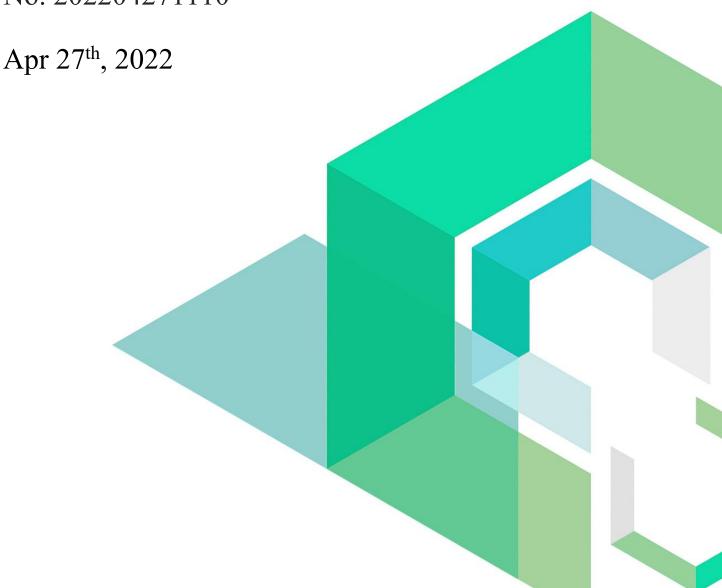


Chiliz Chain 2.0

Smart Contract Security Audit

V1.0

No. 202204271110





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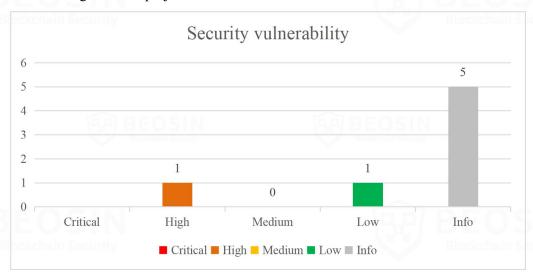






Summary of audit results

After auditing, 1 High-risk,1 Medium-risk 5 Info items were identified in the Chiliz Chain 2.0 project. Specific audit details will be presented in the Findings section. Users should pay attention to the following aspects when interacting with this project:



Project Description:

1. Business overview

The Staking contract implements the Validator registration function and the user stake function. Anyone can register as a Validator by pledging the corresponding funds through the Staking contract, and after registration, the Validator can only become a Validator if the Governance contract is voted on. The Governance contract can be initiated by the Validator address and must have more than two-thirds of the votes before the proposal can succeed; the RuntimeUpgrade contract is used to upgrade the system contract.







1 Overview

1.1 Project Overview

Project Name	Chiliz Chain 2.0		
Platform	In Security	Chiliz Chain	
Github	https://github.com/chiliz-chain/v2-genesis-config/tree/audit-fixes		
Commit	8dc67177150a40a56f6ea948cac7ed734057f225		
	Staking.sol	ad2fdf8565190b1b9972fe91fa6fa4e044c7f783a5b0423381663f633 0d20f83	
	StakingPool.sol	1eca905566e42760e6cedcb0e0d9d6ad35e94b3f1d5dd8a857afe1c1 4cef70bd	
File Hash (SHA256)	Injector.sol	55051ade2cbae903ee361dc40bbc412cf2de2d89f9d6a69b126c03b7 4c5f587e	
	RuntimeUpgrade.sol	5b9e85557561c1895c55b1a1b60d8b15112b1fe9864ff18c7d9db5c 0dab2050f	
	Governance.sol	7a6046eb70ad5954bba3b1c2dab8ae3ad95e2ec9e3ef6cf6cede0f12a 6b7261a	

1.2 Audit Overview

Audit work duration: April 13, 2022 – April 27, 2022

Audit methods: Formal Verification, Static Analysis, Typical Case Testing and Manual Review.

Audit team: Beosin Technology Co. Ltd.



