

KCS

A BLOCKCHAIN-BASED VALUE
SELF-CIRCULATION ECOSYSTEM



FROM GEEKS TO MASS ADOPTION -
THE PEOPLE'S ECOSYSTEM

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Motivation

Since the birth of Bitcoin in 2009, the crypto world has experienced a revolution that saw blockchain 1.0 to blockchain 2.0, and blockchain N.0. Cryptocurrency has expanded beyond the characteristics of a currency to include the capabilities of an application with the smart contract as its basis, with an endless supply of new application types. Decentralized finance, decentralized computing, decentralized storage, Web3.0 etc., each new bold attempt at innovation brings not only new technological improvement in this area, but also changes to the world. Decentralized finance advances financial inclusion, decentralized computing and decentralized storage allows every byte of information to be executed and recorded while Web3.0 redefines the relationship between productivity and production.

We believe that in the future, blockchain technology and its related applications will be applied on a large scale and profoundly change our lives, akin to the Internet today.

The ecosystem and the applications derived from blockchain technology will continue to benefit mankind. However, while blockchain technology continues to move towards mass application, there are still urgent problems that need to be solved. For example, more than 90% of the world's population has never been exposed to cryptocurrencies or the associated technology. The rapid development of the crypto world (such as the emergence of new technologies, new concepts and new applications) will also increase the threshold for new users to enter the crypto world (such as NFT transactions, Layer 2s and cross-chain transactions, etc.). Moreover, there remains a huge "disconnection" between the crypto world and the traditional world.

Since its establishment in 2017, the KCS ecosystem has been an observer, a participant, and a beneficiary within the crypto industry. For the next phase of the industry's development, the KCS team would like to further capitalize on the key advantages, such as our influence, platform, technology, talents etc., to build a self-circulating ecosystem based on KCS, thereby lowering the barriers for ordinary users to enter the world of the blockchain, thus allowing blockchain technology and its related applications to truly move from the geeks to the masses while allowing more individuals and organizations to make better use of blockchain technology and advance it.

Record of Proven Success

– Why Choose Us

Based on the vision of “from the geeks to mass adoption”, we have created the KCS token to build a unique economic model that encourages participation from more users. KCS token, besides being an ERC20 smart contract token on the Ethereum chain currently, is also the native token on the KCC chain. It serves the entire KCS ecosystem as gas for the base layer. We strongly believe that only an ecosystem embedded with an incentive model will continuously operate, develop, evolve and grow.

The total supply of KCS is 200 million. There will never be an overissue. Through the process of continuous burning, the supply will eventually stabilize at 100 million.

Collaboration with the KuCoin Exchange, the KuCoin Community Chain (KCC), payment, entertainment, finance and all other usage scenarios are important cornerstones of the KCS ecosystem.

● History

The current core achievement of the KCS ecosystem in its first phase of development is the collaboration with the KuCoin Exchange. The KCS ecosystem creates a unique competitive advantage for KuCoin. KCS holders also form the core user group responsible for the growth of KuCoin. At the same time, the development and growth of KuCoin provides KCS ecosystem users with unique KCS rewards, fee discounts and participation in initial token offerings and other unique services. The successful collaboration between the two ecosystems and their integration have allowed KuCoin to become one of the top five leading digital asset exchanges in the world. It has also made KCS one of the top 100 leading crypto projects in the world by market capitalization.

As of January 2022, the KuCoin trading platform has accumulated up to tens of millions of registered users, with cumulative trading volume in the hundreds of billions in terms of USD dollars.

Besides collaboration with the KuCoin Exchange, KCS has also seen initial success in the area of decentralization with the development of KCC. The number of projects in the KCC ecosystem are in the double digits, including decentralized exchanges, wallets, wealth management, non-fungible tokens, decentralized autonomous organizations etc. The total value locked among KCC ecosystem projects amount to tens of millions while the number of effective addresses holding KCS tokens are in the tens of thousands. At the same time, the KCS community has seen rapid development. The number of languages supported are in the double digits while the number of community followers are in the millions, reaching over a hundred countries and regions.

