take care of the Bond holder and replace Bond with Basis in a 1:1 ratio. After all Bonds have been destroyed, the remaining portion is redistributed to Share holders.

On the surface, the Seigniorage Shares model is based on the view that the issuance of stablecoin does not depend on the back of collateral and can quickly provide the liquidity needed by the market. However, there is a controversy about this model. Basis has formed an unfair currency allocation system and created a privileged class (Share holder). All new currencies are allocated to Share holders and they sell the currency to users. This is a privilege in itself, but it is not subject to compulsory protection. If there are other stablecoin competitors, the market will not easily accept such a stabilizing currency with obvious exploitation. With the increase in supply of Basis, its pegged to \$1 will require constant positive inflows of funds from the market to be able to maintain. Once the capital stops flowing, the price will deviate from the anchor target price.

1.4 The Big Challenge of the Stablecoins

According to the current market condition of the stablecoins, we think that the key factor that leads to success in the market competition in mid-term and long term is to handle the following two important problems. However, all the current projects of the stablecoins have not given the exact

answers on this two key questions.

1.4.1 How to increase the supply of the stablecoins to meet the market needs

The market demand of the stablecoins is intrinsic and there is a huge amount of demand which has not been satisfied currently. Although USDT, which takes up the biggest market share of the stablecoins, has been issued over 2.5 billion dollars by Tether, it still cannot meet the demand of liquidity of a large scale exchange. Therefore, how to deal with the supply of the stablecoins has become the core of the problem.

Although the deposit collateralization model of legal tender has provided the greatest liquidity, the deposit accounts of legal tender which behinds it is the core. Under the situation that the scale of the stablecoins develops from billions to hundreds of billions even thousands of billions, whether there deposits funds of legal tender are still safe, and whether these accounts would be restricted by the current legal system are the foreseeable questions that needs to be considered. When there is no formal financial institutions participate in the activities, the amount of legal tenders that a private institution could hold is limited, which causes a bottleneck and limits the market space of the deposit collateralization model of legal tender. Therefore, from the viewpoint of long term, the stablecoins which are based on the deposit of legal tender will be replaced by the stable coins which are based on decentralized collateralization of digital assets.

Under the collateralization model of digital assets, the supply of the stablecoins will be affected by the fluctuation in the market value of collateral. For example, MakerDao accepts ETH as its guaranty to issue the stablecoin Dai. However, the price of ETH fluctuates hugely, so the mortgagers themselves would be exposed in a relative huge risks of losses, which decreases the willingness of issuing Dai. The circulation of Dai has not reached 40 million dollars currently, so it could be viewed as in the stage of pilot run and testing in the system and it cannot be applied in the market. The development of block chain is in the early stage. Under the condition that the total market value of global digital assets is only in the scale of 300 billion and there is a huge fluctuation in price, the problem of supply of the stablecoins is inevitable and even cannot be solved in short term.

However, with the continuous development of the industry of block chain, the following three trends might occur in future:

1. As the value that cannot be privatized in the traditional era of internet, information such as individual big data and individual credit would become individual assets and would be preserved as tokens of block chain.
2. Real assets would be on the block chain in a matured system. For example, some physical assets such as real estate and noble metals would be on the block chain.
3. Global GDP would be transferred on the block chain with the more and more higher proportion and it would be preserved as tokens.

When the three conditions above are achieved, the liquidity problem in the collateralization model of digital assets would be solved thoroughly. Finally, collateralization model of digital assets would become the important approach of issuing the stablecoins.

1.4.2 How to establish long-acting stabilization system

Without the safeguard measure of long-acting stabilization system, the stablecoins cannot provide enough confidence in order to enter the circulation system. Therefore, whether a real effective stabilization system, which can be implemented in long term, could be established is a key factor that decides the possibility of success of the stablecoin projects in final.

After the liquidity problem, which is also the problem of quantity, is solved, the competing factor of the stablecoins is quality, which also refers to the stability. Without the safeguard measure of long-acting stabilization system, the stablecoins cannot offer enough confidence to the market and consumers to enter into the circulation. Thus, it is vital to establish an effective and efficient stabilization system which could lead to the final success of the stablecoins.

In theory of the deposit model of legal tender, as long as the accounts of legal tender do not appear problems and the commitment of convertibility is still valid, then the stability of legal tender is definitely optimal. However, the problem occurs on the security of the accounts of legal tender themselves, so it is an extremely huge uncertainty risk.

Nevertheless, all the current collateralization model of digital assets and stabilization system has problems, which is that it mainly relies on speculation and game theory that enables prices could anchor. Under a small time scale in short term and a small scale of supply of the stablecoins, it could reach stabilization as only small amounts of capital are needed to control the market in order to avoid the stablecoins being affected by the external real market negatively. However, when the scale and scope become greater, the preinstalled stabilization system would face death spiral problem. The death spiral problem refers that there is a positive correlation among the factors that cause the decreasing prices of guaranty and the direction is unitary. Unless there is huge changing point that switches the market from bear market to bull market or there is financial rescue package based on government helping behavior, market does not have its own manipulating power to solve the problem.

The key to solve the problem does not depends on a more reasonable system but the accomplishment of three conditions that raised in the previous question. When the market value of guaranty is great and has small fluctuation in prices, the simulation problem of issuing the stablecoins and the liquidity problem of the stablecoins would be solved.

1.5 The Fantasy and Vision of Alchemint

1.5.1 The currency that only occurs in the ideal world

Under the modern system of currency, currency is a special commercial goods that everyone needs. As a kind of currency has to be accepted widely to generate the applicable value and individuals do not equipped with the ability to create the currency that could be accepted by everyone, so from thousands of years, in general, currency is created and sold by special institutions to meet the demand of usage by citizens. Under this condition, in general, the first distribution of additional currency is given to the institutions of central power firstly and then circulate to the general market step by step. However, we think that according to the basic characteristics of currency, it is the standardization and unitization of everything in the world. Just like number is the abstraction of everything in the world, it enables some basic subjects such as mathematics and physics to have a vigorous development. People describe the world, understand the world and the ability to change the world has improved greatly than ever before. By the way, the standardization and unitization of everything in the world by currency enable people to be convenient in the exchange behaviors. As a

result, the system of the division of labor and coordination of work could be realized, and the whole economy of humanities are enabled to develop and improve.

In an ideal world, currency does not need to be a special commodity that is created additionally, but currency has to be a unit that is standardized based on everything in the world and could be accepted widely. In this world, everyone's home has a fantastic magical vat. You can put your assets in that magical vat and it will create some standardized units. You can hold these units to exchange any goods with others. When you want to take back the assets in the magical vat, you only need to put the units that are created previously back in the magical vat.

The original ownership of currency has to be decided by the assets.

The appearance of the block chain technology makes this ideal become possible and Alchemint hope to become this fantastic magical vat.

1.5.2 Back to the real world

We think that, to make this magic come true, the necessary approach to enable everyone to own the ability to create the standardized units is to collateralize their own digital assets and issue the stablecoins. Therefore, Alchemint insists viewing the collateralization model of digital assets as a very important characteristic all the time. As the same time, we recognize that the whole block chain industry is at the early stage and the total market value of digital assets is still at a very small scale. In such an environment, the only reliance on the collateralization model of digital assets could not satisfy the great market demand of the liquidity of the stablecoins by far.

Currently, among the whole market of the stablecoins, the greatest one of the volume of issuance is still the USDT issued by Tether. Although it suffers from criticisms and has been questioned frequently, the USDT still accounts for over 96% of the total market of stablecoins, holding the issuance of 2.5 billion dollars. At the same time, more projects that are based on the deposit model of legal tender are improving the model established by Tether and are preparing to implement in the market after the improvement. We think that the approach that issuing the stablecoins on a basis of the deposit of legal tender would be the mainstream scheme of the stablecoins market in the next two years.

Thus, besides insisting the collateralization model of digital assets, Alchemint would provide the functions of issuance of the stablecoins on a basis of the deposit model of legal tender for all the users and institutions. Alchemint would become an issuance platform of the stablecoins with mixed models.

1.5.3 From the real world to the ideal world

The market position of Alchemint is an issuance platform of the stablecoins with mixed models, but it does not mean that Alchemint is a simple collaboration of various models. We have a comprehensive vision and ideal towards the development approach of the stablecoins from the short term to the long term. We believe that with the continuous improvement and maturity of the technology of the block chain, traditional assets could be reflected on the block chain. At the same time, the individual information such as people's credit and big data of people's behaviors that cannot be owned privately would become one part of the individual assets and be reserved on the block chains based on the block chain technology and the ecosystem. In the next three to five years, it might occur a great trend that assets are transferred to tokens and it is predicted that over 10% of the global GDP would be reserved on the block chain.

When this era comes, the problems of the current collateralization model of digital assets, including the great price fluctuation of collaterals themselves, the limited market value of collaterals and the systematic risks that could not be prevented, would be solved naturally. The approach that enable people's own assets to become the currency that everyone can accept through Alchemint as the fantastic magical vat that everyone has in their home, and exchange, use and circulate this currency would become the important method of issuing currency under the background of the globalization.

In this process, except that Alchemint would become the platform of the stablecoins that is most popular and has the greatest volume of issuance, Alchemint team would apply our own working experience in the financial industry and the internet industry from these years to promote the global payment and the settlement of balances based on the stablecoins, and facilitate the financial ecosystem of the block chain based on the stablecoins.

2 The Implementation of Alchemint

2.1 The Architecture

Alchemint is a decentralized price-stable cryptocurrency management system runs on the blockchain of NEO. It creates high performance application-level digital currency through distributed ledger technology. A series of risk control measures like the mortgage of digital assets, the release of stable digital currencies, the management of the market value of collateral are implemented by smart contracts to establish a resilient, open, transparent and stablecoin issuance system. Alchemint is not controlled by any individuals or organizations. It does not need audit companies or regular publication of reserved assets. Everyone is able to check real time market value of collateral, the circulation of stable currencies and the overall condition of the system on the public blockchain. There is no need to worry about the runaway, bankruptcy or account suspension of Alchemint for the smart contracts guarantee all the collateral will not be embezzled. The holders of stablecoin also do not have to worry about the fluctuating of the market value of collateral. Alchemint has a complete set of risk control measures to manage the collateral's market value so that the fluctuating will not trigger crisis of the whole system.

