

2018

ARTEXCHAIN

Artexchain Whitepaper

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CATALOGUE

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1 ORIGIN OF ARTEXCHAIN (ARTEX)

1.1 Prosperous Development of Collection Cultural Economy

In recent 10 years, the rate of return on investment in collections in the US investment field is as high as 24%, followed by stocks with a return rate of 17% and real estate with a return rate of 4.7%. According to Barclays Bank's data, institutional investors and high-end individuals will allocate 5% of their assets for collection investment. It is estimated that the potential demand of the Chinese collection market is more than RMB 6 trillion. The current scale is only a few hundred billion yuan; "the potential demand is very large, and the demand we see is only a tip of the iceberg." In 2016, the transaction volume of collections at auctions in the Chinese market reached USD 4.8 billion, accounting for 38% of global auction; 91,400 auction items were sold; the Chinese market again became the world's largest collection market. In 2017, 42 Chinese collections total were auctioned at home and abroad with a unit price over RMB 100 million. Collections over 100 million yuan are common in the Chinese market.

At present, the collection economy has entered the Internet+ model. Major auction companies have successively developed new collection transaction models of online auction/transaction and offline services. Fragmented collection information is integrated with big data technology, solving the key issues of traceability in the collection authentication field. The certification, authentication and transaction of collections are basically open and information-based, and a relatively efficient collection appreciation and trading system is formed.

1.2 Realistic Difficulties in Collection Cultural Communication

Throughout several hundred years' development and changes of the collection market, authentication has always been a focus. It is estimated that up to USD 6 billion is involved in collection authentication disputes in the world every year, accounting for nearly one-tenth of the total amount of collection transactions. Although the new collection cultural economy based on Internet can offer a wide range of information, it can't solve the problem of authentication.

Due to the lack of necessary knowledge, participants in the collection market for the purpose of investment and profits tend to select collections relying on external guidance, which may easily lead to human intervention, resulting in an increase in transaction costs. Some collectors and investors even begin to ignore the cultural value of collections themselves; collections are hyped and over-packed under the celebrity effect; as a result, collections are at a high price and the collection market and the collection ecosystem are in chaos.

The development of the collection economy cannot be separated from ownership protection. At the present stage, the process of copyright transactions and copyright confirmation is cumbersome and not transparent enough. Collection economy informatization, to some extent, facilitates the creation of pirated works, original works are frequently pirated and it's difficult to protect copyrights, exposing the development of collection economy to an unprecedented crisis of confidence.

Development of collection economy requires training of art economy

participants. However, collection education has been neglected for its long cycle and low efficiency. As a result, collection fans have nowhere to receive training, which to a certain extent limits the development of collection economy.

The market is in urgent need of a scientific valuation system, so that every collection is traceable, and the collection and transaction are orderly.

1.3 Future Development of Collection Culture

With the development of global collection finance and the transformation of economic structure, the consumption structure of collection culture will inevitably enter a period of rapid transition. When the spiritual consumption gradually places the material consumption, the capitalization, financialization and popularization of collection culture become the inevitable trends. The birth of ARTEXCHAIN is to promote the rapid transformation of collection culture, realizing the great prosperity of collection culture while turning the cultural soft power into an economic strength to promote the prosperous development of the global financial field!

In the future, ARTEXCHAIN will become not only a digital warehouse for all cultural collections in the world, but also a platform for the development of collection fans around the world. On this platform, people can obtain all the information of collections, including their origins, circulation, value changes, etc. Everyone can contribute to the world art culture library by participating in the creation, circulation and appraisal of collections. Everyone can create his or her own

collection museum and transform the passion for collections into collection cultural assets using all the resources on ARTEXCHAIN, including works of collection culture, and existing collection fans. In the ecosystem of collection culture, with the circulation of ART, more valuable collections and works will be released and more valuable collections will be published for appreciation, thereby promoting more convenient collection transactions and building ARTEXCHAIN's economic ecosystem.

In a word, the birth of ARTEXCHAIN will gradually subvert the concept of collections. When all the collections in the world come together, collections will become necessities of life. When everyone can become a collector, the prosperity of global collection culture is just around the corner!

1.3.1 Stage I: Construction of Authoritative Ecosystem

Our team has extensive and authoritative resources, including collections of major museums, authoritative records, and auction market information data, all of which are necessary for building an authoritative ecosystem.

Resources including reliable authoritative collection information and collectors' appreciation works and records are digitalized, combined with inalterable and credible block chains; an authoritative, informative database is built with Eos and exclusively presented on ARTEX APP.

In the exhibition halls and auction venues, smart guide robots are used to efficiently present collections and authoritative information in a targeted and real

time manner, creating a highly authoritative ecosystem of collection culture.

1.3.2 Stage II: Exploration of Extensive and Potential Private Markets

To create a digital museum exhibition hall, a touch screen digital terminal can be installed in front of the collection booth to change presentations according to collections and promote the ARTEX APP platform.

With ARTEX APP, users can enjoy all kinds of classic collections on mobile APP, learn related knowledge and check records. ARTEX's brand effect is enhanced by constant optimization of user experience and satisfaction, thus expanding the number of users.

The APP's chain window of private collections is developed to explore a wide range of private collections. The ecosystem of collection culture is expanded by encouraging private users to put their collections on the chain.

1.3.3 Stage III: Mass Authoritative Collection Culture Ecosystem

With the promotion of the platform, a large number of collection fans can register a unique credible personal ID through the platform to publish creations and collections, which will be stored in the block chain database.

Collections are shared on the block chain platform in an honest and reliable way and is reviewed by the public and evaluated by experts. The real value of collections will be continuously realized by platform users' different operations on collections, and finally high-value collections will reach the grade of advanced collections.

Collection fans interact on the platform. The number of their eligible

collections and adopted reviews will increase the grade of their collections and they can grow from collection fans to collectors to achieve self-growth.

