



ChiaX: An Interoperable Multi-chain DEX Based on AMM Model

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Abstract: This article introduces the new generation of DEX platform, ChiaX, which realizes multi-chain sharing of digital assets by constructing a multi-chain ecological deployment system. It improves AMM model (Automated Market Maker Algorithm) and provides liquidity effect with high security by accessing Chainlink Oracle Protocol. ChiaX provides technical services as four-chain cross-chain aggregation transaction function to integrate cross-chain liquidity in finding the best transaction path for users, derivative services in risk hedging, and so on. Meanwhile, these technical services can be applied on Ethereum net Layer 2. Compared with decentralized exchanges in other chains, ChiaX has many advantages, such as wide investment range, low slippage, reduced exposure to impermanent losses, high scalability, real-time trading, low gas fee and so on. In the later period, ChiaX will continue to strengthen R&D investment, explore the real decentralized cross-chain technology, realize the intelligent scene of integration of multiple public chains, and create the seamless exchange and interoperability application of multi-chain primitive assets.

Key Words: Multi-chain AMM model Trade Layer2 Cross-chain

1. Industry Status

Since 2020, the blockchain industry has undergone significant changes, and DeFi has grown wildly. At present, thousands of DeFi projects have been initiated, ranging from stablecoin to decentralized token exchange platform, lending and payment. Up to now, the scale of on-chain assets locked by various DeFi protocols has exceeded 40 billion US dollars. With the growth of locked on-chain assets and the opening up of registration of off-chain assets, some professionals have predicted that the scale of assets locked by DeFi protocols will exceed 100 billion US dollars in 2021. Driven by various mining waves and profit-seeking funds, new exchange protocols such as Uniswap and Sushiswap have rapidly emerged.

Although DEX, represented by Uniswap, won the limelight in 2020, there are still some problems and deficiencies. 1. Risk of impermanent loss. Providing liquidity AMM will automatically carry out abnormal trading behavior when the market price changes, that is, buying at lower prices and selling at higher prices, which will make the value of withdrawn asset lower than that when deposited in the wallet, thus causing asset losses; 2. Large swap slippage. When the depth of the working fund pool is insufficient, the market impact cost of swap will be particularly high; 3. Restricted by the TPS performance of Layer1 on Ethereum chain, most DEXes are subject to obvious technical bottlenecks in the number of deals completed per second; 4. Paying a Gas fee of US\$ 890 per swap will invisibly raise the entry threshold for small and medium-sized asset users; 5. Lack of truly decentralized cross-chain interoperability makes it impossible to introduce large-value blockchain primitive assets for cross-chain swap, thus hindering the development and growth of various DeFi protocols. The above five points are the common pain points faced by most DEXes at present.

2. Brief Introduction to Project

2.1 Design Principle

- **Safety.** In terms of market making, ChiaX learnt Uniswap's AMM model (Automated Market Maker algorithm) and reduced the risk of impermanent loss. In terms of asset management, ChiaX does not engage in funds trusteeship, and the funds are controlled by the users in their wallets with private keys, so funds are safe and can be used in real time.
- **Profitability.** In order to reduce the slippage of swap, ChiaX developed the aggregate transaction engine to find the optimal swap path. ChiaX provides liquidity reward pool, trading pool, invite mining and other functions. Meanwhile, in the aspect of liquidity pool subject to smart contract, it is added with the functions of customization and automatic execution, which potentially enhances the ROI from all aspects.
- **Scalability.** ChiaX processes a set of exchange protocols based on Zk Rollup technology, which is a technical solution based on Layer2. This efficient scalability can realize instant exchange, charge a lower gas fee and carry the operation of various derivative contracts.

Inter-operability. Because different blockchain networks are isolated from each other as a value system, there is a development trend of value isolation. As a value hub, ChiaX technology can deliver to multi-chain interaction between different public chains, making the primitive assets on different public chains freely merge and circulate.

2.2 Technology Base

2.2.1 ChiaX V1

- **AMM Model + Chainlink Oracle Mechanism**

ChiaX is a DEX trading protocol based on "fixed product" of AMM mechanism. For example, users can create a fund pool by providing a certain proportion of ETH and any ERC20 assets, and each fund pool stores a certain proportion of different assets and provides liquidity for the exchange of these assets. However, in order to prevent the difference of spread data between exchanges in the event of larger fluctuations, ChiaX adopts the mechanism of Chainlink Oracle price feeding to guarantee the price of currency pair in the liquidity pool. For example, Chainlink will transmit CHX price to the blockchain through CHX/ETH price feeding to ensure the consistency of prices between on-chain and off-chain, and reduce the risk of impermanent loss of LP liquidity providers.