KCS TOTAL SUPPLY

200,000,000

TOTAL SUPPLY AFTER KCS
IS BURN

100,000,000

KUCOIN CUMULATIVE
REGISTERED USERS

**TENS OF
MILLIONS**

NUMBER OF
KCS HOLDERS

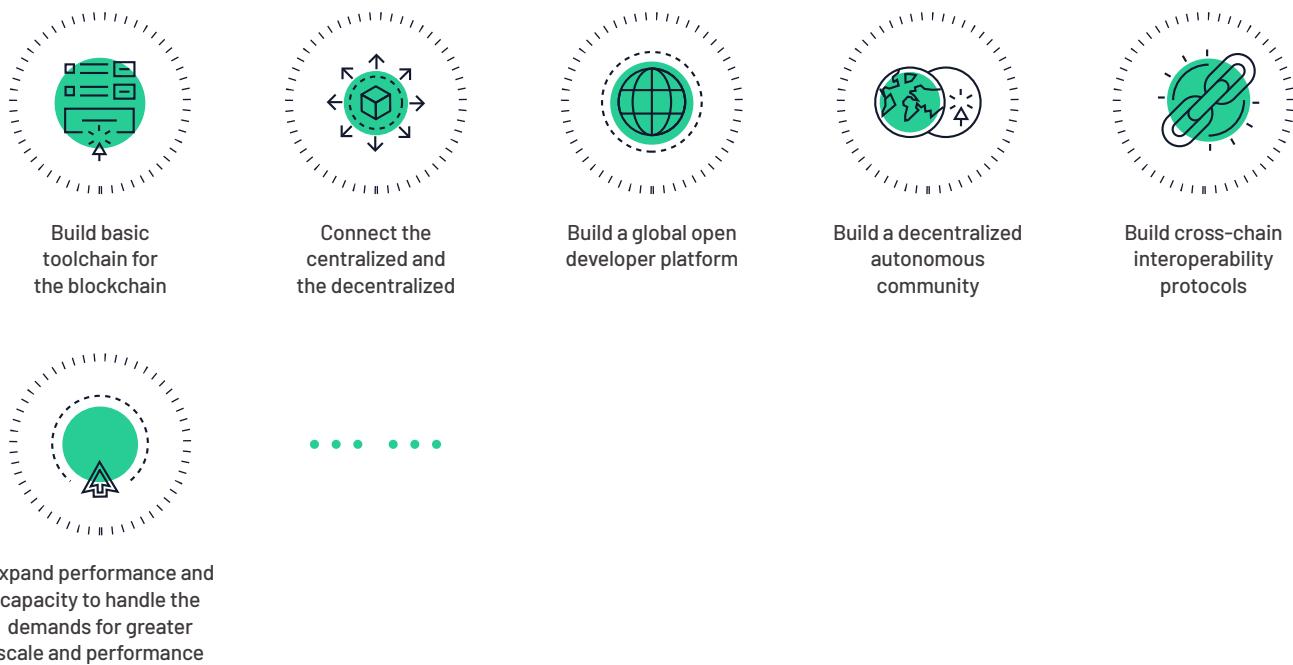
**A FEW
MILLION**

● Future

In the next phase of development, we will continue to improve the core of KCS and its periphery, mainly in the three aspects below:

- Improve the KCC Ecosystem

The KCC chain was a blockchain project initiated and developed by the core members of the KCS and KuCoin development community. The emergence of the KCC chain started a new chapter in the development of the KCS ecosystem by bringing a lively scene of decentralized applications to the chain. KCC will focus on the following areas:



In other words, the development of KCC will be split into three phases: KCC 1.0, KCC 2.0 and KCC 3.0.

KCC 1.0

KCC 1.0 is built on the Ethereum source code and is compatible with EVM smart contracts. It seeks to solve the dual problem of low performance and high cost on Ethereum. The KCC1.0 mainnet was officially launched on June 16, 2021. Currently, millions of blocks have been produced while the number of active addresses on the chain has exceeded hundreds of thousands. The number of transactions on the chain has exceeded millions with dozens of DApps on the chain. The chain will become the main stage for the development of distributed finance, games, Web3.0 and other tracks in the KCS ecosystem.

2.0

KCC 2.0

As the decentralized ecosystem built by KCC 1.0 grows, the developer community expands and the community becomes more vibrant, we will gradually begin the research and development of KCC 2.0 through the development and replacement of internal subroutines to fully realize the potential of the hardware, especially internal parallelism, without affecting EVM compatibility.

With the incorporation of the following powerful subroutines, KCC 2.0 aims to increase the gas limit of blocks to 500 million.

