Distributed
Regtech
Collaboration
Platform

Distributed RegTech Collaboration Platform

DRC Whitepaper V4.1

Building a Wall Street for the Digital World

DRC Foundation

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ABSTRACT

Welcome to DRC! The Distributed Regtech Collaboration Platform (DRC) is a distributed professional service platform which leveraging FinTech to establish a mutual trust mechanism among investors, innovative technology projects e.g. blockchain projects, regulators, and third-party professional agencies. DRC, giving full play to collective wisdom of its community members, it will enable a self-disciplined, self-governed, transparent, and open blockchain ecosystem, to promote the steady, regular, and sound development of the blockchain sector.

DRC, "Autonomous", "Distributed" and "Shared" in spirit, will dedicates itself to building an ecosystem with manageable risks and transparent regulation.

Content

1. DRC Background and Vision

1.1. The challenges of Industry

Current trends indicate that we need to keep abreast with the extensive application of new technologies not only in business but society as a whole. New innovation brings not only a disruption to the traditional technical framework, but also profound transformations to all aspects of life, resulting in unprecedented transformations across various sectors of our society. Accordingly, along with the emergence of new sectors, related authorities need to keep strengthening their competence and accelerating the development and application of new regulatory technologies. As new technical innovations rise rapidly, with blockchain technology being a typical example, digital economy, digital industry and digital society will be the major tendency the future. Regulatory, being an indispensable part of innovations, will be a major topic in the future as to how regulation can facilitate innovation whilst striking a balance to restore a rational, regulated and sustainable market.

1.2. The Challenges of Technical Startups

Traditional consulting firms are now faced with the challenge of meeting the demands of professional services by technical startups, especially, when it comes to blockchain technology where there are very few capable agencies willing to provide professional services. In the field of services beyond the traditional consulting firms' capabilities, e.g. technology due diligence, code audit, and smart contract review, technical startups commonly find experts expensive and hard to find. Since their founding, these startups have sustained strong demand for

professional services, such as project rating, risk compliance, information disclosure, auditing, taxation, and legal affairs, etc. It is an urgent priority to provide them with high quality services at affordable rates.

1.3. The Challenges of Investing and Financing Institutions

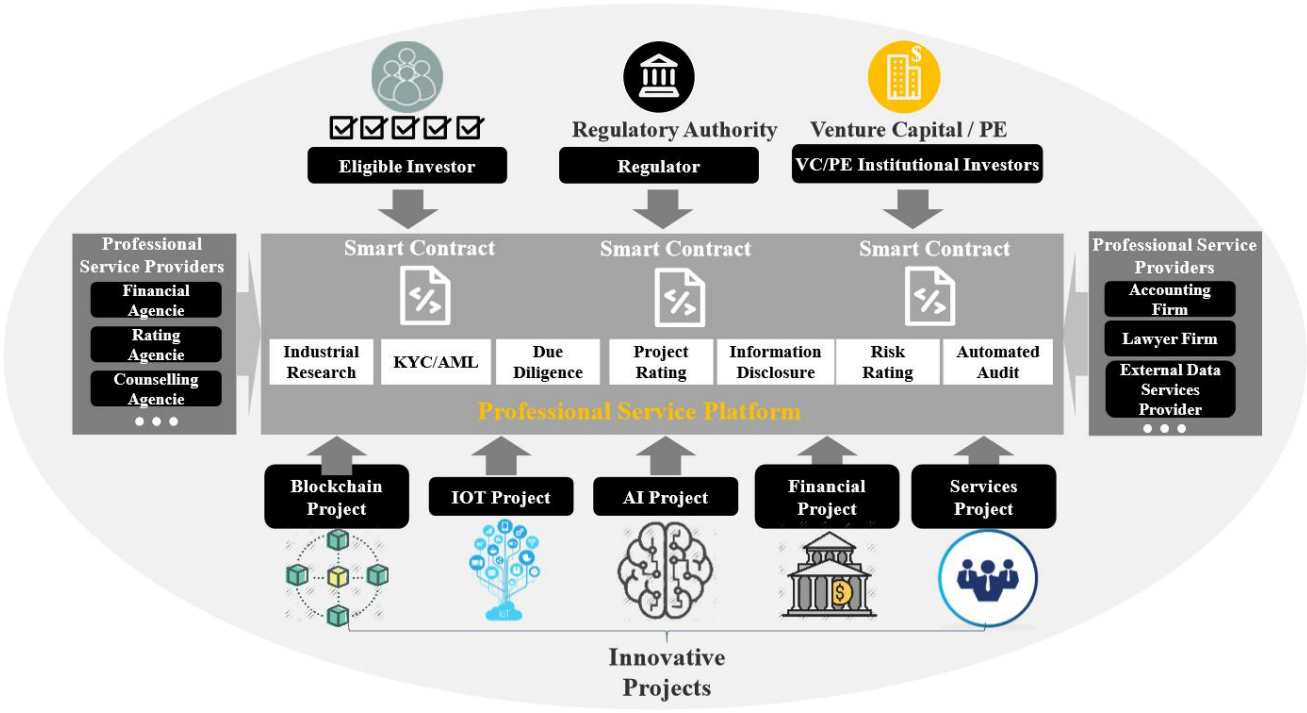
The exponential emergence of blockchain projects and applications has, up until now, baffled institutional and individual investors. Investment institutions often make wrong judgment on promising projects due to investment managers restricted knowledge, experience, capacity and resources available. External rating teams or agencies, liable to manipulation or lacking transparency in their working procedures, lack credibility. On the other hand, technical startups do not have guaranteed capacity. Some of them are too preoccupied with technology development to focusing on publicity and promotion, while others are dedicated to promotional operations but lack the ability for application and execution. Investors aspire to find capable and promising teams, and achieve a tradeoff between high risk and high return.

1.4. DRC Vision and Goal

Distributed Regtech Collaboration Platform (DRC) is a blockchain-based specialized in smart platform for professional services. Constructing a distributed network that features "Autonomy, Mutual trust, Professionalism, and Transparency" among regulators, technical start-ups, and professional investors, DRC offers services including due diligence, information disclosure, risk assessment, valuation & pricing of digital asset, and dynamic monitoring. The concept of "Proactive, Procedural, and Functional Monitoring" is applied throughout the full

lifecycle of project, which aims to facilitate regular, sound and transparent development in the blockchain sector.

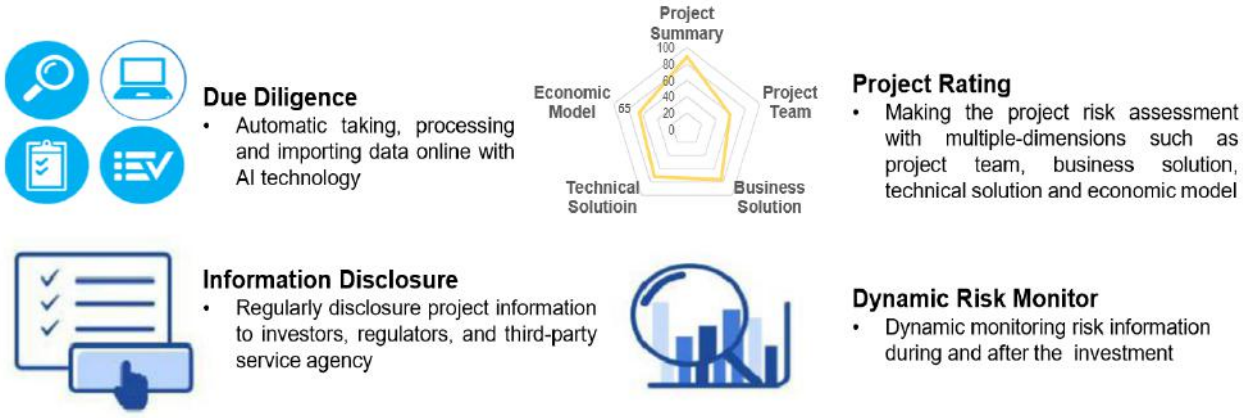
DRC sets a goal of "Building a Wall Street for the Digital World". Utilizing blockchain technology, it will construct a self-governed, shared, and coordinated ecosystem, open up bottom-layer blockchain technology, and install a token incentive mechanism. DRC will enable more professional service providers to offer shared professional services to experts and community members within its blockchain-based financial service ecosystem.



1.5. DRC Application Scenarios in Financing and Investment

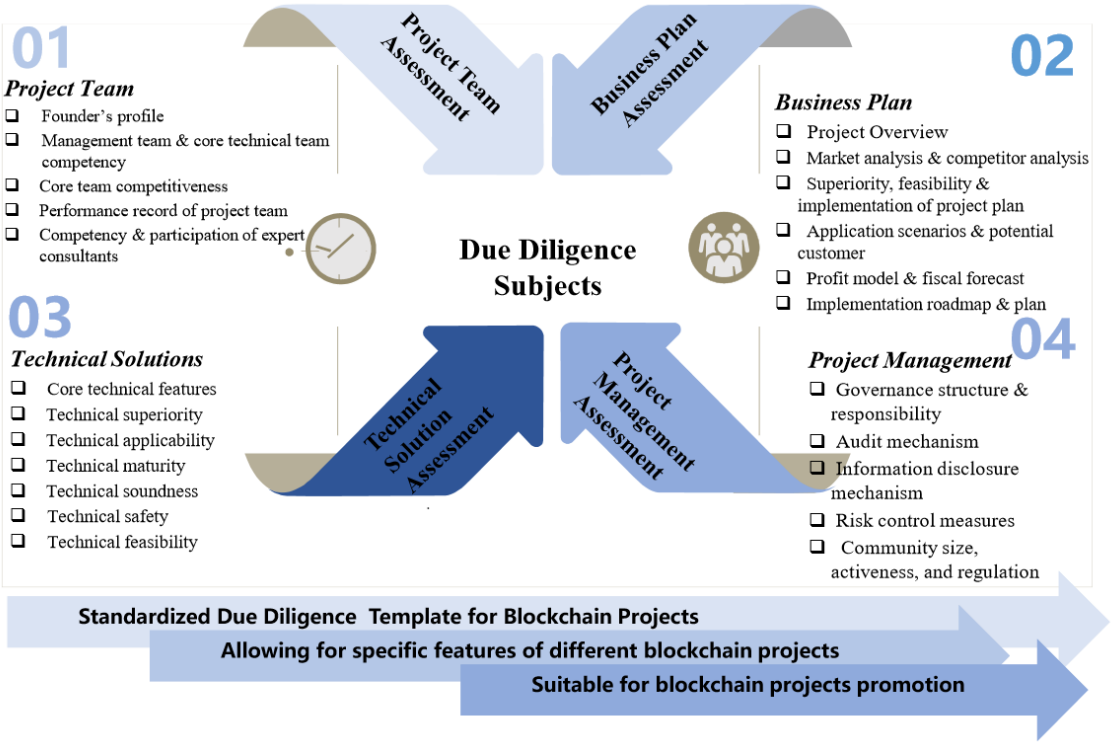
DRC's distributive professional service ecosystem marks an ambitious innovation to traditional service models. Starting from investing and financing in the blockchain sector, we provide services including industrial research, due diligence, project rating, special auditing,

dynamic monitoring, information disclosure, and risk rating, and tools and templates for blockchain investors, project sponsors, and regulators etc, with which fragmented information can be gathered and quantified in decentralized due diligence methods to measure the risks and value of a project. In addition to project rating and due diligence services offered prior to investment, DRC also conducts continuous monitoring during the execution of the project, covering project progress, changes of project team, use of capital, and the health and maturity of codes. This constitutes sustained information disclosure, assessment &problem identification, and risking monitoring & warning during and after the investment, covering the full lifecycle of the project. So, DRC will establish a transparent, objective and fair mutual trust mechanism among blockchain sponsors, investors, and regulators. This enables promising blockchain projects' recognition by capital market and mature technologies' matching with industrial application.