- **Creating Fund Pool**

In ChiaX, each trading pair has a fund pool, which is generally created by the first liquidity provider. For example, a liquidity provider creates a fund pool of ETH-CHX, and then can start adding liquidity. The number of ETH deposited initially is X_0 , the number of CHX deposited is Y_0 , and $X_0 * Y_0 = C_0$. Among them, CHX is a token issued based on multiple public chains.

- **Multi-chain Deployment**

ChiaX supports the deployment of multi-chain architecture (e.g. ETH/BSC/HECO), and the protocol is completely open-source. The system construction of ChiaX V1 will take the lead in docking on the Ethereum public chain (the deployment of ChiaX on other public chains will be launched in the new version of V1). ChiaX also accessed mainstream wallets such as MetaMask

and DApp browsers in a short time, thus providing users with safe and convenient decentralized transaction services. ChiaX connects the ecology of various public chains and brought the traffic in the ecology of various public chains to ChiaX. ChiaX has its own independent ledger data (i.e., block data) in each chain, and transactions in different chains are executed in parallel without affecting each other.

- **Making XStarter Incubator**

XStarter is not only an open source smart contract, but also a decentralized project incubation platform focusing on token creation and issuance as well as auction and fund-raising of quality projects. XStarter supports the token distribution of cross-chain assets and project crowdfunding on multiple public chains including Ethereum, BSC and Heco. Early seed capital will be granted to the projects with innovative development model of blockchain through XStarter Incubator. ChiaX team will provide multi-dimensional support such as smart contract ICO application, capital, community and marketing for the construction and development of quality blockchain projects and the start-up of liquidity pool. These projects will also launch their trading pairs on the ChiaX platform in the future.

2.2.2 ChiaX V2

Multi-chain and Cross-chain Aggregation Trade Function At present, ChiaX's aggregation trade technology integrates all kinds of DEX liquidity and pricing with DEX service providers in multiple public chains, compares the optimal prices in different exchange protocols, and provides users with optimal trading and minimum slippage. For example, when a user enters a trade, ChiaX first finds a DEX platform with this currency. When the user submits the trade, ChiaX backstage may split the order into multiple orders. For instance, 70% of them are completed on Uniswap, and the remaining 30% are completed on Sushiswap. Moreover, when the aggregator finds that the trading pair selected by the user has insufficient liquidity in most DEX, it is also possible to complete the trade through trade bridging.

- **Smart Liquidity Mining System**

Customization of liquidity pool. The liquidity pool has a public pool and a smart pool. All the parameters of the public pool (such as token weight) have been set when the liquidity pool was created, allowing anyone to provide liquidity to the pool, such as DEFI project and Polkadot ecological project. ChiaX smart pool is controlled by smart contracts, allowing the controller to respond to real-time data on the blockchain, and customize the currency, proportion and exchange fee (0.0001%-5%) of the liquidity fund pool.

Automated liquidity mining. ChiaX is an unmanaged intelligent automation platform for DeFi applications, on which the liquidity parameters of deletion, addition, sale and withdrawal can be set in advance. When the price is triggered, the trade will be executed automatically. For example, when the value of LPtoken drops to a certain value, it will withdraw from the fund pool.

2.2.3 ChiaX V3

- **Layer2 Scalability Technique**

ChiaX transfers all ERC20 tokens to Layer2 using Zk-Rollups technology, and ensures the

consistency of Layer1 and Layer2 states based on the constantly generated zero-knowledge proof, so that all exchange takes place on Layer2. This high-performance scalability can realize instant exchange and low gas fee.

- **DeFi Development Program XTreasury**

XTreasury is a service launched by ChiaX integrating DeFi lending protocol based on V3 version to meet the financial management and investment demands of users. Apart from lending protocols, XTreasury is able to serve other protocols. For instance, anyone can build an extension based on ChiaX lending fund pool. XTreasury can also provide leverage liquidity mining function, lending aggregator service and functional service of bridging YFI yield aggregator to increase financing yield.

2.2.4 ChiaX V4

- **Derivative Service on Layer2 XDerivatives**

XDerivatives is a completely decentralized, secure and highly customizable Layer-2 DeFi protocol being built by ChiaX to support various derivatives, such as decentralized perpetual contracts and decentralized option products.

- **NFT Market Segment**

NFT, with its full name of Non-Fungible Tokens, is characterized by indivisibility, irreplaceability and unique scarcity. ChiaX will provide all-round services in the circulation, sale and purchase of NFT, lending with NFT as collateral, and NFT mining, to bring NFT into DEX field, thus creating benefits for ChiaX users and providing rich and diverse experiences.