StormingEVM

To solve the problem of scalability at the Ethereum base layer while accounting for the failure of Moore's Law and the trend towards multi-core CPUs, we hope to improve the scalability of KCC by full capitalizing on the parallel capabilities of CPU hardware. Storming EVM is a parallel execution engine optimized and implemented based on evmone. It can manage the context of multiple EVMs while executing multiple transactions concurrently to maximize the underlying processing capacity of the base layer.

LightningADS

Ethereum's storage engine uses MPT to implement a verifiable data structure based on LevelDB. Every time EVM reads and writes the world state, MPT needs to perform several operations on LevelDB, and each operation of LevelDB requires multiple disks reads and writes, which results in high storage costs and lower throughput. Thus, KCC development team will implement a lower cost Authenticated Data Structure.

LightningADS is a key-value database that provides proof of existence and non-existence directly. Using a single-tier storage architecture, it can directly access the underlying storage system without relying on the implementation of other databases.

RainingDB

In the implementation of Ethereum, LevelDB is not only used to support MPT, but also used to store historical information such as block data, transaction receipts, and logs. However, the open source LevelDB was not born for the blockchain and requires a new database suitable for the blockchain's specific workload. RainingDB is a key-value pair database that is specially designed for blockchain workloads. It avoids the above traditional database problem and stores blockchain historical data. Based on this capability, it is now entirely possible to implement an open source, high QPS Web3 API.

3.0

KCC 3.0

Social benefits are determined by the speed and breadth of value flows. The development of KCC will also gradually move from the era of EVM-compatibility 1.0 and 2.0 towards the new technology of a cross-chain 3.0 ecosystem, compatible with multiple chains and multiple assets. In terms of new technologies, KCC will focus on building infrastructure suitable for large-scale usage and development, build a lower-cost layer 2, build a KCC SDK that allows developers to develop intrachain and interchain protocols with greater privacy; In terms of a cross-chain ecosystem, KCC will gradually support the inter-chain transfer of multiple assets, support interchain DeFi, games, Web3.0 ecosystems and cross-chain accounts.

Technological innovation is the base driving force behind the advancement of the blockchain industry. We have witnessed the growth of many great projects, and we also know the difficulties and obstacles in the initial stages. Therefore, we will devote more resources to discovering and supporting high-quality developers and early innovative projects. KCC is not just an ordinary public chain. It will rely on the KCS fan community and the KuCoin exchange ecosystem to become the birthplace of technological, business and model innovation, and to create a complete closed-loop ecosystem of technology, products and users.

- Build a Payment System

KCS ecosystem will collaborate with the KuCoin exchange and the KCC ecosystem to build a payment system that can serve hundreds of millions of users. Within the KCS ecosystem, the payment system can connect all projects and participate in all activities, such as the KuCoin exchange ecosystem's transactions, derivatives trading and new coin launches, the KCC ecosystem's transactions, stablecoins, lending, NFT transactions etc.;

Outside of the KCS ecosystem, the payment system can bridge to the main chains and break through the digital barriers for both institutions and individual users, thereby minimizing the threshold for digital payments, serving users more easily and efficiently, and growing the KCS ecosystem's userbase.

- Build a Web3.0 Ecosystem

Regarding Web3.0, we will intensely promote the process of decentralization and build a community of shared interests that benefits both users and protocols. We believe that the Internet of the future should be user-created, user-owned, user-controlled, and protocol-distributed. Thus, the blockchain as the basis, we are actively exploring and implementing the following areas:



Decentralized Identity Management
Decentralized Identifiers (DIDs)



NFT ownership rights,
management and transactions



Construction of metaverse
network platform, including work,
social networking, games, etc.

We will build, fund and support Web3.0 teams as early developers, promoters and contributors of Web 3.0;
We will establish a Web 3.0 Incubation Fund to accelerate the construction of the Web 3.0 ecosystem;
We will build the KCS-Web 3.0 community, and explore the Web 3.0 world together with all KCS holders.

Team and Management of KCS Ecosystem

"From Geeks to Mass Adoption" not only lowers the threshold for the use of crypto technology and pushes it towards mass adoption at both the technical and application level, but it also means that every participant in the KCS ecosystem has the opportunity to become a manager - every voice counts. Based on this vision, we established the KCC GoDAO Foundation and formed the GoDAO community.