1.3.4 Stage IV: Mature Collection Culture Ecosystem

When the platform is popularized among the public to some extent, functions like collection training, creation exhibitions and personal collection studios will be added, helping people who don't know collections understand collections through the platform and become collection creators. The Qualified collection fans will finally become collectors recognized by the public.

A collection culture ecosystem for everyone is formed based on authoritative information, information, a wide range of collection fans, a perfect and stable operation mode, and a reliable block chain database.

2 TECHNICAL ROUTE OF ARTEXCHAIN

2.1 Technical Objectives



ARTEXCHAIN, focusing on collections, will provide such functions as collection

pledge, reviewer's appreciation, information promotion and transaction circulation,

Specific functions are as follows:

- **Pledge** Publishers can value and pledge their collections with ART;
- **Appreciation** Reviewers or experts appreciate and evaluate collections by paying a certain amount of ART representing the value of collections, and are responsible for the behavior;
- **Promotion** ARTEXCHAIN can publish and display collections, guiding the public to discover the value of collections;
- **Transaction** A credible transaction is reached on the ARTEXCHAIN platform Circulation based on the traceability of block chain technology and the platform is responsible for the behavior;

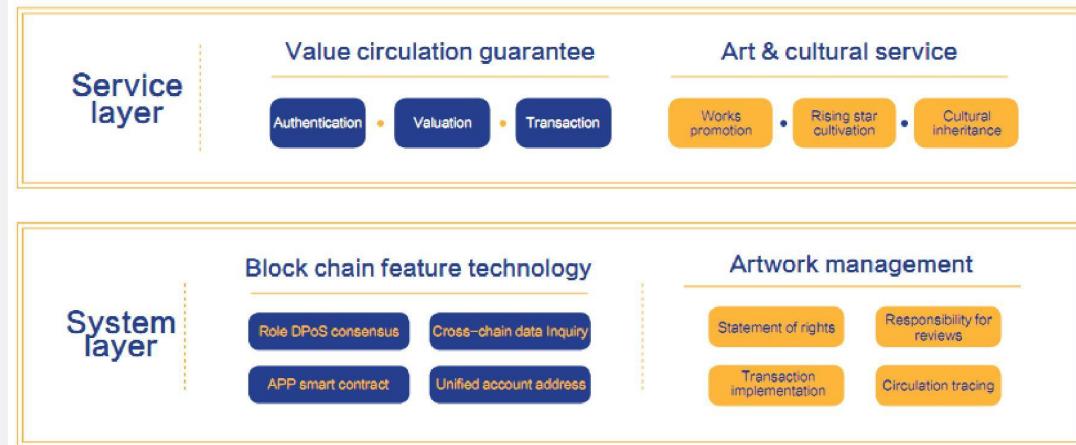
All roles on ARTEXCHAIN are credible, traceable and can be evaluated and reviewed. Role information is based on the block chain technology and is credible and traceable. Block chain information of collections contain their appreciation, transaction and circulation information after put on the chain. Collections can be evaluated and traced based on that information.

2.2 ARTEXCHAIN ECOSYSTEM

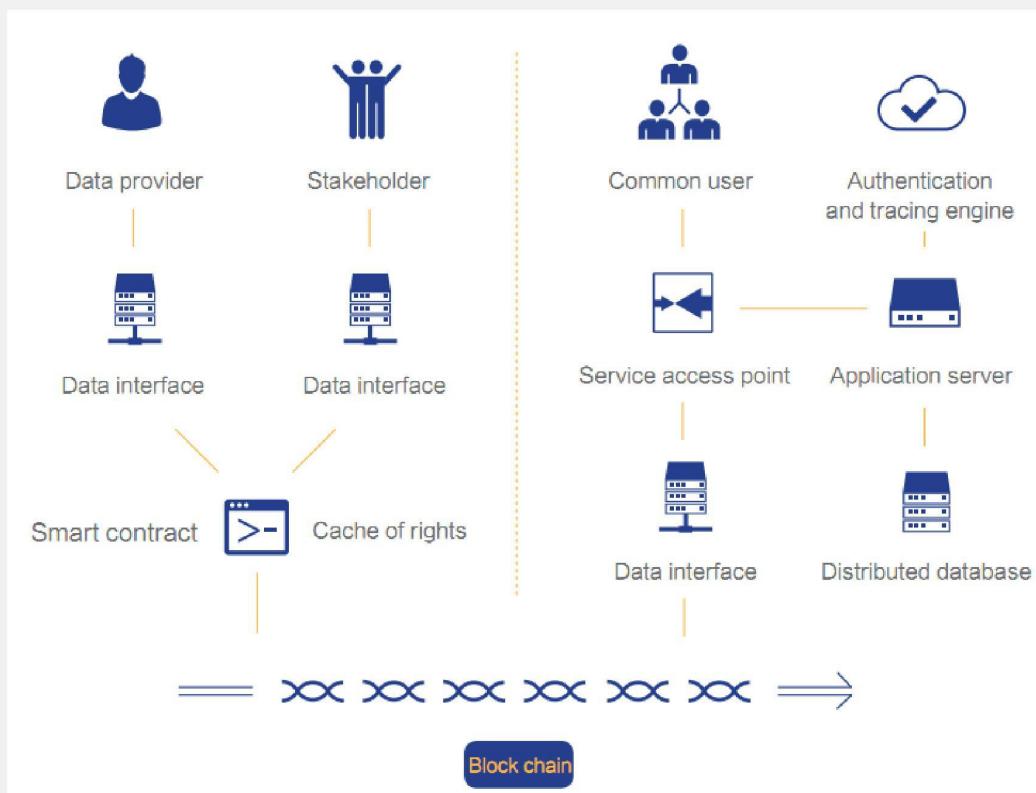
The ARTEXCHAIN ecosystem consists of basic elements, equipment, interfaces and application events.

