

A Value Development Game Based on Blockchain

## **CryptoTree White Paper**

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# Preface

This Whitepaper tells a story about the new wealth in the future world.

The world is undergoing earth-shaking changes which originated from the **transformation of human society from the era of material civilization to the era of spiritual civilization**. Its fundamental significance lies in that: wealth is finally unified with humanity and no longer splits, and the spiritual world of human beings has begun to become its greatest source of wealth. The direct effect it brings to the future society is that the value of material wealth in human society will continue to decrease whilst a constant improvement in the value of spiritual wealth. Humanity has entered the era of higher civilization. This great transformation of civilization is marked by the emergence of three major technologies.

## 1. Internet Technology

In 2014, China Central Television filmed a large-scale documentary named The Internet Age, which once screamed to the world that the emergence of Internet technology opened the door for humanity to the virtual world. The great migration of human society from the real world to the virtual world has begun. **In the future, human mainly create new wealth in visual world.**

## 2. Artificial Intelligence Technology

From the end of 2016 to the beginning of 2017, the artificial intelligence program AlphaGo competed with human Go masters for 60 games and suffered no defeat. This event symbolizes the rise of artificial intelligence as well as the coming of the era of human-computer coexistence and division of labor in human society. **In the future world, machines are used for meeting human's material needs and continuously creating traditional material wealth, whilst human beings are responsible for satisfying their spiritual needs and mainly creating new spiritual wealth.**

## 3. Blockchain Technology

In 2008, a person or team being known as the pseudonym Nakamoto released the whitepaper named Bitcoin A Peer-to-peer Electronic Cash System. In 2009, the first bitcoin was dug up. Bitcoin and the blockchain technology thereunder unveiled the new chapter of human digital trust. **In the future, human beings will create new wealth mainly on basis of digital trust.**

The above three major technologies are inseparable from the blockchain in terms of the level of the new wealth. It can be seen that the value and significance of blockchain technology to humans goes far beyond any technology and invention in human history. Only the creation of blockchain technology can realize a more humanized, transparent, fairer and better society.

The CryptotTree introduced herein reveals the mystery of the new wealth in the future world.

## Content

### I. The origin and name of CryptoTree

#### 1. CryptoTree is one part of the FudeTree Trilogy

FudeTree, with the full name being “FudeTree Knowledge Sharing Community”, is a value-sharing ecosystem that directly transforms people's intrinsic value into digital assets. It divides into three development stages, including CryptoTree (1<sup>st</sup> Stage), FudeTree (2<sup>nd</sup> Stage) and Golden Banian(3<sup>rd</sup> Stage). CryptoTree transforms people's time into encrypted digital assets; FudeTree transforms people’s knowledge into encrypted digital assets; Golden Banyan transforms human relation into encrypted digital assets.

FudeTree believes **the encrypted digital asset generated by time, knowledge and relation is the most basic personal wealth that a person possesses inherently. It is also a new wealth that will occupy a dominant position in the future world.**

#### 2. Origin of the name of CryptoTree (Babaoshu in Chinese)

The name "Babao" comes from eight different "DX" the tree can produce, namely filial piety, brotherhood, loyalty, trustworthiness, propriety, righteousness, incorruptibility and a sense of shame. We regard them as "Eight Virtues".

The essence of the blockchain based new economy is the consensus economy. When a person can abide by the virtues of "filial piety, brotherhood, loyalty and trustworthiness" and take the virtues of "propriety, righteousness, incorruptibility and a sense of shame" in the society, his personality and fortune must be good. No matter what he does, he can obtain the most consensus. In other words, in the blockchain based new economy, this “Eight Virtues” is the largest eight treasures for each of us to mine our inner wealth.

### II. What is CryptoTree

CryptoTree is a blockchain based value-building game, a game-shaped eco-economy. It contains the following meanings:

**Firstly, CryptoTree is a game.**

**Secondly, CryptoTree possesses relevant characteristics of blockchain products.**

**Thirdly, CryptoTree is a game that can create wealth value.**

**Fourthly, the game value of the CryptoTree can be further developed.**

**Fifthly, Crypto builds a value-sharing eco-economy through game.**

CryptoTree is a diversified, composite and encrypted digital asset community including elements such as advertising, teaching and entertainment. Just like the forest ecology system, CryptoTree possesses the abilities of self-creation, self-regulation, and self-circulation.