1.5.1 Due Diligence

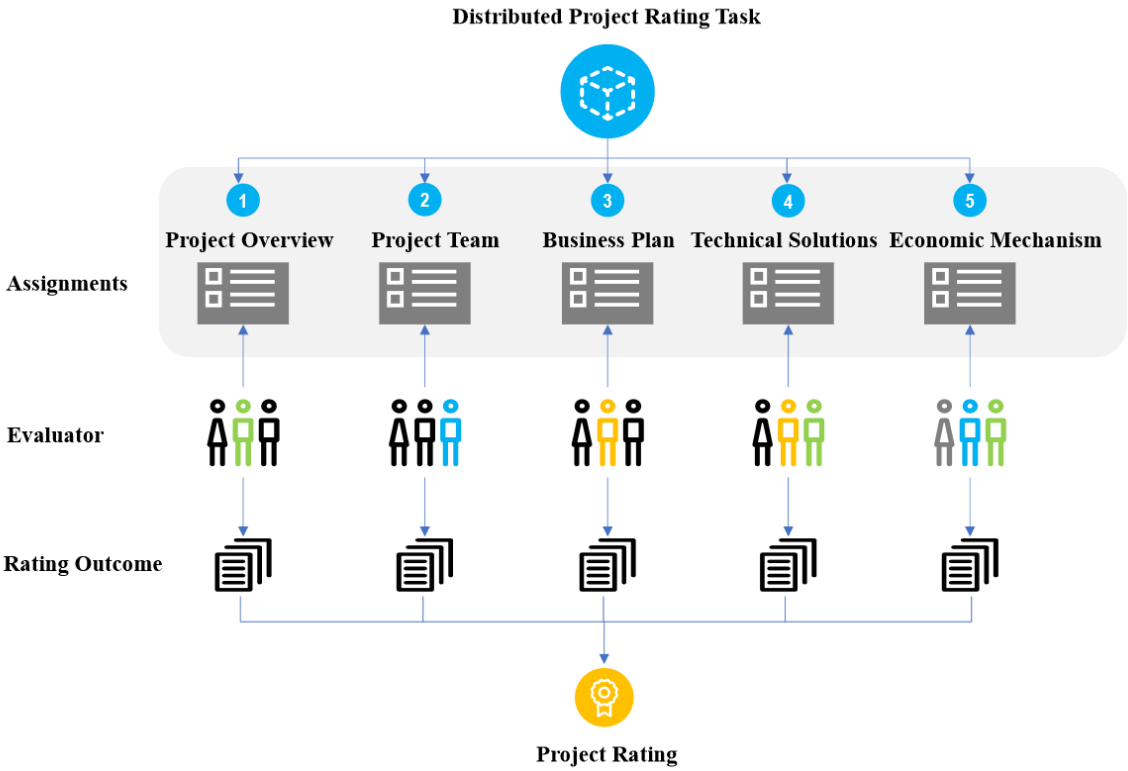
Due Diligence (DD), as one of the applications of the DRC platform, enables complete and in-depth due diligence into the project team, business plan, technical solutions, project management, and economic model. After structuralizing all the legitimate valid information obtained from public channels such as the white paper, official website, community and forum, DRC will extract potential risks and use professional risk assessment models to evaluate the risk level of each blockchain project, as illustrated below:



1.5.2 Distributed Rating

Adopting the outsourcing method, the distributed rating model in the DRC community encourages those with expertise and working experience in blockchain to join project rating at the open, shared and self-governed DRC platform. Compared to traditional centralized

rating services, this new model produces outcomes that are more impartial, transparent, and credible outcomes.



Based on the DRC risk rating methodology for blockchain projects, a project's complicated and professional due diligence task is divided into several assignments. Each taking any one or several of these assignments, the community actors together complete the required risk rating work. The DRC rating model will then automatically collect and calculate these separate grades, and get the preliminary project rating through mapping. The final project rating will be reached after considering multiple opinions from expert reviews, dispute arbitrations, and voting among DRC members.

1.5.3 Automated Audit

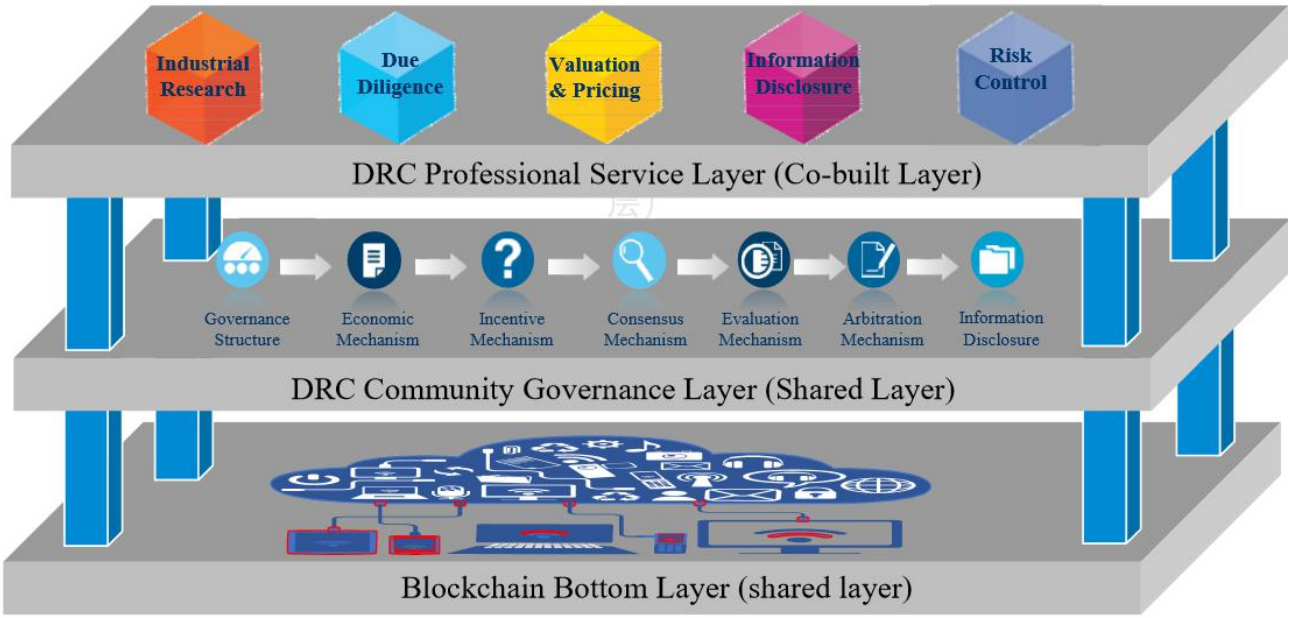
The tamper-proof data and open-sourced codes on the blockchain have made automated audit a possibility. Due to the different technical capacity across blockchain project teams, there are big fluctuations in the quality, modification, updating, and maintenance of open-sourced code. The soundness of code, despite being the most important indicator for assessing the prospect of projects, is ignored by most investment institutions due to the lack of ability to check. Even though some technical experts and professionals possess such ability, they are scattered in different project and agencies, and do not have the time and energy to keep tracking and checking.

The DRC community will organize members in the distributed community to automatically collect objective indicators and assess the subjective indicators. For innovative technical projects under development, DRC will keep tracking the soundness, maturity, popularity, and progress of blockchain codes; for projects already launched, automated audit for operational data on the main chain is also very important, as it reflects the soundness, effectiveness, smooth running, and operational performance of the main chain. Therefore, the automated audit of the blockchain project, which produces reports on code soundness and main chain operational soundness, is highly valuable.

2. DRC Ecosystem Governance Mechanism

2.1. DRC Design Concept

As the Wall Street in the digital world, DRC differs from the traditional centralized profession service entities in the following aspects:



- **DRC community is a non-profit organization registered in Singapore.** DRC's aim is not to gain profit, but that doesn't mean profits will not be gained. Proceeds received from the community will be for the building and development of DRC community;

- **DRC is organized as a distributed autonomous entity.** Operating under a community mode, it uses a sound distributed self-governing structure to ensure the normal operation and promotion of each platform. It has a full set of comprehensive governance systems, covering governance structure, plus the economic mechanism, incentive mechanism, consensus mechanism, evaluation mechanism, and dispute arbitration mechanism. The

DRC community allows no overriding rights, nor will it be subject to the operation or management of any centralized organizations;

- **The blockchain-base DRC token represents a right to use products and services.** Under the core values of "Pay For What You Need", "Receive For What You Do", "To Each According To His Need", "Get Paid For What Is Done", and "Automatic Service Trading Between Supply And Demand", DRC is the medium for delivering the values of professional services. It also represents the creation of value in service provision, allocation and transfer of value, and the cashing and appreciation of value. In addition, the DRC incentive mechanism encourages the positive actions of community members, and adopts a stable currency mechanism to avoid impacts of price changes on professional service providers;

- **The DRC service provision follows the model of "Crowd Request+ Crowd Sourcing" and "Self-Service".** The DRC platform allows parties requesting professional services to launch a task by **"Crowd Request"** on their own, requesting professional services. On the other hand, it organizes professionals, competent community members, and service agencies to respond to such requests by **"Crowd Sourcing"**. DRC platform offers service tools and templates, and formulates governance mechanism and incentive mechanism to create a self-governing and self-disciplining atmosphere, so that this virtual community system can operate in good order;

- **DRC community will adopt the "Service Franchise" to build a service platform that**

covers Different Fields, Different Expertise, and Different Regions. "Different Fields" means to meet innovation demand amongst technology and innovation sectors, such as blockchain, AI, and IOT, etc.; **"Different Expertise"** means to meet the demand amongst professional services, e.g. counseling, layer service, auditing, taxation, etc.; **"Different Regions"** means to set up local community groups globally, such as in America, Singapore, Japan, and South Korea, etc. To **"Franchised Service Providers"**, DRC will provide early stage support and guidance. It also offers the shared bottom-layer professional service chain and community governance system to enhance their service quality and membership loyalty;

- **The DRC platform integrates various advanced technologies**. It applies blockchain technology, smart contract, cryptography, big data analysis, and machine learning to professional application scenarios, e.g. using blockchain data structures to verify and store data, so that information is traceable and tamper-proof; using distributed nodes to update data to related nodes, such as investors, technical startups, or regulators; using cryptography to secure data transmission and accessing; using smart contracts based on the automated script code to program and operate data; and using big data to analyze and automatically obtain public information.