2.2.5 ChiaX V5

- **Development and Exploration of Polkadot Underlay Cross-Chain Technology**

Another highlight of ChiaX platform is cross-chain. With the slot auction of Polkadot Parachain, ChiaX team believes that the prosperity of Polkadot ecology cannot be underestimated in the future blockchain encryption world, and ChiaX team will explore the Parachain and Relaychain of Polkadot to solve the expansibility and scalability issues. ChiaX platform will first support four kinds of blockchain cross-chain protocols including Ethereum, BSC and Heco, and will also gradually access Bitcoin and support the cross-chain of Polkadot Ecology, so as to help users of ChiaX participate in multiple public chain ecologies with one click and trade token assets on different public chains.

- **Developing XPay Service**

XPay is developed based on the user group's need to exchange and transfer stablecoin. XPay system is updated through the payment module, which supports the instant exchange between various stablecoins and fiats so that blockchain participants can exchange and purchase cryptocurrency and traditional enterprises can realize cryptocurrency collection. In addition, XPay can achieve instant transfer, greatly lowering the threshold for C-end users and traditional enterprises to access and accept cryptocurrency.

- **Bridging Synthetix Protocol for Brokerage**

Aggregation trade can help most users locate the optimal swap path and most favorable trading

price, but it is difficult to guarantee the asset security and profitability for whale accounts. Therefore, ChiaX will consider cooperating with synthetic asset protocol Syntetix to realize the brokerage of cryptocurrency. For instance, if the user wants to buy WBTC with DAI stablecoin, and the trading price is 50 million US dollars, Syntetix (the swap of SUSD and SBTC has no slippage based on synthetic asset collateral model) serves as a bridge in this process, and DAI will be swapped into SUSD first, then into SBTC, and finally swapped into WBTC. According to the test results of Syntetix protocol fees, the slippage of large-value trades can be reduced by at least 75% compared with other DEXes.

2.3 Technical Advantages

● Security of ChiaX

User asset security is the top priority in the design protocol of ChiaX platform. The updated iterative version of ChiaX is completely decentralized, which does not place user assets in custody. All assets are kept on chain, and users have complete control over personal assets. Even the protocol liquidity fund pool of smart contracts can guarantee that users can withdraw their own assets under any circumstances.

If ChiaX exchange enables the On-Chain Data Availability (OCDA) function of governance protocol V1.0, it will provide ChiaX users with the same security level as the underlying multi chain blockchain, which means that ChiaX exchange can remain anonymous to a certain extent, for example, it does not provide any customer service and contact information. We believe that trustlessness guarantees more trust. In the field of crypto asset trade, trustlessness will become a new criterion to judge whether the trade is credible or not.

● Outstanding Performance of ChiaX

Most decentralized exchanges will encounter performance bottlenecks in their underlying blockchain: Output is too low and cost is too high. Performance bottlenecks make these decentralized exchanges difficult to be welcomed by large-scale users. Many trading platforms have to choose between performance and security. Comparatively speaking, ChiaX adopts the Layer2 scheme of "zkRollup". The throughput of ChiaX will reach 16,400 trades per second starting from V3.0, and the settlement cost will be as low as \$0.0001 per trade, while the throughput of uniswap platform is about 12 trades per second, and the throughput of 0x protocol is also about 13 trades per second.

In addition, the cross-chain of most decentralized exchanges is still in the mode of Wrapped Token. These exchanges fail to utilize the main cross-chain platform like Polkadot and Cosmos to realize the true decentralized cross-chain, which is contrary to the original intention of DeFi in blockchain. In contrast, ChiaX will explore and develop the underlying cross-chain technique of Polkadot, and the cross-chain interaction of primitive assets on different public chains can be realized in V5.0 protocol.

● Diversified CHX Ecology Experience of ChiaX

The ChiaX team has been providing decentralized spot trading & matching trading mechanism for limit orders on chain, XTreasury lending and financial management services, XDerivates derivatives trading

on Layer2, XPay stablecoin exchange and transfer, one-stop launch of XStarter new projects, invite mining for hashpower rewards and other diverse product experience and update services for practitioners in the global blockchain cryptocurrency industry. Additionally, in terms of community operation, the needs of different users in the community are fed back, and ChiaX DAO's proposal and voting decision are applied to optimize the platform's later governance. Tokenomics

2.3 Token Allocation Scheme

- CHX Token Allocation

CHX is the protocol governance Token of ChiaX platform, with a total supply of 200 million CHX. At present, 60% of the supply is offered in Ethereum,, Heco and BSC as mining rewards, with 40 million CHX for each chain. The allocation proportion of Token is as follows:

— 60% for mining rewards (120 million): Released on a daily basis.