### III. CryptoTree’s game structure

The CryptoTree game is designed in accordance with the requirements of online games in

mainland China. Players play this game is for the purpose of improving the value of their CryptoTrees. The higher the value of these CryptoTrees, the higher the total value of the entire CryptoTree economy community is. And the total value is shared by all CryptoTree players. FF is the shared score. The total amount of FF is fixed. Then, when the total value of the CryptoTree economy increases, the price of FF will inevitably rise, so will the wealth of the players who hold FF.

The above is the overall value structure of CryptoTree game. The following describes the specific asset classes, allocation ratios, basic playing method and value presentation.

### 1. Asset Classes

CryptoTree ecology consists of several encrypted digital assets.

- (1) **YL**: Virtual currency, homogeneous asset. The stable currency of CryptoTree ecology, released unlimitedly.
- (2) **FF**: Game currency, homogeneous assets. The shared score of CryptoTree ecology, released 60 billion FF by limit.
- (3) **DX**: Game props, nonhomogeneous assets. The shared score of DX advertising platform, released unlimitedly and can be recycled.
- (4) **GGW**: Game props, nonhomogeneous assets. The advertising carrier of the whole CryptoTree with a limited release of 12 million GGW.
- (5) **HCI**: Game props. nonhomogeneous assets. Gene carriers and trading bodies, released unlimitedly and can be recycled.
- (6) **CryptoTree (BBS)**: Game props. nonhomogeneous assets. The main body of the game assets with a limited release of 600,000 plants.

### 2. Asset Allocation

CryptoTree is an open, value-sharing ecological economy. Value sharing is mainly reflected in the sharing of FF. Therefore, the asset allocation we refer to is also mainly the allocation of FF.

The total amount of FF issued is 60 billion. The main allocation modes are as follows:

(1) <b>Founder team and investors</b>	3 billion	5%
(2) <b>Market operation and value operation</b>	1.8 billion	3%
(3) <b>Community promotion and socialization development</b>	3.6 billion	6%
(4) <b>Game mining(CryptoTree Game Forest Ecology)</b>	16 billion	27%
(5) <b>Knowledge mining (FudeTree Knowledge Community Ecology)</b>	35.6 billion	59%

The FF held by the founder team and investors accounts for 5%, and the remaining 95% is open to the society. We do not cash out through the means of private placement, ICO, STO and etc. The purpose is not to leave any back road for ourselves. If we success, everyone wins. If we fail, we admit it. However, no one can reap anyone's leeks.

### 3. How to Play

The aim of the game is to constantly improve the value of CryptoTree mainly by the means of

improvement of hashrate and gene.

### **(1) Improvement of Hashrate**

CryptoTree has Permanent Hashrate and Temporary Hashrate. Its Hashrate decides the output of FF and DX, and it can be increased by gene pairing and Hashrate adding (Note: Zhu is the unit of Hashrate).

### **(2) Improvement of Gene**

Gene decides CryptoTree's performances such as output, quality, appearance, color and luster. Different performances correspond to different values. Genes can be improved through pairing and mutation.

## **4. Money making**

As a blockchain based value-building game, the value-building is the core of CryptoTree. Regarding this core, there are many ways to make money. That is to say there is also a variety of modes to earn FF.

- (1) **FF Collection.** CryptoTrees can automatically produce FF according to their Hashrates, and players only need to collect them. It is the most important form to earn FF.
- (2) **DX Draw and Trading.** CryptoTrees can produce DX, and 8 DX(s) can play the draw game. You can buy or sell DX on the market by using FF.
- (3) **Pairing Trading.** You can put your CryptoTree with outstanding gene on the market for pairing so as to earn FF.
- (4) **Watering.** In case a player does not promptly pick up FF and DX on his CryptoTree, these unreceived (unconfirmed) assets will be recycled to the mining pool. When other player helps with watering his tree, such FF and DX can be collected (confirmed) on his behalf. And there is a chance for the helper to get a certain FF and DX return.
- (5) **Merging, Guessing and Trading.** Merging two CryptoTrees could improve the performance of CryptoTree. Merging bacterium is required and can be traded on the market through FF.
- (6) **Splitting and Trading.** Splitting one CryptoTree into two gets a parent CryptoTree and a subsidiary CryptoTree. A subsidiary CryptoTree can be traded on the market through FF.
- (7) **Parent CryptoTree and Trading.** The initial CryptoTree is the parent tree and can be traded on the market through FF.
- (8) **Trading on Advertising Position.** Advertising position possesses the value of posting advertising and can be traded on the market through FF.