2.2. Roles in the DRC Community

The globalized DRC distributed professional service platform shares professional services and resources from different regions and fields on an open, shared, and self-governed platform. A

global multi-party social system is thus created, regardless of organizational or national boundaries. Different roles in this community, with their different social contributions, will receive DRC token as rewards, and each member within the DRC community can undertake one or multiple roles, as illustrated below:

- **Contributor:** means any professional team or experts in the professional services region, which enters the DRC ecosystem through brand franchisee. Contributor can establish and operate their shops with great ease on the DRC platform, using the shared bottom-layer blockchain technology, community governance mechanism, and DApp. They are free to focus on community operation and management, provide templates and services, improve membership loyalty, and enhance service quality;

- **Requestor:** as the demand side requesting professional services, they consume DRC token in this process, and invite actors to deliver services, such as due diligence for blockchain projects and the ensuing Due Diligence Reports;

- **Actor:** any person, whether a community member or not, can be an actor as long as he/she is willing to take up tasks. An actor can be an investor, community member, or a freelancer. Like a "miner", they complete tasks to get DRC tokens as rewards;

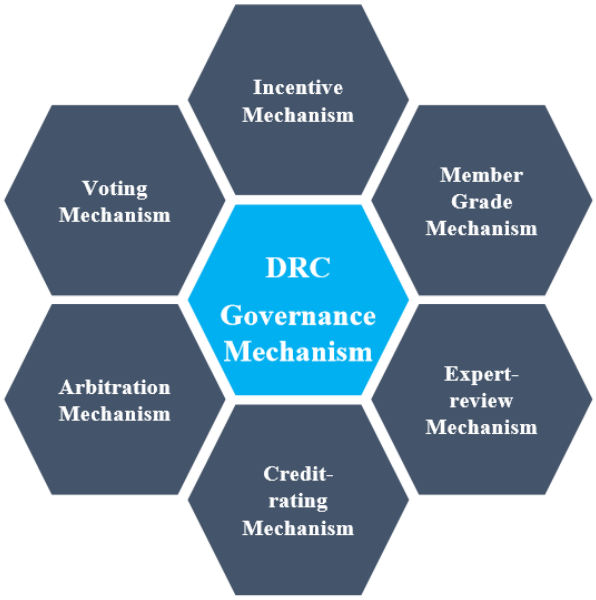
- **Fans:** any community member can join activities of a specific task group, based on his/her hobbies and interest, to gain knowledge and make friends;

- **SME: The** DRC community will introduce influential and renowned professionals from different fields as "Tutors". They will give professional counseling and judgment on requests and subsequent outcomes, such as comments and confirmation for different due diligence results on the same object;

- **Arbitrator:** The DRC community will recommend a highly-respected and trustworthy person as an "Arbitrator", who will be responsible for exhibiting disputes and facilitating consensus based on opinions from different nodes.

2.3. DRC Governance Mechanism

The healthy DRC ecosystem is realized by a series of supporting mechanisms. DRC establishes an orderly, fair and shared ecosystem for the supply side and demand side with its mechanisms for incentive, voting, dispute arbitration, expert review, and credit rating, as shown below:



- **Incentive Mechanism:** it assesses, rates and reward contributors with DRC for their works. With the help of a scientific algorithm model, it automatically facilitates a balance between supply and demand, and allocates DRC tokens to contributors in a fair manner. This mechanism adopts the concept of proof of contribution (POC) in its design, and encourages professionals to earn more DRC tokens by providing quality content;

- **Membership Grade Mechanism:** it is a comprehensive indicator calculated by the weighted average of a member's professionalism, credit level, contribution, and activeness;

- **Experts Review Mechanism:** it evaluates the professionalism and contribution of experts in the process of completing tasks. The phrase, "Professionalism Of Expert," comprehensively reflects the recognition level of community members for expert contribution in a time period. The higher this rating, the more DRCC will be available to an expert, and the higher his/her influence and reputation within the community;

- **Credit Rating Mechanism:** each user can assume multiple roles in the DRC ecosystem, such as requestor, actor, expert, or arbitrator. Whichever role is chosen , his/her actions will affect the personal credit level. The DRC encourages community members to keep their promises and will adopt a "performance bond" to punish any dishonesty. Community members improve their credit level in the community through continuous provision of quality due diligence services, expert services, and join tasks and voting etc, which in turn give them access to community activities.

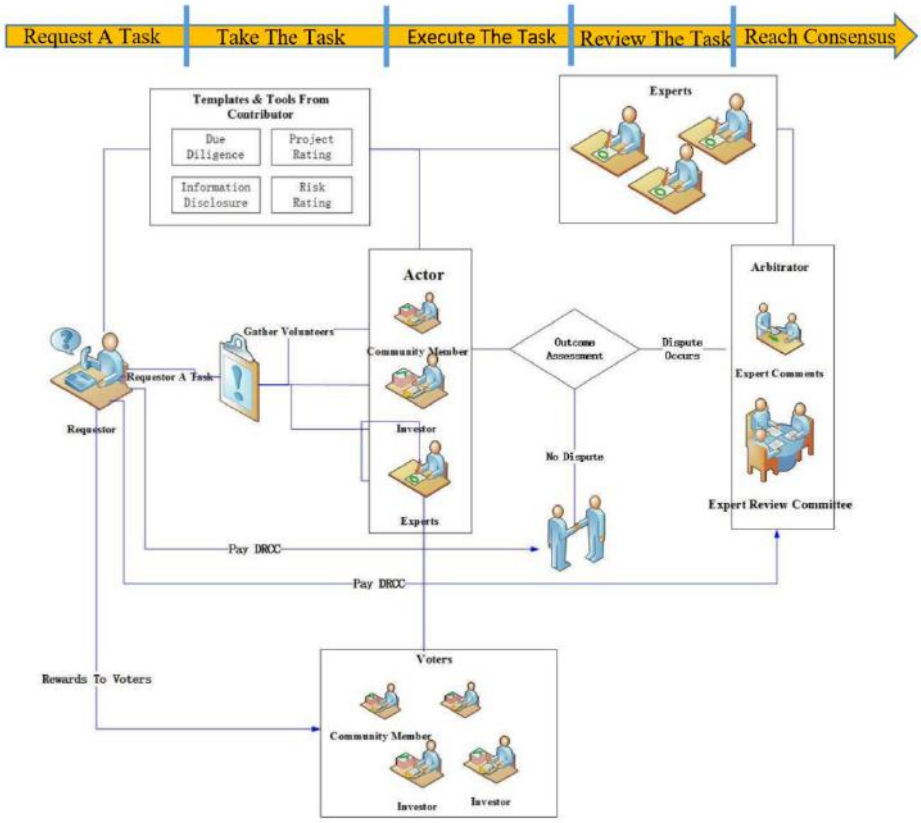
- **Arbitration Mechanism:** disputes are unavoidable in the process of task implementation, such as those over due diligence results, expert's views, and transactions between the supply side and demand side. In dispute arbitration, the arbitration committee is responsible for making the final decision;

- **Rating Mechanism:** it encourages community members to actively join tasks, whereby they can show satisfaction level with "Likes" or "Dislikes". To avoid blind or intentional spread of fake information, and also to encourage rating participation, the DRC adopts a "Diminishing Rating Power" method, as detailed in 2.5.2 of this white paper;

2.4. DRC Service Model

The DRC platform advocates the service of "Popularizing high quality Professional Services". The service model becomes simpler, more easier and more convenience to further promote the development of the DRC ecosystem. We usually summary the universal service model as

"Five Steps", namely "Request A Task, Take The Task, Execute The Task, Review The Task, Reach Consensus", as shown below:



- **Request A Task:** any user has the right to start a request based on the provision of rewards. Rewards will be priced in DRCC, a stable token whose value will not change with DRC price. The requestor should clearly state the goal, requirement, participating requirement, duration, and outcome requirement of the task, with related materials provided together;

- **Claim:** The DRC community encourages any other users to claim the task willingly based on their expertise, interest, and time available, and to assume corresponding roles, such as representative, voter, expert, or arbitrator. For the special roles of expert and arbitrator, an eligibility check is needed beforehand. At this stage, the task may be aborted if its

requirements are not met. As such situation is a result of free choice by the relevant parties, the DRC community will not intervene in any ways. However, the DRC community will keep enhancing each member's professionalism and services to facilitate successful transitions;