- **Basic elements** Role, block chain and data information;

- **Equipment** Intelligent terminals, intelligent helper, network server and transaction and exhibition places;
- **Interfaces** APP, Web service and exhibitions;
- **Events** Release, search, transaction, exhibition and appreciation;



2.3 Entities and Roles



2.3.1 Collections

A collection has its ID, description, value and history and other information.

Collections have the following properties:

- ◆ **Unique ID;**
- ◆ **Many bidders;**
- ◆ **Any number of reviewers;**
- ◆ **There is only one holder at a certain time. There are many holders in the whole lifecycle.**

2.3.2 Creator

The creator or the first publisher of collections; the role that puts a collection on the chain.

The creator should have ART to publish works; it's also the first valuator of collections.

The creator has the following properties:

- ◆ **Unique ID;**
- ◆ **Creating collections;**
- ◆ **Publishing collections;**
- ◆ **Grade;**

2.3.3 Reviewer

A role that can review and value collections; the reviewer should have and pay ART to write reviews;

The reviewer has the following properties:

- ◆ **Unique ID;**
- ◆ **Grade;**
- ◆ **Reviewing artworks;**

2.3.4 Dealer

A role that temporarily holds collections, solicits transactions and acts as a go-between; the dealer can start a bid;

The dealer has the following properties:

- ◆ **Unique ID;**
- ◆ **Grade;**
- ◆ **Starting auctions and bids of artworks;**

2.3.5 Bidder

The one who bids for collections held by others; the successful bidder will pay ART

to obtain the ownership of collections;

The bidder has the following properties:

- ◆ **Unique ID;**
- ◆ **Grade;**
- ◆ **Reputation value;**
- ◆ **Bidding for collections;**

2.3.6 Holder

A role that holds collections for the moment and is the one who obtains the ownership of collections by ART transaction;

The holder has the following properties:

- ◆ **Unique ID;**
- ◆ **Grade;**
- ◆ **Starting and applying for artwork auctions.**

2.4 Circulation of Collections on the Chain

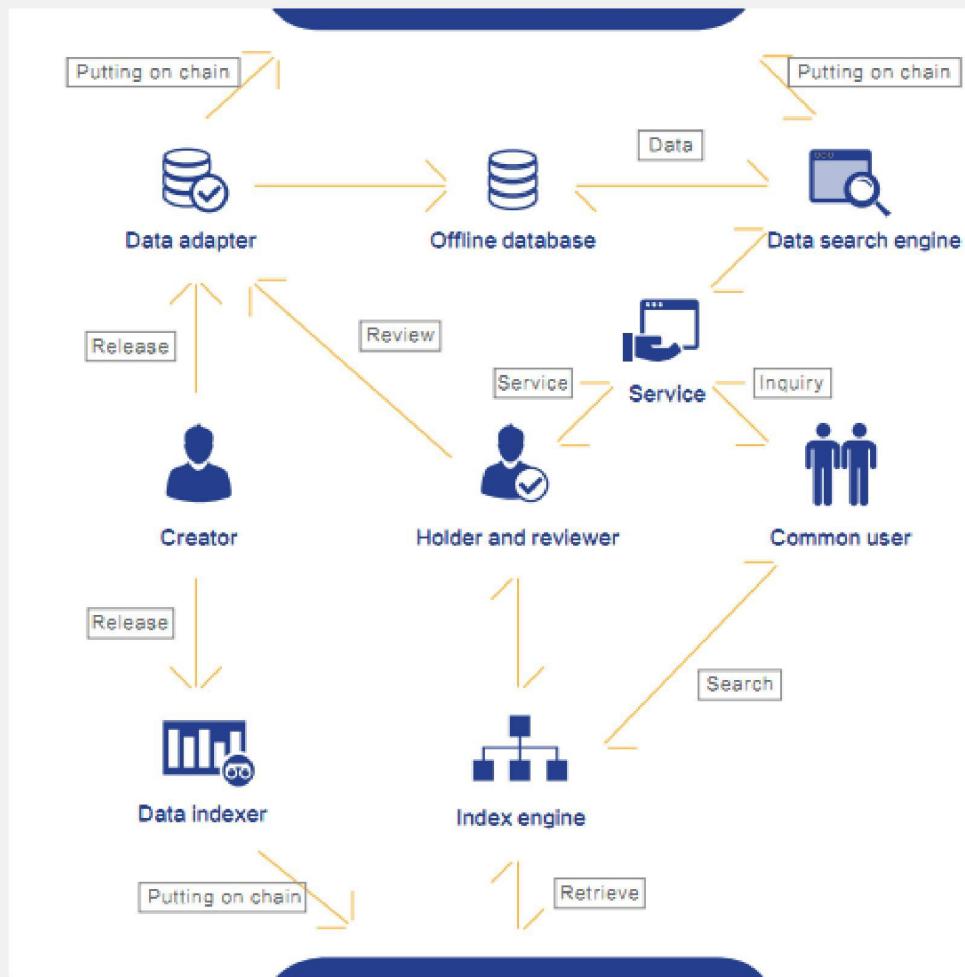
Collections need a unified ID during circulation. The ID can be in many forms.

For contemporary collections, the unified ID can be achieved through the RFID tag.

At the time of creation, the RFID tag is bound to the collection. For some antique paintings, etc., unique digital IDs can be generated through combination of historical data with software. The IDs can be used as the unique ID for the circulation of the collection on the block chain. In addition, the collection should be bound to its owner's identity during circulation on the chain. The owner also has a unique digital ID on the chain, which corresponds to the owner's identity information. During circulation, when the events are packaged, the digital ID contains the relation information of the collection and its owner, such as holding, has been transferred, and the transferee information.