The current GoDAO community is mainly made up of community members from the KuCoin exchange ecosystem and the KCC ecosystem. In the early stages, the core development team, core operation team and consultant team of KCS, as well as ambassadors from all over the world will participate in it to help the community run it better and assist the GoDAO community to complete the organizational construction from 0 to 1.

We divide the development of the entire KCS ecosystem team, management organization and governance methods into two phases: the early phase and the autonomous phase.

● Early Phase

In the early phase, we have brought together the KuCoin core team, KCC GoDAO Foundation, investment institutions, angel investors, a few KCS Holder community representatives and professional fund management institutions to establish the KCS Management Foundation, which will be fully responsible for KCS' future development, decision-making, investment, uses, etc.

The key work of the KCS Management Foundation encompasses the following:

R&D	Liquidity support	Funding	Link resources within the ecosystem
KCS Management Foundation will set up a R&D team to support the KCC ecosystem and infrastructure (governance and financial management), and provide incubation services for upcoming projects.	KCS Management Foundation will control one of the largest asset pools in order to provide liquidity to the partnership protocols. In addition, it will be used to support new protocols such as DEXes, lending, synthesizing, vaults, bridges, etc.	KCS Management Foundation will support blockchain innovation through grants and various means.	KCS Management Foundation will attract more experienced members/institutions within the crypto industry and link them together to promote the development of the KCS ecosystem.

● Autonomous Phase

In the later stages, when the foundations of the KCS ecosystem have been laid, we will gradually try to establish more efficient, autonomous and community-based protocols and tools, and gradually remove power from the KCS management foundation, allowing users and contributors of the KCS ecosystem to decide the future development of the KCS ecosystem, enhance the management weight of the GoDAO community, until management is completely replaced by the GoDAO community. We are convinced that only governance drawn from users can truly serve users. The management authority of the GoDAO community will be mainly reflected in the following areas:



Ecosystem of the KuCoin exchange



KCC ecosystem



Payment systems



Web 3.0 ecosystem

In the above four areas, we will focus on the following plans:



KCS GoDAO Analyst Program



KCS GoDAO Listing Program



KCS GoDAO Investment Plan



KCS GoDAO Benefits Sharing Program

We believe that under the professional management and promotion of the foundation's team, the KCS ecosystem will be further improved;

At the same time, we also believe that in the process of a gradual move towards autonomy, the KCS ecosystem will certainly evolve and iterate towards the direction of discovering and satisfying user needs.

KuCoin Token(KCS)

The KuCoin Token, with the token symbol KCS, was first issued on the Ethereum chain as an ERC-20 token in 2017 and migrated to KCC in 2021. The total circulation is 200 million, and the number of tokens will be deflated to 100 million in the future through measures such as repurchase and burning. KCS is also the native token of the KCC ecosystem. As a utility token designed for the entire self-circulating ecosystem, KCS will capture greater value with the construction and development of ecosystems such as the KuCoin exchange ecosystem and the KCC ecosystem.

● Initial KCS Token Distribution

■ EARLY PARTICIPANTS (KCS Quantity)

100,000,000

Immediate release

■ FOUNDER/TEAM ALLOCATION (KCS Quantity)

65,000,000

Lock-up period of 4 years

■ ADVISORS/ANGEL INVESTORS (KCS Quantity)

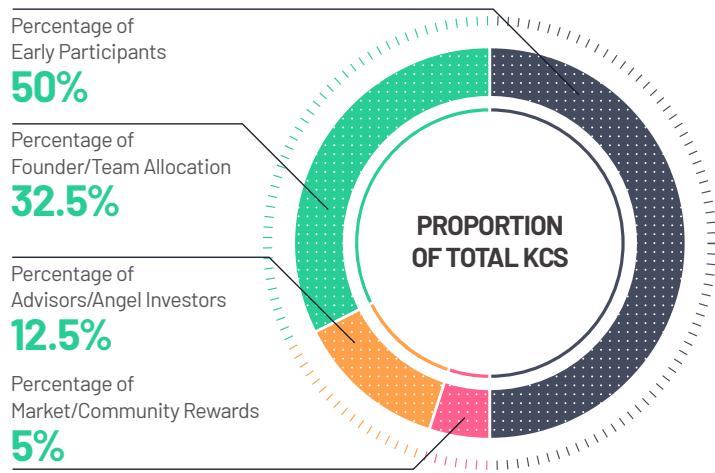
25,000,000

Lock-up period of 2 years

■ MARKET/COMMUNITY REWARDS (KCS Quantity)

10,000,000

Immediate release



- Allocation to Early Participants

The 100 million KCS issued to early participant are available from September 2, 2017 without a lock-up period.