(1) Genesis. 1st-3rd month (3 months) upon the activation of mining: 4% (4.8 million) of the mining part is produced each month, totaling 12%. The produced tokens are allocated on a daily basis, that is, the daily output is 160,000 CHX, including 80,000 CHX from trade mining, with 20,000 CHX from each public chain, and 80,000 CHX from liquidity mining, with 20,000 CHX from each public chain;

(2) Archean. 4th-12th month (9 months) upon the activation of mining: 3% (3.6 million) of the mining part is produced each month, totaling 27%. The produced tokens are allocated on a daily basis, that is, the daily output is 120,000 CHX, including 60,000 CHX from trade mining, with 15,000 CHX from each public chain, and 60,000 CHX from liquidity mining, with 15,000 CHX from each public chain;

(3) Proterozoic. 13th-24th month (1 year) upon the activation of mining: 2% (2.4 million) of the mining part is produced each month, totaling 24%. The produced tokens are allocated on a daily basis, that is, the daily output is 80,000 CHX, including 40,000 CHX from trade mining, with 10,000 CHX from each public chain, and 40,000 CHX from liquidity mining, with 10,000 CHX from each public chain;

(4) Cambrian. 25th-61st months (3 years and 1 month) upon the activation of mining: 1% (1.2 million) of the mining part is produced each month, totaling 37%. The produced tokens are allocated on a daily basis, that is, the daily output is 40,000 CHX, including 20,000 CHX from trade mining, with 5,000 CHX from each public chain, and 20,000 CHX from liquidity mining, with 5,000 CHX from each public chain;

(5) Jurassic.

In the initial five-year mining plan, the platform governance token CHX will be used as mining rewards, and the platform's fee will be distributed to liquidity providers and traders as the subsequent long-term incentives. (LP: 50% of fee, trading user: 50% of fee)

Mining period	Stage	Monthly mining ratio	Mining ratio in each period	Monthly mining quantity (CHX)
Genesis	1st-3rd month (3 months)	4%	12%	4.8 million
Archean	4th-12th month (9 months)	3%	27%	3.6 million
Proterozoic	13th-24th month (1 year)	2%	24%	2.4 million
Cambrian	25th-61st month (3 years and 1 month)	1%	37%	1.2 million
Jurassic	Subsequent mining incentives	Adjusted to fee as rewards. LP: 50% of the fee, trading user: 50% of the fee.		

Mining Reward Table

— 5% for early investors (10 million): The cliff will be for 6 months after IDO.

ChiaX will carry out CHX raising for subscription, and invite investors to participate in early construction of ChiaX ecology, and this part of funds will be used for early operation planning and external safety audit. The target subscription quota is 10 million CHX, accounting for 5% of the total supply. The release of tokens will be in a few stages. In the first stage (1st-3rd month), 4% of the subscribed amount will be unlocked each month; in the second stage (4th-12th month), 3% will be unlocked each month; in the third stage (13th-24th month), 2% will be unlocked each month; in the fourth stage (25th-61st month), 1% will be unlocked each month. The total amount will be unlocked in five years and one month.

— 15% for team allocation, operation and marketing (30 million): The cliff will be for 6 months after IDO.

founding team members - (5%), operation, technology research and development- (5%) and marketing - (5%) etc. This release of token will take place in four stages. In the first stage (1st-3rd month), 4% of the amount will be unlocked each month; in the second stage (4th-12th month), 3% will be unlocked each month; in the third stage (13th-24th month), 2% will be unlocked each month; in the fourth stage (25th-61st month), 1% will be unlocked each month. The total amount will be unlocked in five years and one month.

— 15% for community ecological incentives (30 million).

This part will be used for ecological incentive for developers (DAO governance), etc.

— 5% for initial liquidity (10 million).

CHX will start its IDO on Ethereum public chain through ChiaX's official website, and immediately released to the trading platform for providing initial liquidity (CHX-USDT) after settlement.

IDO Round	Whitelist remarks
Round 1 (private pool)	I. Whitelist time: Subject to the announcement of ChiaX's official community broadcasting. II. Whitelist requirements: 1. Follow and retweet. 2. Add the Telegram group. 3. Fill in the whitelist for submission.
Round 2 (open pool)	Open round, no whitelist, possible over-raising, w/ minimum limit, w/o maximum limit.

IDO Table

2.4 Invite Mining Mechanism

On the ChiaX platform, all users have the opportunity to participate in the invite mining mechanism and obtain the invitation mechanism reward.

