ZFT Wallet White Paper

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INTRODUCTION

Blockchain technology is now widely used as a solution to problems caused by the centralized social and economic structure of human society. Blockchain has introduced the idea of decentralization and distributed ledger which are proven to be more suitable than the traditional centralized approach of current society in many cases. However, there are still many problems in various fields at this stage. Therefore, ZFT has proposed its solution.

ZFT is the underlying logic provider for decentralized social information and content consumption. The goal is to create a "social community + content consumption" blockchain ecosystem. To conclude, ZFT adopts the POSD consensus main chain, combined with the high-performance DAG network as a side chain, adopting the multi-layer architecture, dedicated to building a secure, decentralized, and highly concurrency-friendly social network ecosystem.

In the future, ZFT will continue adding new blockchain or AI-based components to the ecosystem and inviting more community builders to join, play a role, or to work together as a partner. This ecosystem is a blockchain-based social content sharing platform that integrates users and content consumption.

1.0 Project Background

1.1 History of ZFT

At the end of 2013, Vitalik Buterin published the first Ethereum white paper inspired by Bitcoin, dedicated to creating an open-source, public blockchain platform with the smart contract functions. Its dedicated cryptocurrency, Ether, provides a decentralized Ethereum virtual machine to handle peer-to-peer contracts.

The blockchain technology that stands out from Bitcoin has set off a new wave of technological and intellectual revolution with decentralization, rebuilding trust, and value transmission.

At the same time, the digital currency market with blockchain as the underlying technology has ushered in a blowout development in the past decade. The immense potential and value of blockchain in the fields of value transfer and information transmission have gained the attention of the governments and enterprises, blockchain-based digital assets and trading platforms start to emerge.

With the explosive growth of demand for blockchain digital asset, exchanges or trading platform has become the only bridge between the project party and blockchain investors, owning the absolute right to speak in the blockchain industry.

Unfortunately, most traditional exchanges have a highly centralized attribute, which seriously violates the core nature of blockchain-decentralization. More importantly, most exchanges have serious shortcomings such as weak underlying infrastructure, backward security protection technology, opaque rules and regulations, etc.

The trust of the blockchain comes from the underlying technology based on the historical record on the chain. From the perspective of cryptography, once the timestamp is recorded, there is no means to crack the block. The impact of blockchain is to use

time in exchange for people's trust. As a manifestation of the blockchain, the characteristics of a token since its issuance are “the longer the running time, the higher the difficulty of tampering”, which is guaranteed by its design mechanism.

Blockchain was once seen as just the underlying technology of cryptocurrency by the majority. However, blockchain has gone from behind the scenes to the front stage and has unprecedented vigor and vitality in many applications today. Judging from the current development, the emergence and maturity of innovative blockchain technology have allowed the industry to focus on blockchain technology itself, especially on the interaction between more than one blockchain network. To a deeper understanding, it is a blockchain 3.0 era linker based on trust assured by blockchain technology that is more than just a distributed public ledger and Ethernet smart contract.

To promote the global blockchain industry to enter a state of sound development, the market urgently needs a compliant, safe, credible, stable and trustworthy trading environment to cope with the constant upgrade and iteration of the blockchain industry and accelerate the formation of more healthy competing circumstances for exchanges or trading platforms.

Therefore, Lin QiRan initiated the establishment of the Singapore Data Rights Alliance on August 18, 2018. The members of the alliance come from the blockchain experts, entrepreneurs, Internet giants, etc. from more than 30 countries such as the United States, Japan, Singapore, China, Hong Kong, Malaysia, and Italy. ZFT Data Rights Wallet was developed to achieve international blockchain trading system that has the longest stable data right platform, allowing every participant to have the best entrepreneurial platform; based on our deep understanding of the blockchain revolution and the goal of making a key contribution to the global blockchain business, firmly believe that the creation of ZFT will reshape the global trust mechanism.

1.2 Value and Aspiration of ZFT

Unlike the previous eras of blockchain 1.0 and blockchain 2.0, which are dominated by digital currency and code programming, the arrival of the blockchain 3.0 emphasizes more on mature technology and its application in real life. Correspondingly, recent industry application scenarios based on concepts such as payment systems, notarization and anti-counterfeiting, data storage, and the Internet of Things have also gradually heated up, attracting everyone's attention.

ZFT came into a picture based on the trend of the explosion of blockchain applications. Since the beginning of the project, ZFT has determined to start from the social traffic volume and establish a blockchain version 3.0 “Social Woods System” that integrates contract technology, content socialization, notarized charity, node wallet, and so on. Data rights concept plays a vital role in the ecosystem that ensures all assets being reasonably distributed among the participants with the help of a unique algorithm applied in the system.