CryptoTree is an encrypted digital eco-economy. FF is the standard of value measure and value-sharing in this economy. CryptoTree, advertising position, DX and merge bacterium are all encrypted digital assets in this economy. The value of FF does not appear out of nowhere, but depends on the sum of the values of these encrypted digital assets.

## **IV. Value Principle**

How to embody the value of FF?

In people's traditional thinking, game is entertainment which is a time-consuming and costly consumer behavior. Why can the CryptoTree game create value?

### 1. Time Value

In a certain time frame, time is the fairest, most transparent and valuable thing for each of us. Assuming that the CryptoTree makes you to spend an average of 0.5 hours a day, then you spend 0.5 hours less in other aspects. If these hours are used for creating value in other aspects, you have to make a choice. This shows time is valuable. The CryptoTree transforms the value into an encrypted digital asset through game.

### 2. Labor Value

People expend labor to play any game. But traditional games can neither quantify this kind of labor nor socialize the fruits of labor. Therefore, the value of its game props can only be reflected in the player's capital investment, and the player's labor is basically ignored.

**When playing CryptoTree, besides time, you also need knowledge, intelligence, interpersonal relationships to judge, choose and assist. It is a kind of unrepeatable and unique spiritual labor.**

CryptoTree uses blockchain technology to quantify and confirm such labor results, so that such labor results can be traded and exchanged in the global digital asset market. Its labor value therefore can be widely recognized by society.

### 3. Luck Value

When playing CryptoTree game, even if you spend time, knowledge, intelligence, and interpersonal relationships, you still can't guarantee the maximization of value. Because there is also the reason of luck. If spending the same amount of time and effort, the results may be several times or dozens of times better than others due to good luck. Then, the several times and dozens of times of value is the luck value.

Regarding the creation of most spiritual wealth, time, labor, and luck are the three major factors that determine the amount of value. As for CryptoTree, blockchain technology is used to make these three factors more transparent, more reliable and fairer. In other words, the value of wealth created here is actually more convincing.

## V. Value Embodiment of CryptoTree

The above three value principles are concentratedly embodied on CryptoTree. CryptoTree also specifically combines three Internet value models namely game value, advertising value and financial value, and its value can be infinitely magnified.

### 1. CryptoTree's game value

CryptoTree's game value is embodied in the tree per se.

A tree is similar to a Cryptokitty. Each tree is unique and belongs to the player's private property. As an encrypted digital asset on basis of blockchain, it can be circulated through the global trading market of digital asset. **The goal of a player is to make his CryptoTree into a top-level, rare and composite encrypted digital asset, thus obtaining higher market valuation.**

The biggest difference between CryptoTree with the Cryptokitties, Letsdog, and LinkMonkey is that the CryptoTree possesses value-building feature, and they can increase the value of their CryptoTrees through game.

CryptoTree possesses game value. With the performance of CryptoTree improves, the value of the game will be constantly increased.

## **2. CryptoTree's Advertising Value**

CryptoTree's advertising value is also reflected in the tree per se. Its advertising positions added and DX produced are two models of advertisings.

### **Firstly, Advertising Position**

When an advertising position is used, the advertising content can be displayed for all CryptoTree players for 6-12 seconds. Each advertising position can only be used once, and it will be destroyed after use. Then the total advertising positions will deduct one.

The increasing of CryptoTree players determines the value of advertising positions will increase accordingly.

### **Secondly, DX Advertising**

An advertisement will be displayed when you harvest DX from CryptoTree. DX advertising refers to sharing economy advertisement, and 80% of the advertising fee enters to the jackpot, which is shared by the players through DX luck draw and shared bonus. More bonuses bring more players, and more players make better advertising effect. Better advertising effect will attract more advertising companies, which is a circle.

CryptoTree possesses advertising value. The advertising value will continuously increase with the increasing of CryptoTree players.