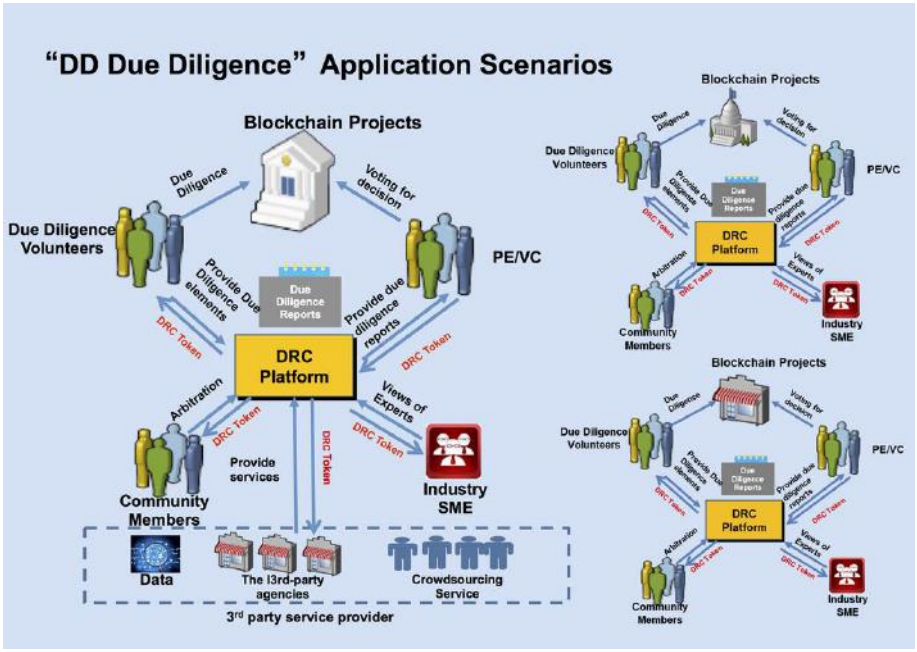
- **Execution:** tasks are executed in the DRC community through a combination of online requests and offline communications. Requestors, actors, experts, and project owners will work with each other to exchange, share, discuss, and reach agreement on key points. At the same time, based on expert opinions and the spirit of mutual help within the community, knowledge will be shared, spread, and kept. All parties involved in task execution will have the right to receive benefit from future outcomes. In addition to the benefit received according to their contributions, they can also gain knowledge, establish network, and communication with experts. To bind participants to their promises, the DRC will require a "prepaid performance bond";

- **Review The Task:** The DRC community offers a full set of scientific review models for behaviors and contributions. It introduces the incentive mechanism to guide behaviors, increase contribution, and achieve self-governance within the community. For details, see 2.5.2 below;

- **Agreement:** in case of dispute, experts, arbitrators, and witnesses, etc. can be invited to join the dispute arbitration committee. Its decisions will be final. In principle, the arbitration should be paid for by the party initiating it.

2.5. DRC Economic Model

Tokens on the DRC platform, as in, original tokens developed on the basis of Ethereum ERC-20 Standard, are a measure of value on the DRC's market value. Owning DRC not only meet liquidity demand, but obtain DRC potential value. Anyone who wants to enter or exit the DRC platform needs to buy or sell DRC tokens. DRC tokens, as a medium of economic value, circulate around the whole social system like blood, forming a complete value chain, as shown in the figure below:



DRCC is the endogenous token within the DRC ecosystem that measures the value of contribution. Converted from the DRC, it is used to pay for requests, or buy outcomes and services. When a user leaves the platform, he/she can withdraw an equivalent amount of DRC tokens and cash them through market trading. As professional services thrive through

applications in the DRC ecosystem, the DRC will undertake more and more roles and growth in value. The acquisition and consumption of DRCC are shown in the following scenarios:

- **DRCC obtaining Scenarios:**

  - Users internal convert native token DRC to DRCC;

  - Provide service and completing tasks: including participation in due diligence, give advice as expert, community polls, and dispute arbitration, etc.;

  - Outcomes and reports: “who pay, who take”, means that those who paid for an outcome and own it have the right to offer it at a price. Such outcomes include due diligence reports, risk rating reports, information disclosure reports, and risky analysis reports, etc.;

  - Third-party professional agency who receiving DRCC payment for their professional services: law firm, accounting firm, auditing firm, and data service provider, etc.;

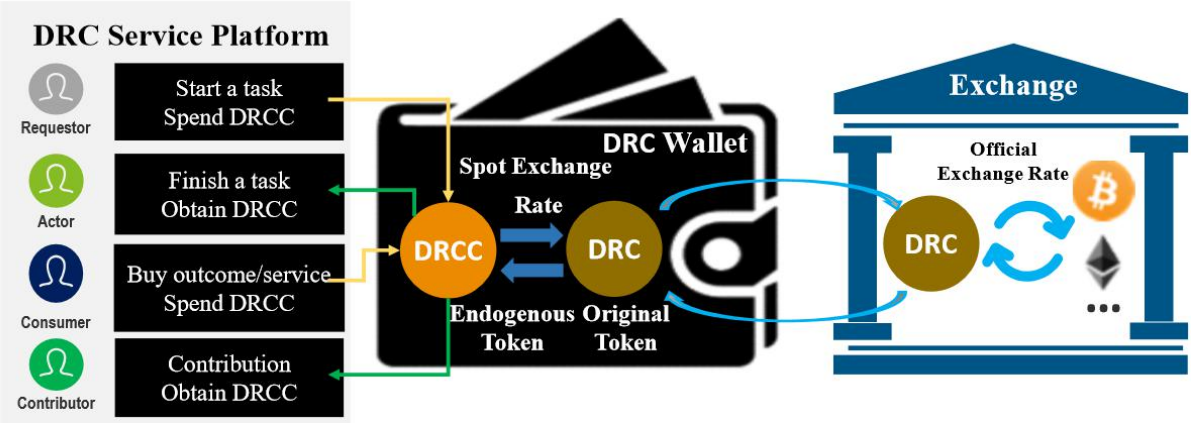
  - Outstanding contributors to the DRC community development;

- **DRCC Consumption Scenarios:**

  - Initiating any service requests, e.g. for due diligence, expert consultation, community poll, or dispute arbitration;

  - Purchasing any reports, including due diligence report, risk rating report, information disclosure report, risky analysis report;

- Joining paid activities initiated by the DRC community.



During the process of designing the DRC platform's economic model, we encountered the following major challenges:

1) How to use scientific algorithms to reasonably evaluate and measure the value;

2) How to use incentive mechanisms to encourage positive behaviors and discourage misconduct;

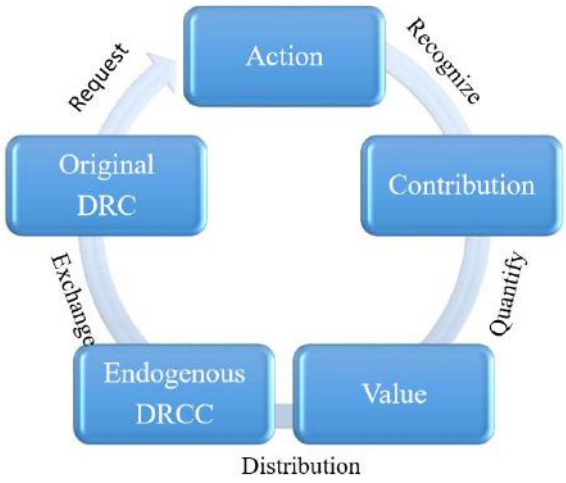
3) How to avoid the deviations of value based on the same behaviors and contributions due to the price volatility.

Learning from some famous and successful cases related with the stable monetary mechanism such as STEEM which is the community media platform, Matryx which is the professional services platform, BitShares, and MAKER etc., and building on the unique behavior and contribution features in the DRC Platform, we devised the innovative DRC economic model. This model, including the proof of contribution mechanism, economic incentive mechanism,

and the stable token mechanism, are the core engine driving the long-term sustainability of DRC community. Below are detailed elaborations.

2.5.1 Proof of Contribution Mechanism

DRC community will apply **"Proof of Contribution Mechanism"** for measuring and assessing token allocation. Once members' behavior and contribution will be recognition and get reward, it will incentive more community members to make sustained valuable contribution to the community in the long term. However, in reality, misconducts are unavoidable due to the pursuit of personal interests.



- **Effective Behavior Recognition:** only effective behaviors can be assessed for contribution. Behaviors are deemed ineffective if the actor is an interested related party or withdraws midway, or the basic requirements of a task are not met. Such cases will be subject to loss of performance bond and adverse impact on a personal credit level.

- **Contribution Assessment & Measuring:** the "contribution rating" indicator is used to comprehensively measure contribution. The assessment of contribution rating involves

multiple factors. With different rating of contribution, the assessment and measuring factors also different. For example, in measuring participation in tasks, factors like professionalism, membership rating, workload, work complexity rating, and accuracy, etc. will be considered, while factors like voting power, DRC token amount, and Likes/Dislikes, etc. will be used to measure voting among community members.

- **Value Allocation:** in the DRC ecosystem, the same workload may get different rewards due to some impact factors like reward amounts, participant numbers which will measure with the indicator "Unit value by each contribution". For example, at the same contribution level, more DRCC available are allocated where there are more rewards and fewer participants. This mechanism of "Same Work, Different Reward", designed to allow the fittest to survive and strike a natural balance between supply and demand, will guide the reasonable flow of resources among various activities within the community to reach equilibrium. The final distribution of DRCC is decided by calculating "Contribution rating" and "Unit Value by each Contribution". For details, see descriptions in 2.5.2.

- **Value convertible:** DRCC with DRC can be easily converted if need.

2.5.2 Economic Incentive Mechanism

1) Reward to Task Contributors

Factors affecting reward to a task contributor include: Task Fulfillment Level (F), Accuracy (A), Professionalism (P), his/her Rating By Other Contributors (C), and Total Reward For Taking The Divided Assignments (W)

For the contributor i, his/her Contribution Level is: $F_i * A_i * P_i * C_i$;

Unit Value Of Contribution is: $\frac{W}{\sum F_i * A_i * P_i * C_i}$;

The Reward Received by i is calculated by multiplying the Contribution Index with the Unit Value Of Contribution, as below:

$$(F_i * A_i * P_i * C_i) \times \frac{W}{\sum(F_i * A_i * P_i * C_i)}$$

2) Reward To Experts

Factors affecting reward going to an expert include: Task Contributor's Membership Grade (G), his/her Rating By Task Contributors (C), Total Number Of Experts Involved (n), and Total Reward For All Experts (W).

In the Comprehensive Assessment Of An Expert's Contribution, G will be the weighting, and an averaged weighting is obtained for C. The Contribution Of An Expert j is calculated as:

$$C_j = \sum \frac{G_i}{\sum G_i} * C_{i,j}$$

among which $G_i$is the Membership Grade For Task Contributor i, and $C_{i,j}$is the Rating By Contributor i for the Contribution Of The Expert j. For each Expert j, j ∈ n,his/her Contribution Level is C_j, Unit Value Of Contribution is: $\frac{W}{\sum C_j}$. Then for Expert j, his/her

Reward equals Contribution Level multiplying the Unit Value Of Contribution, which is calculated as:

$$C_j * \frac{W}{\sum C_j}$$

3) Reward To Arbitration

Factors affecting reward to an arbitrator include: Task Contributor's Membership Grade (G), Rating Of Arbitration Award By Task Contributors (C), and Total Reward For All Arbitrators (W).