For the mining Category of ChiaX. ChiaX platform implements the parallel mechanism of multi-chain mining and invite hashpower mining. ChiaX's users can engage in liquidity mining and trading mining in Ethereum, BSC and Heco, and at the same time, they can obtain higher liquidity mining hashrate by inviting friends at two levels by P2P (the higher the hashrate, the more mining output naturely).

— In terms of invitation mechanism, there are two ways to invite:

- (1) Hashpower Sharing: The inviter sends the link to a friend (invitee). When the invitee pays the miner's fee to activate the invitation relation, the invitee will enjoy a 5% bonus from its benefits.
- (2) Activate Miner: When the inviter pays the miner's fee to activate the friend (invitee), it gets a 15% hashpower bonus from level 1 friend and 15% hashpower bonus from level 2 friend, meanwhile, its friend will also enjoy a 5% extra bonus from the yields.

The inviter and invitee who activate the invitation relation in the above two modes can get the corresponding invitation reward when the invitee stakes to mine.

The inviter can get the proportional liquidity mining hashpower contributed by subordinates, including 15% of staking hashpower for first 1 friends and 10% of staking hashpower for level 2 friends, that is, invite hashpower = 15% of staking hashpower for level 1 friends + 10% of staking hashpower for level 2 friends. The invitee can get 5% of his own staking hashpower as a bonus.

If User A invites User B and User B invites User C, User B will add LP liquidity mining hashpower at a certain factor to User A, User C will add LP liquidity mining hashpower at a certain factor to User A and B, and User B and User C, as invitees, can add LP liquidity mining hashpower at a certain factor for themselves. For example:

A invites B, and B invites C

A stakes 1LP, B stakes 2LP, and C stakes 3LP

A: 1 (own staking hashpower) + 2*15% (level 1 invitation bonus) + 3*10% (level 2 invitation bonus)

B: 2 (own staking hashpower) + 2*5% (invitee bonus) + 3*15% (level 1 invitation bonus)

C: 3 (own staking hashpower) + 3*5% (invitee bonus)

— Calculation of Mining Reward. Each pool calculates individual's total hashpower based on individual staking and invitation hashpower, and the number of CHXs for individual mining rewards can be calculated based on individual hashpower ratio and single pool rewards. Earlier stage: The business party will provide mining time and mining reward for each pool as planned. The multiplier will be determined based on the lowest block reward. Later stage: The community will vote to confirm the pool amount, mining time and daily mining output.

Individual hashpower = staking hashpower + invitation hashpower

Individual hashpower ratio = individual hashpower/total hashpower power

Reward for a single pool: Reward per block * pool multiplier * number of blocks (starting block number - ending block number)

Single-day reward for a single pool: Reward for each block * pool multiplier * estimated number of blocks per day

Total reward for all pools in a single day: (Pool multiplier A + Pool multiplier B+)* Reward for each block * Estimated number of blocks per day

2.5 Burning Mechanism Program

- ChiaX platform will charge 0.3% of the trading volume as the fee, and the platform will use 100% of the fee to repurchase and burn CHX (until the total number of burnt CHX is 100 million), and the repurchased and burnt CHX will be transferred to the black hole address and never circulate.
- 100% of the fee for NFT product trading will be used for repurchasing and burning CHX;
- Other burning scenarios, etc.;

3. CHX's Usage Scenarios

As the primitive protocol Token of ChiaX, CHX not only represents the holder's rights, but also has practical value. Users holding CHX can participate in a series of functions and activities of ChiaX, and CHX can be used in the following scenarios.

- **Governance Token**

ChiaX is a decentralized project led by the community, and CHX is the token of the community's participation in governance:

- Users holding a certain number of CHX can initiate upgrade proposal, such as modifying the fee, the distribution of the liquidity pool, and the long-term incentive plan of CHX;
- All CHX holders can vote on the proposal, and the proposal with the majority consent will be passed, and the ChiaX development team will be responsible for its implementation;

- **CHX's Fee Discount**

ChiaX will charge 0.3% of the trading volume on the platform as the fee, and users holding CHX is entitled to the corresponding fee discount when trading on the ChiaX platform.

- **Voting, Staking and Listing**

ChiaX supports a limited number coins of liquidity pool. In addition to the coins of liquidity pool initially added by the official team, users holding CHX may realize coin listing by voting or staking;

- CHX holders initiate the listing proposal through the ChiaX community governance process, and if the majority of votes are secured, the coin listing will be executed;
- Users holding relatively more CHX may compete for coin listing by staking CHX.