With the above ID and binding, it's easy to trace the origin and circulation information of collections.

The figure below shows the events and process of collection circulation on the chain:



The process starts from the creation of a collection is completed or a traceable time point the relevant collection information is digitized; the creator or holder releases digitalized collection information. The publisher shall have ARTEXCHAIN rights, namely ART, upon release. After release, relevant information can be synchronized at all nodes. After synchronization the reviewer can review the related information of the collection through the APP or the corresponding platform, including the photo, the holder, time and transaction information of the collection, and can make comments; summaries of comments can be synchronized on the chain, and all corresponding information are stored in the distributed central server. In the transaction link, bidders and dealers can view the transaction price and

reviews of the collection through the information summary on the chain, and reasonably estimate the value of the collection.

2.5 Circulation of Collections Culture Data on the Chain

In the collection circulation, each link involves data processing, including data packaging, data summary extraction, data uploading, data Inquiry, and data validation. ARTEXCHAIN uses a distributed central server to store big data. The data on the chain is a summary of all the information and reduces the amount of data on the chain. Data storage adopts a fixed structure and follows a certain data storage physical mapping relation. The information of a collection is relatively independent of the information of other collections and can be easily isolated and extracted in every link of collection circulation, the information of collections can be constantly added.

2.6 CORE TECHNOLOGY OF ARTEXCHAIN

2.6.1 Data-oriented Distributed Verification and Centralized Service

The core functions of ARTEXCHAIN are realized around the credibility data and traceability records of collections.

To ensure the integrity and correctness of data, distributed storage and

asymmetric information based on block chains are used to realize distributed verification of multiple nodes, multiple centers and multiple stakeholders. To ensure reliable data access and real-time data Inquiry, a centralized polymorphic data service mode based on a central server and a content distribution network is adopted to extract, check and verify collection data for users in a wider range of space-time.

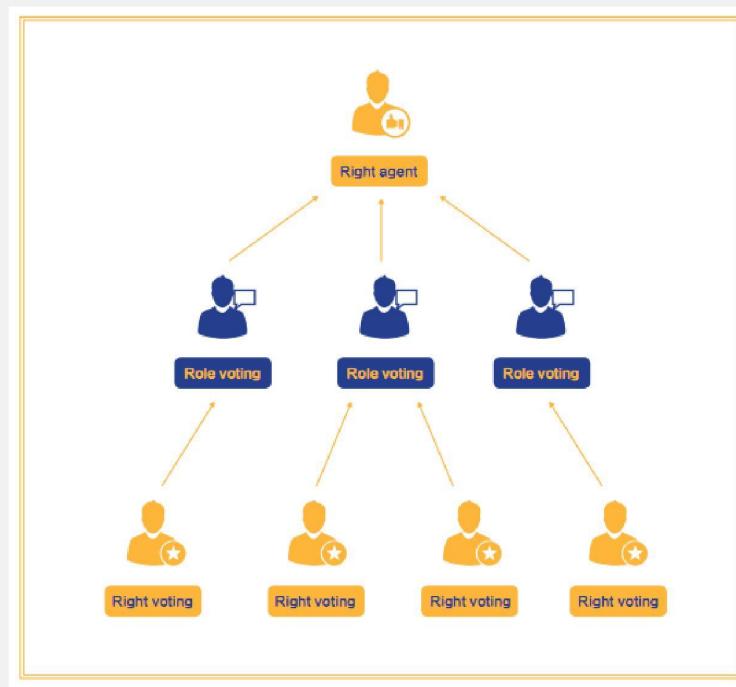


2.6.2 Role-oriented DPoS

The different nodes of ARTEXCHAIN and the users right of collection appreciation and transaction determined by the amount of ART in the account. In

order to reflect the authority and speaking right of the entities involved in different collections, an election-based agent mechanism is used for validation between data packaging and blocking. Different from traditional PoS or DPoS

ARTEXCHAIN fully considers the contribution and risk of different transaction processes and transaction roles, and adopts the method of parallel calculation of role weights to dynamically adjust the probabilities of agent election and the tenure of agents during the consensus process.



2.6.3 Value-oriented Smart Contract Evaluation Circulation Mechanism

ARTEXCHAIN uses a smart contract for business roles to value the collections on the chain and make a statement of rights.

- ◆ The publisher of each collection shall submit the ART of corresponding rights to enter the smart contract account of the collection, as a guarantee of the value of the collection. The publisher is the stakeholder of the collection.
- ◆ Each reviewer needs to provide a certain amount of ART to enter the management contract account of the collection, as a guarantee for his or her reviews and the principal of valuation. Through the review process, the reviewer automatically becomes the stakeholder of the collection.
- ◆ When the ownership of a collection is transferred, the bidder (new holder) needs to inject rights into the right management contract account to obtain all right records of the corresponding collection. The amount of rights injected is determined by the transaction price negotiated between the bidder and the original holder.
- ◆ When the ownership of a collection is transferred, the stakeholders such as the original holder and the reviewer can retrieve part of the rights they have pledged in the contract. The amount of rights recovered depends on the amount of rights that the bidder (new holder) submits to the smart contract account during the transaction, which may involve surplus or loss.



2.6.4 Inquiry-oriented Cross-chain Data Service

As a part of the Eos ecosystem, ARTEXCHAIN independently realizes the organization, management and inquiry functions of the holding, transaction, distribution and data of collections, and uses data adapters and data summarizer technology to realize the data distributed authentication and double-link indexing functions between Eos and ARTEXCHAIN. Among them, distributed authentication uses the data unicast asynchronous distribution service based on the Eos fundamental chain and the data multicast asynchronous interoperation service based on the ARTEXCHAIN sub-chain; all are realized using the multi-source data-oriented application smart contract of the block chain 3.0 technology.