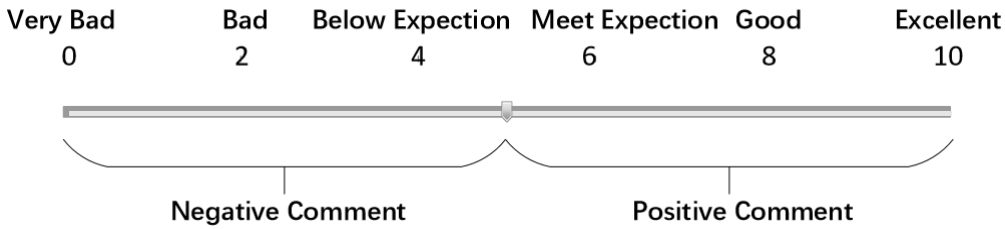
In the Comprehensive Assessment Of An Arbitrator's Contribution, G will be the weighting, and an averaged weighting is obtained for C. The Contribution Of An Arbitrator k is calculated as:

$$C_k = \sum \frac{G_i}{\sum G_i} * C_{i,k}$$

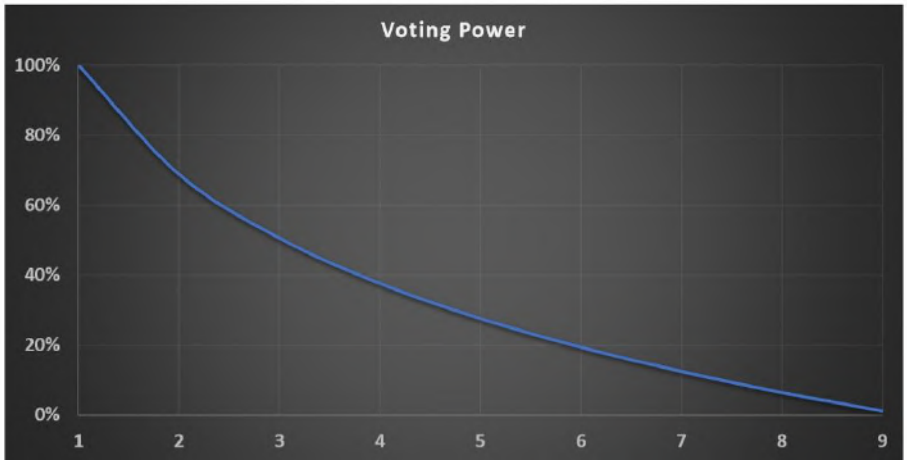
among which $G_i$is the Membership Grade For Task Contributor i, and $C_{i,k}$is the Rating By Contributor i for the Contribution Of The Arbitrator k. If the Comprehensive Assessment is equals or above 6, an arbitrator can get the Reward W; if it is 4, he/she gets 40% of W; if it equals or falls below 2, no Reward will be given. If the result is 0, his/her performance bond will be withheld.

4) Distribution of Curation Rewards

Curation Rewards Pool originates from the portion of performance bond that has been withheld and paid to the system. DRC encourages users to rate on tasks, activities, and their outcomes (e.g. report), so as to identify the quality tasks, activities, and content. This Rating consists of six levels, that is 0, 2, 4, 6, 8, and 10 from worst to best respectively.



Each user can make a maximum of nine rates per day, subject to diminishing power with each rate:



Rating Power = 1–0.45 * ln (Number Of the nt^{h} Vote For The Day)

Each rater can make only one rate for the Xth task, activity, or outcome.

The Effective Number Of Rates ($E_{i,x,t}$) by each rater i for the Xth task, activity, or outcome is:

$$E_{i,x,t} = DRC\ Amount_{i,t}\ in\ the\ Acount\ Of\ Rater\ i * Rating\ Grades_{i,x,t} * Rating\ Power_{i,t}$$

among which, t is the Time at which the rater i casts his/her rate.

The Number Of Effective Rates at $t_{x,t}$ Received by the Xth task, activity, or outcome is the sume of $E_{i,x,t}$.

$$Number\ Of\ Effective\ Rates_{x,t} = \sum E_{i,x,t} = \sum DRC\ Amount_{i,t}\ in\ the\ Account\ Of\ Rater\ i * Rating\ Grade_{i,x,t} * Rating\ Power_{i,t}$$

Curation Rewards will be counted every 7 days. Total Reward (W) during a counting period will be distributed by the following rules:

a) The Number of Effective Rates received by the X^{th} task, activity, or outcome during a counting period is:

$$\text{Number Of Effective Rates}_x = \sum_t \text{Number Of Effective Rates}_{x,t}$$

b) Total Reward for x in a counting period $W_x = W * \frac{Number\ Of\ Effective\ Rates_x^2}{\sum_x Number\ Of\ Effective\ Rates_x^2}$。

c) Of the W_x, 70% belong to Task Contributors, and 30% will go to User who rated x during the counting period.

Specifically:

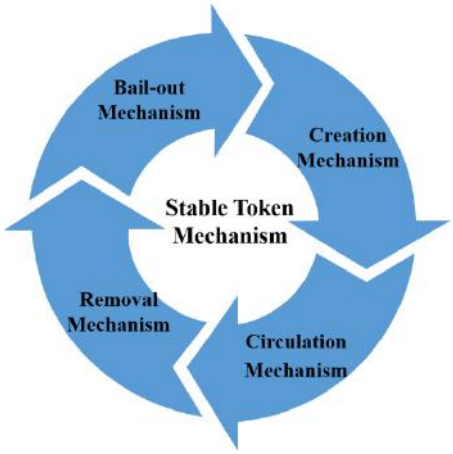
The 70% of W_x will be distributed among Task Contributors in proportion to their Task Reward Ratio;

The 30% of W_x will be distributed according to the Number Of Effective Rates to x by i and the rating time.

For x, the rater i will receive Curation Rewards calculated as $30\%W_x * \frac{E_{i,x,t}*(Settling\ Time - T_{i,x})}{\sum_i E_{i,x,t}*(Settling\ Time - T_{i,x})}$,

among which $T_{i,x}$ is the Time at which the rater i gave a rate for x.

2.5.3 Stable Token Mechanism



Due to price fluctuations of cryptocurrencies, a task priced in DRC tokens may appear in different prices at its beginning and completion. Taking this into account, a stable token mechanism is established. Stable tokens will be used to set the price of a task to ensure steady expectation on rewards, and thus Task Contributors will avoid big losses of return. In the DRC system, the stable token DRCC is pegged with USD at a ratio of 1:1.

- **Creation of Stable Tokens**

When a requestor starts a task, he/she needs to deposit DRC tokens in a debt pool, and creates the stable token DRCC. The DRC council will decide on the specific parameters on the basis

of parameter allocation, covering the initial pledge ratio, minimum pledge ratio, risk reserve ratio, and risk management cost.

- **Circulation Mechanism**

The stable token DRCC can be created by two methods: 1) buying DRCC with DRC tokens; 2) pledge DRC tokens to create DRCC.

- **Removal Mechanism**

After the stable token DRCC is changed to DRC, the DRCC will automatically disappear.

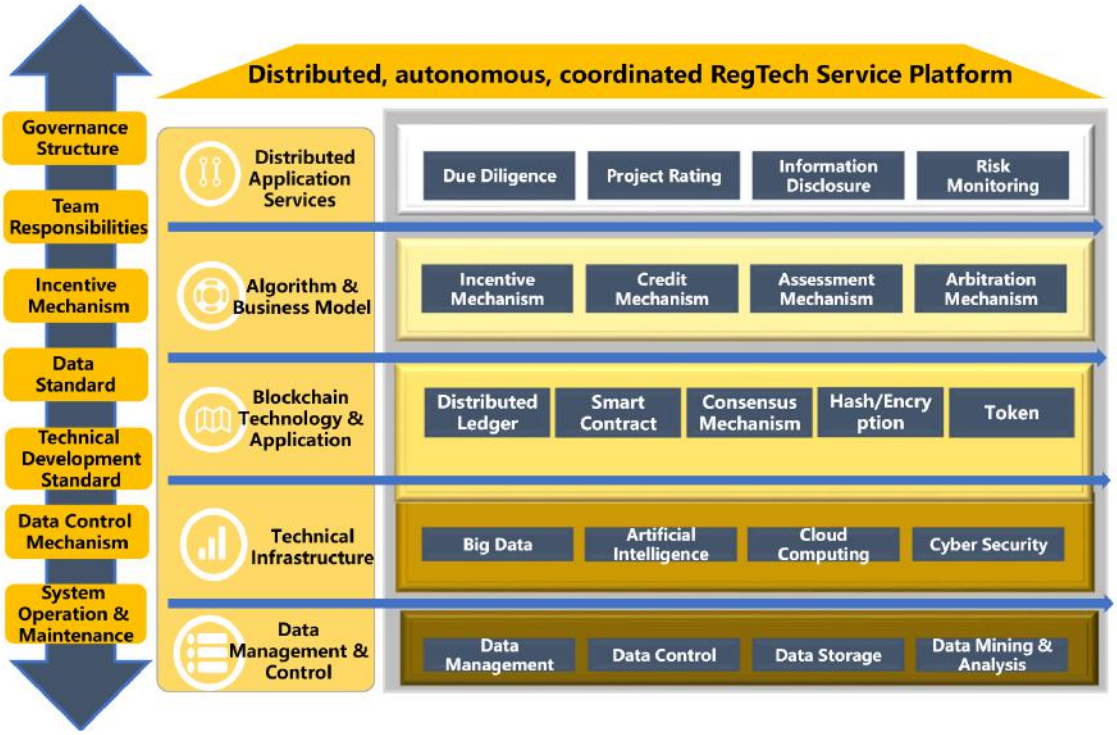
- **Bail-out Mechanism**

In case of sharp drops in DRC token prices resulting in a Black Swan event, the council will vote to decide possible bailout measures.

