



# FinNexus White Paper

Finance Evolved

— —

2019

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In the past year, the crypto markets have declined, driven widely by the fall in price of Bitcoin. With the fiat prices of BTC, ETH, and other major cryptocurrencies falling by 80% or more, the decline has been dramatic. However, this decline does not mean that crypto is dead. In fact, even traditional markets such as Wall Street go through similar cycles of (if not quite so dramatic) rise and decline. From the ashes of each recession, new businesses emerge, and the economy continues to grow and develop. Every downturn ends in a rebirth, and these periods afford opportunities to those willing to take them.

In the world of blockchain it is no different. While fintech innovation often stir up controversy (the newly announced Facebook Libra being the most notable recent example), it continues to play an important role in our lives, and we expect its impact will only grow larger with time. Declining markets are an opportunity for blockchain advocates to better reflect on and deal with the pain points and defects which have been holding back adoption, and to begin exploring new paths. We believe that there are three key pain points which have been holding back adoption of blockchain decentralized finance, or DeFi, and we propose FinNexus as the solution.



## Three DeFi Pain Points:

### Diversity

As Nobel laureate James Tobin once said when asked to summarize his investment policy, the best advice for any investor is “don’t put all your eggs in one basket.” This idea was mirrored by the emphasis Harry Markowitz placed on the importance of diversity in his work on risk and portfolio theory which underlie modern portfolio investment strategies today. While there has been an explosion of crypto tokens over the last several years, the vast majority of them share the similar profiles: high volatility, high return potential, high risk, and strongly correlated with the price of BTC. Investors, for their part, have differing appetites for risk at different times. At present the lack of variety of investments of differing risk profiles is keeping many investors out of the market who might otherwise be happy to invest. Especially with the recent bear market, many investors saw only one option, to leave, which further exacerbated the market’s decline.

### Fundamental Value

If innovation, belief, and risk are the seeds of business, value is the crop which grows from these seeds. Traditional industries directly produce value, the Internet enhances value by increasing the efficiency of connection, and modern finance amplifies value through the flow of capital. Value is the root and the foundation stone for all business.

The same is true in the short history of the crypto economy. Bitcoin for example serves as both a store of value and a value exchange mechanism. Exchanges and OTC dealers provide value by providing liquidity, and mining pools provide the basic security and operational infrastructure for the entire blockchain network. These entities not only create or magnify value within the crypto economy, but also become the biggest beneficiaries. Whether the tokens generated from the business model come with business value is the one of the key factors in deciding the success of a project in the crypto economy.

Though decentralized blockchain technology has set its roots into many fields, the marriage with traditional finance and blockchain based investment diversification is still in the early stages. To what extent crypto assets should be included in our investment portfolio and how to combine traditional financial instruments and methodologies with the blockchain technology is at the core of FinNexus's value proposition.

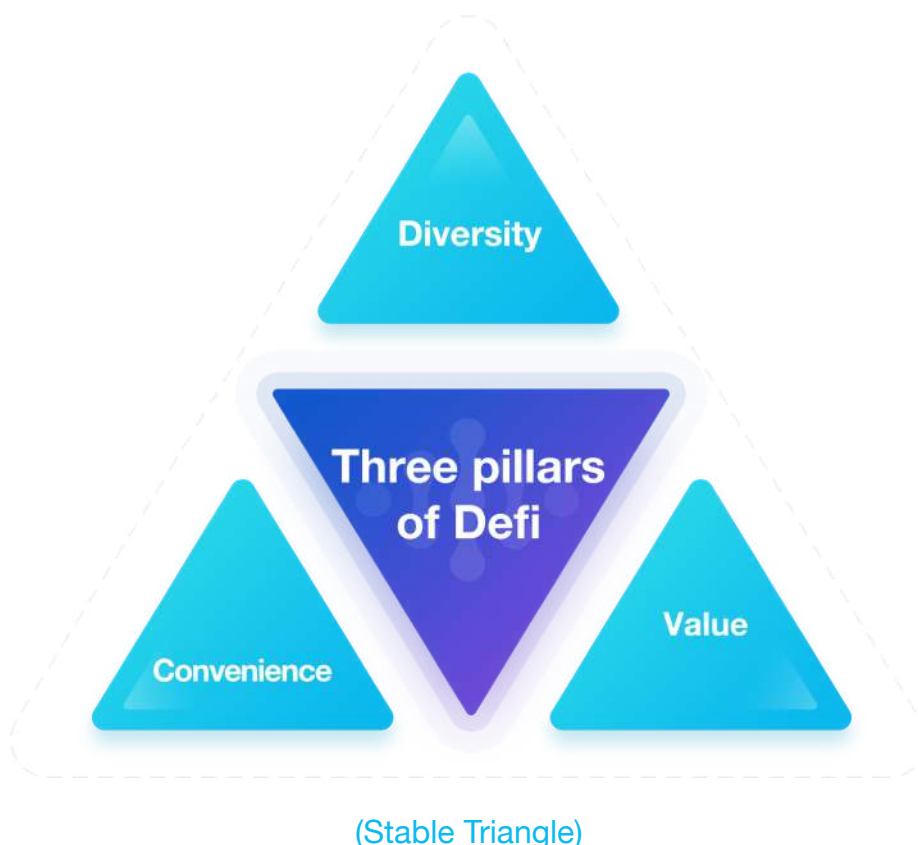
## Convenience

The blockchain applications of today share the same problems of email and other applications from the early Internet era. At the time, many users were turned off by email's then unfamiliar and complex usage, and many simply didn't understand its usefulness. Blockchain based applications today face similar challenges. Interfaces are cumbersome and difficult to navigate, and require an investment of time and mental effort on the part of the user before they are accessible. Something as seemingly simple as using cash to purchase cryptocurrency, and then using that cryptocurrency to purchase another digital asset can be overwhelmingly complex for users. This is especially the case when assets are spread across many different exchanges and investment portals. Before they can reach any real level of adoption, DeFi applications must become as user friendly as their traditional counterparts.

Most would much rather buy a house than build their own. While there exist the intrepid few who are willing and able to put in the time and effort needed to build their own house, the vast majority of us would much rather buy. Currently investing in crypto is much more like building your own house than it is like buying a pre-made one. Users need to manage multiple exchanges, ICO mechanisms, private keys, hardware and software wallets, and more if they wish to access a diverse range of crypto investments. While there are many innovative and useful crypto projects out there such as MakerDAO, dydx, and more, users must mix and match and deal with many different systems and interfaces to meet their investment needs. This has kept away many investors who are interested in crypto but lack the time or ability to navigate its complex ecosystem.

## The DeFi trilemma

We believe that diversity, value, and convenience are the three major pain points for crypto investors. By addressing the three issues stated above, investing in the crypto economy can become more like buying a house than building your own. Value is the foundation, while diversity and convenience are the scaffolding which allows investors' requirements to be met. With those issues addressed, the crypto economy will be healthier, and adoption will increase. Similar to the scalability trilemma of decentralization, scalability, and security introduced by Vitalik Buterin, the DeFi trilemma of diversity, fundamental value, and convenience represent the major challenges which must be overcome for the industry to move forward. Addressing the DeFi trilemma will form the foundation for future business and technological revolution, and any successful DeFi project must take the trilemma seriously. The design and operation of the FinNexus project will focus on these three aspects. We believe that these simple but universal requirements are the foundation for promoting business progress and technological revolution.