2.7 PUBLIC WELFARE PROPERTY OF ARTEXCHAIN

2.7.1 Collection Publicity

ARTEXCHAIN has very important role in publicity of collections. Using this

platform, most of collection creators publishes collections and provides users with opportunities of appreciation, exchange and transaction to promote the publicity of modern collections.

The traditional collections are like isolated islands and are always circulated and propagated among small groups; they can't be interconnected and shared. The ARTEXCHAIN project team focuses on collection-related data like historical data, records and photos based on the previously established large collection database, and puts these data on the chain, to realize resource sharing; these data are open, transparent and traceable and can't be changed. This facilitates collection publicity and the popularization of less-known works among the public.

In addition, due to the characteristics of the block chain, we can guarantee the authenticity of original works. Users in the ecosystem need not worry about fakes, inferior goods and counterfeits. For some ancient works, although the authenticity can't be confirmed, the appraisal opinions, expert evaluation, auction time, auction price, and auction houses or collectors can be recorded, thus guaranteeing the authenticity of the circulation process.

2.7.2 Collection rising star Cultivation

In the past, many excellent collection creators and their works have missed many opportunities to participate in exhibitions and competitions for objective reasons like time, space and even energy and financial resources. In the area of

collections, they have no resources and platforms to show themselves. During the course of pursuing their dreams, they often encounter such problems as infringement and piracy.

With the block chain+ RFID technology, ARTEXCHAIN intends to create a truly decentralized, absolutely credible collection evaluation system. Every collection creator has a unique RFID. Every collection and its creator, from creation to putting on the chain, can be recognized by other roles in the system such as collection fans, and can be reviewed and evaluated by famous reviewers and collectors beyond time and space limits; their system ratings can be enhanced for each positive event, enhancing industry awareness and recognition. This is a self-organized, decentralized, realistic and fair evaluation system, and is the best platform for development of rising stars.

2.7.3 Collection Culture Communication

- ◆ Online crowd funding for collections: Funds are raised from investors on the existing platform to allow investors to participate in the whole from design, packaging, publicity, optimization to sales of collections.
- ◆ Offline exhibition: Exhibition hall resources can be combined to form an offline exhibition alliance with featured collections to regularly carry out offline exhibition activities that are open for all.
- ◆ Collection customization: Collections are customized for users with special needs; works are exclusively marked with the block chain technology, forming a

complete, transparent and open information chain with traceable creators, completion time and steps of customized collections.

- ◆ Collection online auction: Collections are auctioned regularly online; the auction items are graded; users who have points on the platform or have higher membership levels will have qualifications for auctions of higher-level auction items.
- ◆ Establishing a public database: Share information with the public and break information barriers. Detailed information of collections can be obtained by the method published on the platform, including sources, circulation and exhibition halls. All information is transparently registered in the database and transmitted to the block chain and becomes true and valid information that can't be altered.
- ◆ Meanwhile, collection information on the platform is accessible without geographical restrictions, so that global collection fans can obtain the information they want.

2.8 ECONOMIC VALUE OF ARTEXCHAIN

Anyone who passes identity verification can be registered as a ARTEXCHAIN member.

ARTEXCHAIN members and the collections circulating on the platform will continue to grow and reflect the value of each stage. Members may develop into professional collectors recognized by the public, and the collections may

continue to increase in value and grow into classic collections.

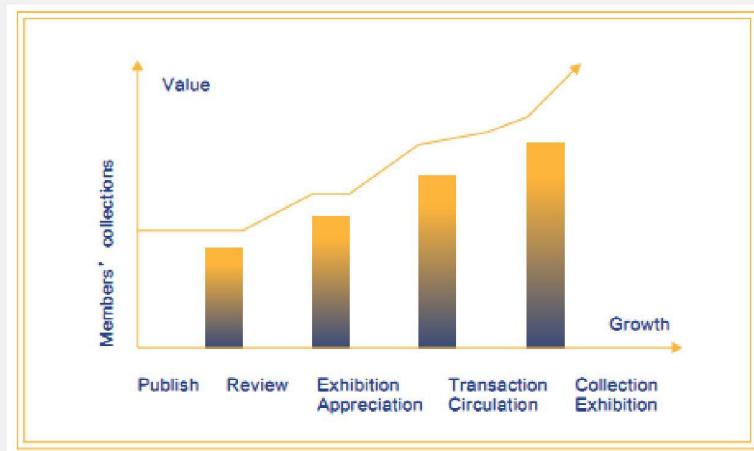
To publish a collection, members need to pay a certain amount of ART representing the estimated value of the collection. The collection will be continually appreciated in ARTEXCHAIN and its value will change. When a transaction occurs, the platform calculates the amount of ART according to the estimated price, the actual transaction price and the number of positive evaluations received, and gives them as rewards to the publisher.

Members can learn more professional knowledge on the platform to improve themselves. The platform is based on a professional and authoritative information database, providing members with valuable information inquiry service and some inquiry services charges a certain amount of ART. Members can, based on their research on collections, pay a certain amount of ART to publish reviews. When a transaction is finished, the platform calculates a certain amount of ART according to whether the review meets the development direction of collections and the number of likes by other members, and gives them to the rewards.

Members comment on collections, and the platform will enhance the membership grade according to the number of comments that meet the development direction of collections, thereby promoting the growth of members. Members of different grades receive different rewards for their comments, thus promoting the platform develop in the positive and correct direction.

Members can also pay a certain amount of ART to start activities, such as organizing education, training and creation exhibitions. In addition to incomes, the

platform will give members who organizing activities a certain amount of ART as rewards based on the activity level.



As the value of the collection increases and its popularity increases, its creators become well-known collectors. The platform will appeal to a wide range of fans, cultivate collectors and shape collections, playing an important social role.