## **3. CryptoTree's Financial Value**

CryptoTree's financial value is also reflected in the tree per se. FF produced by the tree is based on blockchain algorithm and is limitedly issued with global consensus. The value of FF increases with the growth of the total value of the CryptoTree economy. The increase in the value of FF will attract more players, further increasing the total value and thus further increasing the value of FF.

CryptoTree possesses financial value. With the growth of the value of FF, its financial value also continuously improves.

## **VI. CryptoTree's Value Ecosystem**

CryptoTree's eco-economy, emulating the natural forest ecology, has the function of internal and external self-circulation and is a value-sharing economy capable of sustainable and healthy development.

### **1. The internal circulation of CryptoTree's ecological value**

In CryptoTree ecology, encrypted digital assets such as CryptoTree, DX, advertising position, and merge bacterium are integrated into an organic value through the tree. Moreover, it is an organism capable of value development and growth.

#### **(1) The growth momentum of CryptoTree's advertising value**

The advertising value of one CryptoTree is embodied in advertising positions and DX advertising.

**Advertising Positions.** Advertising can be circulated through the whole network. The more users, the higher the advertising value is. The price of advertising position therefore is higher.

**DX Advertising.** Advertising can be accurately delivered. The more users, the better the advertising effect is. The bonus pool therefore will be more. The more bonuses then will attract more users. User growth is the growth momentum of CryptoTree's advertising value.

## (2) The growth momentum of CryptoTree's game value

Pairing, splitting, merging, and mutation can improve the performance of CryptoTree and enhance the value of CryptoTree. However, whereas there are factors such as time, labor, and luck, the promoted value of different people must be different.

Once very few players develop a rare CryptoTree in certain phase, its value effect will inevitably encourage more players. As the number of players increases, better and more rare CryptoTree will be developed again, which will refresh the highest price of CryptoTree and thus attract more players... This is the value development.

Value development is the growth momentum of CryptoTree's game value.

## (3) The growth momentum of CryptoTree's financial value

CryptoTree can produce FF every day. It is a permanent soft miner consuming no energy and resource.

When the advertising value and game value in the CryptoTree ecological economy are growing, the value of FF will definitely increase. When the value of FF grows, the benefits of CryptoTree are even more, and it will attract more players. And when more players enter, the advertising value and game value of the economy will be further enlarged.

FF production is the growth momentum of CryptoTree's financial value.

It can be seen that the advertising value, game value and financial value of CryptoTree have an internal circulation mechanism.

## 2. The external circulation of CryptoTree's ecological value

In addition to internal circulation, CryptoTree ecosystem also has more powerful external circulation, which is mainly reflected in the level of fully opening value sharing. The basic meaning is: **the resources and values of the CryptoTree ecology are shared to the whole society**. It mainly lies in two aspects, namely, **adding energization** and **forest ecology**.

### (1) CryptoTree adding energization

Advertising positions can increase the permanent Hashrate of CryptoTree. However, the total number of advertising issued is 12 million, and one CryptoTree can be added up to 1000 advertising positions which is a **complete adding**. If everyone who plays CryptoTree at first chooses complete adding, then there will be no advertising positions added for the later 500,000 CryptoTrees (600,000 CryptoTrees in total). This means that their permanent Hashrate cannot be



improved, and the output of FF will be much lower. It is obviously unfair to late-comers.

The solution is that any physical assets or virtual assets with appreciation space can be used to add permanent Hashrate to the other 500,000 CryptoTrees. **Adding is actually a process of digitizing the property rights of other assets and confirming the same to the CryptoTree. CryptoTree players then pay to the property rights owner of the assets.** In this way, many traditional assets and backlog assets can be revitalized. This is the effect of CryptoTree's adding energization.

Therefore, the advertising position is only the first batch. In the future, there will be the second batch and third batch. As for what assets and the amount of complete adding, it takes more than 51% of the players to vote for it.

The mode of adding energization with real economy is created by CryptoTree for the first time.

## **(2) CryptoTree's forest ecology**

CryptoTree is an open game eco-economy with its **core being value openness**. Just like the aforesaid adding energization, it is actually adding CryptoTree's partial FF value to the partner who adds assets.

The broader value openness of CryptoTree lies in its game forest ecosystem.