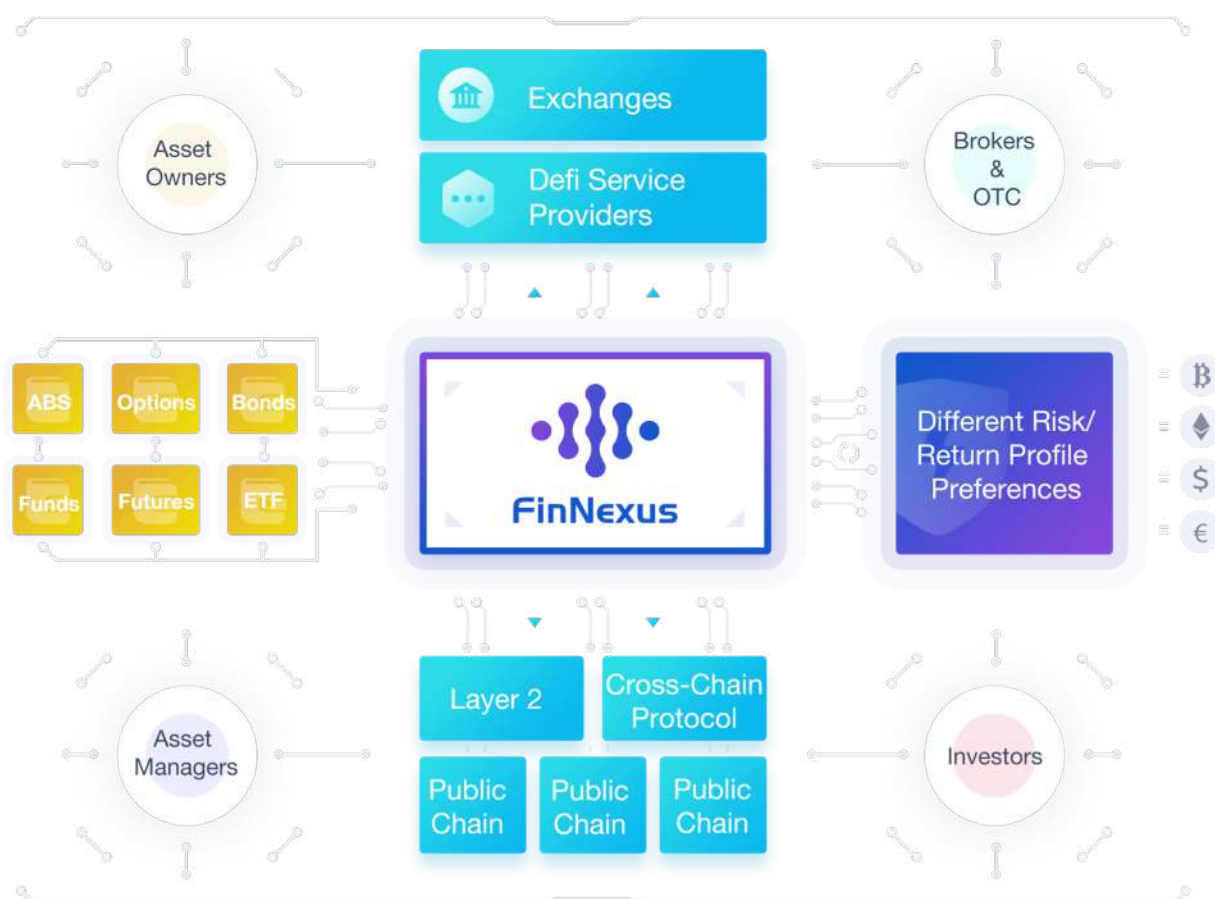




# FinNexus Objectives And Definition

In the crypto economy there exist a number of different connectivity needs. The need for connectivity between assets and blockchains, between users and blockchains, and between different service providers and their users. Currently these connections are ad hoc, unsystematic, and highly inconvenient. Instead, the connections should be unified, user-friendly, and generalizable. FinNexus is a general protocol aiming at providing those connections.

Here 'connection' refers not only to technological connections, but also business connections. Therefore, FinNexus is not just a technological protocol, but also a business protocol. Moreover, FinNexus is not just one protocol, but in fact a collection of multiple protocols which together compose the FinNexus ecosystem.



( FinNexus Infrastructure )

## By connecting to FinNexus:

1、 It will be easier for investors to look for, manage and invest in blockchain-based assets.

**(Connection between users and blockchains)**

2、 It will be easier for asset providers to conveniently offer on-chain assets.

**(Connection between assets and blockchains)**

3、 It will be easier for OTC platforms, brokers and exchanges to find users and provide them services.

**(Connection among service providers and their users)**

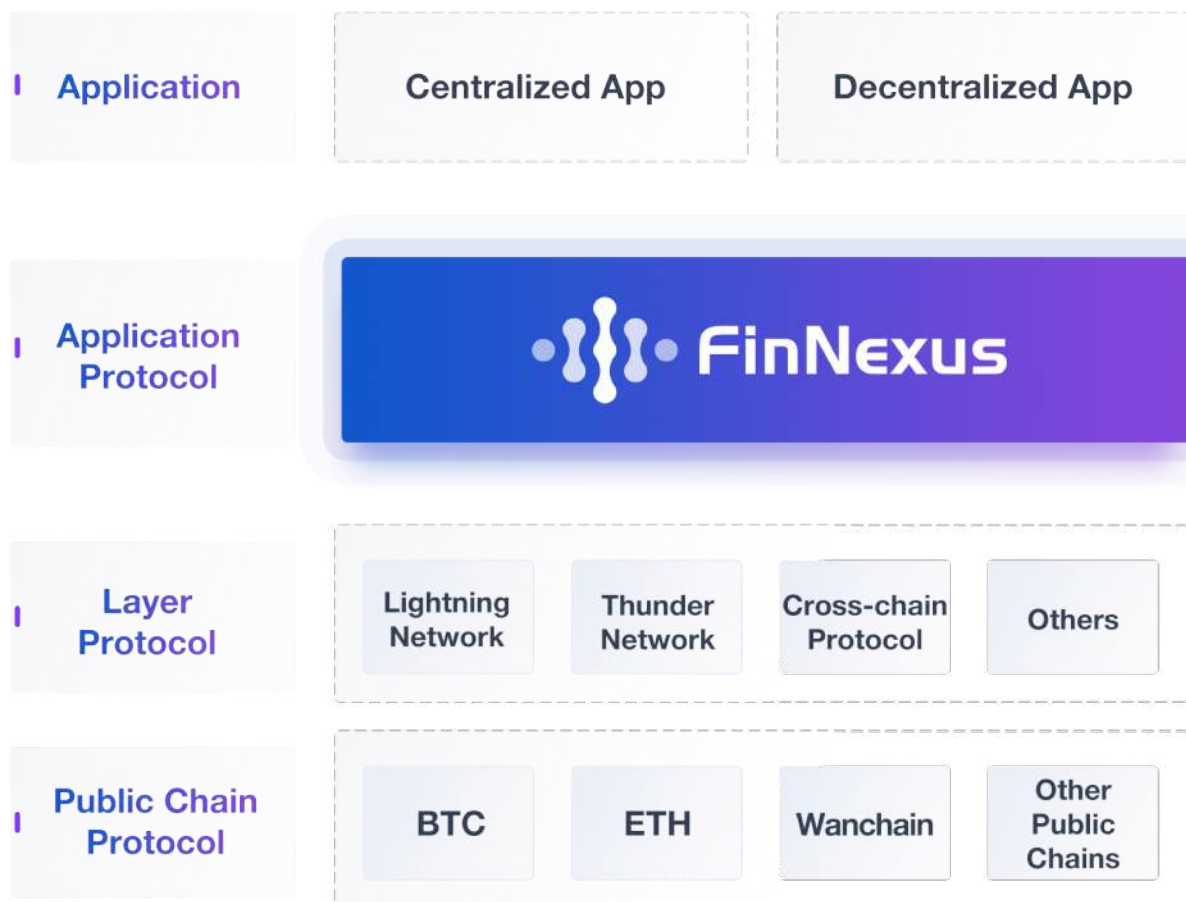
4、 All the participants above can use FinNexus in an open, transparent and equal way, so as to fulfill the requirements of diversity, convenience and value.