Ecosystem

Exchange	Financial Market	Asset Management Ins	Alchemist
Acceptance Dealer	Payment Service Provider	Blockchain Economy	

User Interface

Browser Console	APP Console	To-B Wallet	To-C Wallet
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Risk Management and Governance

Risk Mana Para	Liquidation Mana	External Price
Institution Mana	Fee Mana	Collateral Type

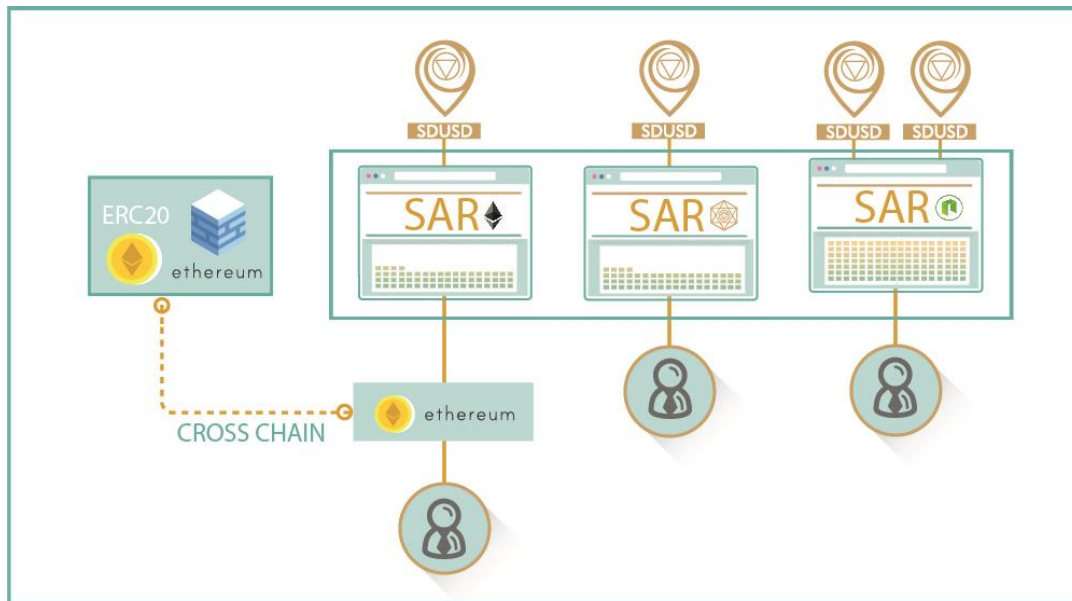
Alchemint Infrastructure

SAR Smart Contract	To-C Interface	To-B Interface
Cross-Chain Mapping	Oracle	Stablecoin

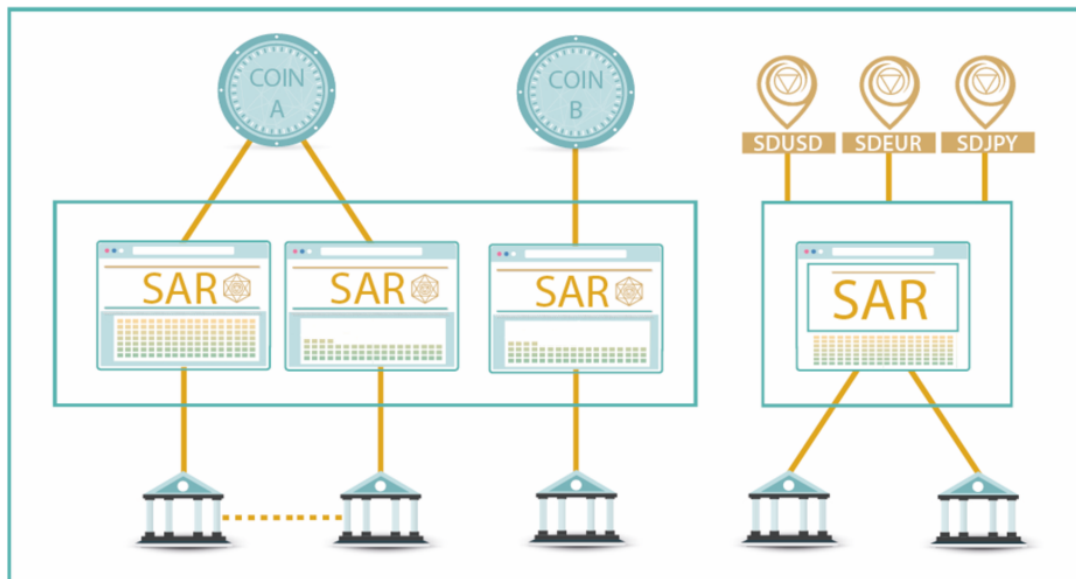
Blockchain Infrastructure

DBFT	NeoContract	NeoX	NeoFS	NeoQS
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In the user interface, Alchemint not only allow individual user to collateral cryptocurrency to issue stablecoin, but also allow institutions have FIAT reserve with SDT as deposit to issue stablecoin. In order to increase the diversity asset, Alchemint will develop crosschain functionality, connection each blockchain's asset. It will not only mapping other blockchain's asset on NEO to collateral , but also mapping stablecoin to other blockchain. Alchemint can pegged to any asset, for a single asset, Alchemint will allow different stablecoin issue from different creditability issuer. It's also promote the competition, the market will accept the most acceptable and trustworthy stablecoin



Alchemint can pegged to any target assets in terms of diversity of stablecoin. For the same type of pegged assets, Alchemint will allow issuers of different credit risks to issue different kinds of stablecoin in the case of risk isolation, and also promote stablecoin. The market competition between the market allows people to choose the best quality and the most acceptable stablecoin.



2.2 The function and value of SDT

SDT (Special Drawing Token) is the Alchemint's utility token. It's will be need not only issuing stablecoin, but also a important certificate to participate in every action Alchemint's governance board..

2.2.1 The usage of Alchemint platform

- Business institution need have FIAT reserve, they also need SAR certain quantity of SDT as deposit, it will have a lowest percentage requirement. business institution, the lowest percentage of deposit will be different.
- When business institution need issue stablecoin, they need pay SDT as service fee, the amount of service fee will determined by the amount of the stablecoin they want to issue. The service have to be paid in market price's SDT, after SDT been paid as service fee, that amount SDT will be burnt.
- When individual Consumer collateral cryptocurrency to issue stablecoin, when they want to redeem their cryptocurrency that been collateral, they need pay SDT as service fee, the amount of service fee will determined by the amount of the stablecoin and how long they redeem their cryptocurrency back. The service have to be paid in market price's SDT, after SDT been paid as service fee, that amount SDT will be burnt.
- When SDT's market cap having a stable size, people can collateral SDT to issue stablecoin.

2.2.2 The governance of Alchemint platform

At the begining of Alchemint platform launched, when the community is not growth enough, the platform's order will execute by the Governing committee, the committee will be lead by finance and technology expert. While the community growth more and more well rounded and mature, the Alchemint platform will control by all the SDT holder. It included and not limited in

- The lowest percentage requirement SDT deposit for level business institution
- For some key system risk control parameters, such as debt mortgage rate, debt ceiling, liquidation ratio, liquidation penalty rate, etc., which needs to be adjusted according to market conditions
- Add or modify the types of collateral assets: The Governing committee will choose reasonable digital currency assets and assets on the physical block chain. After conducting a series of professional ratings, the GHG targets and parameters will be given and included in collateral list of Alchemint.
- Choose the trustworthy Oracle: Alchemint use decentralized way to catch external market

price, this setting included several Oracle nodes and different source of market price.

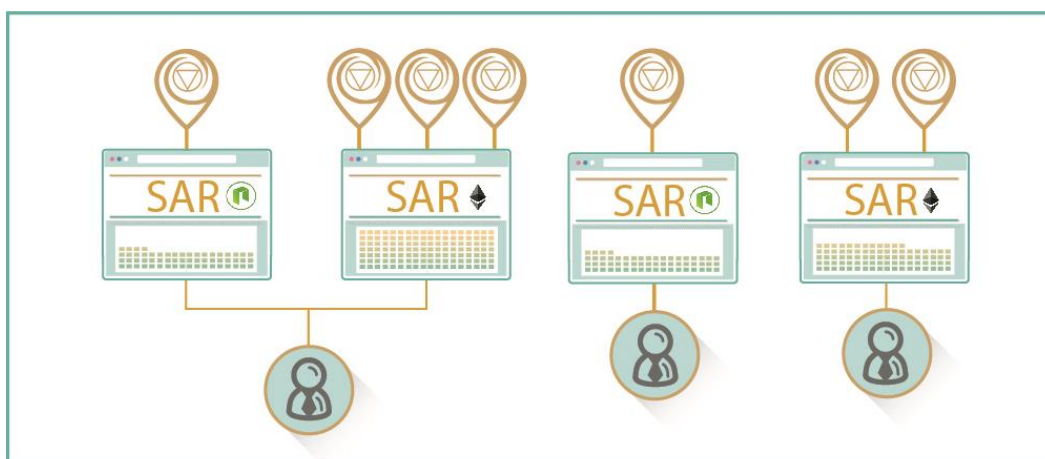
- Decide the how much SDT Alchemint need charge for issuing stablecoin

2.3 Smart Asset Reserve

SAR (Smart Asset Reserve) is one of the most important elements in Alchemint system, it a smart contract build on NeoContract, we use SAR to reserve asset and issue stablecoin. Due to smart contract's traceable and unchangeable feature, the whole process of issuing stablecoin is completely transparent and can be public audit.