2 Findings

Index	Risk description	Severity level	Status
Chiliz Chain 2.0-1	Poorly designed ctor function	High	Fixed
Chiliz Chain 2.0-2	User funds will not be available for withdrawal	Low	Fixed
Chiliz Chain 2.0-3	The _slashValidator function is not rigorously judged	Info	Partially Fixed
Chiliz Chain 2.0-4	Poorly designed <i>undelegate</i> function	Info	Fixed
Chiliz Chain 2.0-5	Poorly designed _delegateTo function	Info	Acknowledged
Chiliz Chain 2.0-6	Missing events	Info	Fixed
Chiliz Chain 2.0-7	Poorly designed claim function	Info	Fixed

Risk Details Description:

- 1. Chiliz Chain 2.0-3 is not fully fixed but does not cause security issues.
- 2. Chiliz Chain 2.0-5 is not fixed but does not cause security issues.







[Chiliz Chain 2.0-1]	Poorly design	gned <i>ctor</i> i	function
----------------------	---------------	--------------------	----------

Severity Level	High	
Туре	Business Security	
Lines	Staking.sol#L122	
Description	The ctor function in the staking contract should not specify initialStakes, because this	
•	function does not transfer the corresponding funds. If the validator has other users	
	participating in the stake, it will cause the validator to withdraw the stake funds of	
	other users.	

```
function ctor(address[] calldata validators, uint256[] calldata initialStakes, uint16 commissionRate) external whenNotInitialized {

require(initialStakes.length == validators.length);

for (uint256 i = 0; i < validators.length; i++) {

    _addValidator(validators[i], validators[i], ValidatorStatus.Active, commissionRate, initialStakes[i], 0);

22

}

23

}

24

}
```

Figure 1 Source code of *ctor* function (Unfixed)

```
function_addValidator(address validatorAddress, address validatorOmer, ValidatorStatus status, uint16 comissionRate, uint26 InitialStake, uint64 sinceEpoch) internal {

// validator commission rate
require(commissionRate > cOMMISSION_RATE_MIN_VALUE & commissionRate < cOMMISSION_RATE_MIN_VALUE, "Staking: bad commission rate");

// init validator default params
// init validator default params
// init validator default params
// validator newory validator = validatorAddress];
require(validatorValidator)
// validatorNate(validatorAddress);
require(validatorAddress = validatorOmmer)
// validator.omerAddress = validatorOmmer)
// save validator.omerAddress = validatorOmmer)
// save validator.omerAddress = validatorOmmer] - address(0x00), "Staking: owner already in use");
// save validatorOmmer(validatorOmmer) - validatorAddress;
// push initial validator to array
// push initial validator sangabot at zero spoch with default params
// push initial validator validatorOmmer
// delagation initial stake to validatorOmmer
// delagation initial
```

Figure 2 Source code of addValidator function

Recommendations It is recommended to set initial Stakes to zero.

Figure 3 Source code of ctor function (Fixed)



[Chiliz Chain 2.0-2] User funds will not be available for withdrawal

Severity Level	Low	
Type	Business Security	
Lines	Staking.sol#L313, 535-544	
Description	After the validator is deleted through governance, if the validator has stake funds, the	
	user will not be able to withdraw the funds staked on the validator	

```
514
515
516
517
518
                       function removeValidator(address account) external onlyFromGovernance virtual override {
                              _removeValidator(account);
                      function _removeValidatorFromActiveList(address validatorAddress) internal {
    // find index of validator in validator set
    int256 indexOf = - 1;
    for (uint256 i = 0; i < _activeValidatorsList.length; i++) {
        if (_activeValidatorsList[i] != validatorAddress) continue;
        indexOf = int256(i);
    }
}</pre>
519
520
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522
523
524
525
526
527
528
529
530
531
                              } // remove validator from array (since we remove only active it might not exist in the list) if (indexOf >= 0) {
                                       (indexOf >= 0) {
   if (_activeValidatorsList.length > 1 && uint256(indexOf) != _activeValidatorsList.length - 1) {
    _activeValidatorsList[uint256(indexOf)] = _activeValidatorsList[_activeValidatorsList.length - 1];
}
                                        _activeValidatorsList.pop();
532
533
534
535
536
537
538
539
540
541
542
543
544
                       function _removeValidator(address account) internal {
                              Validator memory validator = _validatorsMap[account];
require(validator.status != ValidatorsMap[account];
// remove validator from active list if exists
_removeValidator from active list if exists
_removeValidatorFromActiveList(account);
// remove from validators map
                             delete _validatorOwners[validator.ownerAddress];
delete _validatorsMap[account];
// emit event about it
                               // emit event about it
emit ValidatorRemoved(account);
545
546
```