## Three Connections

**1. Connection between users and blockchains:** FinNexus is an application layer protocol. Blockchains are low-level systems, which, like databases, are not generally directly interacted with by users. Instead, users employ tools such as wallets or browsers to interact with the blockchain. Most of these cases are currently limited to very basic interactions. For complex scenarios, interactions are not intuitive and user friendly.

FinNexus is an application layer protocol for decentralized financial services which allows users (developers, service providers, and investors) to easily interact with the blockchain. FinNexus is focused on interactions related to financial services. The application layer protocol connects users at one end and connects various public chains and second layer networks on the other end. The FinNexus protocol removes much of the friction commonly encountered when using blockchain based protocols by unifying and standardizing many different services under the parent FinNexus protocol.



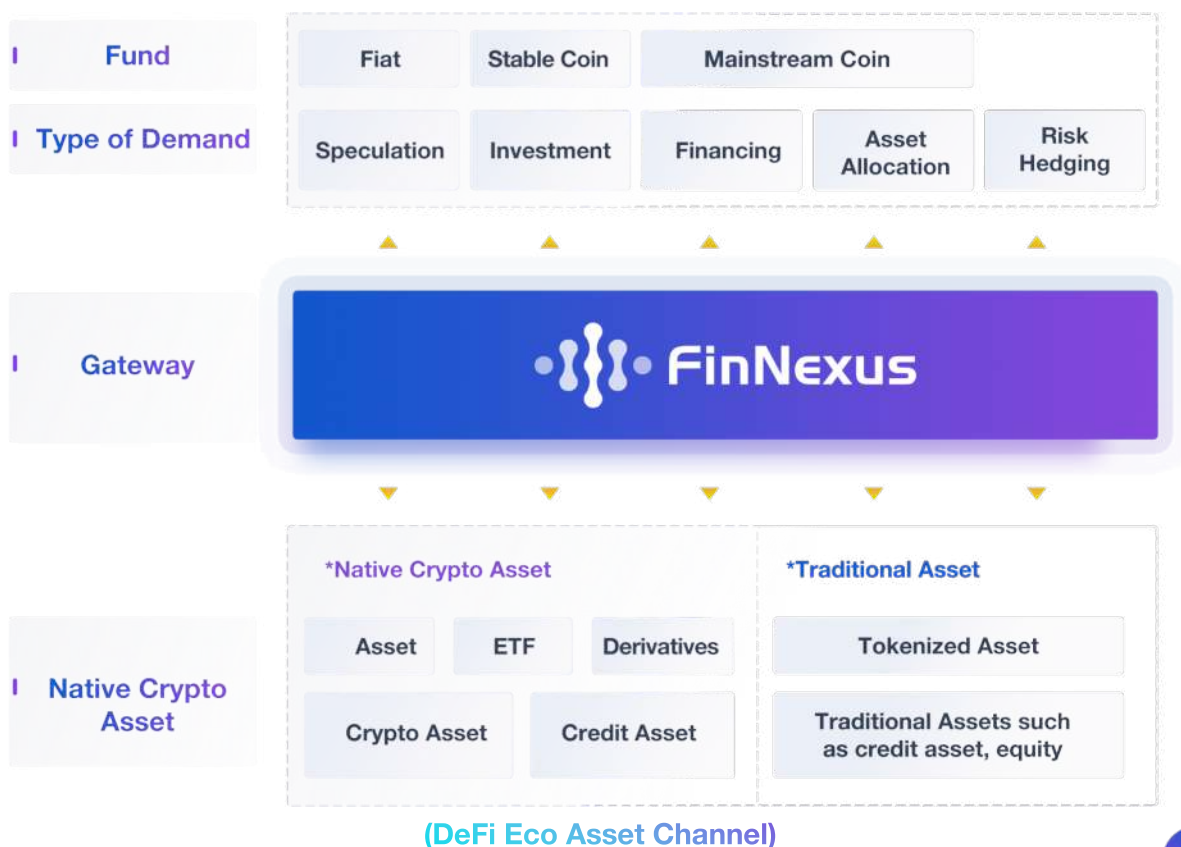
(DeFi Eco Application Layer Protocol)

## 2. Connection between assets and blockchains: FinNexus is an asset channel for the blockchain world

Assets need to flow between the traditional economy and the crypto economy, between different entities in the crypto economy, and between different chains. These types of flows are impeded not only by technological barriers but also by commercial and legal barriers. FinNexus aims therefore to provide not only technological connections, but also legal and business connections. By setting up these connections at business, legal, and technological levels, FinNexus aims to establish asset channels which allow for the frictionless flow of assets.

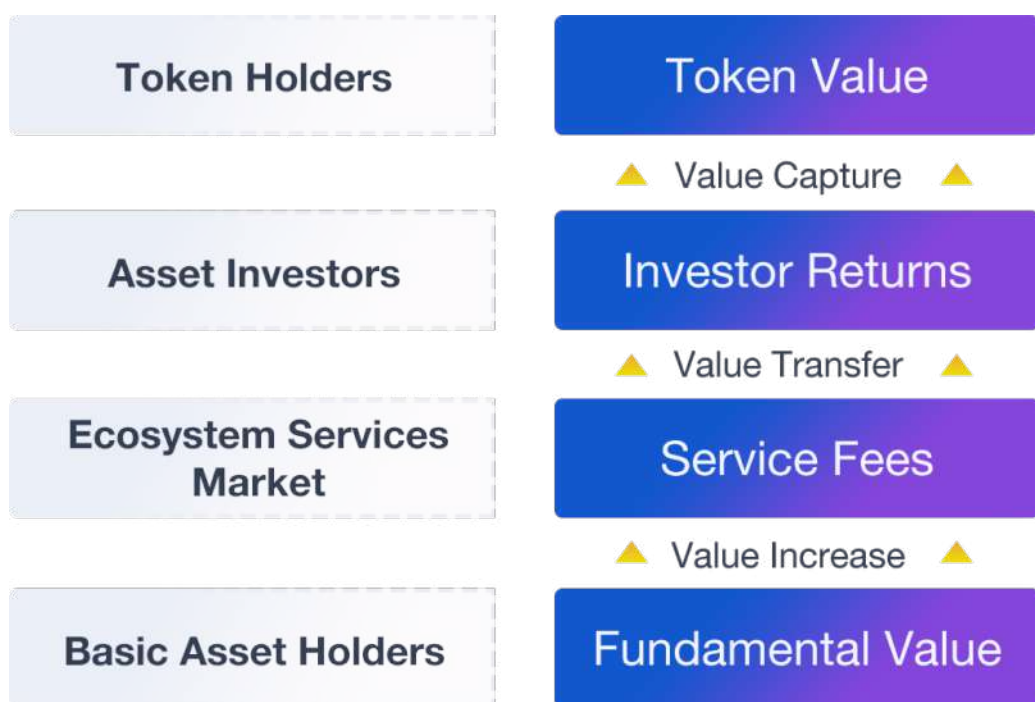
By building these qualified asset channels, FinNexus aims to satisfy the demand for investment diversity by enabling the flow of a wide variety of assets including both native crypto assets, traditional assets, and hybrid traditional/crypto assets. This will give users around the world access to a wide range of investments with diverse risk profiles.