Alchemint system separate SAR into to Business based mode and Consumer base mode, the logic and risk control model is different. SAR Consumer based mode is mainly faced to individual user, people issue stablecoin through over-collateralisation cryptocurrency. SAR Business based mode is mainly faced to business institution, they use offchian 100% FIAT reserve and SmartContract to lock-up SDT as deposit to issue stablecoin.

For consumer system, everyone can base on different collateral, open multiple SAR, each SAR will lock-up collateral, based on the collateral type, market cap, and risk control parameters, will determent the amount stablecoin they can issue.



In the Business institution system, every snstitution can open a SAR on alchemint, each SAR will lock up SDT, and based on the market price of SDT and the lowest deposit ratio determent the amount stablecoin they can issue.



2.4 SAR-B Module

Any institution can issue the stablecoin on the platform of Alchemint. In the design of this version of the white book, the users of institutions mainly refer to the organizations such as the exchanges, the institution that manages assets and the institutions that issues the stablecoins. The aims of these institutions to issue the stablecoins is to meet the needs of its own platforms and to satisfy the demands of the customers under its ecosystem. Therefore, these institution users are not suitable to issue the stablecoins through the approach of the collateralization model of the digital assets, so they issue the stablecoins based on the deposit of legal tender.

2.4.1 Marketization and Variety of Stablecoin

The commercial institutions issue the stablecoin mainly through the deposit of the legal tender. The credit that could endorse the stablecoin offered by different institutions is different and the risks to issue the stablecoin by different institutions are different as well. From the aspect of the marketization, we think that market is the one that decides the acceptable level of different stablecoins. As a platform, one of its functions is to offer abilities to institutions and meet the needs of any institution to issue the stablecoins. The second function of a platform is to enable information to be open to the public and transparent through technology and techniques, letting the market can

monitor, supervise and choose the stablecoins in an information symmetry environment. Therefore, in terms of the B module, the market position of Alchemint is to establish a decentralized and open platform. We think that there are diversity and fierce market competition in the stablecoins, so Alchemint allows any institutions to issue the stablecoins that could avoid the risks and have different characteristics on the platform, which enables the more qualified stablecoins to stand out through the marketization and fierce competition.

The diversity of the stablecoins that exist on the Alchemint platform shows on two aspects:

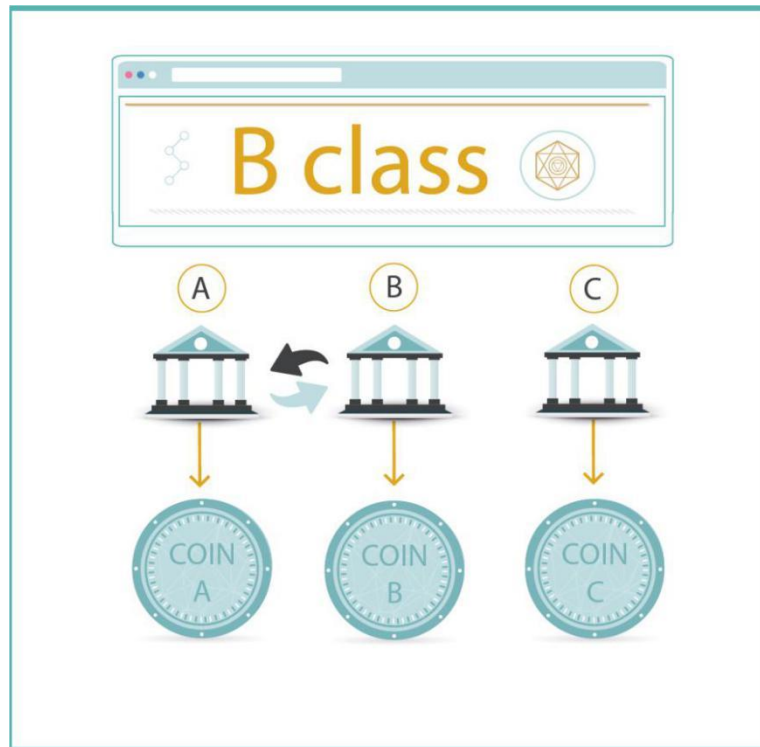
1. Under the condition of anchoring on kinds of assets, there are different types of stablecoins that are issued by many types of institutions
2. There are stablecoins that anchor different kinds of assets and there would be different exchange rate among the stablecoins.

2.4.2 SAR For Institutions

Any institutions can open up a SAR on the platform of Alchemint and issue the stablecoins through choosing SDT in SAR as deposit. However, because most of the institutions are unable to have the ownership or have the license of the third parties' accounts of the legal tender legally, or most of the institutions cannot provide the strictest third-party accounting and auditing, so the stablecoins that are issued by these institutions have some credit risks to some extent. To deal with these risks, Alchemint requires the institution users to use SAT as deposit in order to gain the credit lines of the issuance of stablecoins. The margin ratio of deposit would be decided by the votes of SDT community together. At the same time, the stablecoins that are issued by different institutions would be tabbed as different types of assets in order to allow the risk-remote mechanism to act effectively. On the platform of Alchemint, the information including the issuance scale of every kind of stablecoin, the market value of the deposit SDT behind the stablecoin and the margin ratio of deposit would be recorded on the block chain, being open and transparent.

Stablecoin issued by institution A and institution B, together with those separately issued by institution C, D and E are defined as four different assets in the system. For Consumer user, they can chose if they trust it and willing to accept that stablecoin, so it will make different stablecoin have

competition. The competitive are coming from the brand credibility, value, how their disclosure their FIAT reserve, SDT deposit ratio etc.



Institution issue stablecoin can describe as below:

- 1) Create a SAR, select the stablecoin's name and what currency it pegged to.
- 2) Select the amount SDT will lock-up, SAR will based on the lowest percentage (for example 50%), give the institution the highest amount stablecoin they able to issue.
- 3) In the allowance range, institution can choose the amount the specific amount stablecoin they want to issue, the stablecoin they issue will goes to institution's address.
- 4) Institution can choose the usage of their stablecoin as they will, but in most case, institution will accept customer FIAT, and give customer stablecoin back, make the stablecoin backed by FIAT reserve, that's the value of confidence to support the stablecoin.
- 5) If the credit limit run out, the institution can not issue more stablecoin. At this time, institution can choose to lock-up more SDT to access more credit limits.
- 6) SDT deposit will have a lowest percentage requirement, for example 50%, but institution can

based on their will and ability, raised the deposit ratio, sometime can raised to 100% or even higher 100%. The higher ratio deposit backed, the higher trustworthy to that stablecoin. If SDT deposit can keep in higher than 100%, even the institution can't publicly showed their FIAT reserve, it will not effect people confident to that stablecoin.

Destroy the stablecoin

- 1) Under normal circumstances, when the user uses stablecoin to redeem the fiat currency, the institution needs to destroy the stablecoin in the SAR, so that the amount of stablecoin matches the fiat currency reserve.
- 2) When the margin ratio is lower than the circulation of stablecoin, the institution can retrieve part of SDT from the SAR.

Credit default

When the institutions appear credit default, for example, the accounts of the legal tender are blocked and the institutions go bankrupt which leads that they cannot cash the stablecoins that are issued by the, at this time, all the stablecoins holders can block the SAR of that institution through the approach of voting together and use the stablecoins to exchange back the SDT assets in SAR accordingly. If the margin ratio of deposit of that institution's SDT is higher than 100%, the holder of the stablecoin will not suffer any losses. But if the margin ratio of deposit is lower than 100%, all the holders of the stablecoin will exchange back the corresponding SDT according to the amounts of the stablecoins held. However, as the holder cannot get the full amounts of the corresponding market of the stablecoins, they will suffer losses. Nevertheless, as that stablecoins are different from the stablecoins that issued by other institutions, belonging to different types of assets, so the credit risk of that stablecoin will not influence other stablecoins.

2.5 To-C Module

2.5.1 SDUSD

SDUSD is the cryptocurrency issued by Alchemint platform, it aiming to pegged USD, 1USD=1SDUSD.in Alchemint platform, every Consumer can collateral different cryptocurrency, they will all receive SDUSD. Different than Business platform, each SDUSD is not backed by FIAT,

it's backed by an over-collateralization cryptocurrency.

In currently situation, USD is the FIAT with the highest liquidity and most creditworthy, so Alchemint designed SDUSD as the first stablecoin. With the cryptocurrency becoming mainstream, Alchemint will

2.5.2 SAR for Consumers

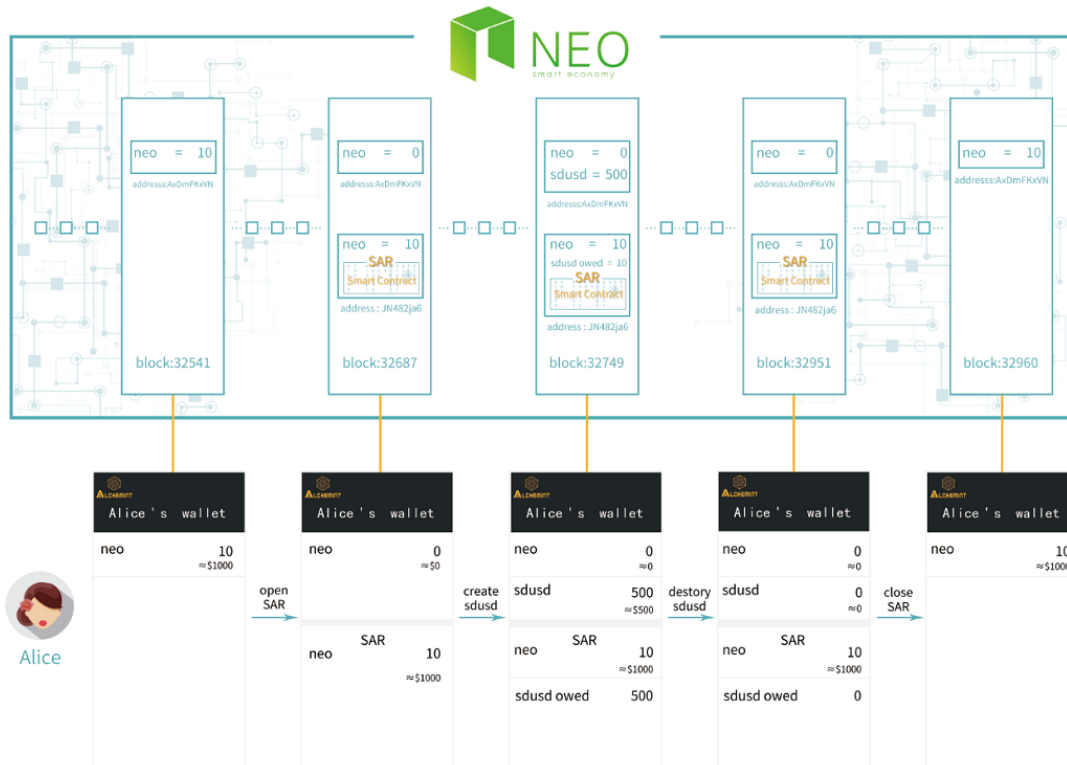
Every individual Consumer can collateral cryptocurrency and issue stablecoin, the whole process is like below:

The whole process can be described as below:

- 1) User creates a SAR and sends neo into the SAR for mortgage. SAR will evaluate the value of neo and with its mortgage rate to create certain amount of SDUSD back to the user's account. E.g. one sent 10 neo into the SAR and the market price for 1 neo is 100 USD. The mortgage rate is 200%. Then SAR will create 500 SDUSD.
- 2) If the user wants to redeem those 10 neo, he has to give 500 SDUSD back to SAR and pay certain commission (pay via SDT, SDT will be introduced in detail later). No one is able to embezzle the mortgaged neo before the redemption.
- 3) If the value of neo break the liquidation level (e.g. 150% as liquidation rate, when the value of 10 neo fall to 750 US dollars), the mortgager must take additional investment in order to make the value of collateral above the liquidation level. If the mortgager takes no action, everyone has the authority to liquidate this SAR in force and ask for extra bonus. The mortgager will suffer an extra loss for negative act.

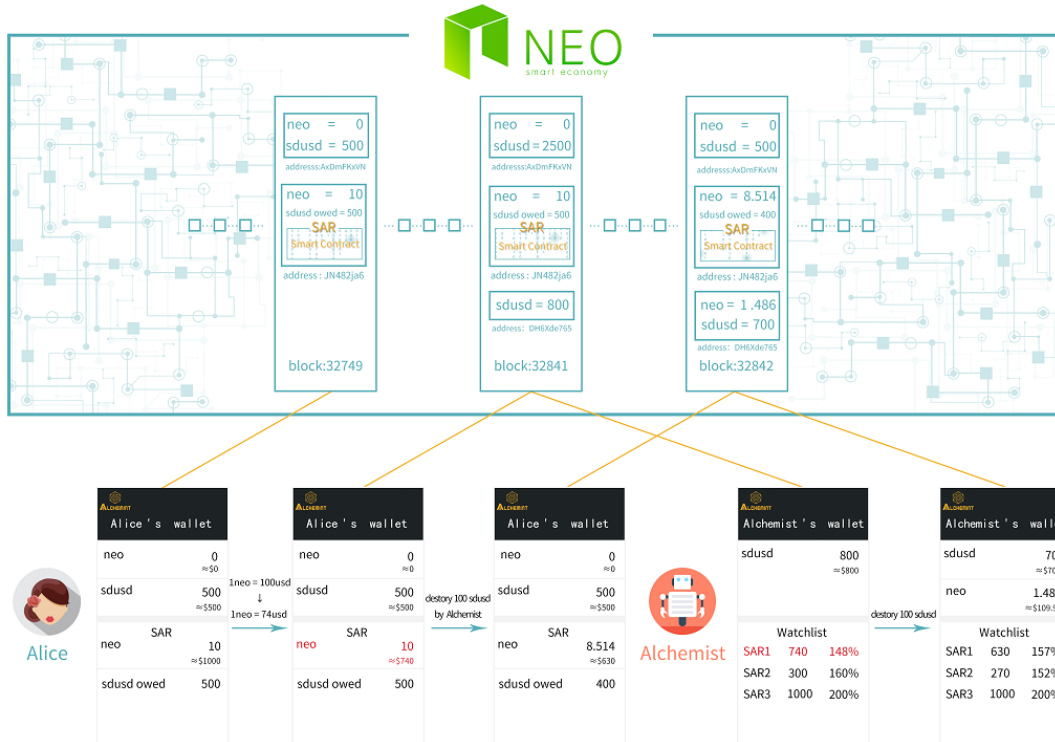
Take a simple case as an example. The bank will release loan to mortgager for taking his or her house as collateral. The mortgager will be asked to pay off the loan when the value of the house falls. Otherwise the house will be sold at auction. The mortgager can only take the rest part of the money after the loan is paid off.

We will further introduce this mechanism from the perspective of accounts in blockchain and private wallet. A kind reminder that SAR does not exist in private wallet but the blockchain. The private wallet is merely a display of account data in blockchain and an intermedium of sending instructions.



Just like Bitcoin or Ethereum and all other digital assets, the price of neo has relatively big fluctuation. Alice has to face the fluctuant risk since she acquires the SDUSD. There is nothing to worry about if the price of neo goes up. The market value of collateral and mortgage rate will be higher, and the risk will be less. Alice will get a higher investment income if she purchases neo with these SDUSD.

On the contrary, if the price of neo goes down and the value of neo is less than the SDUSD, the price of SDUSD will fall below 1 US dollar. The whole system may breakdown. Alchemint designed the automatic liquidation and auction mechanism to solve this problem. When the value of collateral breaks certain threshold and the mortgage rate falls as well. Alice must add more neo to make the mortgage rate back above the threshold. Otherwise the neo in her SAR will be liquidated to auction. The Alchemist will compensate the SDUSD for Alice and get extra income. Alice has to face an extra loss accordingly. This mechanism guarantees that the SDUSD has enough value of collateral.



2.5.3 Price Stability Mechanism

Different from the stablecoins that issued by B institutions, SDUSD is not supported by the 1:1 deposit model of legal tender but the digital assets that is over-collateralized. Alchemint enables SDUSD to anchor the price of USD through the following mechanisms.

The target price

The target price is the internal anchoring price of SDUSD in the Alchemint platform, and the target price is one USD. The target price has two important functions. The first one is to calculate the mortgage rate of SAR. The second function is to calculate the amounts of collaterals that could be contained in the process of the liquidation.

Compulsory liquidation

When the value of the collaterals in SAR keeps decreasing constantly, which let the mortgage rate is lower than a critical value such as 150% that is set before and the owners of SAR have not taken any actions, the compulsory liquidation would be triggered in order to prevent the value of the collaterals keeping decreasing further. When the compulsory liquidation occurs, the speculator would use

SDUSD to buy the collaterals in SDUSD and Alchemint will decide how many amounts of collaterals can be bought in this liquidation according to the target price of SDUSD and the amounts of it. As the target price that is set by SDUSD is one USD, so one SDUSD can only buy one collateral that values one USD in the liquidation.

Alchemint enables the market expectation price of SDUSD to anchor near one USD softly through the target price and the compulsory liquidation.

2.5.4 The Alchemist

The alchemist is an outside participant consists of individuals and automated program. The system has a penalty for forcible liquidation so that the alchemist will consistently looking for opportunities to find the SAR which need to be liquidated and repay its SDUSD for commission.

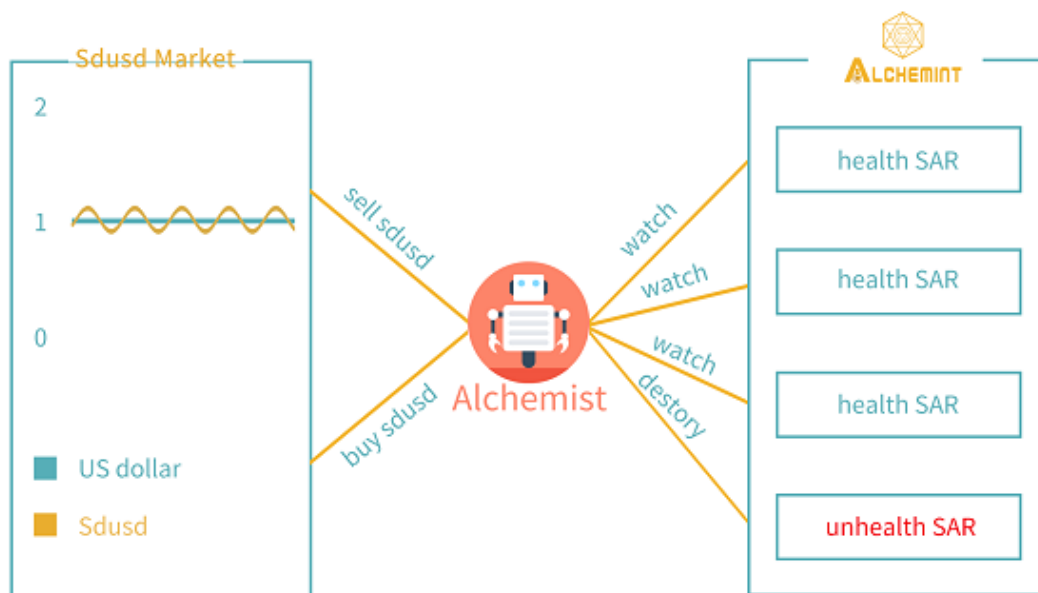
Alchemist will also trade the SDUSD for the price of SDUSD and the price of USD are soft anchoring. The price will have slightly fluctuation with the change of supply-demand relationships. Alchemist buys SDUSD when the market price is below target price and sells SDUSD when the target price rises.

The collaterals that support SDUSD have the risk of price fluctuation, although Alchemint has set a series of risk control measures and the speculators have the willingness to protect the price proactively under the function of the motivation mechanism. However, under the market condition of the rapidly falling price of the collaterals unilaterally, speculators possibly cannot generate enough stablecoins due to the limited time or they cannot sell the collaterals which are bought previously in time, it let the speculator cannot liquidate the SAD that contain unhealthy debt effectively and efficiently in time.