The official team of ChiaX will implement the coin listing according to the result of voting or staking. All users can create a liquidity pool to provide liquidity after the coin listing is completed.

- **Farming "Seeds"**

In the protocol liquidity pool of ChiaX platform, users holding CHX can provide liquidity to obtain mining rewards by adding amount to CHX's pool, and users who trade the trading pairs containing CHX can also get mining rewards. In addition, users holding CHX can also participate in various incentive activities such as airdrop incentives and time-limited mining in the centralized exchange.

- **Lending Collateral**

On ChiaX platform, there is a financial development plan for lending products. For the loyal users holding CHX, CHX can be used as collateral for lending digital assets. In addition, when faced with extreme market fluctuations, debit users holding CHX will be subject to higher liquidation threshold and less liquidation penalty.

- **Unique Products and Services**

On the ChiaX platform, users holding CHX can obtain smart liquidity mining system management, guidance on project auction crowdfunding and development on XStarter, circulation construction of NFT market segment, as well as trading services. With the later iterative upgrade of ChiaX version, users will also get the firsthand experience of various customized product functions and many other rights and benefits.

4. Summary

CHX is the protocol Token of ChiaX, and it is the key link to encourage participants to build ChiaX ecology together. In the early stage, 100% of the initial total supply of CHX Token will be allocated within five years, of which more than 60% of CHX Token will be allocated to ChiaX infrastructure providers and users, including liquidity providers and trading users, through mining incentives and community ecological incentives. After that, ChiaX will be allocated as fee incentive according to the volume of burned CHX. Users holding CHX can participate in ChiaX ecology governance, voting, coin listing decision, and various mining incentive activities, and obtain unique products and services such as trading fee discount, lending collateral, NFT mining and trading transactions. In addition, since ChiaX buys back and burns CHX with 100% of the exchange fee income at each stage (until the total amount of burned CHX reaches 100 million), the circulation of CHX in the market will be scarce, leading to a certain degree of deflation rate.

5. Organization Introduction

5.1 Organization Structure

With the development of blockchain industry, the number of blockchain exchanges and the number of blockchain projects and tokens are increasing year by year, which is accompanied by chaos. Some centralized exchanges make wash sales, freeze withdrawal, fleece the flock in alliance with projects, and use blockchain projects to commit fund fraud. There are also some DEXes allowing anyone to freely issue air coins without an upper limit. The liquidity pool with large slippage is easy to dry up, the user service is worse than centralized exchanges, and there is a lack of incentive care for new users. In order to ensure the long-term sustainable development of ChiaX platform, meet the regulatory compliance requirements of blockchain industry, and improve the quality of platform operation and the effectiveness of platform management, the organizational structure of ChiaX team is composed of founders, policy-making committee, community operation team, technology development team, product & project audit team and compliance execution team. The organizational structure covers the operational procedures and rules for daily work and special circumstances. Organizational structure of ChiaX team includes (as shown below):

5.2 Division of Functions

5.2.1 Policy-making Committee

Founder: Undertake the business development direction and establishment and development of ChiaX;

Consultant: Provide solutions for the development and construction of ChiaX platform and community operation;

Competitor Researcher: Conduct market research, including the research of industry competitors, project categories and development direction;

5.2.2 Compliance Execution Team

Auditor Specialist: Undertake the follow-up of compliance issues of ChiaX's business, risk pre- warning, improvement suggestions and supervision;

Compliance Specialist: Interpret and control the blockchain supervision policy, and carry out risk management and business compliance implementation;

5.2.3 Community Operation Team

Community Service Specialist: Serve the users making consultation in ChiaX community, and keep good communication with them to learn about the needs of users proactively; Community Activity Specialist: Undertake the promotion, follow-up and implementation of ChiaX community activities and the construction of ChiaX brand image;

5.2.4 Technology Development Team

Chief Technology Officer: Organize, formulate and implement major technical decisions and technical schemes of ChiaX, control the overall technical development direction, supervise technical research and development activities and control the efficiency and quality of the output of ChiaX team, and lead ChiaX team to solve major difficult problems and eliminate various potential technical risks;

UI Designer: Take charge of the UI visual style of ChiaX platform and the overall UI architecture specification design, and control the brand style and creative brand design scheme of ChiaX;

Software Development Engineer: Participate in product development of ChiaX platform, complete the design, development, unit test and document preparation of corresponding software modules, and undertake the design and development of smart contracts;