3. DRC Technical Solutions

3.1. DRC Technical Architecture

The DRC platform is a decentralized professional service platform based on blockchain technology. Featuring the social operation mechanism of autonomy, mutual benefits, and sharing, it aims to become a globalized distributed network. Meanwhile and more importantly, the DRC ecosystem's technical architecture will combine blockchain technology with big data analysis, algorithm models, decentralized blockchain service tools, and content distribution & management technology, as is shown in the following figure:



DRC Technical Architecture Contains 5 layers:

- Distributed application Service Layer: Aiming at end-users, a service layer involving multiple Contributors, which aims at End-Users. It provides the service of Due

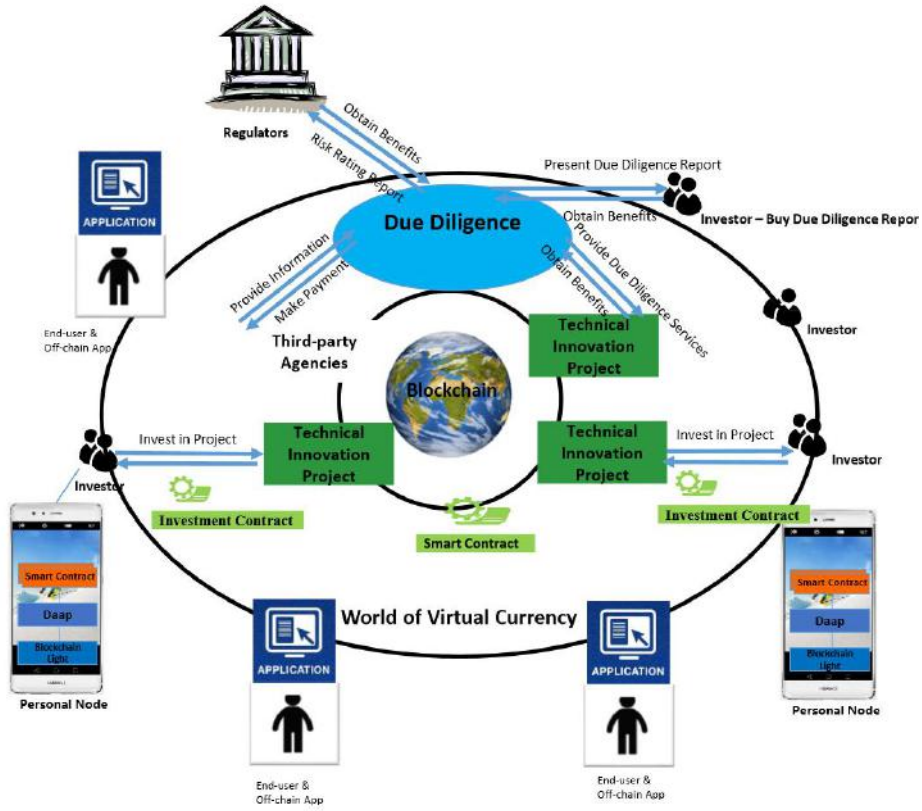
Diligence, Project Rating, Information Disclosure, Risk Monitoring, and Automated Audit, etc.

- Algorithm and Business Model Layer: a layer embodying DRC core business competitiveness, contains core business logic and algorithm models such as Membership rating Rules, Incentive Mechanism, Dispute Arbitration Mechanism, etc.
- **Blockchain Technology &Application Layer**: a layer for blockchain technology innovation& application, enabling the functions of Distributed Ledger, Smart Contract, Consensus Mechanism, Encryption Technology, Hash Evidence Collection, and DRC Digital Wallet.
- **Technical Infrastructure Layer:** establishing a foundation with technologies for Big Data Analysis, Big Data Storage, Cloud Computing, Cybersecurity, and Public Opinion Analysis, it accomplishes tasks such as collection, processing, and storage of data.
- **Data Control &Management Layer:** ensures the accuracy, effectiveness, and usability of data by establishing standards for the management, control and storage of data.

3.2. Blockchain Technology Application

On the technical level, the underlying protocol of blockchain will ensure the data's impartiality, security and reliability. Blockchain, with a chained data structure that links data blocks in time sequences, is an unforgeable and tamper-proof distributed ledger armed with cryptography. Blockchain technology is a brand new distributed structure and computational model, which

utilizes chained data structures to verify and store data, distributed nodes consensus algorithm to generate and update data, cryptography to secure data transmission and accessing, and smart contracts to program and operate data.



In essence, the DRC Ecosystem is an innovative decentralized virtual community which is realized through blockchain technology. DRC's apply blockchain technology in the following ways:

1) **Original Token DRC** is a value transfer medium which trades and transfers value between the supply side and the demand side.

2) **DRC Public Chain** is a professional service chain based on public blockchain technology. It enables the publication and distribution of professional services information across the whole network via distributed nodes.

3) **Distributed Ledger** is used to record the creation of reward DRCC, its distribution, exchange, and realization, as well as the Hash Value for Due Diligence Reports, Information Disclosure, Risk Monitoring, and Automatic Audit Reports, etc.

4) **Encryption Technology** is the protection measure used to record crucial information, such as Due Diligence Reports, Disclosed Information, and Audit Reports.

5) **Smart Contract Service** facilitates agreement between the supply side and demand side, and automatically enforces the related terms with the help of codes.

6) **Consensus Mechanism** adopts the public blockchain to facilitates the settlement of disputes and reaching of consensus.

7) **DRC Wallet** enables exchange, payment and settlement for individuals and institutions.

3.2.1 Public Chain

The DRC Public Chain consists of a Value Protocol and Value Network. The Value Protocol includes the Wallet, Credit Standing, and Arbitration Mechanism. The DRC Public Chain Wallet enables exchange, payment and settlement for individuals and institutions. Through effective participation, review and credit points system, Credit Standing will accumulate which maintains the evolution and growth of the Incentive Mechanism in the DRC System. To ensure fair and equitable growth of each participant's credit, the Arbitration Mechanism monitors all services and their execution through smart contracts, and produces arbitration award via consensus.

The DRC Value Network consists of a Functional Service Module and Functional Module. It uses blockchain bottom-layer protocols to authentically record all the trading data handled by the DRC Public Chain, and inputs to all the nodes through verified data Sharing Mechanisms. This makes authentic data more reliable and concise, allowing everyone to execute their smart contracts and share their data. At the same time, using a common data verification mechanism ensures fair and reliable participation. With the help of the sharing and writing mechanism enabled by blockchain, an accessible and verifiable functional service network parallel to the real world is formed

3.2.2 Smart Contract

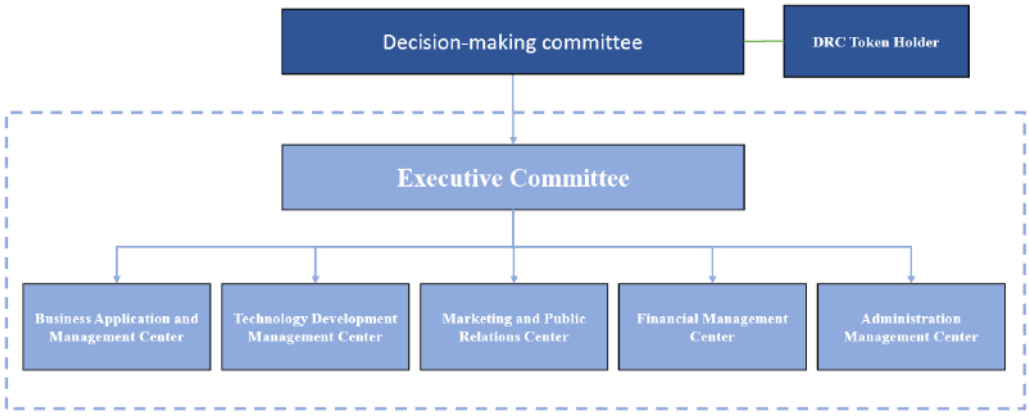
Smart contract, a program based on a set of turing-complete programing language, is capable of executing any complicated algorithm to process data and application. DRC Public Chain is a blockchain structure similar to Ethereum, within which Service Protocols, Token Payment, Returns, Benefit Distribution, and Participation Rules are all written into bottom-layer blockchain. Its advantages include:

- Removing intermediate links to reduce costs
- Executing contract in a compulsory manner, with no human intervention required
- Openness and transparency in the use and flow of money

4. DRC Governance Structure

The DRC Foundation (hereinafter referred to as the "Foundation") is a non-profit organization registered in the Republic of Singapore. It is dedicated to encourage and promote the governance transparency and advancing security, stability and harmony in the DRC Community. The DRC Foundation, as a common member of the community, offers advices and proposals on DRC governance, but does not have any supreme or arbitrary rights & authority over any other members in the community.

A sound governance model will be established to manage the daily operations and special issues within the community. The Foundation main focus when designing the corporate structure lies on the management's efficiency, sustainability, and security of raised capital for DRC projects. The DRC Foundation consists of the Core Team Members and the Decision Committee. The Decision Committee is made up of the Executive Committee, the Business Application and Management Centre, Technology Development Management Centre, Marketing and Public Relations Centre, Financial Management Center and Administrative Management Centre. Together with the DRC Foundation management centre, they are responsible for making major decisions and formulating key policies. The Foundation CEO holds his office for a term of 2 years and should not be renewed.



The Governance Structure and the Functional Division shown in the above figure, covering:

- **The Decision-making Committee** is responsible for appointing and dismissing the executive director and heads of each functional center, deciding development strategies, announcing important policy decisions and holding emergency meetings, etc.

- **The Executive Committee** is elected by the Decision-making Committee through voting. It is responsible for the Foundation's daily operation and management, coordination between each management centre, and convening and chairing meetings of the Decision-making Committee. The executive director shall report to the Decision-making Committee on a regular basis.

- **The Business Application and Management Centre** is responsible for selecting suitable DRC application scenarios. Meanwhile, it is also responsible for the optimization and enhancement of DRC tools, so as to realize their business application.

- **The Technology Development Management Centre** consists of core members from the development team. The centre is responsible for development of the foundation

blockchain technology, big data analysis, open port development & review, product development & review, etc. Developers will hold weekly project tracking meetings to discuss the progress and requirements of projects.

- **The Marketing and Public Relations Centre** aims to serve the community and commercially promote DRC tools, products and market the open source projects. In addition, the centre is also responsible for issuance of public announcement. In case of any event which affects the reputation of the Foundation, the committee will jointly respond to the public after an internal evaluation.

- **The Financial Management Centre and the Administration Management Centre** are responsible for the use and reviewing of raised project funds, recruitment, resignation and remuneration management of developers and review and approve of daily operation expenses. Some tasks, such as the processing of routine accounting, can be outsourced to a third party.

The following matters will need to be openly decided by the Decision-making Committee through named voting. Each member of the decision-making committee has one vote and the Foundation chairman has two votes. The decisions of the Decision-making Committee should be passed by if over half of its current members supports it:

- Changes to the Governance Structure of the Foundation;
- Appointment or dismissal of the executive director and heads of each functional committee;

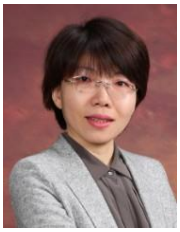
- Important policy decisions;
- Appointment and dismissal of Decision-making Committee members;
- Handling emergency events, e.g., software security accidents and DRC system upgrading that affect the entire community

- In addition, in case of one of the following circumstances, the Executive Director shall convene an urgent meeting within 5 workings with the decision-making committee:
  - When the chairman deems it necessary;
  - When more than one third of the Decision-making Committee members make a joint proposal;
  - When the executive director makes a proposal;
- Members of the Decision-making Committee should attend committee meetings in person. Those who cannot may authorize another committee member in written form to attend on his/her behalf, otherwise his/her right to vote will be deemed a waiver.