This kind of risk might lead to the situation that there is a large amount of SAD that falls below its net breaking value. Then it will cause the confidence towards the value of the stablecoins would be disrupted, so we have to introduce the final speculators and let the final speculator to provide the final security of stablecoins.

The final speculators have to be equipped with two capabilities. The first one is to have the

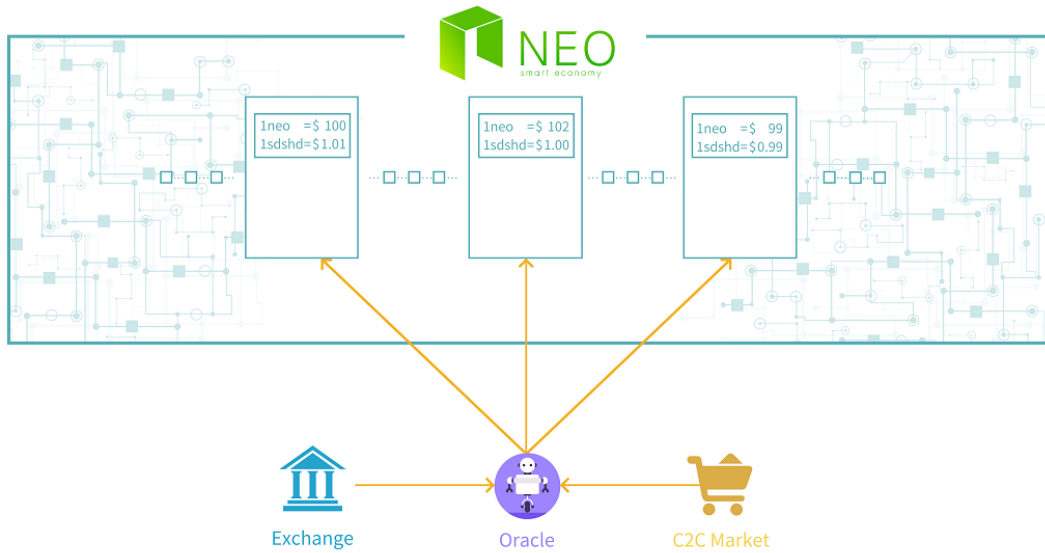
ownership of large even infinite liquidity of stablecoins, and the second capability is to be able to sell the collaterals rapidly. We think that only large-scale digital asset exchanges can be equipped with all the requirements that the final speculators should have. Firstly, the exchange has enough scale and scope of market. It can liquidate SDR to gain collaterals and sell the collaterals at the same time in order to lock the prices at the first time. Next, as the large-scale exchanges has the ability of cashing themselves to some extent, Alchemint can pre-set sbond such type of assets in the smart contrasts and the exchanges can get 1:1 stablecoins through the collateralization. Alchemint will offer different credit of sbond on a basis on the different capabilities and scales of different exchanges. These capabilities can make sure that the speculators can gain stable benefits from the protecting behaviors. At the same time, these capabilities also can make sure that the risk control mechanism of Alchemint can be implemented effectively in final.



2.6 Oracle

In the Alchemint system, lots information need to received outside data to input, like the currently price of the collateral asset, the SDT market price. . All these price are external market price that cannot be positively sensed by blockchain. Therefore, price-setting mechanism is necessary. An outside participant acquires the price information and transfer it into the blockchain. This outside participant is called Oracle in technical system.

Oracle also consists of distributed node to avoid the risk of centralization. Holders of SDT are able to choose the node they trust and set the price on Alchemint platform on the basis of market price.



2.7 Systematic Risk of Blockchain

Alchemint is established on the foundation of Smart Contracts which may exist potential flaws and bugs. At early stage of the system, the greatest technical risks are malfunction caused by bugs and vicious technicians' attack that target on code flaws.

System bug is the logical error of code which will lead to system's operational breakdown. Generally, it will be solved by all-encompassing test cases during coding. The Alchemint technical team will follow the strictest software test principles to guarantee the correctness of the code and the logic. But it cannot be guaranteed that the system will never have any problems for the test can only prove the existence of error but cannot prove that there is no error in the code. Alchemint will set an open beta period in which a low debt ceiling is created in order to deal with the undetected bugs. After the open beta period, Alchemint team will decide a date to reopen the debt ceiling according to transaction amount and the performance of the system.

Another serious risk is the attacks from vicious technicians. The attackers try to find and take advantage of the bugs to conduct attacks. The worst situation will be loss or stolen of the users' assets. Alchemint team regards the security of Smart Contracts as priority. The system developers will follow the strictest coding principles and apply internal audit on code. Alchemint is going to hire professional external security team to take the independent audit on the code of Smart Contracts. During the open beta period, Alchemint will organize a White Hat team to take an attack test and the discovery of bugs will be rewarded.

Although Alchemint has very comprehensive technical measures to ensure that there are no bugs or loopholes, there is not a 100% perfect system in the world. Even if there is only 1 out 1 trillion probability to occur problems, we also need to formulate all the necessary measures. Alchemint therefore designed a mechanism for system freeze and global clearing. We call this "system reboot". Once the system restart is triggered, the entire system will be frozen, new SARs won't be created, and lending money will not continue. The system will start a period of stress, when SAR holders will be able to actively end the SAR and retrieve the collateral. After the stress time is over, the system will automatically exchange the corresponding collateral for the holder of the stable currency according to the locked feed price, thereby restoring the system to the initial state. After the bug is fixed, the system will be opened again. The system restart authority will be controlled by the

Alchemint Governance Committee. When the committee believes that the system is in a serious attack or failure situation, this mechanism will be activated to avoid the deterioration of the situation and restore the normal use of the system as soon as possible.

2.8 Roadmap

We have clearly recognized that the issuance and management of the stable digital currency is a very complex project. However, if we only focus on the stable digital currency itself and not focus on its implication scenes and the position in the whole financial and commercial environment, the market of Alchemint will be very small and the changes that it can bring to the world will be very limited. For this reason, we have divided the revolution of the whole Alchemint into three stages.

The first stage is from 2018 to 2019 and we called it as Genesis. The main task of this stage is to establish a healthy and mature system of the digital currency with the stable price rapidly, which is focusing on the key functions that the current stablecoins lack. We will provide the huge amount of liquidity of stablecoins that the market needs through B-side.

The second stage is from 2020 to 2021 and we call it as Expedition. At this stage of Alchemint, the stablecoins that are based on the issuance of legal tender will form a large scale. At the same time it will occur the stablecoins that anchor to various legal tenders and the global payment and liquidation will use stablecoins as media in a large scale. In this process, Alchemint will restructure the blockchain+ different commercial activities of finance through the approaches of hatching or self-development in order to establish a decentralized financial ecosystem.

The third stage is called as Elysium from us. At this stage, the digital assets have been become the globalized mainstream assets. And the collateralization model of digital assets would become the mainstream model of issuing the stablecoins and the whole ecosystem of the blockchain will be restricted on the basis of the stablecoins.