Figure 4 Source code of _removeValidator function

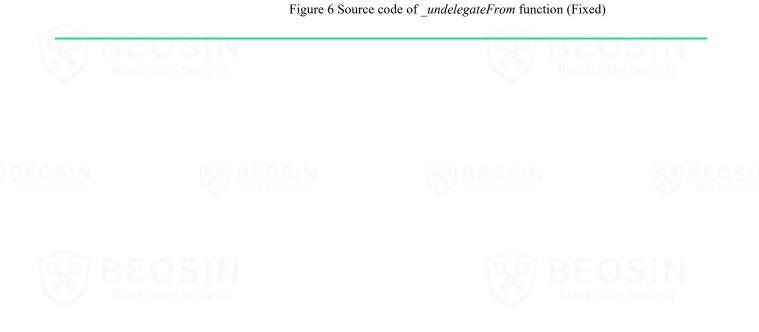
```
function _undelegateFrom(address toDelegator, address fromValidator, uint256 amount) internal {
    // check minimum delegate amount
    // check minimum delegate (COPPACT_PRECISION) = 0, "Staking: amount is too low");
    // cerum delegate check is a least
    // check supgrade next sunsphot parameters:
    // increase validator exists a least
    // Lest supgrade next sunsphot parameters:
    // Lest sunsphot parameters:
    //
```

Figure 5 Source code of undelegateFrom function (Unfixed)

Recommendations It is recommended to remove the validator after the funds in the validator have been withdrawn.



Fixed. Status





















[Chiliz Chain 2.0-3] The _slashValidator function is not rigorously judged

should judge validator.status == ValidatorStatus.Active.

Severity Level	Info
Туре	Business Security
Lines	Staking.sol#L741,743
Description	In the _slashValidator function, "validator.status != ValidatorStatus.NotFound" is judged,
P	because "make sure validator was active" is also written in the comment. So the function here

```
740
           function _slashValidator(address validatorAddress) internal {
741
                / make sure validator was active
742
               Validator memory validator = validatorsMap[validatorAddress];
743
               require(validator.status != ValidatorStatus.NotFound, "Staking: validator not found");
744
               uint64 epoch = _currentEpoch();
745
               // increase slashes for current epoch
746
               ValidatorSnapshot storage currentSnapshot = touchValidatorSnapshot(validator, epoch);
               uint32 slashesCount = currentSnapshot.slashesCount + 1;
747
               currentSnapshot.slashesCount = slashesCount;
749
               // validator state might change, lets update it
               _validatorsMap[validatorAddress] = validator;
// if validator has a lot of misses then put it in jail for 1 week (if epoch is 1 day)
750
751
               if (slashesCount == _chainConfigContract.getFelonyThreshold()) {
752
                    validator.jailedBefore = _currentEpoch() + _chainConfigContract.getValidatorJailEpochLength();
                   validator.status = ValidatorStatus.Jail;
_removeValidatorFromActiveList(validatorAddress);
754
755
                    _validatorsMap[validatorAddress] = validator;
757
                    emit ValidatorJailed(validatorAddress, epoch);
758
759
               // emit event
760
               emit ValidatorSlashed(validatorAddress, slashesCount, epoch);
762
763
```

Figure 7 Source code of slashValidator function (Unfixed)

Recommendations

It is recommended to determine the status of the validator as active.

Status

Partially Fixed. Project party description: Validator can be slashed even if this validator is already in jail because epoch might be still active where this validator is in the active validator set. They've changed the misleading comment for this line.

```
function_slashValidator(address validatorAddress) internal {
// make sure validator exists

Validator memory validator = _validatorsMap[validatorAddress];
require(validator.status != validatorStatus.NotFound, "Staking: validator not found");

uint64 epoch = _currentEpoch();
// increase slashes for current epoch

ValidatorSnapshot storage currentSnapshot = _touchValidatorSnapshot(validator, epoch);

uint32 slashesCount = currentSnapshot.slashesCount + 1;
currentSnapshot.slashesCount;
// validatorShap[validatorAddress] = validator;
// validatorShap[validatorAddress] = validator;
// if validator has a lot of misses then put it in jail for 1 week (if epoch is 1 day)
if (slashesCount == _chainConfigContract.getFelonyThreshold()) {
    validator.status = ValidatorStatus.Jail;
    _renoveValidatorFromActiveList(validatorAddress);
    _validatorShap[validatorAddress] = validator;
emit ValidatorJailed(validatorAddress, epoch);
}
// emit event
emit ValidatorSlashed(validatorAddress, slashesCount, epoch);
}

33 }
```