2.0 Solution Based on ZFT Technology

2.1 Smart Contract

ZFT is a smart contract that supports Turing's complete. By using the POSD consensus mechanism, 20 voting nodes are set up in the network, and a new block is generated every 15 seconds with transaction confirmation speed that can reach up to 800+ TPS.

ZFT's smart contract system strives to explore how smart contact can be developed to meet the strict requirements of customers dealing with cross-organizational information transmission, thereby reducing costs and time.

ZFT has relatively detailed development materials, which is convenient for community developers to learn and use. Community developers can write their programming language as a smart contract and publish it on the main chain with little ZFT. Through the smart contracts above, ZFT can achieve diverse applications through decentralization and cross-domain collaboration.

2.2 Borderless Trading

ZFT creates a full-platform trading environment, thus opening the entire network transaction link on and off the chain:

- **Off-Chain:** creating an open and transparent trading environment including PC, H5, WeChat and APP (IOS and Android) through the asset management system
- **On-Chain,** the system completes the certification, issuance, trading, withdrawal, and KYC & AML of digital currency assets through a series of smart contracts to complete the closed-loop transaction on the chain.

2.3 Cross-Chain Mechanism

At present, ZFT's on-chain contracts are based on Ethereum 2.0, and will be extended to basic chains such as EOS and AE in the

future, so that a user's single asset can be released on multiple chains at the same time and locked accurately.

For example: when an Ethereum user needs to transfer shares to a ZFT user, the smart contract automatically locks the shares on the Ethereum, and at the same time informs ZFT to unlock the shares through Data Feeds, and complete the user's cross-chain share transfer. At the same time, ZFT intends to launch a blockchain explorer, which will include the release and lock shares of the asset on each chain, to ensure that the total amount of the asset's share is constant, and display it to all investors openly and transparently.

2.4 Node Wallet

ZFT is designed for mobile social communication applications such as Mobile and Status that provides node wallet services. The communication application can safely restore the required information, which not only facilitates the creation and confirmation of transactions from the ZFT node during installation or re-installation but also facilitates receiving updates from the ZFT node (even when the network connection is unavailable).

The ZFT Data Rights Wallet integrated into the mobile communication application can also look up the public key address of the receiving terminal based on the user name, and send encrypted information with a “reject-able” signal to the recipient to prove the initiation of the transaction.

2.5 Data Right Economy

What does the "Data Right Economy" rely on? Collectively referred to as the "5iABCD" technology, "5" for 5G, "i" for the Internet of Things, and "ABCD" for AI, Big Data, Cloud Computing, and Distributed Ledger. The new generation of blockchain technology may be a parallel structure like DAG (Directed Acyclic Graph), unlike Bitcoin and Ethereum that are based on the underlying string data structure. Therefore, the definition of blockchain may change

significantly in the future where a new generation of technologies that supports the development of the digital economy 3.0 arise.

Blockchain is not a disruptive technology, but a disruptive way of thinking. For the first time since digital uprising, the blockchain allows numbers to not only transmit information, but also "rights". Blockchain 3.0 technology builds a "data rights" network where the initial state of data is credible, transparent and open operation process, permanent and reliable record.

The development of the digital economy is divided into stages from 1.0 era of computing that requires computing power and emphasizes CPU speed and storage capacity; 2.0 era of information network that emphasize on communication power and traffic thinking; 3.0 era of data rights network that confirm the rights of the data; and 4.0 era of intelligence that helps eliminate data silos, automate data collection and integration, discover new patterns, and gain new insights.

However, in today's digital rights network, the Internet models may not be able to continue and take effect because the core of digital rights is to confirm rights. The greater the consensus, the greater the power, and the value of assets. In order words, circulation determines the manifestation of value.

3.0 Application of ZFT

3.1 ZFT Social Woods System (benchmarking)

The ultimate goal for ZFT is to construct a community with many dimensions of community engagement like the ZhiHu Platform in China but with additional subdivided functions such as newsletters, private sales, trading, Q&A, and other activities that involve blockchain technology. ZFT's powerful wallet payment and transaction hedging functions are truly authoritative, professional, accurate, and interactive.

In the future, ZFT will also embark on specific work covering OTC transactions and two-line acceptance to decrease the threshold for user participation as much as possible, so that more people can join this wave of social credit and financial revolution.

3.2 Blockchain-Based Payment

The current application of blockchain wallets is mainly used for storage and transfer of cryptocurrencies but other applications are rarely implemented such as small business transactions, gaming industries, entertainments, etc. The increasing demand on the market has put forward more and more extensive requirements for new blockchain applications, ZFT aim to lead the social payment industry.