Roadmap



PHASE 2 EXPEDITION

2019-2021



smart
contract



consensus
mechanism



cross-chain



tokenization

FEATURES OF ALCHEMINT BLOCKCHAIN



SD-



SD-



SD-



SD-



SD-



SD-



SD-

COMPETITIVE STABLECOINS MARKET



exchange



funding



asset
management



payment &
settlement

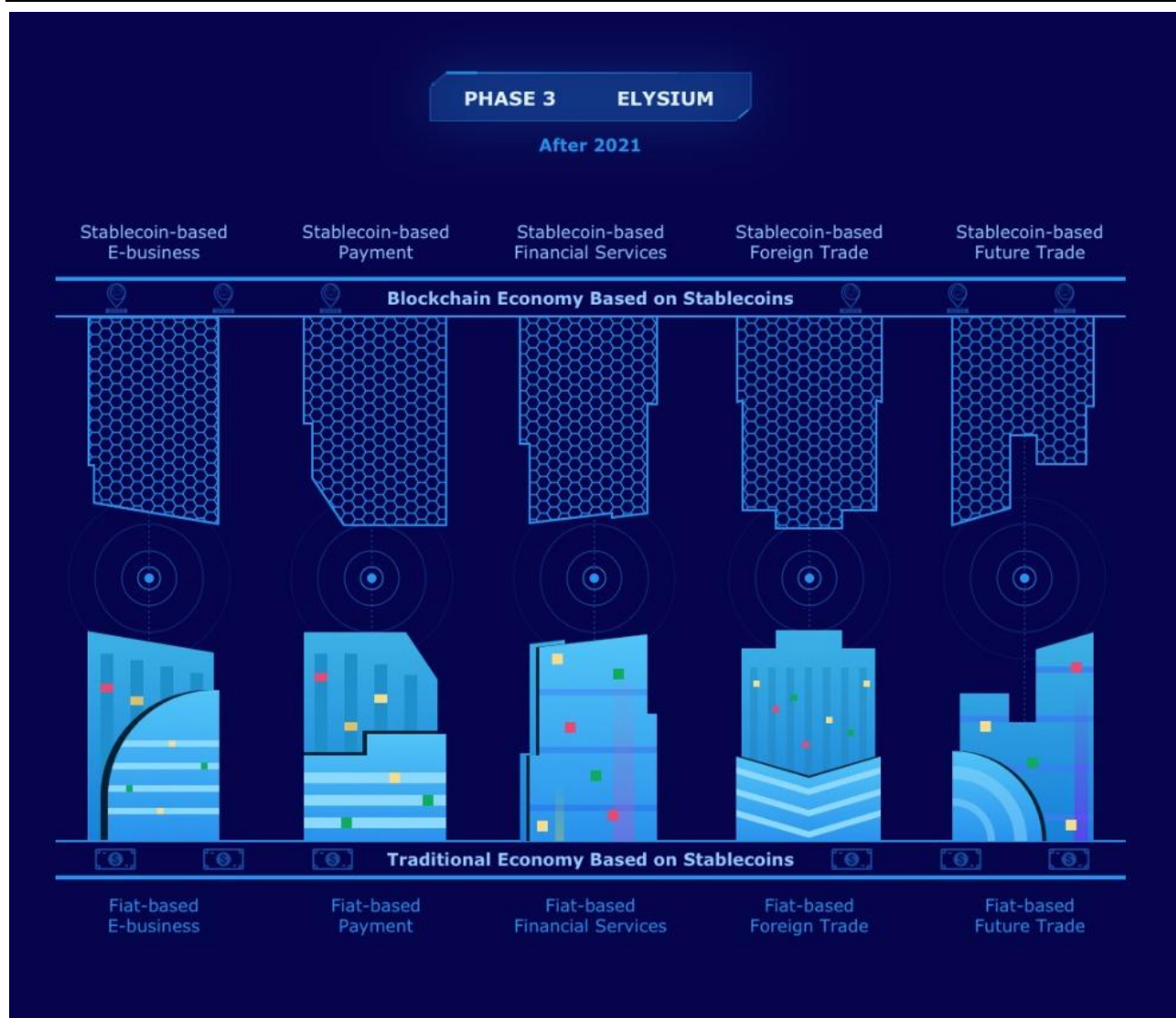


lending



insurance

STABLECOIN-BASED FINANCIAL SERVICES



2.9 Development of the Alchemint ecosystem

In Kevin Kelly's view, the development of technological elements drives us to pursue and build a value network: while maximizing individual autonomy, collective capabilities are also maximized.

Whether it's a value network or any other network, there are two elements: nodes and connections. Today, the basic unit of the Internet Era becomes "flow." This structural change has led people to re-recognize these two elements, re-recognize their individual values as nodes, and rethink how they collaborate with other forces in the community, and how to achieve the purpose of sharing wisdom, creating value and building a community through community autonomy.

The blockchain opens the prelude to the value of the Internet, enabling users to achieve simultaneous arrival of information and value in the community. We hope that in Alchemint's community, the

entire feedback process of rapid verification and intelligent collaboration among the participants will build the inner core of smart business and the digital economy.

2.9.1 Digital Financial Ecology: Distributed Currency is the Anchor in the Sea

If Alchemint's entire distributed financial ecosystem is likened to a sea, then the blockchain infrastructure is the continental shelf, and the various application services are the creatures in the ocean. The seawater is Alchemint's token (SDT), which carries the entire financial system, keeps the normal operation of the community system. SDUSD is the anchor in the sea, even if the ocean roll and wave, it doesn't move anymore.

Based on our observations on the blockchain industry and the development of cryptocurrencies, we plan to use the following path for our ecological promotion:

- 1) Work closely with major international exchanges to actively promote the convenience and efficiency of stablecoin in investment conversion and leverage operations through the exchange;
- 2) Cooperate with various commercial organizations that have huge stablecoin demands to promote the use of SDT deposits while using stablecoin;
- 3) Expand smart contract service providers and choose one or two projects as key breakthroughs to demonstrate the great value of stablecoins in credit, cross-border trade, gaming and other services;
- 4) Help and promote the centralized entity assets such as gold, real estate, and standardized funds onto the neo public chain, enrich the varieties of smart asset reserves, so as to achieve relative stability of mortgage assets and reduce price fluctuations;
- 5) Extend and penetrate into the traditional real economies. Select some payment institutions and offline merchants who have high acceptance of cryptocurrency and want to try the blockchain technology. As a project partner and pilot organization, they will enrich the application scenarios of stable coins.

In the ecological development tactics, adopting the point-to-point approach to form a demonstration effect. Let the blockchain practitioners and users truly experience the function and use of the stablecoin, and gradually establish a financial service system in the cryptocurrency world.

2.9.2 Archimedes' perspective on blockchain and stablecoins

1) Seeking a viable path between ideal and reality

Since the born of Bitcoin, blockchain technology has been developed for nine years, and the path from ideas to concepts and even to various practice fields has become clearer.

We believe that the value Internet will open because of the blockchain technology. The revolution in technologies such as artificial intelligence will profoundly affect the overall development of the entire society, including the financial sector, and ultimately change our way of life and gradually erase the boundary between physical world and virtual world. These are all contributed to the blockchain technology.

There are also some stablecoin projects similar to Alchemint on the market, and there are many more ideal sketches and project design methods. But more importantly, we believe that any technological innovation, especially in the currency sector, must be based on pragmatism rather than being a castle in the air. Stablecoins should start from solving the problem of currency stability, payment and settlement, and become a bridge between the real economy and the digital economy, and play its role in the future blockchain business.

2) Landing needs to promote market synergy

There is no doubt that the application of stablecoin is huge – stablecoin has a huge application space in the creation and construction of financial systems in the digital economy. However, the creation of a digital financial system is certainly not something that Alchemint can do.

On the concluded US Senate Digital Currency Hearing, the US cftc chairman mentioned in his testimony that “blockchain technology can ultimately save financial institutions up to \$20 billion in infrastructure and operating costs each year.” Blockchain technology can reduce the transaction settlement cost by 1/3 and reduce the capital requirement by 120 billion US dollars.

In the process of traditional financial institutions’ transformation, we will call for and promote more traditional financial services industries actively embrace blockchain technology, and play blockchain in securities settlement, property rights records, network security, trade records and data storage. We believe that stablecoin, as part of the financial system infrastructure, will play a greater role in future financial services such as securities trading, credit, futures contracts, and payment.

3 Governance philosophy and structure

How to maintain the sustainable development of the social community and the team is the focal point that the Alchemint team has always been discussing and thinking. The team builds an effective and collaborative community platform with the advantage of decentralized block chain technology. Nevertheless, the experience of the corporate governance structure can certainly be referenced in order to improve the Synergistic efficiency of the blockchain community and to standardize the operating activities of the community.

3.1 The establishment of the Alchemint Foundation

The Alchemint Foundation (following will be called "Foundation" for short) is a non-profit entity established in Singapore in January 2018. As an advocacy entity of the Alchemint blockchain, the Foundation is devoted to develop and construct the Alchemint, as well as advocate and promote the transparency governance, to boost the safety and harmonious development for open source ecosystem communities.

3.2 The Governance principle of the Foundation

The governance structure of the Foundation is designed primarily to consider the sustainability of the opening platform, the effectiveness of the strategic formulation, risk management and control, and the efficient operation of the economic platform for the Alchemint blockchain. The governance structure of the Foundation is based on the following principles:

■ The fusion of centralized governance and distributed structure

The Foundation absorbs the core vision of a certain extent of centralized governance in the management structure, including the highest decision-making access and major events' centralized procedure power for the strategic decision-making committee, in order to improve the efficiency of the integrate community operation.

■ Coexistence of the functional committee with the functional unit

The Foundation will establish permanent functional units to deal with the general business under normal routines, such as the department of Research & Development, marketing development, operation, finance and human resources.

At the same time, it will establish the professional functional committee to make decisions on the important functional items. Unlike functional units, the functional committee exists as a virtual structure, and its members can be from the whole world without necessary full-time work. However, it must meet the requirements of the committee's expert qualifications and be able to guarantee its presence and proposed opinions when the committee needs a discussion. The functional committee will also set a regular meeting regulation to ensure the effective advance of major decisions.

■ **Risk-oriented governance principles**

Risk management is established to be the most important element when conduct a research to ensure the establishment of the Foundation and the strategic development and decision-making process of the Alchemint blockchain.

As a computer technology with great revolution significance, the development of the blockchain is still in its infancy, so it is extremely essential to hold its development trends. The principle of risk management is to ensure that it fully considers risk factors, risks issues, and their probability of occurrence and corresponding impacts when the Foundation makes important decisions. Meanwhile, corresponding coping will be formulated in terms of decisions.

■ **Coexistence of technology with business**

Alchemint starts from the ideal, insists on the goal of closed fusion towards the business. The formulation of the Foundation also follows this purpose. Even though the Foundation exists as a non-profit organization, it hopes to maximize its recognition within the business world and obtain the profits from of business applications. Meanwhile, it also hopes to give feedback to the Foundation and communities concerning further development and upgrade of the Foundation and the Alchemint.

■ **Transparency and supervision**

With reference to the governance experience of the traditional business world, the Foundation also proposedly establishes a professional Whistle-Blower. The designated staff in the strategic decision-making committee are regarded as a window, to welcome the community engages in the management, the supervision and the operation and be able to report "findings" promptly and confidentially. These findings include, but are not limited to: new breakthroughs or recommendations that have a significant impact on the Foundation or blockchain technology, community operating

issues, crisis information, fraudulence or fraud reporting and so on.

Through regular reports and occasional press releases, the Foundation also discloses and reports the operation of the Foundation and the progress of Alchemint's progress to all parties involved in the community. Meanwhile, the contact details of key managers in the Foundation will also be fully disclosed to accept supervision and communication from all parties involved.