In addition to reducing friction and providing a more convenient experience, these channels will also greatly increase asset liquidity. Liquidity will attract more users to participate in the crypto economy and lead to a virtuous cycle where the addition of more users improves the experience for everyone.



### 3、 Connection among different service providers: FinNexus connects service providers with their users and also allows for collaboration between service providers.

The development of the crypto industry will inevitably expand into more and more subdivisions. The trend of multiple service providers being involved in an asset's lifecycle is becoming more and more obvious. This has lead to an increase in situations requiring collaboration between several or many different service providers. However, collaboration currently still relies entirely on traditional trust based systems since trustless blockchain based infrastructure is still not mature enough for many real world use cases. FinNexus aims to provide a transparent, standardized, and trustless means of collaboration between different service providers in order to allow providers to work together in a secure and efficient way. FinNexus will connect settlement services, trading platforms, brokerage, and a wide range of other service providers.



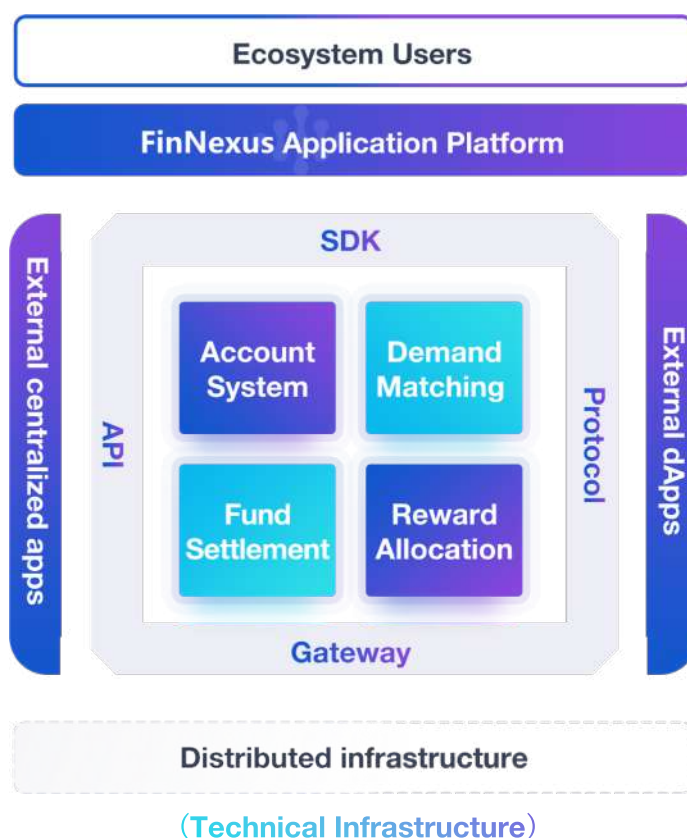
(Cooperative DeFi Ecosystem & Value Channel)

## FinNexus can be divided into three parts.

The first part is a technological connection layer, and is the hub for information transmission. This layer allows for information to flow in and out of FinNexus through different hubs.

The second part is the rule layer for the formal definition of DeFi use case logics which allows for standardized collaboration among different participants in the ecosystem. This layer will initially have a core set of rules available for use, and will be open to the public for extension.

The third part is the external system layer, which refers to all the external systems related to the DeFi ecosystem. Rather than building DeFi applications and systems, FinNexus's purpose is to connect various DeFi related applications and systems together to form a rich DeFi ecosystem.



## Connection Layer (Information Hub)

### **Gateway :**

The FinNexus gateway is used for information exchange and interaction between the FinNexus system and external distributed infrastructures such as public blockchains and layer two networks. FinNexus will gradually integrate SDKs of different public distributed ledgers and layer two networks, and abstract the common functions of these SDKs, such as account generation, putting assets on chain, transactions, contract triggering, and other common operations. Since each chain has different commands to manipulate those interactions, FinNexus Gateway will standardize those interactions to allow for easy integration and interaction between chains and services.

### **API :**

FinNexus has two sets of APIs. One set are the standard APIs for external applications. The standard APIs will be encapsulated in FinNexus and can be called by other components and interact with external applications which include but are not limited to exchanges, lending platforms, OTC platforms, etc. The other set are the APIs provided by FinNexus itself. Those APIs are used for ecosystem partners to access FinNexus.

### **SDK :**

FinNexus will provide a standard SDK for developers to build FinNexus based dApps.

### **Protocol :**

The connection layer will implement a communication protocol for standardized information sharing within FinNexus and with external systems.

## Functional Layer

### **Account System:**

There are two types of account systems in FinNexus: the traditional account system and the blockchain account system. These two systems separately meet the requirements of users and application scenarios. The traditional account system has KYC functions embedded which ensure compliance when dealing with users and services from different regions. In the blockchain account system FinNexus will use the latest blockchain account management technology to achieve complex account management scenarios. These technologies include but are not limited to sMPC, threshold secret sharing, Schnorr signatures, and others.

The blockchain account system will also be integrated with hardware solutions for a more secure and flexible account management approach.

### **Demand Matching System Services:**

Demand matching system services are part of the core mechanism supporting FinNexus's function as a channel for asset exchange. The platform will offer a variety of different demand matching systems suitable for a wide array of different application scenarios. The demand matching systems provided natively in FinNexus are all non-continuous bidding systems, so they are suitable for P2P trading of high value assets, secondary markets, and other non continuous bidding markets. In cases where continuous bidding is required, FinNexus will connect with external trading platforms through its connection layer in order to provide such demand matching functions.

### **Fund Settlement System:**

FinNexus will adopt a variety of different mechanisms for settlement. In some cases, FinNexus will clear and settle funds through smart contracts on a public chain. In some other scenarios that cannot be implemented through smart contracts, FinNexus will clear and settle funds using FinNexus's standardized protocols. For fiat settlement FinNexus will cooperate with institutions with legal licenses in their respective regions.

### **Reward Distribution System:**

Within its collaborative financial services ecosystem, FinNexus will often require the function of rewards distribution. FinNexus will develop a standardized rewards distribution model which allows for unique rewards distribution schemes to be defined according to the requirements of different scenarios. Participants can determine their own reward distribution schemes, and FinNexus will then automatically calculate and distribute rewards through the system.



## External System

### **Distributed Infrastructure:**

As a decentralized financial platform, the most important external systems for FinNexus to connect with are various public chains and layer two networks including as cross-chain protocols, the lightning network, Plasma, and others. FinNexus aims to be applicable in a wide range of different application scenarios and to emphasize user experience in its implementation. FinNexus will make the blockchain user experience more accessible and friendly to the ordinary user by acting as a unified hub for various distributed ledger networks.