As the fuel and energy in the social chain, ZFT will be applied in the following uses in the future:

- **Simple Transaction**
  Any form of transactions including trading, exchange, gas fee, and transfer are performed through the usage of ZFT.
- **Trading Service**
  Any transactions involving consultation and services such as Q&A, services, event activities, etc. must be consumed in the form of ZFT. In the future, the main chain will launch multiple sections from entertainment, games, content payment, etc. to

encourage the usage of ZFT in the form of rewards within the community.

3.2 Blockchain Supported Charity Foundation

The development of global philanthropy has fallen into the following deadlocks:

- **Obvious regionality:** different countries and regions are fighting each other, and there are few exchanges and low liquidity of practitioners, charities, and charity funds in different countries and regions;
- **One-time investment, poor sustainability:** When a charity or institution transfers funds to the person or institution in need, it is a one-time investment. After the funds enter the grantee, it will be put on an account which will not generate any revenue but if the fund is given in the form of cryptocurrency, it has the opportunity to appreciate and the grantee can use the funds according to their needs;
- The development of blockchain philanthropy is in its infancy, and some foreign institutions have already carried out some philanthropy through the usage of blockchain technology.

ZFT proposed to carry out philanthropy through providing a decentralized charity area where any individual or organization can publish C2C "help request" information through the platform. When the users receive the information, users can provide corresponding digital asset funding according to the actual content of the request.

4.0 Token Distributions

4.1 Distribution

ZFT Total Supply	:	520 million
Circulation	:	13.14 million (Initial Release)
Airdrop	:	10 million
Community Bonus	:	2 million
Nodes Bonus	:	1.14 million

Specific Rules for release are as follows:

- 10% of total supply will be kept for technical team, technological development & maintenance, community bonus, exchange listing and charity donations (all locked for more than one year).
- 90% of total supply must be mined (0.001 ZFT for transaction fee, 0.002 ZFT for trading fee)

4.2 Release Cycle of ZFT

1st Phase Total Circulation x 10%

2nd Phase Total Circulation x 5%

3rd Phase Total Circulation x 2.5%

…And so on (6 months for 1st phase, 1 year for the following phase and the percentage of release decrease for 50% each phase until the end of mining)

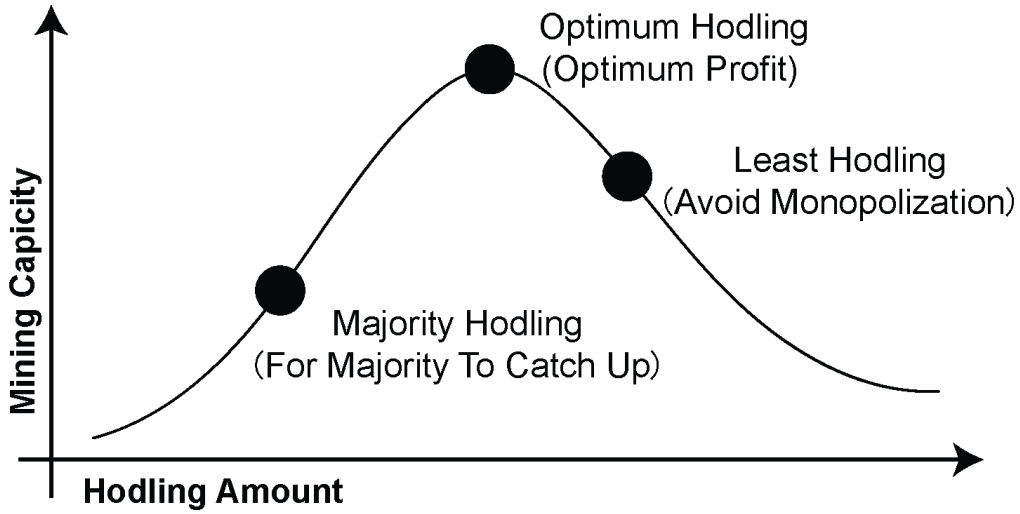
4.3 Profit Circulation Method (Mining)

Users that hold certain amount of ZFT can participate in the mining and the computational power is divided into three sections categories: 45% of **Daily Total Circulation (DTC)** is used to compute Hodler Nodes; 45% of **DTC** is used to compute Promoter Nodes; 10% is used for super nodes.

4.3.1 Hodler Nodes (Computational Power)

$$Ai = \frac{Mi}{M1+M2+M3+...+Mn} \times \underline{W} \times 45\%$$

(**Ai:** Daily Mining Profit from Hodling, **Mi:** Hodler's ranking in the Network, **M1+M2+M3...Mn:** Sum of all rankings in the network, **W:** Daily Total Circulation)



Revenue Parabolic Roadmap

4.3.2 Promoter Nodes (Computational Power)

Computing power of the market with the largest volume is calculated using cube root ($\sqrt[3]{}$) method; if the market total volume is less than or equals to 10000, it will be calculated by 10 times the volume; if the market volume if greater than 10000, split up 10000 from the amount and times 10, and add up the remaining.