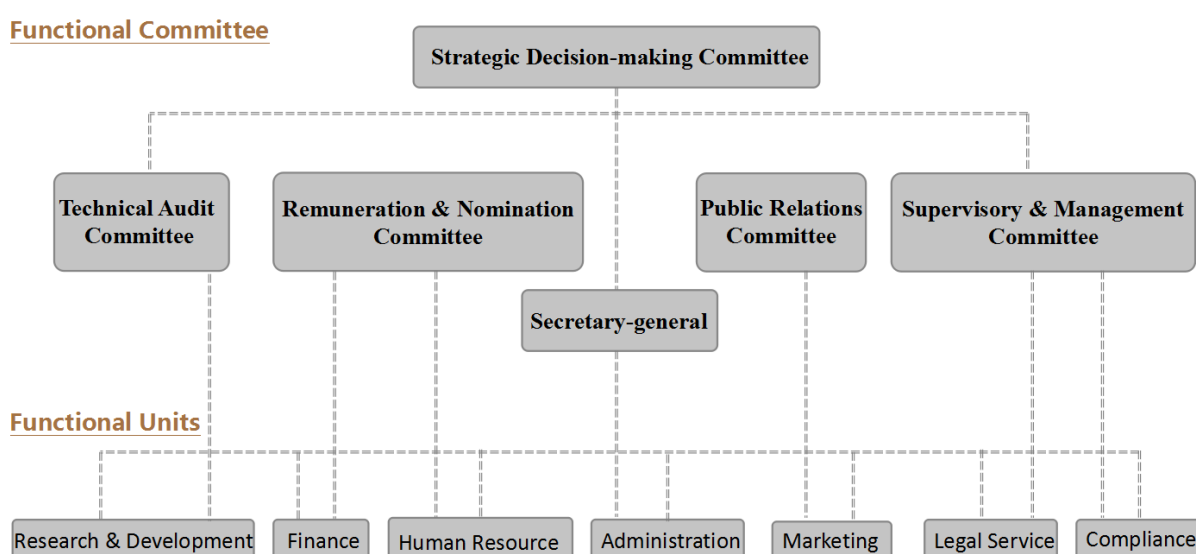
3.3 The organizational Structure of the Foundation

The Foundation proposes a combination of the professional committee and functional departments in the organizational structure to deal with daily work and special events.

The establishment of the Foundation takes the operation of traditional entities as a reference, to set various functional committees, such as the strategy committee, the technical committee, the remuneration and nomination committee, and the public relations committee.

The organizational structure of the Foundation is shown below:

Figure 13: Organization Structure of the Foundation



3.3.1 Strategic decision-making committee

The Foundation's highest decision-making institution is the strategic decision-making committee. Its main objective is to discuss and solve important policy-making issues confronted by the Alchemint community development, which includes but not limited to:

- Modify the governance structure of the Foundation;
- The resolution of the formulation and rotation within the strategic decision-making committee;
- Appointment and rotation resolutions for the secretary-general in the Foundation;
- Appointment and removal of the responsible person and person in charge of the various functional commissions;
- Review and revision of the Foundation regulations;
- Strategic development decisions for the Alchemint blockchain ;
- Changes and upgrades for the Alchemint core technology;
- Emergency decision-making and crisis management agenda and so on.

The members of the strategy decision-making committee and the chairman of the Foundation hold a term of two years, and the chairman of the Foundation shall not be re-elected for more than two consecutive terms.

After the term of the strategic decision-making committee finishes, fifty community representatives are voted according to the consensual mechanism of the Alchemint blockchain of the next generation. Then, five people from the decision-making committee will be voted to be the core members who will represent the Foundation to make important and urgent decisions, and will need to receive a credit investigation during their term and disclose their remuneration.

The above important issues need to be voted by in real name. Each member of the committee shall have one vote and the president of the Foundation shall have two votes. The resolution made by the decision-making committee must obtain the approval of more than half of all the members who serve within the committee currently.

The decision-making committee meeting should be attended by the committee members in person. If he or she is unable to attend for any reason, he or she can entrust to other members of the committee

to attend the meeting by writing a formal paper. Those who have not delegated their representatives shall be recognized to give up their voting rights at the meeting.

3.3.2 Secretary-general

The secretary-general is elected by the strategic decision-making committee, who is responsible for the daily operations management, the coordination work of subordinate committees, the host of the decision-making committee meetings for the Foundation.

The secretary-general is the chief executive of the Foundation's administrative affairs and conducts unified guidance and coordination on the daily operations, technology development, community maintenance and public relations of the Foundation. Meanwhile, the secretary-general will connect business units with the functional committee which govern the structure.

The secretary-general reports work to the decision-making Committee regularly.

3.3.3 Technical Audit Committee

The technical audit committee consists of the core developers in the Alchemint's development team. It is responsible for setting the decision-making rules, developing the bottom R&D, the development and audit of opening ports, and the development and audit of technical patents, and so on.

In addition, members of the technical audit committee regularly understand the dynamics and hot spots of communities and industries, communicate with participants in the community, and hold irregular technical seminars.

3.3.4 Remuneration and nomination committee

The remuneration and nomination committee is established to be responsible for determining the selection and appointment of key management personnel in the Foundation. The committee sets rules for procedures to assess the managerial competency and authorize the appointment. At the same time, the committee sets a pay system to motivate individuals who have made significant contributions to the Foundation.

The remuneration and nomination committee regularly assesses performance for all members of the Foundation. Besides, it gives advice to the adjustment of human resource structure, and puts forward

with different incentive measures to absorb and retain talented experts.

3.3.5 Public relations committee

The goal of the public relations committee is to serve the community, including Alchemint technology promotion; build, maintain and exchange resources with its partners; Alchemint commercial promotion as well as publicity; community crisis public relations and social responsibility etc. The committee is responsible for regular press conferences, external announcements about major issues, and conducting solving inquiries with answers. If an event has impact on the reputation of the Foundation, the public relations committee will act as a uniform channel of communication to issue an authorized response.

3.3.6 Supervisory and management committee

As a highly autonomous body, the supervisory and management committee is located within the Foundation as an independent oversight and risk management control of the overall operations of the Foundation.

The supervisory and management committee provides daily guidance to the Foundation's legal and compliance departments. At the same time, the Foundation establishes a transparent open reporting mechanism. The supervisory and management committee directly accepts internal and external issues reported and conducts corresponding investigations and improvements in order to ensure that the operation of the entire Foundation is fully legal and be improved within an acceptable risk level.

The supervisory and management committee reports to the strategic decision-making committee directly and does not have any conflict or overlap with the rest of the Foundation's other function

3.3.7 Other functional departments

The Foundation establishes its daily operating departments with a reference to the corporation regulation structure. For example, the units of human resources, administration, finance, marketing, research and development (or laboratory) etc.

3.4 Alchemint Human Resource Management

Alchemint is committed to create the most influential ecosystem of the open-source community in the world. To ensure the successful development at the technology level, and the ongoing and effective operations, the Foundation will be committed to recruit talented technical developers and

management personnel with a deep understanding of business.

■ Recruitment

Based on the characteristics of the blockchain that it has no borders, the Foundation's first requirement is geographically unrestricting for recruiting staff. It is very pleased to welcome talented people from all over the world to join the Foundation. Except certain jobs that must be recruited locally (eg. Logisticians management staff), other jobs are not restricted to the workplace location or the form of work.

At the same time, the Foundation will draw up human resources plans, recruitment procedures and vetting procedures based on best practices in human resources management to ensure that the Foundation attracts suitable personnel.

As an open-source community, Alchemint not only recruits full-time developers, but also employ well-known technical consultants in the industry. Relevant employment and payment need to be discussed and decided by the remuneration and nomination committee and signed cooperation contracts as well.

3.5 The Foundation's economy

The Foundation advocates the following key principles in economic operations:

- Take non-profit as the main principle, what takes in the community will be given back to the community;
- Sustainable development
- Corporation and mutual assistance, and resources sharing

Economically, the Foundation strives to achieve a balance of income and expenditure while pursuing growth and promotion of the community. In addition to the initial funds acquired during the ICO, the Foundation will obtain the income of digital assets through community ecological operations. Under the arrangement of the third-party trust agencies, the Foundation will allocate benefits to various operations and community development with public transparency.

The Foundation will have a full-time financial management team to maintain and regulate its daily

financial and digital assets. The financial management team mainly reports to the strategic decision-making committee of the Foundation and fulfills the responsibility of reporting and disclosing the financial management reports concerning the fund network regularly.

3.5.1 Sources of funds

The major source of income and funds is divided into two aspects in the Foundation:

- The non-recurring operating income includes the start-up capital obtained by the initial ICO and investment income for digital assets;
- Income from regular operations, including sales of research and development products, transfer or authorized use of patents, academic exchanges and contributions etc.

The following is a detailed description of the main sources of income.

- **Initial startup assets**

Alchemint tokens to be set to 1 billion (sdt). The distributed plan is as follows:

Proportion	Distributed plan	Details
20 %	Public sale	The income of sdt Public sale will be used for the Foundation's operations, including development, marketing, finance and legal advice etc.
15%	Private investor	Private investors are person that have great influence both inside and outside the industry and will be very helpful to Alchemint projects, both in technology and in business development.
10%	Cornerstone investor	Cornerstone investors provide important help and resource support for development and promotion in Alchemint project.
10%	Founding team Development team	The founding team and the developing team make a contribution to human, resources, material resources and technology in Alchemint's development, so in return issuing sdt to repay
30%	Community development fund	Maintain the continuous operation and development of the Alchemint team and the community

10%	Commercial get down to earth promotion	Choose suitable industries for strategic deployment, project support and tokens replacement in the industry, for industrial applications through Alchemint technology to truly commercialize the plan
5%	Consultant	Consultants and legal compliance

- **Digital assets investment**

In its ongoing operations, the Foundation will allocate approximately 5% to 10% of its capital or digital assets to invest in blockchain industries, such as incubating start-ups, angel investments, and investing in emerging scientific research and technology. The proceeds from investment will also be used for community development.

3.5.2 Fund usage budget

As mentioned earlier, the Foundation will use funds mainly in daily operations, technology development, business development and reinvestment.

The use of Alchemint assets is based on the principle of openness and transparency, and will set up independent accounts and digital asset wallets' address to use. The committee monitors the flow of digital assets and shares it regularly with the community.

■ Principles of use

Exceed 1 million yuan (or equivalent digital assets) will need have the approval of the secretary-general and the person in charge of financial units; more than 500 million yuan (or equivalent digital assets) will need to be approved by the decision-making committee.

3.5.3 The report of financial planning and implementation

The financial and personnel management committees will make financial planning and summarize preceding quarter's financial performance quarterly. The financial report can be formed and then submitted to the decision-making committee for audit.