5. DRC Core Members and Advisors

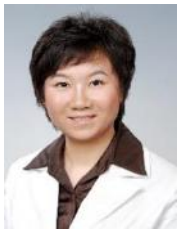
5.1. DRC Core Team Members

Members of DRC team all have working experience in renowned international consulting firms and technology companies, comprising scientists in the field of blockchain technology, big data analysis, and algorithm, blockchain practitioners from world famous enterprises, and early Contributors to the DRC community.



Selina Lin, Chairman of DRC Foundation, CEO of the Executive Committee, DRC

With two decades of working experience in the financial sector, Ms. Lin has specialized in risk control for 10 years. She once served as a partner of EY in Financial Transformation & Innovation, and then as head of Credit & Risk Solution in IBM. Advocating a concept of "RegTech", she is dedicated to promoting "Proactive, Procedural, and Functional Supervision" in technical innovation field.



Joyce Zhang, Director of Business Application & Management Center, DRC

Dr. Zhang has ten years of working experiences in Financial Risk Management Consulting. With a doctoral degree from the Chinese Academy of Sciences, she worked as an Associate Director in Deloitte, and once worked in Algorithmics and IBM. As an expert in Risk Quantification, she is versed in Financial Market & Credit Businesses, Financial Product Valuation, Risk Model Development, and Investment Portfolio Management, etc.

David Lai, Director of Financial Management Center, Director of Administration Management Center, DRC

Formerly an Executive Director in Sitong Boyun Software Technology Co,. Ltd., he is a seasoned technical founder, operator, and manager.With rich experience in corporate management and project operation, he successfully completed financial management projects for administrative authorities for industry and commerce in eight provinces of China, e.g. Liaoning, Hunan, Guizhou.

Peter Bian, DRC Product Manager, Director of DRC Community Operation

With eight years of working experience in internet product design and project management, he once served as Product Director in Bike Wutong Innovation Incubator and was in charge of product logic, prototype pattern, PRD copywriting, as well as product launch and product upgrading.

Jim Zhang, Director of Technology Development Management Center

A graduate from the School of Software, Tsinghua University, he has 11 years of working experience in the computer software industry . Formerly serving in IBM and Symantec, he is seasoned in development, test, and operation & maintenance, and versed in multiple programing languages (C++/C, Java, C#, Linux Shell, and R) and software development.

David Cao, Blockchain Expert

David Cao has extensive experience, having worked at the IBM Toronto Lab and then having joined the development of the blockchain project Hyperledger Community, responsible for developing the Ethereum cross-border payment project.

Brain Bian, AI Expert

Holding patents for over 10 inventions, he has made achievements in Multi-Interface Human-Computer Interaction and Artificial Intelligence. He developed China's first browser capable of speech recognition, and is an early Contributor to DRC community.

Kuan Zhang, Cyber Security Expert

Receiving a Doctor's degree from the Department of Electrical & Computer Engineering, University of Waterloo, Canada. He is committed to research on Cyber Security, Privacy Protection, Big Data, Intelligent Healthcare, Social Network, and IOT.

5.2. DRC Advisors

Ju Xie, Expert Advisor

Council Member of BitShares, early participant in mainstream public blockchain projects, Founder of GDEX Exchange

Leo Wang, Expert Advisor

Founding Partner of PreAngel Fund

Hua Zhang, Expert Advisor

Investor for the trading platform Lbank.info, Co-Founder of DAEX

Jimmy Xiong, Expert Advisor

Head of IOTA China Community Member, dedicated to studying and investing in innovative blockchain projects.

Henry Yu

Founding Partner of L & Y Law Office,HK

Max Jackowski

Legal Manager at L & Y Law Office,HK

5.3. DRC Partners

6. DRC Project Implementation Plan, Activities& Achievement

6.1. DRC Project Implementation Plan

Preparation (2016 / 8-2017 / 8)
Designing Due Diligence Plan and Developing Application System system

DRC Project Kickoff (2017 / 9)
Announcing the Launch Of DRC Project

Application Design (2017 / 9-10)
Completing Design Of The Distributed Professional Services platform

DRC Dapp Prototype V 1.0 Development (2017 / 10-12)
Completing Development of DRC Dapp Prototype V 1.0 development

DRC Dapp Prototype V 2.0 Development （2018/1-3）
Completing Development of DRC Dapp Prototype V 2.0 development

DRC System Test（2018 / 4-6）
Realizing Client UI, Wallet Management, Payment & Settlement, Membership Rating Management, Feature Services, and DRCC Creation, Distribution and Application, etc; Inviting community members to join online test, adjusting and optimizing system

DRC Formal Launch (2018 / 7-9)
Launching DRC system online

Global Promotion and Development of other Applications (2018 / 9-2019 / 3)
Completing the promotion and optimization of DRC DD in communities across the world

6.2. DRC Community Activities & Achievements

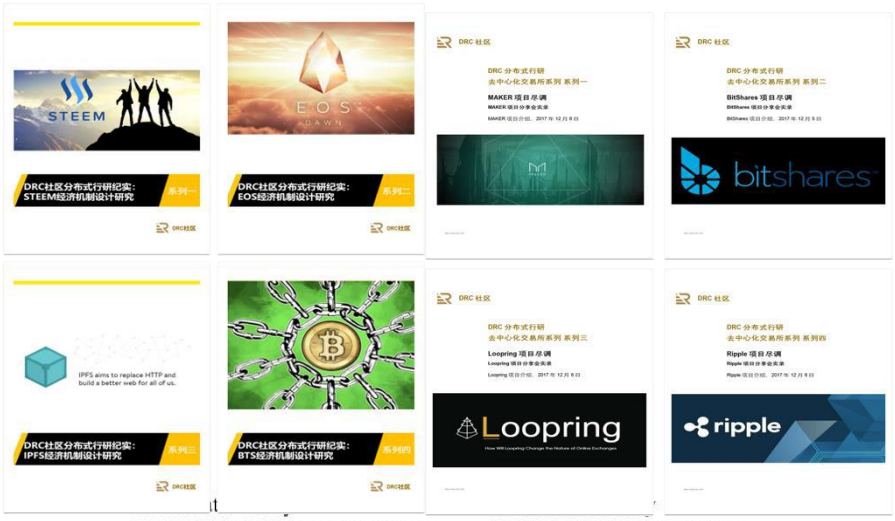
The DRC Community has organized a series of activities on distributive due diligence and Distributive industrial research, both online and offline, almost 20 traditional projects participated to proof of concept and an over 2,000 community members participated.


First Distributed Industrial Research Mission


DRC Community Offline Meetup


DRC Platform Launched Event

- DRC Community organized a series of Distributed Industrial Research as below:



on Economic Mechanism Design on Decentralized Exchange

- DRC Community organized a series of Distributed Due Diligence Investigations as below:

7. DRC Token Issuance and Allocation

The DRC Foundation's Financial Management covers both Daily Financial Management and Digital Currency Management. Daily Financial management will be outsourced, including the management of travel expenses of developers, salaries, office rents, and operating costs, etc. Digital Currency Management will be managed by the personnel authorized by the Decision-making Committee, and they will be responsible for wallet management, digital assets reception, exchange with other digital currencies, and digital currency redemption, etc.

7.1. DRC Token Allocation Plan

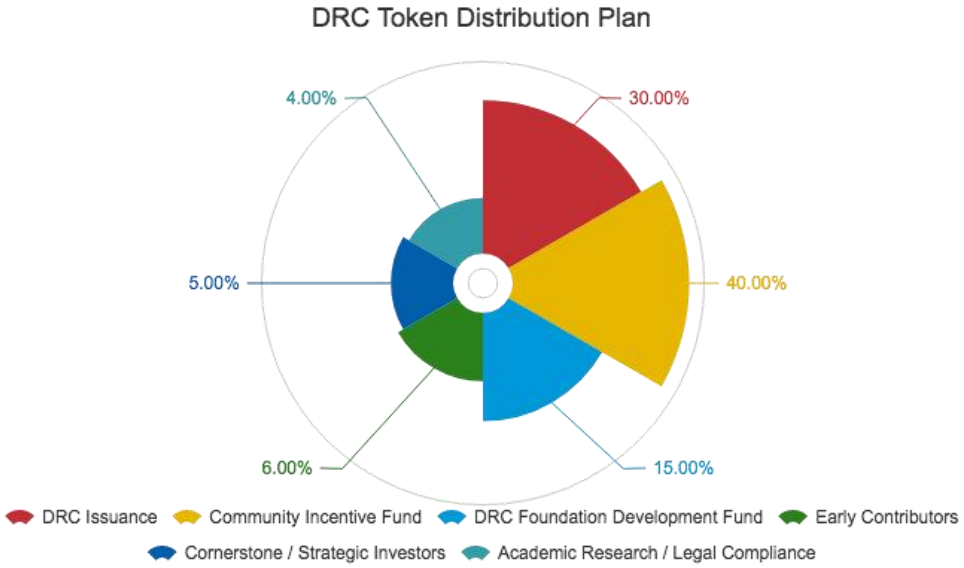
- DRC will issue one billion DRC in total;

- DRC Allocation Plan: over 85% of the tokens will be circulated to the community and its proceeds will be used for project development, operation, promotion, and community building. Another 11% will be reserved to the founding team, early contributors, early investors, and cornerstone investors. The remaining 4% will be used for academic research and obtaining compliance advices. The specific allocation plan is shown in the following table:

Percentage	Destination
30%	DRC Issuance
40%	DRC Community Incentive Fund
15%	DRC Development Fund
6%	Founding Team, Early Contributors, Core Team
5%	Cornerstone Investor, Strategic Investors
4%	Academic Research and Compliance With Laws

And the funds raised in this token-sale shall be used in the following methods:

- Development of the DRC Platform
- Operation of the community
- Constructing and protecting the eco-system of the community
- Long term development and management of the Foundation
- Satisfying academic research
- Obtaining legal compliance advices


DRC Token Distribution Plan
30.00%
40.00%
15.00%
6.00%
5.00%
4.00%
DRC Issuance
Community Incentive Fund
DRC Foundation Development Fund
Early Contributors
Cornerstone / Strategic Investors
Academic Research / Legal Compliance

7.2. Use of the DRC Foundation Capital

- **The handling of DRC Tokens by the Foundation will adopt the principle of openness and transparency.** A trustworthy agency will be engaged to monitor the flow of digital asset and share the monitoring information on a regular basis.