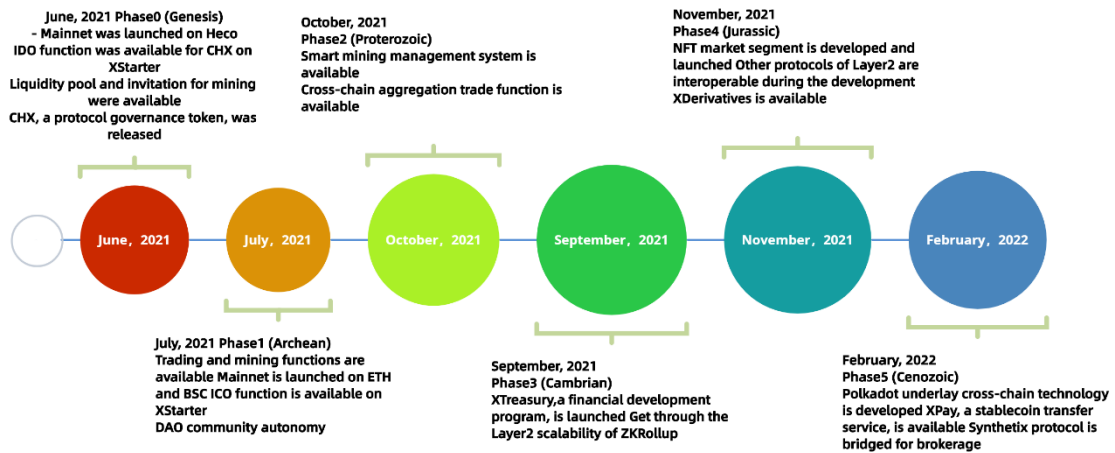
Software Tester: Assist the development engineer to complete the sorting, archiving and release of test documents, carry out product testing, and submit test reports;

Operation & Maintenance Engineer: Establish a standardized operation and maintenance, data and security system for the planning and implementation of the architecture, deployment, monitoring, governance, optimization and security of each operation system of ChiaX to ensure the stable operation of each product line system of ChiaX;

5.2.5 Product & Project Audit Team

Product & Project Audit Specialist: Undertake the open source intelligence collection of ChiaX platform, server security configuration audit, node security audit, input security audit, business logic audit, cryptography security audit, smart contract audit, hot wallet and DApp architecture security audit, authentication and authorization audit, etc.;

6. Development Roadmap



7. Business Model

The essence and core process of business is exchange, and finance directly touches the core of business - "exchange". In the blockchain market, exchanges are an inseparable core in the blockchain field. The service providers of one-stop service such as digital asset trading, asset trusteeship, wealth management and lending, and mining custody, as well as the early blockchain users all deal with CEX. With the development of blockchain and the increasingly urgent need of users for open and transparent on-chain data and self-control of assets, decentralized exchanges (DEX) have taken advantage of the trend. As a decentralized exchange (DEX), ChiaX has its own business development model. In simple terms, it mainly includes the following aspects:

- Automated Market Maker (AMM) mechanism.

Unlike the CEX development model, ChiaX, as a DEX platform, implements the AMM algorithm mechanism of constant product based on fund pool, instead of adopting the market maker mechanism of order book. The advantages of AMM are as follows: firstly, the liquidity pool will never be exhausted; secondly, for some small currencies, the cost of listing charged by centralized exchanges is saved;

- Token incentive strategy.

Through the implementation of LP and single-currency liquidity mining incentives, inviter hashpower mining incentives, trade mining incentives, and multiple mining mechanisms, the token incentive strategy plays a role in raising popularity and introducing user traffic in the early stage. This incentive strategy is of great function and significance in the early development of the project;

- Diversified innovative commercial products.

Currently, DEX projects on the market simply copy the development model of Uniswap with no innovative business model designed to bring forth the new from the old. The ChiaX team has caught this aspect and seized the time window of DeFi wave, and invested numerous R&D resources in its own product system design. In the

future, the products that ChiaX is able to take the lead in launching will include smart mining management system, lending service, aggregate trade, IDO and IFO fundraising and issuing service, NFT investment management, predictable market and derivatives, etc. The ChiaX team firmly believes that the scale of DeFi application has a huge potential, and these commercial products will bring great development space for ChiaX;

- Franchise mode of "long-tail assets".

The so-called long-tail assets are those tokens not supported by centralized exchanges. The unsupported tokens are either too small, too risky, or extremely competitive exchange tokens. The unsupported markets are either new trading pairs (e.g. early ETH) or new trading scenarios (e.g. games or applications, such as points, game equipment, and virtual pets). The ChiaX team believes that these markets will become important as the time goes by if they can serve or meet the needs of most people.