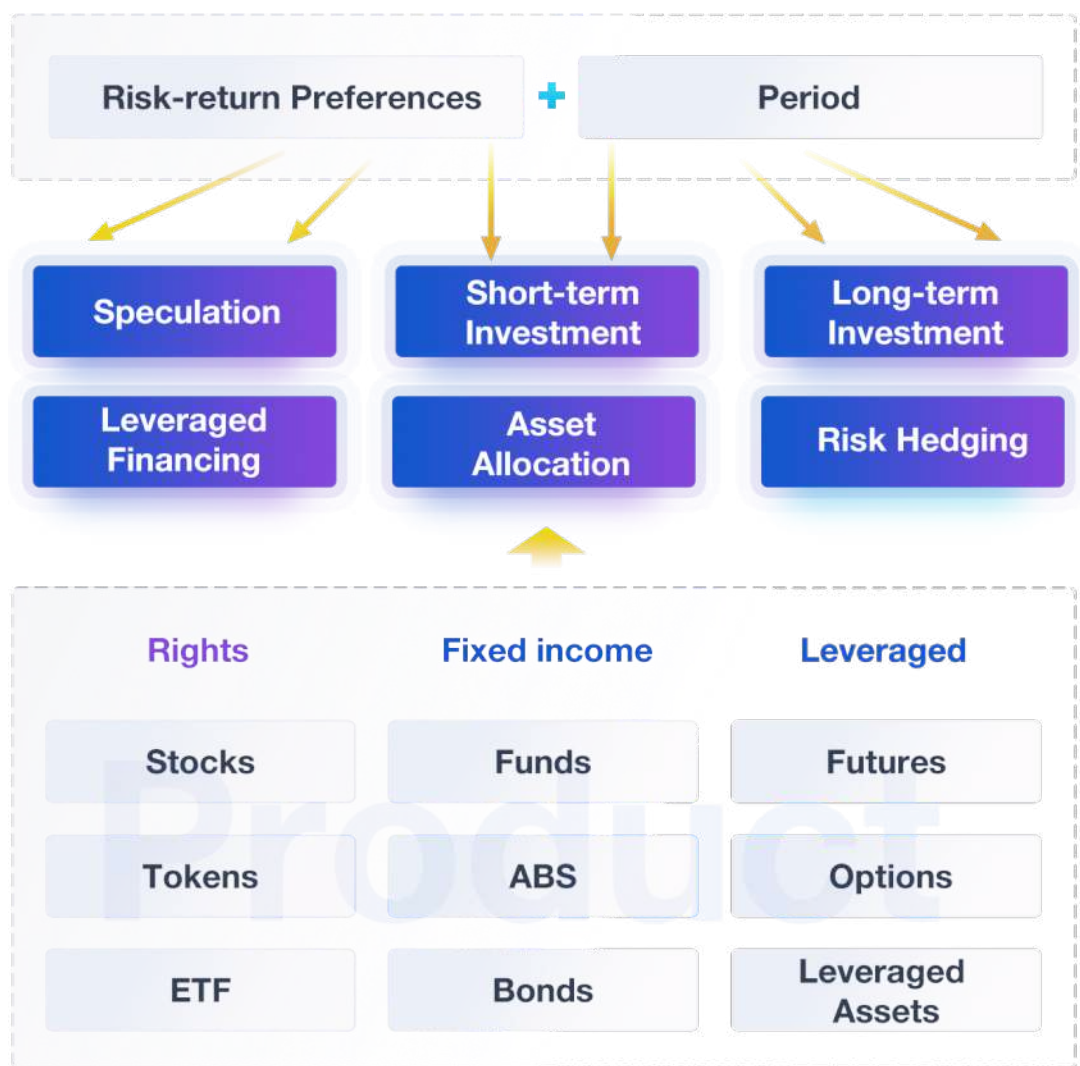
### **dApps (Decentralized applications):**

FinNexus will connect various dApps, including decentralized exchanges, decentralized stable coins, decentralized OTC platforms, decentralized lending platforms, oracles, and many more.

### **Centralized apps:**

While the essence of FinNexus is distributed ledger technology, centralized applications will undoubtedly also play an important role in the DeFi ecosystem. This means it is essential for FinNexus to be able to integrate seamlessly with centralized applications in addition to dApps. These applications will include exchanges, OTC platforms, lending platforms, identity services, and others.

The application scenarios involved in FinNexus are essentially similar to traditional financial application scenarios. From a demand perspective, those scenarios are derived from different risk-return preferences over different periods of time. The usage in these scenarios are different kinds of financial products, including asset management, financial derivatives, etc. In order to achieve different risk-return preferences, FinNexus generates different business operations based on different products for the participants.



( Application Scenarios )

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Some readers may wonder, aren't there already a wide variety of different DeFi products being offered by service providers? When basic user requirements are examined case by case, this is in fact the case. However, the majority of DeFi use cases are actually composed of multiple basic user requirements, which currently can only be met through a complex series of interactions with multiple service providers.

The goal of FinNexus is to aggregate a wide array of different services on one platform so that user requirements can be met in a unified and streamlined way, greatly simplifying and improving the user experience. To help readers better understand how FinNexus will aggregate services, several application scenarios are described below:

## **Investment in PoS Pools Through Lending on Cryptocurrencies** (Scenarios for Cryptocurrency Product )

In this scenario Bob holds BTC, is interested in investing in Wanchain's PoS pool, and does not want to sell his BTC for WAN. At this time, Bob's demand is to borrow WAN using his BTC as collateral, and to invest the borrowed WAN into the Wanchain pool node to earn revenue. In the current situation, the entire process is very cumbersome, users need to switch between multiple different platforms and wallets. Bob is likely to give up this investment if his demand is not very strong.

Through FinNexus, however Bob's needs can be met much more easily. Bob must simply initiate the transaction, and FinNexus will handle everything behind the scenes. The platform will find a corresponding lender for Bob to borrow WAN, and will then directly transfer the WAN to Wanchain's PoS pool through FinNexus's public chain interface.

In this scenario, what was a complex multi-step process instead turns into a one click transaction. In this way Bob completes his loan and PoS investment in one step, the lender earns his corresponding interest, the mine pool node gains more users from FinNexus, and Wanchain's total stake increase. In this way, FinNexus can enrich the entire crypto ecosystem.



## Investment In Quantitative Trading Products Through Lending on Cryptocurrencies

(Scenarios for Quantitative Trading Products )

In this application scenario Bob, wishes to invest in a high yield quantitative cryptocurrency trading product using BTC, however lacks sufficient funds, so he also requires a loan. Given the current crypto financial ecosystem, this process would require multiple steps, and both Bob and the lender providing him with the loan will have concerns about their financial security.

This scenario becomes greatly simplified when FinNexus's interface is used. Through FinNexus, the cryptocurrency exchange's account rights including deposit, withdrawal, and transaction rights can all be separately controlled. Based on this fine grained control of rights, FinNexus will manage the above scenario. Bob will retain the right to withdraw his principal, the lender retains the right to withdraw the loaned funds, and the quantitative trading team retains trading rights of both accounts. Throughout the process, the borrower, the lender, and the asset management party are controlled in a decentralized manner, ensuring transparency. FinNexus also fills the role of providing information to all parties involved.

In this scenario, for Bob, FinNexus can complete the borrowing and investment needs in one step, the lender is able to easily find borrowers, the quantitative trading team is able to manage more assets, and the exchange is able to increase its trading volume, bringing benefit to all involved.