- Allocation for Market / Community Rewards

In order to attract more users into the KCS community and ecosystem during the cold start period, the founding team, the advisors and the angel investors have decided to jointly allocate 10 million KCS for various promotional activities during the cold start period, as direct rewards for early investors.

- Allocation to Advisors / Angel Investors

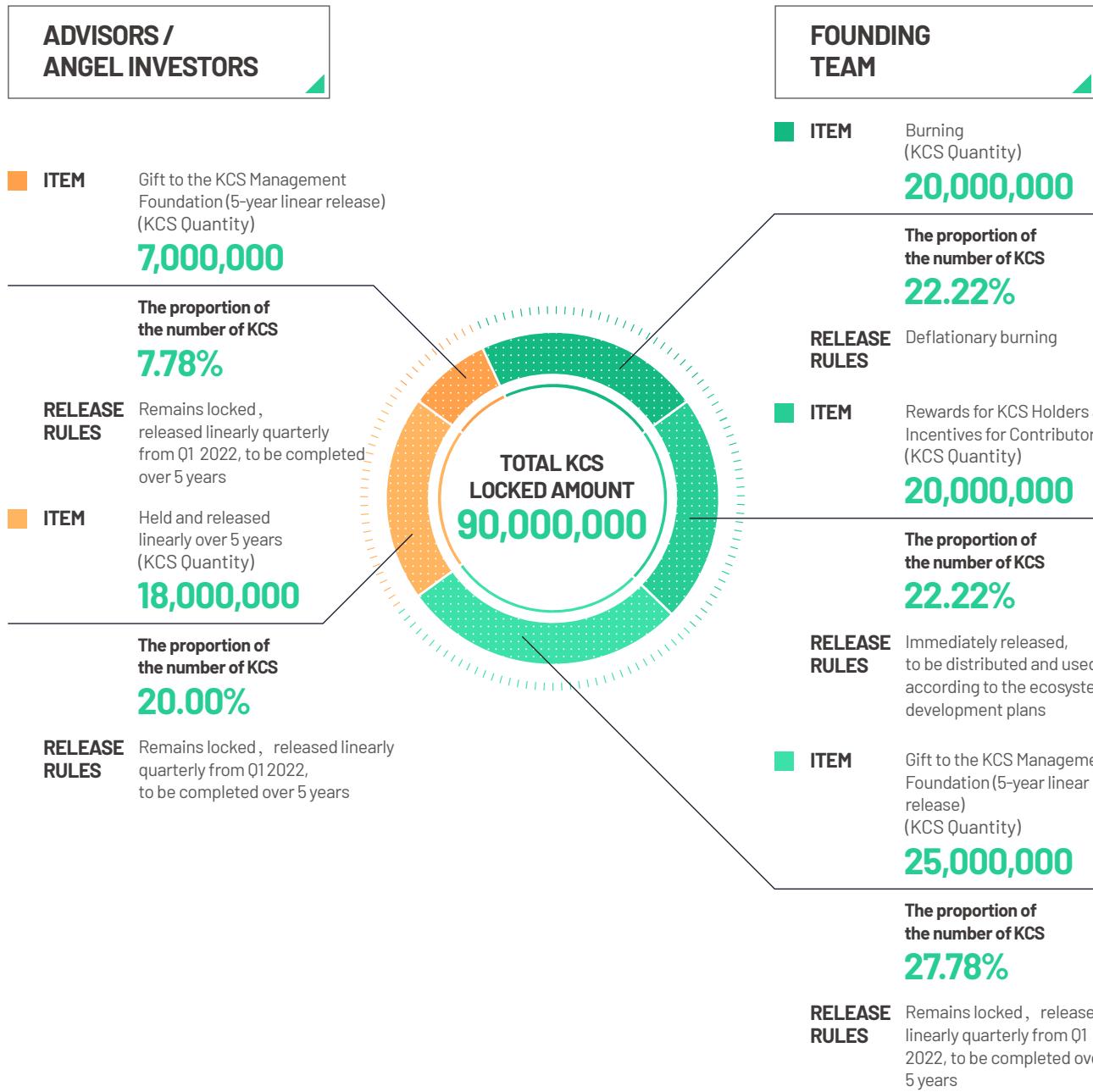
The 25 million KCS allocated to advisors and angel investors were locked for 2 years. During the lock-up period, the holders could not transfer or sell their KCS.