Figure 8 Source code of slashValidator function (Partially Fixed)





Figure 9 Source code of *undelegate* function (Unfixed)

Recommendations	It is recommended to delete the payable.	
Status	Fixed.	19.P BEOSIN
	215 216 ∨	function undelegate(address validatorAddress, uint256 amount) external override {
	217 218 219	<pre>_undelegateFrom(msg.sender, validatorAddress, amount); }</pre>

Figure 10 Source code of *undelegate* function (Fixed)







Severity Level	Info
Type	Business Security
Lines	Staking.sol#L277

[Chiliz Chain 2.0-5] Poorly designed delegate To function

Description

In the _delegateTo function of StakingPool, it is judged as "validator.status != ValidatorStatus.NotFound", which means that when the validator's status is Pending or Jail, users can also stake.

Figure 11 Source code of *preMint* function (Unfixed)

Recommendations

It is recommended that when the state of the Validator is active before it can be staked.

Status

Acknowledged. Project party description: They can't limit validators from being elected even if they are in jail or not active. Stakers who delegate money to jailed or inactive validators will be punished because they won't gain any rewards for it. But the validator owner might want to increase the total staked amount for his validator just to increase its position in the active validator list and be prepared for validating blocks right after the jail period ends.







[Chiliz Chain 2.0-6] Missing events **Severity Level** Info **Business Security Type** Lines Staking.sol#L551-569 The disableValidator and activateValidator functions in the Staking contract lack **Description** the corresponding event triggers, 551 552 _activateValidator(address validatorAddress) internal { Validator memory validator = validatorAddress) Internal { Validator memory validator = validatorShap(validatorAddress); require(_validatorShap[validatorAddress].status == ValidatorStatus.Pending, "Staking: not pending validator"); _activeValidatorsList.push(validatorAddress); validator.status = ValidatorStatus.Active; _validatorsMap[validatorAddress] = validator; 553 554 555 557 558 559 function disableValidator(address validator) external onlyFromGovernance virtual override { _disableValidator(validator); 560 561 562 function _disableValidator(address validatorAddress) internal { Validator memory validator = _validatorsMap[validatorAddress]; require(_validatorsMap[validatorAddress].status == ValidatorStatus.Active, "Staking: not active validator"); _removeValidatorFnonActiveList(validatorAddress); validator.status = ValidatorStatus.Pending; 563 564 565 566 567 568 _validatorsMap[validatorAddress] = validator;

Figure 12 Source code of disable Validator & activate Validator functions (Unfixed)

Recommendations It is recommended to add their event triggers.

```
Fixed.

| Status | Fixed | Function | activateValidator(address validatorAddress) | internal { | Validator memory validator | validatorAddress | validatorStatus | validatorSt
```

Figure 13 Source code of disable Validator & activate Validator functions (Fixed)



[Chiliz Chain 2.0-7] Poorly designed claim function

Severity Level	Info	
Туре	Business Security	
Lines	StakingPool.sol#L166	
Description	When the user does not cancel the stake, the pendingUnstake.epoch at this time is	
•	equal to zero, then the use of greater than or equal to zero here is constant.	