## **Stable Return Assets**

### **(Scenarios for Asset Management Products)**

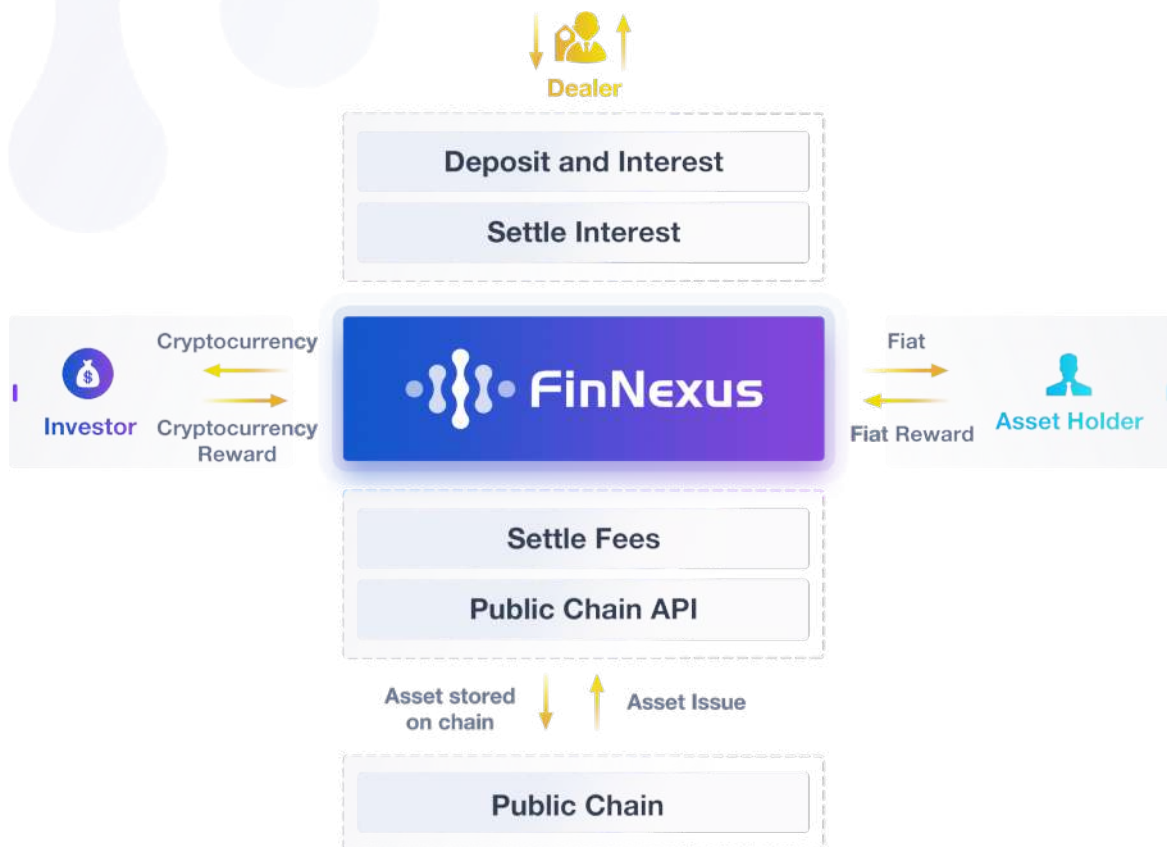
Stablecoins are currently the primary method for mitigating the risks associated with volatile prices within the cryptocurrency ecosystem. While the concept of stablecoins, especially those backed by the US dollar, have been frequently questioned, they have still yet to be replaced. In general, all cryptocurrency holders have a requirement for converting their high risk / high potential reward cryptocurrencies to a lower risk asset. Are there any other options besides stable coins? Is it possible to have a low risk asset which also offers some level of return?

There are a number of possible assets which will be available through FinNexus which meet this profile. For example, a hybrid traditional / crypto bond. A traditional bond may have an annual return of 3%-5%. This bond can be legally tokenized through an STO, and its tokens will be issued on a public chain via the FinNexus technical protocol.

In this scenario, our investor Bob discovers the asset through FinNexus and decided to invest some of his BTC in the asset. Because it is a dollar-denominated asset, the issuer of the token needs to receive US dollars. Through FinNexus's OTC interface, Bob's BTC will be converted to USD and the bond issuer will directly receive the corresponding USD. When the bond expires, Bob will receive his principal plus returns in the equivalent amount of BTC which will be converted through the same FinNexus interface. The entire process is managed behind the scenes by the FinNexus protocol.

In the above scenario, Bob benefits by having access to an investment with stable returns, as well as the convenience of the simplified process. The asset issuer completes all transactions conveniently through FinNexus, and the OTC service provider gains additional business.





## Risk Hedging with Options

(Scenarios for Derivatives )

In the process of converting between crypto and fiat currency, the issue of controlling volatility often surfaces. This problem affects many cryptocurrency users. For example, cryptocurrency miners must pay for their electricity in cash, or expat workers wishing to send remittances back to their home countries.

In the case of the individuals sending remittances back to their home country using BTC, for example, the options for mitigating volatility are very limited. For these users, the best option is to hedge against the price of the cryptocurrency they are using for their remittance. This is a complex operation for users under the current state of the cryptocurrency ecosystem which requires sophisticated understand of hedging which is a professional

finance team to standardize such products through technological protocols. Users with hedging requirements only need to select the corresponding amount, duration, and currency type on FinNexus and pay a small fee. By this process, the user is able to convert between BTC and fiat currency in a manner which protects them from price volatility. If the price of Bitcoin falls, the user will get the compensation for the corresponding price difference from FinNexus.

In the above scenario, the user is able to mitigate their risk, the hedging provider obtains more business, and the off-exchange and foreign currency dealers obtain more trading volume.

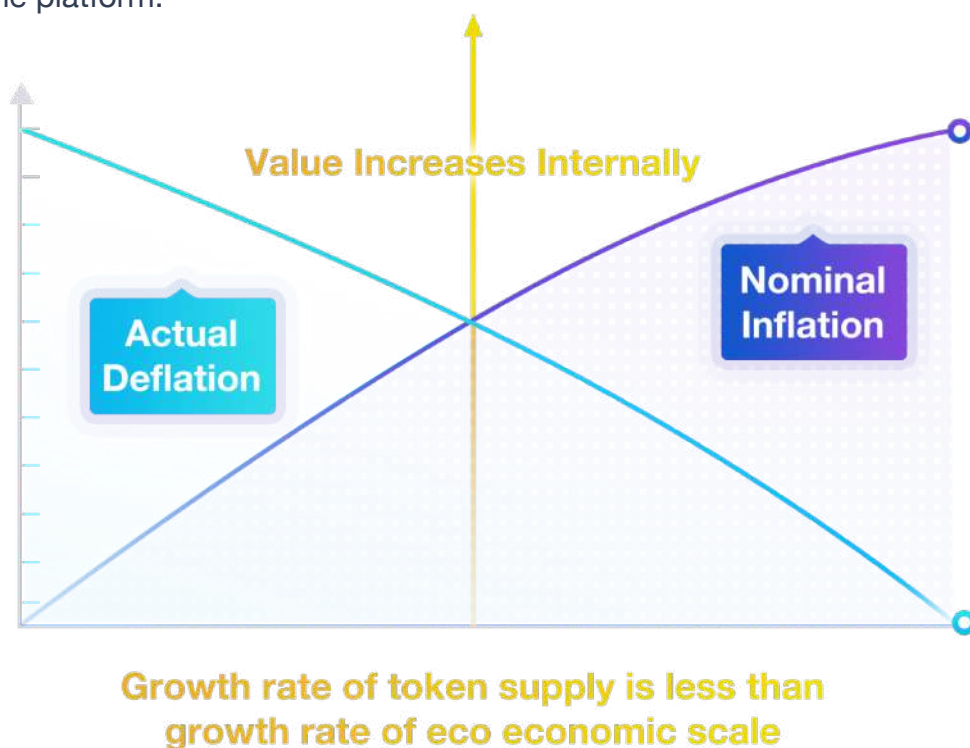


## Rationale

One of most important reasons for the success of Bitcoin is its economic model. In essence, Bitcoin was designed by Satoshi Nakamoto to be inflationary in the short term, but deflationary over time. The ingenuity of this model is that short term inflation, i.e., mining incentives in the form of block rewards, are economic incentives for the operators of the Bitcoin network, while the long-term deflation contributes to the strength of Bitcoin's value.

Bitcoin's deflationary nature has contributed to its use as a store of value, and its increasing acceptance as a store of value has strengthened the value of the token itself, leading to a virtuous cycle where use drives value and value drives use.