2.9 APPLICATION SCENARIOS OF ARTEXCHAIN

2.9.1 ARTEXC HAIN AN D USER INTERACTION INTERFACE

2.9.1.1 Intelligent AI Helper

Intelligent AI helpers in museums and trading venues can provide consultation services in voice and graphic forms.

The intelligent AI robot obtains the voice of visitors, analyzes it, obtains the corresponding information from the block chain, and presents it to visitors voice in forms of voice, video or even AR, vividly presenting the stories behind collections to visitors.

The intelligent AI robot has the following characteristics:

- ◆ Presenting cultural relics vividly without boring test introductions;
- ◆ Making introductions according to the user's age, gender and regional dialect reflected by the voice, giving play to museums cultural inheritance and education functions and making museums carriers of all-round civilization perception;
- ◆ Helping museums analyze data, improve visitor experience and predict the future development.

2.9.1 ARTEX APP

ARTEX APP: ding collectors with platforms of inquiry, exhibition, transaction and information release.

The biggest pain point in the collection market: asymmetric information.
ARTEX relates collections to information digitalization to achieve the symmetry of collection information, which solves the pain point in the collection market and concerns thus caused: disputes over the authenticity of collections.

ARTEX digitalizes the information in the following industries:

- ◆ Seal impression: The seal impression database is the unprecedently most complete seal database; it collects nearly 150,000 pieces of seal impressions and includes authoritative work at home and abroad, presenting authoritative and precise seal impressions to users.



Painter: Data of over 100,000 Chinese painters in various dynasties are included relying on unique inventions.

Patent: The "age" estimation technology and the multinational period conversion technology provide users with precise identification information.



Archives: The data of the ancient calligraphies and hand-written scripts are

exclusively digitalized into a database available for logical query, which contains compete records of the earliest ancient Chinese books and collections and includes hundreds of millions of characters of massive information, including recognition of ancient variant and ancient characters, and the most comprehensive and complete collection historical data.

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Core archives: A summary of collections of the Qing Palace with the highest market value. Digitized archives are must-have resources for museums, auction houses and art dealers, providing users with the most authoritative reference information and liberating users from the vast sea of information.



Another pain point in the collection market: loss of collections.

ARTEX provides the function of tracing private collections.

- ◆ On the platform, users can display their collections, works and knowledge so that collections won't be neglected and lost, and can record personal knowledge to

perfect the collection database and provide first-hand data for collection inheritance.

- ◆ The platform provides transaction and social functions so that collections can show their glamour and meet the right collectors.



2.9.2 Museum Application

Exhibition visitors can buy museum tickets through ART. The collections in the museum's exhibition hall are all marked with a QR code. Visitors can use the APP to scan the code for information about the collection for free. Some collection information such as the latest price and holder information can be obtained by paying a certain amount of ART. Visitors can also comment on the exhibits via the APP.

The museum's exhibition hall is equipped with smart assistants with voice and display functions and connected to the back-end database, which are able to

communicate with visitors by voice and present visual information on the display screen. Smart assistants can move and accompany visitors to introduce the various exhibits and provide query services after visitors pay a certain amount of ART. The museum can also assemble an intelligent terminal in front of each booth, which connects to the back-end big data center and provides different information consulting services depending on the exhibits.

2.9.3 Auction Application

Auctions can be held simultaneously both inside and outside the venue. In the auction house, each bidder's seat is equipped with an intelligent terminal. The bidder uses the intelligent terminal to participate in the auction, and can query the relevant information of the collection. Some valuable information which is helpful to the auction needs to pay a certain amount of ART to obtain. Outside the auction house, bidders can remotely participate in the auction through APP, which will display the on-site and off-site price records.

After the auction is completed, all bidders who have participated in the bidding will receive the appropriate ART as a reward.

2.9.4 Copyright transaction and contract filing application

ARTEXCHAIN makes it more convenient, efficient, transparent and open for the obligee to dispose his rights and query the ownership, which creates a better trading

environment for both parties. Based on the block chain technology, contracts, works, pictures and other documents can be solidified by the hash certificate, using CA certification and electronic signature technology to achieve the electronic contract signing of online business process and the electronic certificate of the whole process, so as to form a trusted electronic voucher of the whole process. Each node can keep a copy of the complete block chain data, jointly witness the state of the block chain, avoid the centralization of credit risks, and prove the authenticity of the signed documents for the stakeholders when necessary.

2.9.5 Collection Description Application

The rare collections data will be sorted and digitized, combined with cloud technology to build a wide range of information data center, and combined with network systems to provide substantive support information for ARTEX APP, collection education, collection community and other sectors.

2.9.6 Collection Community Application

With great inclusive, it provides a learning and communication platform for collection fans, collection practitioners, collection economic participants and collection researchers.

Users are graded according to their loyalty and involvement to the collection community. Users can obtain membership points by logging in, publishing notes,

commenting and other ways to exchange for corresponding services. They can also pay ART to buy biggie users star-class notes.

2.9.7 Works Transaction Application

Creators and collectors of the works can display their works on the trading platform. Collectors can view the growth process and value of the works and pay ART for collections. At the same time, electronic tags can be added to new works. Block chain technology can be used to mark ownership and record transaction data.

2.9.8 Virtual Exhibition Hall Application

The virtual exhibition hall can use VR technology to develop VR terminals and create a cooler exhibition effect than the real exhibition hall. It is connected to the database center through a wireless network, to present visitors with a wide range of information.

People can buy a portable virtual museum through ART. Some exhibition venues will always be open and constantly update the contents of the exhibition, also providing the number of visitors and visits, so as to promote publicity. Virtual facility builders can also pay a certain ART to create their own exhibition hall, and release the exhibition hall information through the platform column.

Collectors can pay a certain amount of ART to the owner of the exhibition hall,

and rent a virtual exhibition hall to create an exhibition of personal works. Virtual exhibition halls will continue to improve their popularity and fees according to the operation.