Calculate the computational power for all market and its promoting computing power (Bi) to conclude daily profit for promoter node.

$$Bi = \sqrt[3]{Pmax + P_1 + P_2 + P_3 ... P_n}$$

(**Pmax:** Market with the largest volume, **P:** Remaining market)

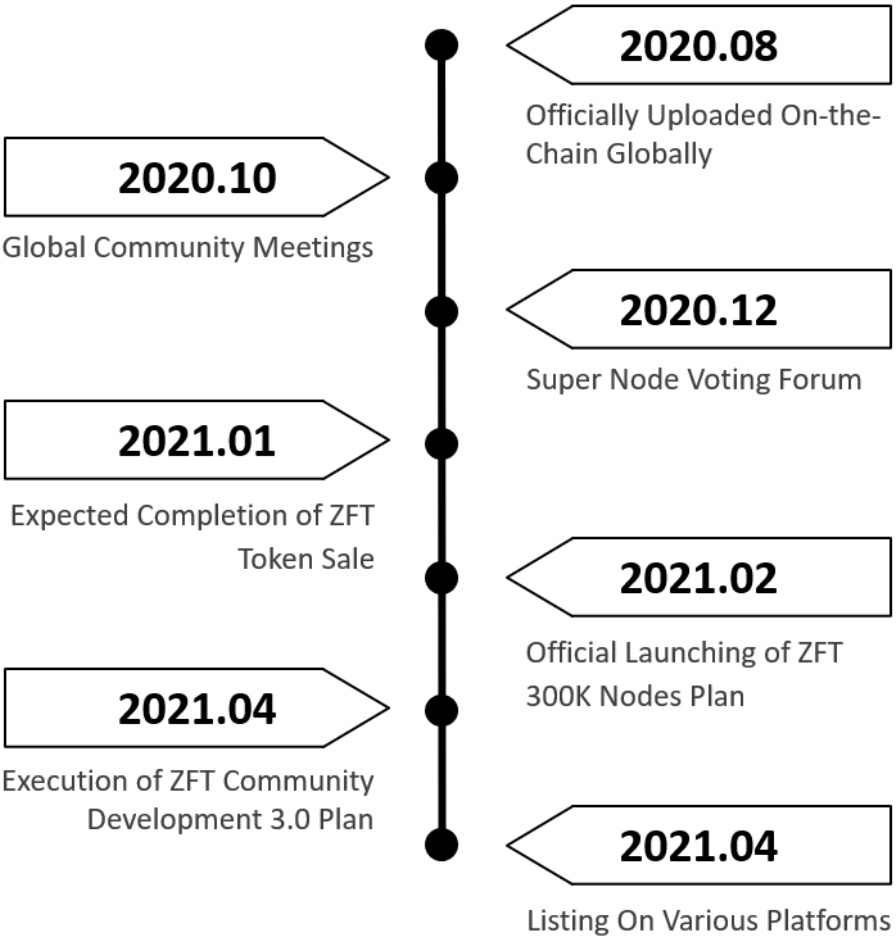
$$Ai = \frac{Bi}{X1+X2+X3+\ldots+Xn} \times W \times 45\%$$

(**Ai:** Daily profit for promoter node, **X1+X2+X3…Xn:** Computing power for the entire network, W: Daily Total Circulation)

4.3.3 Super Nodes

Voting will be held in the later stage and weighted accordingly.

5.0 ZFT Development Plan



6.0 Vision and Mission of ZFT

6.1 Vision of ZFT Data Right Wallet

Our vision is to provide a fair, transparent, compliant, and credible digital rights wallet for blockchain digital assets; providing a safe, stable, and trustworthy wallet that is capable of establishing a world-class blockchain integrated ecosystem, eliminating the boundaries and ethnic barriers between blockchain believers.

ZFT Exchange is still using its development and ZFT Cloud Trading Strategy to carry out a two-line global compliant exchange market layout to create a new generation of digital asset trading business landscape.

6.2 Mission of ZFT Data Right Wallet

Our mission is to give full play to our technological advantages and operational strength, providing a fair, open and free working environment for the global blockchain industry with a fully integrated trading platform for blockchain digital assets, promoting the rapid development of blockchain technology, linking cryptocurrencies to value, and bringing blockchain technology into daily life.

Postscript

As a long-term practitioner in the financial industry and a researcher in blockchain technology projects, we hope to bring you a real blockchain project and return it to the essence of business. ZFT should use its blockchain technology to optimize the transfer and circulation of "Value" instead of just producing and distributing the "Coins" to the public. There is no denying that this is a long and challenging process where both risks and opportunities being released into the trading market. However, the charm of the "Token Economy" will truly be presented to us with blockchain technology, and we look forward to witnessing the future of ZFT with you.