FinNexus will follow a similar model of short term inflation combined with long term deflation. The actual level of inflation will depend on the level of use of the FinNexus platform as measured by the 'fee scale'. The 'fee scale' is an indicator derived from fee data which will be used as a measure of activity on the platform. The level of inflation will increase or decrease according to the fee scale so that inflation is in pace with the platform usage, in order to promote a relatively stable value of the token. The difference between FinNexus's model and BTC's model is that while BTC's inflation was set in stone from the first block, FinNexus's inflation will be automatically adjusted according to the usage of the platform.



## Decentralized Finance Protocol Coin (FNC):

FinNexus' native token is the FinNexus Coin, FNC for short.

### **Fees:**

In order to use FinNexus, users must pay fees. The fees are discounted if users use FNC to pay. 50% of the fees collected are used for FinNexus operations, 25% are used to incentivize ecosystem participants, and the remaining 25% are used for the buffer fund.

### **Fee incentives:**

25% of the fees collected are used to incentivize ecosystem participants including parties involved in asset trading and community developers. The role of incentives is to attract more participants to FinNexus, and to encourage developers to build develop different types of DeFi protocols and applications for different scenarios on FinNexus.

### **Inflation:**

Inflation will be introduced by the issuance of new FNC at set intervals known as 'inflation periods'. The FNC will be distributed to FinNexus participants and FNC holders who will receive tokens as an incentive for using or holding FNC during each inflation period.

### **Security Deposit:**

Certain service providers will be required to hold a certain amount of locked FNC as a deposit to ensure the security of their users' assets.

### **Voting:**

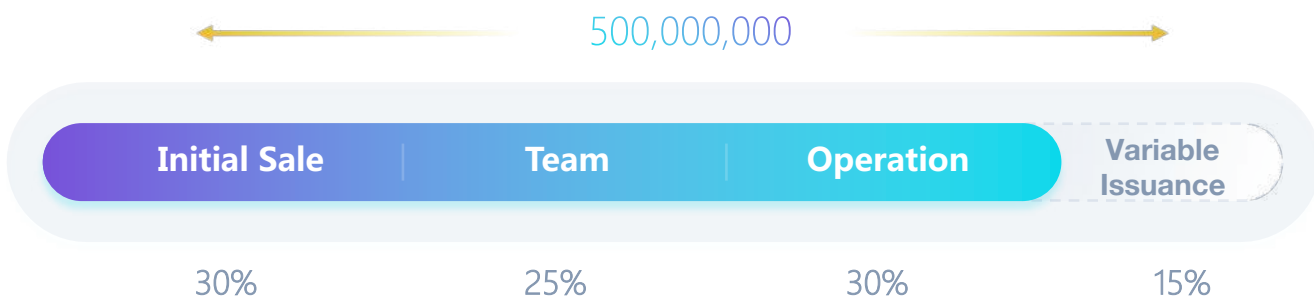
With the development of community governance in FinNexus, FNC will be used for community governance, especially for voting on community related matters.

### **Buffer fund:**

For the Buffer fund, please see the details below.



## Issuance Process and Future Issuance Plan



There are two stages of FNC issuance: initial issuance and future issuances through inflation.

### Initial issuance

The FNC total supply is 500,000,000. 30% of the total supply will be issued during the initial sale, 25% will be reserved for the team and founding investors, 30% reserved for operations, and the remaining 15% is reserved for the inflation pool.

## Dynamic Inflation

According to our design, future issuance will occur during regular inflation periods. The factors which determine the quantity of FNC issued during inflation periods include both the 'fee scale' (an indicator related to the average volume of fees in the preceding period) and the average price of FNC. New issuances will be halted if the fee scale growth stops or decreases.

The tokens reserved for the team will be locked for one year. Over the following 30 months, the tokens will be unlocked in stages. If the fee scale decreases in any inflation period, the rate of tokens unlocked in that period will decrease by 50%.

The FNC dynamic inflation pool is capped at 75,000,000. If the current number of additional issuance is less than or equal to 0 according to the following rules, the additional issuance will be stopped in the current period, and the FNC buffer fund will be used for a FNC buyback. The dynamic inflation issuance follows the following rules:

$U_{i,t}$  : the total volume of transactions for the  $i^{\text{th}}$  financial asset class traded in FinNexus during the  $t$ -cycle

$R_{i,t}$  : the transaction rate of the  $i^{\text{th}}$  financial asset class traded in FinNexus during the  $t$ -cycle

$i$  : Defi financial products of the  $i$ -class of the current transaction

$n(t)$ : is the total number of all financial assets in the FinNexus during the  $t$  period

$\text{FNCPrice}_t$  : for the weighted average price of FNC in period  $t$ , from the open market price

$\alpha$  : **The transaction frequency of FNC.** In the beginning since there is no historic data for reference, the parameter will be set to a number below 0.1. After operations have begun, we will collect the data and determine the  $\alpha$  in the later periods based on historical transaction data.



$F_t$  : is the total transaction fees in FinNexus in the  $t^{\text{th}}$  cycle, and the formula is:

$$F_t = \sum_{i=1}^{n(t)} U_{i,t} R_{i,t}$$

$\Delta F_t$  : The ratio of the change in the total transaction fee for the  $t^{\text{th}}$  period compared to the  $t-1^{\text{th}}$  period is calculated as:

$$\Delta F_t = \frac{(F_t - F_{t-1})}{F_{t-1}} = \frac{\sum_{i=1}^{n(t)} U_{i,t} R_{i,t} - \sum_{i=1}^{n(t-1)} U_{i,t-1} R_{i,t-1}}{\sum_{i=1}^{n(t-1)} U_{i,t-1} R_{i,t-1}}$$

Since the transaction volume between individual adjacent periods may vary greatly, especially in the early stages of FinNexus, and since transaction volume is used in part to determine the fee scale parameter which is used in turn to determine the dynamic inflation rate, we will use the average volume taken over a period of multiple intervals rather than a single interval at a time in order to smooth out the fluctuations between periods.

**e : consecutive cycles of the t period selected in order to calculate the average rate of change**

$\Delta FNC_{IssueAmount}_t$  : The amount of increase in FNC during the next period: the formula is

$$\Delta FNC_{IssueAmount}_t = \alpha \times \frac{(\Delta F_t \times \Delta F_{t-1} \times \Delta F_{t-2} \times \dots \times \Delta F_{t-e})^{\frac{1}{e+1}} \times F_{t-e-1}}{FNC_{Price}_t}$$

Through the above-mentioned issuance and additional logic control, the entire supply of FNC will be limited by the scale of the FinNexus economy, in order to maximize FNC's value capture of the FinNexus ecosystem.

## Buffer fund

25% of FinNexus fees will be used for the buffer fund. The buffer fund has two roles. The first role is to stabilize FNC's value. Specifically, the buffer fund will publicly buy back FNC once the fund team determines the price of FNC to have fallen lower than the market value or in the case that the fee scale falls. Another role is for asset insurance. The buffer fund will be used to compensate users' losses when an uncontrollable factor causes FinNexus users to lose their assets. The buffer fund will otherwise be invested in assets with stable return for value preservation and appreciation.

# FinNexus Development Plan And Roadmap



## Development Plan:

While FinNexus's ultimate goals are quite ambitious, we have a very practical approach to reaching them step by step. We do not intend to launch with every intended feature implemented, but rather gradually implement features in a series of stages. Our initial goal will be to offer a diversified set of crypto assets to users, and from that basic functionality gradually implement the rest of our stated goals.

### Phase 1: Diversified Crypto Asset Platform

FinNexus is a diversified crypto asset platform suitable for different application scenarios. FinNexus's primary goal is to directly addresses users demands and provides users with fundamental technological and business protocols.