function claim(address validator) external advanceStakingRewards(validator) override { 162 PendingUnstake memory pendingUnstake = _pendingUnstakes[validator][msg.sender]; 163 uint256 amount = pendingUnstake.amount; 164 uint256 shares = pendingUnstake.shares; // make sure user have pending unstake 165 require(pendingUnstake.epoch >= 0, "StakingPool: nothing to claim");
require(pendingUnstake.epoch <= _stakingContract.currentEpoch(), "StakingPool: not ready");</pre> 166 167 // updates shares and validator pool params 168 169 _stakerShares[validator][msg.sender] -= shares; ValidatorPool memory validatorPool = _getValidatorPool(validator); 170 171 validatorPool.sharesSupply -= shares; 172 validatorPool.totalStakedAmount -= amount; validatorPool.pendingUnstake -= amount; 173 _validatorPools[validator] = validatorPool; 174 // remove pending claim 175 176 delete _pendingUnstakes[validator][msg.sender]; 177 // its safe to use call here (state is clear) 178 require(address(this).balance >= amount, "StakingPool: not enough balance"); 179 payable(address(msg.sender)).transfer(amount); 180 // emit event 181 emit Claim(validator, msg.sender, amount);

Figure 14 Source code of claim function (Unfixed)

Recommendations It is recommended to modify it to be greater than zero.

```
Status
                                            Fixed.
                                                161
                                                              function claim(address validator) external advanceStakingRewards(validator) override {
                                                                   PendingUnstake memory pendingUnstake = _pendingUnstakes[validator][msg.sender];
                                                162
                                                                   uint256 amount = pendingUnstake.amount;
                                                                  unint256 almost = pendingUnstake.almount;
uint256 shares = pendingUnstake.shares;
// make sure user have pending unstake
require(pendingUnstake.epoch > 0, "StakingPool: nothing to claim");
require(pendingUnstake.epoch <= _stakingContract.currentEpoch(), "StakingPool: not ready");
// updates shares and validator pool params</pre>
                                               164
165
                                                167
                                                168
                                                169
                                                                    stakerShares[validator][msg.sender] -= shares;
                                                                   ValidatorPool memory validatorPool = _getValidatorPool(validator); validatorPool.sharesSupply -= shares;
                                                170
                                                171
                                                172
                                                                   validatorPool.totalStakedAmount -= amount;
                                                                   validatorPool.pendingUnstake -= amount;
                                                173
                                                                   _validatorPools[validator] = validatorPool;
                                                                   // remove pending claim delete _pendingUnstakes[validator][msg.sender];
                                                175
                                                176
                                                177
                                                                   // its safe to use call here (state is clear)
                                                                   require(address(this).balance >= amount, "StakingPool: not enough balance");
                                                178
                                                179
                                                                   payable(address(msg.sender)).transfer(amount);
                                                180
                                                181
                                                                   emit Claim(validator, msg.sender, amount);
                                                182
                                                183
                                                              receive() external payable {
                                                184
                                                                   require(address(msg.sender) == address(_stakingContract));
                                                186
```

Figure 15 Source code of *claim* function (Fixed)



3 Appendix

3.1 Vulnerability Assessment Metrics and Status in Smart Contracts

3.1.1 Metrics

In order to objectively assess the severity level of vulnerabilities in blockchain systems, this report provides detailed assessment metrics for security vulnerabilities in smart contracts with reference to CVSS 3.1 (Common Vulnerability Scoring System Ver 3.1).

According to the severity level of vulnerability, the vulnerabilities are classified into four levels: "critical", "high", "medium" and "low". It mainly relies on the degree of impact and likelihood of exploitation of the vulnerability, supplemented by other comprehensive factors to determine of the severity level.

Impact Likelihood	Severe	High	Medium	Low
Probable	Critical	High	Medium	Low
Possible	High	High	Medium	Low
Unlikely	Medium	Medium	Low	M Info
Rare	Low	Low	Info	Info

3.1.2 Degree of impact

Severe

Severe impact generally refers to the vulnerability can have a serious impact on the confidentiality, integrity, availability of smart contracts or their economic model, which can cause substantial economic losses to the contract business system, large-scale data disruption, loss of authority management, failure of key functions, loss of credibility, or indirectly affect the operation of other smart contracts associated with it and cause substantial losses, as well as other severe and mostly irreversible harm.

High

High impact generally refers to the vulnerability can have a relatively serious impact on the confidentiality, integrity, availability of the smart contract or its economic model, which can cause a greater economic loss, local functional unavailability, loss of credibility and other impact to the contract business system.



Medium

Medium impact generally refers to the vulnerability can have a relatively minor impact on the confidentiality, integrity, availability of the smart contract or its economic model, which can cause a small amount of economic loss to the contract business system, individual business unavailability and other impact.