2.9.9 Collection Education Application

ARTEX APP can open up education columns, and collection experts can publish education training formation by pledging the ART with an estimated value. Collection fans can register for training, using ART to pay the training fees. They can also upload exclusive training materials and video data to the Cloud for collection fans to download by paying ART.

The platform allows collectors and connoisseurs to impart knowledge, improve fame, and receive corresponding ART rewards.

2.9.10 Raw Material Trading Application

The platform can open up e-commerce columns for well-known brands of raw materials for collection creation.

Raw material suppliers can pledge a certain amount of ART with their credit to release raw materials for trading, and get the year-end ART reward according to the circulation quantity of ART and the number of praise.

Collection fans can use ART to obtain authentic and quality raw materials through the platform.

2.9.11 Distribution shares

| Distribution shares | Percentage of distribution |
|------------------------|----------------------------|
| Foundation | 30% |
| Team rewards | 25% |
| Air-drop | 5% |
| Cornerstone investment | 15% |
| Angel investment | 25% |

3 Project Foundation

The ARTEXCHAIN Foundation is established in 2018. The Foundation is committed to the sustainable development of ARTEXCHAIN projects and the implementation of RFID integration block chain applications, and promotes the development of early de-centralized applications. Initially, 30% of ART Foundation resources will be applied to some start-up projects in the collection area, the content of which is not limited to project strategic planning, project support, project promotion and ART replacement. The Foundation focuses on the selection of de-centralized applications developed on the ARTEXCHAIN, and has developed a sound incentive mechanism that appropriate incentives will be given for the actual number of users of the project application.

The Project Decision-making Committee has three sub-departments of the

Market Operation Committee, the Backup Management Committee (including the finance, HR and logistics team) and the Technical Research And Development Committee, which are responsible for the decision-making and implementation of the overall operation and marketing of the project, the formulation and supervision of financial system, and the development and supervision of technology development strategy respectively. Members of decision-making group will be changed once every four years, and members generally consist of 2 representatives recommended by each sub-department, one representatives of project investor, community and ARTEXCHAIN team separately. Members of each subcommittee are elected on a four-year basis and are generally composed of persons with outstanding abilities in the relevant industry. The overall structure of the Foundation is shown in the figure below:



The Foundation advocates a transparent and efficient operating philosophy, aimed at promoting the healthy and stable development of the ARTEXCHAIN ecosystem. The main objective of that governance structure is management effectiveness and sustainability, and financial security. Regular foundation development meeting will be holding to considerate and approve the strategic

planning, annual plan, budget and other major issues of the Foundation. A project assessment group will be established to report to the Foundation, and be responsible for the examination, approval and quality control of the Foundation's projects. The mission that the Foundation has always insisted on is to promote the connection of block chain technology from the internet to the internet of things.

The funds raised will be invested in the following directions:

- ◆ **the development and construction of the ecosystem, including R&D expenditures, recruitment of outstanding technicians, incentives all kinds of ecological roles, etc;**
- ◆ **the promotion, operation and maintenance of the ecosystem, to store more valuable information, improve the database, and absorb new ecological roles and promote the self-growth of the roles;**
- ◆ **the realization of a complete up-chain and traceable customization of all database materials and ecological roles, historical growth information through the optimized block chain data structure design;**
- ◆ **the incubation of the excellent works and the growth of excellent talents in the ecosystem to realize the resource circulation and sharing of the global collection market through the optimization of the block chain technology.**

The development of the above projects will build an extensive and humanizing cooperation platform, and provide a convenient interface for data query, tracing,

analysis, processing, management and trade for users, and provide intelligent management interface for merchants. In combination with the deep application of machine learning, artificial intelligence, the needs of users will be expanded through the continuous innovation of project mode, to ultimately achieve an effective and fast intelligent ecosystem.

4 Team Introduction

4.1 Core team

Hu Changming,CEO, engaging in senior management position in CITIC Securities, GOLDEN SUN Securities, Lianxun Securities Investment Bank Department, hosting and participating in a large capital operation project, launching the first domestic securities companies NEEQ aggregate asset management plan, and 2015 national top 10 innovative NEEQ.

Fickr Sung,CTO, architect, blockchain technology researcher of Bytom , former Hujin company big data engineer, promoting the Blockmeta block chain credit project during the period of 8BTC, and having deep understanding of zero knowledge proof, ouroboros consensus algorithm, DAG, cross-chain, VRF, fragmentation, status channel, fog computing and other technology; having deeply studied world-class projects such as Ethereum, Cardano, Polkadot, Cosmos, Monero, Zencash, IPFS, Eos, 0xProject and Difinity. An early participant in the blockchain industry, blockchain believer, geek and early investor of Cardano. Comprehensive knowledge structure in computer science, financial economy, social psychology, etc.

Nico Lee,CFO, master of management, CPA holder, former senior finance director of JD.com, an early investor of digital currency, and faithful believer of the block chain.

Zack,Community developer,Golang developer,contributor of Ethereum,Contributor of bitcoin.,Github:<https://github.com/zack-bitcoin>.

Igor Berlenko,Community developer, contributor of Ethereum,Cryptography engineer,Github: <https://github.com/7flash>.

João Vitor,Community developer, contributor of Ethereum.,Github : <https://github.com/jvmaia>.

Michael Herman (Toronto),Blockchain Developer, (Stratis, Ethereum, NEO), Data Scientist & Software Visionary: Living at the intersection of Big Data, Enterprise Knowledge, & Data Science,Github: <https://github.com/mwherman2000>.

Wenbiao Zheng,Community developer,Golang developer,contributor of Ethereum,Github:<https://github.com/jsvisa>.