- Allocation to Founders / Team

The 65 million KCS held by the founders and the team were locked for 4 years. During the lock-up period, the holders could not transfer or sell their KCS.

● KCS Continuous Growth & Redistribution Plan

In order to better support the sustainable development and growth of the KCS ecosystem, the founders/teams and advisors/early investors decided to lock and reallocate their released tokens, with a total of 90 million locked. The reallocation of the 90 million KCS is as follows:



Of the 25 million KCS held by early investors, 7 million will be donated to the KCS Management Foundation and released linearly over 5 years, and 18 million will be held by early investors and released linearly over 5 years.

Of the 65 million KCS tokens held by the founding team, 20 million will be burned, 20 million will be used as long-term incentives for contributors to the ecosystem, 25 million will be donated to the KCS Management Foundation and linearly released over 5 years, the founding team will no longer independently hold any locked-up early stage KCS allocation.

Regarding the 20 million KCS awarded to KCS Holders and incentives for contributors to the ecosystem, we have always believed that a good ecosystem cannot function without everyone's trust and participation. In the future, with the sustainable development of projects within the ecosystem, we will continue to reward this portion of KCS to KCS holders and contributors to the ecosystem over the long term through node pledging, governance, liquidity provision, suggestions and other programs.

● KCS Value Capture and Deflationary Mechanism

- Aggregation within the Ecosystem

The KCC ecosystem will aggregate various types of projects and platforms, including DeFi, NFT+, games, Web 3.0-related application projects, etc. KCS will support and integrate with the entire ecosystem and continue to capture value from the following aspects, including the right to participate in the services of related products and the repurchase of KCS for the benefit of projects in the ecosystem.

- Pledge KCS to obtain rights to new projects and other benefits in the ecosystem
- Part of on-chain transaction fees (gas fee)
- Loan products
- Game, NFT service and transaction fees
- Resource consumption fees such as storage and bandwidth
- Investment income of ecological projects
- Liquidity gains

- Deflationary Mechanism

KCS Deflationary Mechanism: On the one hand, the KuCoin trading platform will regularly repurchase KCS from the secondary market with part of the platform's revenue and burn this part of KCS. This means that there will be less and less KCS supply in the market. In the past 4 years, KuCoin has burned tens of millions of KCS, worth hundreds of millions of dollars.



On the other hand, in order to better support the development of the KCS ecosystem, we plan to introduce EIP1559, the KCC fee mechanism of base fee + priority fee. Among them, the basic gas fee will be dynamically adjusted according to the congestion of the KCC network and will lead to the continuous destruction and deflation of KCS. The priority gas fee will go to the corresponding miner node. In this way, both developers and KCS holders will benefit from this.



- Reward Mechanism

KCS Incentive Model: The KuCoin platform will repurchase KCS with part of its fees and distribute it to users according to the user's KCS position on a daily basis, thus allowing users to enjoy part of the fee income of the KuCoin platform. In the past 4 years, the KuCoin trading platform has cumulatively distributed tens of millions of KCS incentives, which is worth hundreds of millions of dollars.



- Fee Discounts

KuCoin uses the size of a user's KCS holdings as the criterion for determining users' VIP level. The more KCS held, the higher the VIP level, the more benefits and the greater the fee discounts. In addition, users can also use KCS to pay for transaction fees on the KuCoin platform and enjoy discounts.

OUTLOOK

With further development of the KuCoin exchange ecosystem and the gradual improvement of the KCC ecosystem, we have built an ecosystem based on blockchain technology around KCS with self-circulating value. Not only has it provided a payment system that can serve hundreds of millions of users around the world, but it has also accelerated the arrival of the Web 3.0 era. Moreover, the spectrum of diversified application scenarios based on the KCS ecosystem also improves the ease of use of blockchain technology and its related applications, lowers the threshold for ordinary users to enter the crypto world, and truly pushes blockchain technology from the geeks to the masses. In the process of promoting the fusion of the crypto world and the traditional world, it will also open the door to the future of the digital world for us.