Low

Low impact generally refers to the vulnerability can have a minor impact on the smart contract, which can pose certain security threat to the contract business system and needs to be improved.

3.1.4 Likelihood of Exploitation

Probable

Probable likelihood generally means that the cost required to exploit the vulnerability is low, with no special exploitation threshold, and the vulnerability can be triggered consistently.

Possible

Possible likelihood generally means that exploiting such vulnerability requires a certain cost, or there are certain conditions for exploitation, and the vulnerability is not easily and consistently triggered.

Unlikely

Unlikely likelihood generally means that the vulnerability requires a high cost, or the exploitation conditions are very demanding and the vulnerability is highly difficult to trigger.

Rare

Rare likelihood generally means that the vulnerability requires an extremely high cost or the conditions for exploitation are extremely difficult to achieve.

3.1.5 Fix Results Status

Status Description	
Fixed	The project party fully fixes a vulnerability.
Partially Fixed The project party did not fully fix the issue, but only mitigated the issue.	
Acknowledged	The project party confirms and chooses to ignore the issue.



3.2 Audit Categories

	No.	Categories	Subitems
	BEO Blockchain	Coding Conventions	Compiler Version Security
			Deprecated Items
			Redundant Code
			require/assert Usage
			Gas Consumption
IN	2	General Vulnerability	Integer Overflow/Underflow
			Reentrancy
			Pseudo-random Number Generator (PRNG)
			Transaction-Ordering Dependence
			DoS (Denial of Service)
			Function Call Permissions
			call/delegatecall Security
			Returned Value Security
			tx.origin Usage
			Replay Attack
			Overriding Variables
			Third-party protocol interface consistency
5 IN	BEO Blockshain	SIN	Business Logics
			Business Implementations
		3 Business Security	Manipulable token price
			Centralized asset control
			Asset tradability
			Arbitrage attack

Beosin classified the security issues of smart contracts into three categories: Coding Conventions, General Vulnerability, Business Security. Their specific definitions are as follows:

Coding Conventions

Audit whether smart contracts follow recommended language security coding practices. For example, smart contracts developed in Solidity language should fix the compiler version and do not use deprecated keywords.

General Vulnerability



General Vulnerability include some common vulnerabilities that may appear in smart contract projects. These vulnerabilities are mainly related to the characteristics of the smart contract itself, such as integer overflow/underflow and denial of service attacks.

Business Security

Business security is mainly related to some issues related to the business realized by each project, and has a relatively strong pertinence. For example, whether the lock-up plan in the code match the white paper, or the flash loan attack caused by the incorrect setting of the price acquisition oracle.

^{*}Note that the project may suffer stake losses due to the integrated third-party protocol. This is not something Beosin can control. Business security requires the participation of the project party. The project party and users need to stay vigilant at all times.









3.3 Disclaimer

The Audit Report issued by Beosin is related to the services agreed in the relevant service agreement. The Project Party or the Served Party (hereinafter referred to as the "Served Party") can only be used within the conditions and scope agreed in the service agreement. Other third parties shall not transmit, disclose, quote, rely on or tamper with the Audit Report issued for any purpose.

The Audit Report issued by Beosin is made solely for the code, and any description, expression or wording contained therein shall not be interpreted as affirmation or confirmation of the project, nor shall any warranty or guarantee be given as to the absolute flawlessness of the code analyzed, the code team, the business model or legal compliance.

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The Audit Report issued by Beosin in no way provides investment advice on any project, nor should it be utilized as investment suggestions of any type. This report represents an extensive evaluation process designed to help our customers improve code quality while mitigating the high risks in Blockchain.



3.4 About BEOSIN

Affiliated to BEOSIN Technology Pte. Ltd., BEOSIN is the first institution in the world specializing in the construction of blockchain security ecosystem. The core team members are all professors, postdocs, PhDs, and Internet elites from world-renowned academic institutions.BEOSIN has more than 20 years of research in formal verification technology, trusted computing, mobile security and kernel security, with overseas experience in studying and collaborating in project research at well-known universities. Through the security audit and defense deployment of more than 2,000 smart contracts, over 50 public blockchains and wallets, and nearly 100 exchanges worldwide, BEOSIN has accumulated rich experience in security attack and defense of the blockchain field, and has developed several security products specifically for blockchain.



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