**In the CryptoTree game forest ecosystem, all blockchain games can be used to mine FF and share the value of the CryptoTree economy in accordance with established rules.**

In short, CryptoTree welcomes any blockchain game developers to dig for FF according to the smart contract. And no matter how high the value of FF is, CryptoTree can be provided for free, reserving no shareholding and requesting no return. "There will not be a pie in the sky," but the forest ecology of CryptoTree does have pie.

**Regarding the level of adding energization**, the more other assets added on the CryptoTree, the higher the overall value of CryptoTree ecological economy is. The higher the overall value of the economy, the higher the price of FF is. The higher value of FF attracts more players to add permanent Hashrate, which will attract more social assets.

**Regarding the level of forest ecology**, the more other series of tree games, the more users of FF are. The more FF users, the larger the group of FF value consensus is. The larger the value consensus group, the higher the value of FF is. Higher value of FF attracts more tree game projects as well as more users.

## **VII. CryptoTree's shared economic system**

CryptoTree is a shared economy in its true sense, and **its core is value sharing. It is mainly reflected in the three principles including the socialization of sharing-score, the popularization of sharing-score mining and the sharing of value.** It mainly lies in the following:

### **1. FF held by the founding team and investors accounts for less than 5%**

CryptoTree believes that when the founding team holds more than 30% Token, value sharing becomes an empty talk. The reason is that no matter how to carry out socialization development, the founding team always owns the most interests. Imagining if Satoshi Nakamoto team had more than 30% bitcoins, who would dare to believe in Bitcoin in the early days.

### **2. FF cannot be cashed in any ways**

Cutting the leek by big bankers is the largest market cancer in the early stage of the development of the cryptocurrency circle. CryptoTree only issues FF without private placement, ICO or development of any group users and large users. The purpose is to minimize the emergence of the big bankers in the early stage, reduce the risk of speculation and prevent ordinary users from being cut by the bankers.

### **3. Mining mechanism in the sense of shared benefits**

The greatest social significance of the sharing economy should be to reduce the polarization of wealth and to achieve common prosperity.

The mining mechanism of Bitcoin and Ethereum has made their output monopolized by a few groups. This is the biggest drawback of BTC, ETH, and EOS.

To this end, CryptoTree requires that a real-name user can only own one CryptoTree. The maximum Hashrate of each CryptoTree can only achieve 250. It aims to ensure the maximum fairness and shared-benefits in value sharing.

### **4. The value of FF is open to the whole society**

In CryptoTree's forest ecosystem, the value of FF is not only shared by CryptoTree players, but also shared by other blockchain game players. **This is the most shocking core meaning and value of the blockchain new economy, and it will also subvert all traditional business models.**

There is an old saying in China: "Gathered money makes less people; scattered money brings more people" It's a good place to use it here. Where does the value of FF come from? It comes from users' consensus. More users makes greater consensus, and thus the value of FF is higher.

## **VIII. The value operation logic of CryptoTree**

CryptoTree neither needs bankers nor speculate FF. However, FF will not rise by itself. What methods can be used to let the market and users see the value of CryptoTree. This requires value management that roughly divided into three phases.

### **The first stage, the leading stage of advertising value**

The first 3-6 months refer to the first phase. There may not be many users, the game experience is poor, and the value of FF is also very low. The market value of CryptoTree mainly depends on the value of advertising. Both advertising positions and DX advertisements can improve the value in the previous period. The first phase of value operation, to put it bluntly, is to active the trading of advertising positions.

### **The second stage, the leading stage of financial value**

6-18 months refer to the second phase. At this stage, the market value of FF, which is the financial value of CryptoTree, began to manifest itself.

Because the increase in the value of advertising will directly bring about a rise in the price of FF. The increase in the price of FF will attract more players. The CryptoTree in short supply brings trading in the market. The price of CryptoTree has risen, and the value of FF will be further improved. The second phase of value operation is to active the trading of ordinary CryptoTree in the market.

### **The third stage, the leading stage of game value**

After 18 months, it will come to the third stage, namely the leading stage of game value.

CryptoTree's value development requires time, labor and luck. Time and labor are directly proportional to luck. The longer time and greater the amount of labor you spend, the greater the proportion of luck is. After 18 months, some top-level CryptoTrees will appear on the market.