8. Marketing Strategy

ChiaX is positioned as a global borderless, open and free decentralized financial service platform, so its product marketing mainly adheres to the concepts of decentralization, community management and community autonomy. ChiaX implements three main marketing strategies:

- Strategy 1: ChiaX adopts the concept of decentralized community autonomy in blockchain and follows the principles of fairness, free will and equality. All major decisions on the ChiaX platform will be voted and changed through DAO governance;
- Strategy 2: ChiaX recognizes the DeFi Lego system with DeFi application, multi-directional development path and interactive design of product portfolio. ChiaX will create its own brand highlights in DeFi ecology. On the ChiaX platform, users can carry out one-stop decentralized digital asset business, including "one-click ICO, crowdfunding, public coin listing, automated market making, lending and wealth management, risk control, and project incubation". Therefore, ChiaX is by no means a stand-alone DEX, and ChiaX aims to become a new DEX platform for DeFi All-Eco;
- Strategy 3: In the long-term growth planning of ChiaX, ChiaX attaches great importance to the feedback of community users. In addition, ChiaX is cooperating with other protocol service aggregators to establish a network-wide, wide-ranging and deep-seated blockchain alliance partnership. ChiaX team believes that the consensus comes first in the blockchain world, regardless of whether it is value consensus or application consensus, because we are working together to build a future financial infrastructure characterized by customization, freedom and openness.

9. Risk Warning and Disclaimer

9.1 Risk Warning

1) Systemic Risk

Security is the top priority of ChiaX protocol, and the audit members of ChiaX have invested considerable energy to ensure the security and reliability of the protocol. Related smart contract codes of ChiaX are publicly verifiable, and we also invite external security personnel to find loopholes in the protocol and grant rewards accordingly.

2) Investment Risk

CHX is an applied governance token issued by ChiaX, which is not an investment product. Before making a purchase decision, the purchaser should carefully consider whether it is suitable for its financial position, purchase objectives and experience, risk tolerance and other relevant circumstances, and should also understand the related risks involved in purchasing CHX.

3) Regulatory Pressure Risk

It is undeniable that in the foreseeable future, countries around the world will issue regulations to restrict and regulate the blockchain. If the regulators restrain or suspend this industry, the investment enthusiasm in DeFi field may decline to a certain extent compared with the hot market in 2020.

4) Vicious Competition Risk

At present, there are a large number of teams and projects in the field of blockchain technology, and the market is intensely competitive with strong pressure of market competition and project operation. Whether ChiaX platform can stand out from numerous quality projects and be widely recognized not only depends on its own team capacity and vision planning, but is also influenced by many competitors and even oligarchs in the market, during which it may face vicious competition.

5) Hacking Risk

In terms of security, hacker attacks in the history of blockchain can be seen. In the platform with a large number of users and the value of digital assets, hackers are most vulnerable to their evil intentions, which puts high demands on the platform's own security for ChiaX. It can be seen from the hacker attacks in the history of blockchain that the platform with a large number of users and aggregation of digital assets is the most vulnerable to hackers' attacks, which puts forward high demands on the platform's own security as far as ChiaX is concerned.

6) Other Unknown Risks

With the continuous development of blockchain technology and the overall trend of the industry, ChiaX may encounter with some unexpected risks in its future operation. Blockchain lovers are advised to fully learn about the team background, and understand the overall operation and management framework and concept before engaging in the operation of DEX.

9.2 Disclaimer

- This document is only for the purpose of conveying information. The content of the document is for reference only, and does not constitute any investment suggestion, instigation or invitation to sell tokens or recommend speculation in the blockchain industry. Such invitations must be

made in the form of confidential memorandum and must comply with relevant securities laws and other laws.

- The ChiaX team shall spare no effort to achieve the goals mentioned in the document and ensure that the information in this white paper is true and accurate. During the development process, the platform may be updated, including but not limited to the platform business mechanism and product iterative construction mechanism. Some content of the document may be adjusted in the new white paper with the progress of the project. The ChiaX team shall release the updated contents to the public by publishing announcements on the community network or in the new white paper. Participants are required to obtain the latest community information or new white paper in time, and adjust their decisions according to the updated contents. The ChiaX team expressly states that it shall not be liable for any losses caused by the participants' dependence on the content of this document, the inaccuracy of the information contained in this document, and any actions caused by this document.
- To the maximum extent permitted by applicable laws, the team shall not be liable for any damages and risks arising from public offering of CHX, including but not limited to direct or indirect personal damages, loss of business profits, loss of business information or any other economic losses.
- The ChiaX platform complies with any regulatory regulations and industry self-discipline statements that are beneficial to the healthy development of the blockchain industry. Users participating in ChiaX platform means that they shall fully accept and abide by this kind of DAO governance protocols.