- **DRC Foundation will adopt the following principle in relation to expenditures:**

  - Expenditures over 25 BTC must be approved by the Finance and Human Resource Committee;

  - Expenditures over 50 BTC must be approved by the Decision-making Committee.

- **Financial Planning and Execution Report**

  - Quarterly, the Financial and Administration Management Center shall develop financial planning and discuss financial execution of the previous quarter, and prepare a financial report for review by the Decision-making Committee.

  - An audit report will be prepared on a regular basis by a professional audit agency.

- **Digital Assets Management**

  - The digital assets belonging to the DRC Foundation shall be managed by personnel authorized by the Financial and Administration Management Center, and every transaction must be recorded. The digital assets will be protected with multi signature technology to ensure its security and accuracy are not compromised. All the funds in

fiat currency must first be converted to digital currency in a timely manner and be deposited into a digital wallet. The funds of the DRC Foundation shall not be deposited into personal accounts.

- **Digital Wallet Management**

  - In order to prevent unauthorized usage of digital assets, the Foundation's digital wallet shall be protected by the multiple signature technology (3 of 4) mechanism. Adding new digital signatures must be approved by the Financial Management Center and Human Resource Management Committee.

8. Information Disclosure and Audit System

8.1. DRC Foundation Information Disclosure System

The DRC Foundation will periodically disclose information on its financial management, project progress, version management, as well as other major events. Besides, the DRC would report the unexpected events in time .

Reports	Contents of Disclosure
Quarterly report	The quarterly report will disclose project progress, version updates, the use of project funds, and tokens held by the market by the end of the quarter.
Mid-Year Report	The mid-year report will disclose project progress, version updates, the use of project funds, project plan and budget for the second half of the year, and tokens held by the market by the end of the first half of the year.
Annual Report	The annual report will be released by the end of each year, to reveal project progress during the whole year and version updates, the use of project funds for the current year and plan for the next year, overall plan and budget for the next year, tokens held by the market by the end of the year, and management team changes during the year.
Emergency information disclosure	Disclosure on the time of occurrence, duration, impact and other key information will be released to investors and regulators, regarding major events, like technology development, interested-party transactions, major changes of business scopes, major losses, major losses, mergers , separation, dissolution and bankruptcy, and changes in the initiator or actual controller, etc.

8.2. DRC Foundation Regular Audit System

Independent third-party auditors will be appointed by the DRC Foundation to set up the audit system and to conduct quarterly audit for DRC. A notice will be sent out before the start of the audit through the official website and the exchange website, and Audit Reports will be made available on the official website and the exchange website. Should there be any issue being identified by the Audit Reports, the DRC Foundation will organize a meeting with all related parties to come up with a solution, and will publish the meeting minutes and solutions in a timely manner.

9. Legal Structure and Disclaimers

9.1. Legal Structure

The DRC Foundation will sell DRC that are designed to be used on the DRC platform through conducting a private sale and a crowd sale. Nobody can repurchase or redeem any sold DRC. DRCs, as a virtual commodity with practical uses, are not securities or speculative investment instrument. The DRC Foundation does not guarantee any intrinsic value of or economic return from DRC. DRCs do not represent any real-world assets or rights (such as shares and voting rights, etc. of the DRC Foundation). Our target market for DRC tokens are experienced in cryptocurrencies, crypto-tokens and blockchains.

No citizen, permanent resident, or green card holder of China, USA, and countries on the Office of Foreign Assets Control list is allowed to participate in the DRC token crowd sale. Thus the DRC Foundation will not sell DRC token to the foregoing persons.

9.2. Disclaimer

The DRC Foundation does not make, and hereby disclaims, any representation or warranty with respect to DRC or DRC token (such as merchantability or fitness for particular purposes), except those expressly specified in this White Paper. Each purchaser's decision to participate in the DRC token crowd sale and purchase any DRC token shall be made based on his/her own knowledge of DRC and DRC token and the information disclosed in this White Paper. Without prejudice to the generality of the foregoing, each purchaser will, upon the launch of DRC, accept DRC token on an "as is" basis, irrespective of the technical specifications,

parameters, performance or function thereof. For details of the disclaimers, please be referred to the Website.

The DRC Foundation hereby expressly disclaims its liability and refuse to be liable for the following liabilities:

(1) any person's purchase of DRC is a violation of any anti-money laundering, counter-terrorism financing or other regulatory requirements that are imposed in any jurisdiction;

(2) any person's purchase of DRC is a violation of any representation, warranty, obligation, covenant or other provision under this White Paper, which results in the failure of paying and withdrawing DRC;

(3) termination of the DRC crowd sale for any reason;

(4) failure or termination of the DRC development which results in the failure to deliver DRC;

(5) delay or rescheduling of the DRC development and resulting failure to meet any published schedules;

(6) any error, flaw, defect or other issues in the source code of DRC;

(7) any malfunction, breakdown, collapse, rollback or hard forking of the original public chain that DRC Platform replies on;

(8) failure of DRC to meet any specific purpose, or are unfit for any specific use;

(9) utilization of the proceeds raised through the DRC crowd sale;

(10) failure to promptly and completely disclose any information relating to the development of DRC;

(11) any purchaser's divulgence, loss or destruction of the private key to his/her wallet for cryptocurrency or cryptographic (in particular the private key to the DRC wallet);

(12) any default, breach, infringement, breakdown, collapse, service suspension or interruption, fraud, mishandling, misconduct, malpractice, negligence, bankruptcy, insolvency, dissolution or winding-up of any third-party crowdfunding platform or exchange for DRC TOKEN;

(13) any difference, conflict or contradiction between this White Paper and the agreement between any purchaser and any third party crowdfunding portal;

(14) trading or speculation of DRC by any person;

(15) listing or delisting of DRC on or from any exchange;

(16) DRC being classified or treated by any government, quasi-government, authority or public body as a type of currency, securities, commercial paper, negotiable instrument, investment instrument or otherwise that results to being banned, regulated or subject to certain legal restrictions;

(17) any damage, loss, claim, liability, punishment, cost or other adverse impact that is caused by, associated with, in connection with, incidental to or relevant to the risk factors disclosed in this White Paper.

NOTICE TO RESIDENTS OF THE UNITED STATES

The offer and sale of this token has not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act"**), or under the laws of certain states as this token should not be taken as securities. This token may not be offered, sold or otherwise transferred, pledged or hypothecated except as permitted under the act and applicable state laws pursuant to an effective registration statement or an exemption therefrom.

NOTICE TO RESIDENTS OF CANADA

Unless permitted under legislation, the holder of this token must not trade the token before the date that the issuer becomes a reporting issuer in any province or territory of Canada.

NOTICE TO RESIDENTS OF CHINA

The tokens are not being offered or sold and may not be offered or sold, directly or indirectly, within the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the laws and regulations of the People's Republic of China.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

In the United Kingdom this document is being distributed only to, and is directed only at,: (i) investment professionals (within the meaning of article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the ''FPO'')); (ii) persons

or entities of a kind described in article 49 of the FPO; (iii) certified sophisticated investors (within the meaning of article 50(1) of the FPO); and (iv) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as ‘‘Relevant Persons’’).

NOTICE TO RESIDENTS OF OTHER COUNTRIES

All purchasers must ensure that they are permitted by the laws of their countries to purchase DRC. DRC Foundation will only ensure that DRC is legal and compliant with the law of the issuing country but will not ensure all other countries adopt or use similar laws, especially in the event that the purchaser use other methods to avoid relevant laws or intentionally hide any relevant. The DRC Foundation will not be liable for this.

This document has not been approved by an authorised person. Any information to which this document relates is available only to a relevant person. This document is only for relevant persons and non-relevant persons shall not take any action based on this document nor should he/she/they rely on it. It is a condition of you receiving and retaining this document that you warrant to the DRC Foundation, its directors, and its officers that you are a relevant person.

The Foundation social media and email platform are places where we encourage interaction, discussion, organization and participation between users of the community, in fact anyone interested in the product of the Foundation.

Whilst we make reasonable efforts to monitor participation to ensure that discussions to be related to products that are made available in the community, there may be situations where we are not in a position to monitor all statements, comments and views made by every user.

We ask that you're respectful in your comments. We reserve the right to remove anything we deem are abusive or personal attacks, material that is unlawful, obscene, defamatory, threatening, harassing, abusive, slanderous, hateful or embarrassing to any other entity or persons, third party advertising, chain letters or 'spams'. Please be aware that anything posted may potentially be read by thousands (or hundreds of thousands) even years from now. Therefore, users should exercise cautions when posting on any of our social media sites.

We also reserve the right to terminate involvement by users who post such content.

The views and opinions expressed on any social media sites of ours do not necessarily represent those of the DRC Foundation. Therefore, we cannot be held responsible for the accuracy or reliability of information posted by external parties. Any information posted on any of our social media platforms should not be considered as financial, legal, accounting or other professional advice.

For your safety, never include your phone number, email, address or other personal information in a post. Your comments are visible to all.

Certain information set forth in our website and other documents may contain "forward-looking information", including "future oriented financial information" and "financial outlook", under any applicable laws and regulations (collectively referred to herein as forward-looking statements). Except for statements of historical fact, information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of DRC Token; (ii) completion of, and the use of proceeds from, the sale of DRC Token being offered during the token sale; (iii) the expected development of the business, projects and joint ventures; (iv) execution of DRC Token's

vision and growth strategy, including with respect to future M&A activity and global growth; (v) sources and availability of third-party financing for DRC Foundation's projects; (vi) completion of DRC's projects that are currently underway, in development or otherwise under consideration; (vi) renewal of DRC's current customer, supplier and other material agreements; and (vii) future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential purchasers the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. For further explanation of the risk involved in the DRC community please consult the documents as issued by DRC Foundation.

Although forward-looking statements contained in this presentation are based upon what management of DRC Foundation believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. DRC undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

9.3. Risk Factors

DRC Foundation believes there are numerous risks involved in the development, maintenance and operation of DRC, other cryptocurrencies and blockchain technologies, many of which are beyond the control of the DRC Foundation. Each DRC token purchaser should peruse, comprehend and consider carefully the risks involved, in addition to the information included in this White Paper, before deciding to participate in the DRC token crowd sale campaign.

Every DRC purchaser should note that: Although DRC Foundation is a non-profit organization registered in the Republic of Singapore, DRC and DRC token only exits in virtual space, they do not have any tangible form and therefore do not belong or related to any particular countries.

Participation in the DRC public token sale shall be an action after careful consideration. DRC Foundation shall deem all purchasers as fully aware of and having agreed to all the risks, particulars of the risk can be found on the Website and the Terms & Conditions.