When a thing is rare, it becomes precious. The prices of these top-level CryptoTrees may be dozens of times or even hundreds of times higher than the ordinary trees. Why can a virtual tree be worth so much money? **Because it is a cohesion of time, labor and luck of hundreds of millions of players as well as consensus of hundreds of millions of users. They are the digital articles of luxury and collectibles in the future world.**

Therefore, the value operation in the third stage is to infinitely enlarge the value of top-level CryptoTrees.

## **IX. The social value of CryptoTree**

CryptoTree is a money-making game based on blockchain. All gameplay and rules in this game reflect the value of "consensus" and "harmony" rather than the value of competition and struggle. Therefore, CryptoTree hopes to bring both new wealth and the concepts and ideas that can create new wealth to people.

### **1. Consensus creates value**

The highest value goal for CryptoTree players is to create high-value CryptoTrees, even sky-high value CryptoTrees. Many people cannot figure out why a virtual tree, no matter its rare gene and excellent performance, can be sold at the price of hundreds of millions or billions Yuan. Who will buy it and for what?

LI Xiaolai said he is the richest man for holding Bitcoins, but more people expressed doubts. But LI Xiaolai cannot display the bitcoins he owned to people. But in the future, a player will only show his most expensive CryptoTree in his cyberspace without any explanation, and the whole world will recognize this player as the richest man in the CryptoTree ecological economy. The reason lies in that **how expensive this tree can be depends on the consensus of all CryptoTree players.**

Who will buy it and for what? It seems so simple.

## **2. Connections improve value**

In the genetic pairing of CryptoTree, there is a rule of connection pairing. You can connect up to 5 CryptoTrees for pairing at the same time including your CryptoTree. The purpose of the connection is to ensure the success rate of pairing.

Since a high-priced CryptoTree needs countless connection pairing. So, is your relations with people good? If you cannot create more connections, it's impossible to create a top-level CryptoTree.

And how can to be a good person and enjoy good relations with people? It's very simple. Regarding yourself, the virtues of "filial piety, brotherhood, loyalty and trustworthiness" shall be followed; for others, the virtues of "propriety, righteousness, incorruptibility and a sense of shame" shall be abided by. The eight virtues is also the eight channels that unite the users' consensus.

## **3. Harmony amplifies value**

Before the creation of CryptoTree, all business models in human society were almost zero-sum games. However, CryptoTree is the first harmony and win-win business and game model.

In this game, there are partners but no enemies; there are winners but no losers. Even if someone is the first to create a sky-high price CryptoTree, it does not mean he is the winner and you are the loser. Assuming your CryptoTree has been sold at the price of RMB 6 billion yuan. Then, the total value of the entire CryptoTree economy is equivalent to an increase of 6 billion. The FF of each of us will be increased by 0.1 yuan. That is win-win, and there will be no losers.

CryptoTree's business model is just the same as its game model. **It only has partners rather than competitors.**

You are optimistic about the CryptoTree business model and want to build one as per your own ideas. No problem, we share the valuable FF in the market with you. If your creativity and rules are more attractive to players, and your players have scored more points than CryptoTree players, the CryptoTree economy can be totally dominated by you.

You can attract more players, so you can form greater consensus. The greater consensus brings higher value of FF. If the value of FF becomes higher, the interests of all players in the economy also become more. This is the value of harmony amplification.

CryptoTree is just a game-a blockchain game driven by interests. However if we can, through this game, bring the new thinkings and values "consensus creates value, connections improve value, and harmony amplifies value" to the society. CryptoTree is a great game.

## **X. CryptoTree's distributed governance mechanism**

The distributed governance mechanism of CryptoTree is tentatively scheduled as “one person, one vote”. The so-called “**one person, one vote**” means that all players who possess CryptoTrees and pass the real-name certification have the right to vote (one vote).

We do not determine vote right according to the amount of FF held by players, which is also the consideration for a fairer and more rational governance mechanism. Different vote rights on basis of the number of shares and tokens is a respect for capital rather than people. **No matter how many FF you hold, one person enjoys one vote and one CryptoTree has one vote. It is the best way to reflect fair human rights and fair humanity.**

According to this principle, the CryptoTree Community Governance Committee will be elected first. After everyone has a deeper understanding of the CryptoTree ecological economy, the Community Governance Committee will propose further governance programs.