Zhenguo Niu,Community developer, system engineer of Huawei,Golang developer,contributor of Ethereum,Github:<https://github.com/niuzhenguo>.

Jasin Yip,Community developer, senior engineer of Meituan, guest lecturer of Department of Software Engineering,Tsinghua University,translator of Cardano White Paper, and excellent responder of Zhihu.

Tao Rong,Community developer, system engineer, master of artificial intelligence from Harbin Institute of Technology, an artificial intelligence engineer, and senior geek.

Jackie Lee, **Community developer**, data engineer, and 3 years programming experience in the data industry.

Robbin Shiller, **economist**, having compound knowledge structure in economics, philosophy and other fields.

Zhang Zhong, **partner**, president of Guojin Investment Fund, founder of Chinese M&A Guild Asian Business School, united manager of Baidu high-tech video industrial investment fund, CITIC capital, S.F. Express, BYD Company Limited, DJ Innovation Technology Co., Ltd., a strategic shareholder of Baidu Video Technology Co., Ltd

Zhu Yongqua, **partner**, national well-known financial commentator, guest of finance and economic by Beijing Financial TV media, working in the securities brokerage business department of New Times Securities, Galaxy Securities, and First Capital Securities. Presiding over many innovative securities brokerage business projects, and having unique insight into product innovation and sales.

4.2 Consultant

Gao Fan, professor, doctoral supervisor, and current dean of the economics department of Fudan University.

Sui Lizu, doctor of economics and researcher, serving as chairman of Shandong

Shengli Co., Ltd. and chairman of Shengbang Enterprise Investment Group Co., Ltd. since 1994.

Liu Yanan, researcher, former general manager of Tiantong Securities Co., Ltd., chairman of Wanjia Fund Management Co., Ltd.

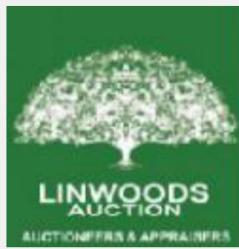
Shi Lei, professor, doctoral supervisor, secretary of the CPC committee of School of Economics of Fudan University, director of the Center for Public Economy of Fudan University, former China Economic Research Center of Fudan University, director of the Party Committee Propaganda Minister of Fudan University, and Chinese famous economist.

Kou Zonglai, professor, doctoral supervisor, director of Industrial Development Research Center of Fudan University.

Gao Fan, professor, doctoral supervisor, and current dean of the Economics Department of Fudan University.

Gui Biao, doctor of economics, China certified public accountant, and director of Shanghai Pujiang Accounting Firm.

5 ARTEXCHAIN' s Partners



Linwoods Auction is one of the emerging auction houses on the West Coast of the United States, and cooperates with many buyers and sellers in the United States and even the world. With the technology changes and attractiveness of online bidding, Linwoods began offering internet bidding on its own websites. The Linwoods Auction events organized regularly are welcomed by more than 500 local and global dealers and collectors.



Baolong Auction is a platform for art auctions for its culture industry. With abundant resources of collectors, customers, and artistic boutiques, Baolong Auction provides professional and convenient services of art auction for collectors, also provides information and latest news on art market. In recent years, Baolong auction has successfully organized many art auctions and earned a good reputation in the industry.



Blanc creates the first comprehensive culture bonded platform in China to realize the integration of domestic and international cultures. From the "International Contemporary Art Exhibition-Poetic Community" to the Exploring Eternal Life-Mysterious Treasure of Ancient Egypt exhibition, and to the introduction of the Danish national treasure in culture bond form -"The fairy tale master Hans Christian Andersen's old objects" in a culturally bonded form, Blanc successfully achieved artwork bonded entry auction. These prove the success of building the entire arts industry chain and promote Blanc comprehensive culture bonded platform.



Fujian Ding Xin Auction Co, Ltd was established in August 2002. Since its establishment, it has successfully held hundreds of large and medium size auctions with a accumulated turnover of more than 6 billion RMB. It was awarded to AAA-level enterprise of the China Auction Association. It's the only auction house nominated by China International Investment and Trade Symposium Group DX has very professional experience, occupies big market share

and abundant industry resources.



Tokyo Shinagawa Auction is one of the emerging auction houses in Japan, that engages in Chinese antiques and regularly hosts auctions. Shinagawa Auction is also a cultural institution where one can educated themselves on Chinese antiques. After many years of preparation and careful curating, Shinagawa Auction houses a diverse collection of Chinese antiques, including national treasures and precious artworks from around the world.

In 2018, the first auction was successfully held with the support and cooperation of partners in the Chinese Antiques collection field.



Hong Kong Art Craft Merchants Association was established in 1968, it has a history of 50 years and more than 3,000 members. As a non-profit organization, Hong Kong art Craft Merchants Association adheres to the concept of serving the society, promoting the development of the Chinese art and collection culture. It also provides members of the community with informations on antique appraisal and useful market information.



DONGZHENG Auction, based in Beijing, is a medium-sized auction company specializing in Chinese art collections. It is a member of the Chinese Auction Industry Association, with auction qualifications in first-class, second-class, and third-class cultural artifacts. Some of the artifacts include jade, stone and metal ware in first-class, calligraphy and painting, ancient books, stamps, manuscripts and documents in second-class as well as bamboo, paint, wood ware, furniture, and textiles in third -class.

Dongzheng has branch offices in Shanghai, Taipei, Kaohsiung, Tokyo, Osaka.



Xiamen Xinhe Art Auction Co., Ltd is a comprehensive auction company, which is located in Xiamen. It has been committed to promoting the advancement and development of Haixi art collection, especially for the exchange of cultural relics in Taiwan Strait. With its modern vision, international platform, standardized operation and diversified development, it strives to create a new type of art collection exchange center. The Ming and Qing dynasty porcelain makes up a large proportion of their auctions, which plays an important leading role in the local art auction market.

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