In terms of the business logic of Phase 1, the first priority is to implement the fundamental tools and systems to support the basic application scenarios described above. FinNexus will actively recruit more participants and partners to jointly implement the tools and systems to support a variety of application scenarios. Participants will be incentivized to join using a portion of the operations fund, and participants will be able to continually earn profit in the form of service fees charged for the tools they implement on FinNexus. In addition to recruiting partners who can provide assets, tools, and applications, FinNexus will also recruit compliance agencies and licensed financial services agencies to join the platform so as to improve the business protocols at the legal compliance level. Acquiring a wide range of assets and attracting and keeping users are the key issues at this phase. We will onboard a wide range of different types of crypto and hybrid traditional / crypto assets in order to provide crypto users with a rich choice of investments with various risk / return profiles. We will attract users from the crypto world and the traditional world to the FinNexus ecosystem through different types of risk-return.

FinNexus will be a technological connection between mainstream public chains, centralized exchanges, decentralized exchanges, and other applications. By establishing these connections, entities with different asset demands can easily issue, operate, trade, purchase and redeem these assets. FinNexus will establish a system of fund settlement, risk control, fee allocation, so as to serve the scenarios at Phase 1.

# • FinNexus Development Plan And Roadmap



## Phase 2: Collaborative Peer-to-peer Protocol

FinNexus will gradually improve its technical and business protocols, and become an open and collaborative protocol which allows for emergent use cases and application scenarios.

In terms of business, FinNexus will work with legitimate compliance agencies in different regions and obtain corresponding licenses so as to clear the obstacles of compliance for ecosystem development. By carefully adhering to the legal regulations of each relevant business jurisdiction, FinNexus will attract more business partners, assets, and users to the FinNexus platform.

FinNexus will continually work to improve the openness of its technical protocols, the completeness of its standards, the richness of its application scenarios, and the decentralization of its implementation so that developers will be able to use FinNexus to create their own powerful ecosystem applications.

## Phase 3: Self-evolving distributed community for self-governance

With the improvement of the underlying blockchain protocol and the development of community governance, the ultimate goal of FinNexus is to become a fully decentralized open collaborative financial protocol, and a distributed self-evolving business community with open governance.

# FinNexus Development Plan And Roadmap



## Roadmap:

According to the above three phases, the roadmap of FinNexus is as follows:

|            |   |
|------------|---|
| 09.2018    | FinNexus officially starts, including pre-planning, core members of the FinNexus team, fund partner negotiation, etc.   |
| 03.2019    | Start preparing the white paper and announcement plan   |
| 06.2019    | Release the white paper, go live website, and officially start market declaration   |
| 07-09.2019 | The first round of FNC issuance   |
| 12.2019    | FinNexus (V 1.0) goes live. The first batch of assets go online.  |
| 06.2020    | FinNexus (V 2.0) goes live. The second batch of assets go online.   |
| 12.2020    | Complete the function layer and open parts of APIs to the public. The third batch of assets go online.  |
| 06.2021    | Complete Phase 1. The function layer has rule container, more APIs to be open to the public. Initially become a global mainstream asset platform with a multi-partners and large-scale users. |
| 2022       | Standardize the rule container and the connection layer. P2P protocol network is initially formed. FinNexus transits from asset platform to asset channel.                                    |
| 2024       | Complete Phase 2. A P2P open sharing protocol ecosystem is formed, and the effective community governance model is shaped.  |

## Founding Investors

The FinNexus project was initiated by two major founding investors, Wanchain and SuperAtom.



Wanchain is one of the foremost projects in the blockchain industry. Wanchain has developed advanced public chain technologies such as privacy protection, a cross-chain protocol, an original proof of stake consensus mechanism, and much more. In particular, Wanchain's cross-chain protocol plays an important role in the foundational layer of FinNexus for complex application scenarios. Wanchain will provide comprehensive technical support for the FinNexus project.

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SuperAtom is a fintech company incubated by Cheetah Mobile(NYSE: CMCM) since Jan, 2018. SuperAtom has a number of locally licensed Fintech companies covering the regions of the United States, Taiwan, Southeast Asia, and more. It owns a crypto exchange with many qualified financial assets. SuperAtom will continuously provide FinNexus with qualified financial assets, thereby increasing the types of assets available in FinNexus and the crypto world. In the initial stage, the two parties will tokenize traditional financial products which provide stable returns in Southeast Asia through STOs and other structures, so as to create a new kind of “Yu’e Bao” (a famous Chinese financial management product) in the crypto economy.

# FinNexus Team and Founding Investors

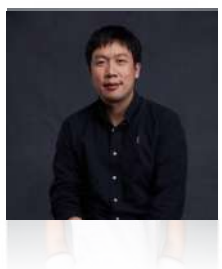
## Team Members



### | **Boris Yang** Founder & CEO



Boris holds degrees in finance and law from the University of International Business and Economics. He is former Vice President of Wanglu Tech, co-founder of Wanchain, and the main designer of Wanchain. In 2015, he entered the blockchain industry with a concentration on product design and business operation. He has many years of experience in internet startups and is a serial entrepreneur.



### | **Bob Chen** Co-founder & CTO



Bob graduated from Harbin Institute of Technology, and is an expert in Internet and blockchain technology. As a technical leader, he worked for internet giants such as Alibaba and Qihoo 360. After entering the blockchain industry, he led a team to develop an asset management wallet. His expertise is in high-concurrency applications, blockchain asset security management, and high frequency quantitative trading.



### | **Mike Liu** Technical Specialist



Mike graduated from National Formosa University. He is a mobile product specialist and was honored with Cheetah Mobile's Outstanding Contribution Award in 2016. He was former Senior Product Director of Cheetah Mobile, and co-founder of Bittrue exchange. He also has extensive experience in mobile apps and the crypto industry.



# FinNexus Team and Founding Investors



## | **Ryan Tian** Financial Specialist

Ryan earned his master's degree in financial engineering from York University. He has worked in the financial industry for more than 10 years. He worked in the banking department of a well-known securities company and was responsible for sponsorship of listed companies. His expertise is in the securities products and he specializes in finance and risk control.



## | **Jack Tung** Regulatory Compliance Specialist

Jack graduated from Nanyang Technological University. He has more than 10 years of experience in asset management services for companies and high net worth individuals. He is a senior Fintech consultant, specializing in framework design for asset management compliance, and architecture design for financial enterprise compliance.



## Steering Committee

FinNexus establishes its steering committee with members who are each specialists in their respective fields. From blockchain, mobile internet, finance, law, etc.



### | Jack Lu

Jack is a leading figure in the blockchain industry. He is co-founder of Factom, and founder & CEO of Wanchain. In 2013, he entered the blockchain industry and led the projects Factom and Wanchain to achieve multiple technical innovations in areas such as privacy protection, cross-chain protocol, and new consensus mechanisms.



### | Scarlet Xiao

Board Member and Vice President of Cheetah Mobile, Chairman of the Board of SuperAtom. She worked as a public relation director at Qihoo 360, and as a communication manager of Yahoo China. From 2008-2010, she worked as a senior manager of Enterprise Marketing Department of Baidu. Since October 2010, she takes the position of Vice President of Cheetah Mobile and is responsible for business development, marketing and commercial products.



### | Eason Zhang

Founding partner of River Capital, Life-member of China Youth Angel Investor Leader Association. Has invested over 60 companies in industry of science and technology. Has many years of experience in the Internet industry and rich experience in product technology and market operation. Has served as the head of product technology department of Sohu, vice president of China Mobile 12580, president of HNA Group Internet Business.





**FinNexus**