3.5.4 Digital asset management

The Foundation's digital assets are arranged by full-time financial personnel authorized by the strategic decision-making committee. Digital asset transactions and legal currency transactions are

arranged for independently and timely financial bookkeeping, following the best practices in internal financial controls. The Foundation will adopt multiple signatures to ensure the safety and accuracy of assets. All legal currency collected is converted into digital assets promptly and deposited into digital wallets. Foundation assets cannot be deposited in personal accounts.

■ **Digital wallet management**

Based on the principle of independence, the wallet of the Foundation adopts multiple signatures. If add the signature, it needs to get authority from the strategic decision-making committee. Large amount of tokens are stored cold when small amount of tokens use multiple signatures.

■ **Disclosure items**

Each year, the Foundation will disclose Alchemint's condition regarding development, operations, promotion and the operation of the Foundation to the community. For the financial situation of the Foundation, financial reports will be conducted on a quarter basis, and it also will be disclosed for the annual reports' audit.

The Foundation builds a public relations committee to hold regular and irregular release meetings as an external window to publicize important news of the Foundation.

4 Team Members and Advisor

Alchemint is the first stablecoin project based on the NEO public-chain, which first exposure has gained highly market attention and support. The consultancy team is included experts and veterans across multiple industries such as numerous blockchain, internet and financial industry

4.1 Founding Team Core Members

Alchemint team members mainly from the financial, Internet industry, combination between senior industry experts and enthusiastic blockchain lovers with adhering to a common ideal to come together.

Zhang Ting, CEO & Founder



Zhang Ting has extensive experience in the securities, media and internet finance industries. She is liberal and a serial Internet entrepreneur. She has served as investment advisor of China Merchants Securities, editor of media finance, COO of P2P Collection Wealth, and CEO of Community Finance Platform. She has extensive experience in Internet financial product innovation, supply chain finance, asset securitization, risk control system and Internet platform operation and management.

Qi Feng, CTO & Co-founder



Qi Feng has over 10 years of experience in information technology and management in the financial industry. He has served as the general manager of Zhongke Soft E-commerce Division, senior consultant of Neusoft Group's Financial Business Department, and CTO of Renhe Zhiben Group. In 2017, he cooperated with Bitpoint who holds a Japanese license and opened a digital asset exchange in mainland China.

Zhang Wei, Product Director Master of Economics

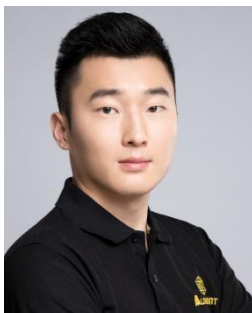


Zhang Wei holds a bachelor's degree of Accounting and a master's degree of Economics. Since 2007, he has been engaged in derivatives investment management and risk control business in the futures industry. From 2008 to 2016, he was the product manager and investment consultant of a large internationalized state-owned bank in China. He has extensive management and practical experience in futures trading, stock pledge, debt collateral, risk hedging, and derivative product R&D design.

Steel Chen, Core Development Engineer



He has been an IBM senior engineer for 8 years and a technical expert in the financial industry. He has the experience in architectural design and project management in multiple large financial systems projects. He has led the overall architecture design of the digital currency trading system and the development of a high performance matching engine.



Lei Geng, Core Development Engineer

Lei Geng is a full-stack engineer and a senior engineer in smart contract development. He participated in multiple digital currency exchange projects and specializes in the development of wallet applications and digital asset management.



Joe Wu, Core Development Engineer

He has more than 8 years of development experience in mobile applications and network instant messaging systems. He is an expert in the P2P communication technology at the bottom of the blockchain.



Cheng Maoyong, Business Manager

Cheng Maoyong holds an accounting degree from the Beijing Normal University. He has served as a tax consultant for PWC in Guangzhou and has extensive experience in assisting companies in completing tax compliance and foreign exchange control. Cheng Haoyong began investing in Bitcoin in 2013 and actively participated in the Bitcoin community. He has an advanced view on the application of blockchain and community management.



Musk Zhou, Product Manager.

In 2012, he founded Hangzhou Non-stop Network Technology. In 2015, he was responsible for the No. 1 truck products and got the B round financing from DCM and Sequoia Capital. In 2017, he was the product manager of the Joint Finance with over 50 million users and a cash flow of over 70 billion RMB. He has extensive experience in operating and managing Internet products.



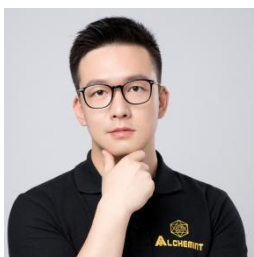
Neowo Xu, Operation Manager

Neowo Xu holds a bachelor degree of Chemistry from the University of California and a master of Chemistry from Waseda University. He has a pioneering vision and rich experience in digital currencies investment. He has participated in community operations and ICO in multiple blockchain projects. He is good at community operations, media cooperation and user management.



Harvey Xu, Business Manager

Harvey Xu holds a bachelor degree of Optical Information from Shandong University and a master degree of Banking from Queen Mary University, London. He worked for China Merchants Securities mainly responsible for the expansion and docking of financial channel resources, such as public and private funds and institutional clients in the secondary market. He has extensive experience in business development and customer relationship maintenance.



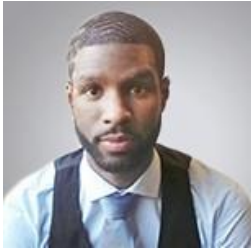
Stephen HU, Community Manager

Stephen Hu holds a bachelor degree of Computer Science from Carleton University in Canada. He is a blockchain enthusiast and did early research on Bitcoin, NEO and other public chain projects. In 2015, he started a business in the field of de-cryptification certification in Silicon Valley. He has extensive experience in blockchain community operations.



John Rawls, Operation Manager

John Rawls holds a master degree of Finance from Hunan Agricultural University and a bachelor of Law from Nanjing University of Science and Technology. He studied overseas in Chinese Culture University (Taiwan) as an exchange student in 2013. He holds the China Qualification Examination Certificate and had interned in Nanjing Intermediate People's Court. He has made active research on cryptocurrencies and stablecoins.

Wendell Maclean, Creative Director & Marketing Manager

Wendell Maclean holds a bachelor degree of Economics from Rotterdam University. He has been a Bitcoin enthusiast since 2013. He holds the qualifications of Google Analytics and Adwords. Maclean is versed in market research and social media. He has extensive design and marketing experience to build the brand of Alchemint.

Jonathan Quali, Leader of Alchemint Europe Communities

Jonathan Quali holds a business management degree. He has worked in the telecommunication and insurance fields for many years in Paris. He has founded and been running his own consulting firm for over 8 years. He is an early investor in cryptocurrencies. He is good at docking resources, finding talents and managing communities. Currently he is actively expanding the European market for Alchemint.

Yoon Jae Chung, Leader of Alchemint Korea Communities

Yoon Jae Chung holds an economics degree from the University of Massachusetts. He was the former international business manager of Korea Telecom, former international business director of Moum Corp, former CEO of PurpleBee Corporation and former CEO of TrueBlocks LLC.

4.2 Advisor

Sun Ming, Legal Advisor of Fenbushi Capital

Sun Ming graduated from the Law School of Fudan University in 2002. He has been a partner of Chezoo Law Firm and acted as a Fenbushi Capital legal advisor since 2011. He is mainly engaged in mergers and acquisitions, banking and trust, digital currency, blockchain and distributed ledger technology. Mr. Sun has extensive experience in foreign investment and corporate mergers and acquisitions and is also the earliest researcher and legal expert in cryptocurrency and blockchain technology in the world.

Professor Wang Yanming, Ph.D. in Mathematics



From 1990 to 1992, Wang Yanming was a postdoctoral fellow in Peking University and a visiting scholar in universities of 16 countries such as MIT, the University of Minnesota and the Australian National University. He is currently a professor and doctoral tutor of Faculty of Mathematics and Finance at Lingnan college in Sun Yat-sen University and also is a part-time professor at Macau University of Science and Technology and Nanchang University. He is also a comment expert of the National Natural Science Foundation and National Natural Science Award.

Professor Wang Yanming's research interests include financial engineering, financial markets and investment, risk management, algebra, information security and cryptography. He has published over 40 research papers in the SCI index source journal.

Chen Yu, Juxiu Capital Founder



Chen Yu is a famous angel investor. He has invested over 200 internet companies. The "Pay Revolution" and "Wind within Jiangnan of Internet Finance" are among the best-sellers in the field of finance in China. He has been selected as top 50 internet finance influencer for five consecutive years and got listed on the Hurun Fortune Magazine in 2016 and 2017.

NEO Council



NEO is an internationally renowned non-profit community blockchain project that uses blockchain technology and digital identities to digitize assets and make automated management to digital assets through smart contracts in order to achieve an "intelligent and economical" distributed network. NEO officially launched in 2014, and then realtime opened source in Github in June 2015. NEO is recognized as one of the most successful public chain projects, known as "China Ethereum."

Currently, the market value of NEO is about 70 billion yuan, ranking sixth in the global digital currency market.



Pauline Xu, Hayek Capital Founder

Pauline Xu is the Founder of Hayek Capital. She has been doing blockchain research for many years. She is also a liberalist.



Liu Ming, MAGGIE CSO

Liu Ming studied philosophy in Peking University. He is the former COO of Tron and currently the Chief Strategy Officer of MAG and the founder of BPA. BPA is the first to use DAG technology in bitcoin to try to solve the scaling issue in payment.



Cindy Fang, BK Fund Co-founder

Cindy Fang has a master degree of Accounting in the City University of Hong Kong. She worked for Baker Tilly Hong Kong and PKF Hong Kong, participating in many annual audits of main board listed companies. She has experience in formulating and analyzing the valuation and turnover rate of the secondary market of the cryptocurrency, developing and adjusting relevant investment strategies.

4.3 Main investment institutions

ALCHEMINT Investors



5 Contact Us

Alchemint official website: <http://www.Alchemint.io/>

Alchemint official Twitter: https://twitter.com/Alchemint_SDT

Alchemintofficial Telegram: <https://t.me/Alchemint>

Email: service@Alchemint.io



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