



EXECUTIVE SUMMARY

GEN Chain emerges as a hyper-distributed blockchain ecosystem, ensuring equal participation for all on a fully decentralized foundation. By leveraging innovative technologies and community-driven principles, GEN Chain aims to empower individuals and redefine the core ideas of decentralization.

GEN Chain is a Layer-1 blockchain with Bitcoin support and EVM compatibility, dedicated to reshaping the future of decentralized networks. Through its innovative **Satoshi Plus consensus mechanism**, GEN Chain combines the power of Bitcoin mining and decentralized communities to create a highly secure, efficient, and scalable ecosystem.

The **Satoshi Plus consensus mechanism** is an innovative hybrid model that integrates Proof of Work (PoW) and Delegated Proof of Stake (DPoS). This mechanism allows Bitcoin miners and GEN token holders to secure the network by delegating BTC hash power to decentralized validators. Leveraging Bitcoin's decentralization and DPoS scalability, validators on GEN Chain ensure rapid block production and transaction verification.

The native token of GEN Chain, the **GEN token**, serves as the core force driving network governance and security. Token holders can:



DELEGATE GEN TOKENS TO VALIDATORS TO ENHANCE

**NETWORK SECURITY. PARTICIPATE IN GOVERNANCE TO SHAPE
THE FUTURE DIRECTION OF GEN CHAIN.**

With full **EVM compatibility**, GEN Chain facilitates seamless migration of Ethereum-based smart contracts and applications. It also extends functionality to support key projects and interactions with other compatible chains across the decentralized industry.

The GEN Chain ecosystem is thriving, featuring 10 custom-built projects centered on GEN Chain and various migrated applications compatible with other EVM-based ecosystems. Through unparalleled community engagement and developer collaboration, the ecosystem is witnessing innovation and sustainability on a large scale.

Governance of the GEN DAO, managed through GEN tokens, is currently conducted off-chain but is evolving towards a fully on-chain model. The **GEN BTC Bridge** is a permissionless multi-signature bridge within the protocol. **GEN BTC** is minted by locking BTC on Bitcoin, enabling users to utilize BTC on GEN Chain with reduced custodial risk compared to popular federation-based bridges.

Inspired by philosophy and innovation, the GEN token-governed community is poised to attract more participants. In the near future, it aspires to become one of the largest smart contract interaction hubs. Looking ahead, with more projects embracing GEN Chain, its planned integrations with top-tier projects like Layer Zero will undoubtedly drive the development of an unmatched ecosystem.

With leading builders, a growing community, and a groundbreaking consensus mechanism, GEN Chain is rising as a transformative force in the blockchain space.

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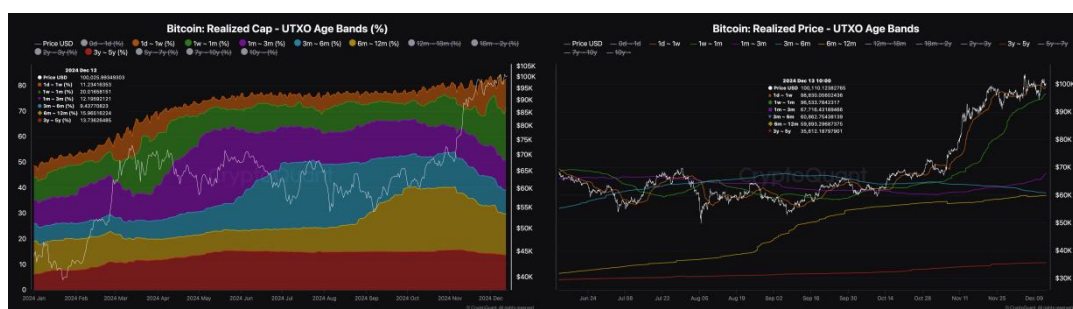
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1. BACKGROUND

1.1. BITCOIN BREAKS THE \$100,000 MILESTONE

Recently, Bitcoin's price breaking the \$100,000 mark has pushed its market capitalization to nearly \$2 trillion, surpassing major tech giants like Nvidia, Apple, and Google. This \$2 trillion market cap is even larger than the national debt markets of Spain and Brazil, and is approaching the total market cap of the UK's FTSE 100 index. Currently, Bitcoin's market value has exceeded that of Saudi Aramco. The breakthrough of \$100,000 marks a new phase in the bull market, and it now seems immune to any external shocks. Next year, the cryptocurrency market may experience a supply shortage.





This chart shows the BTC \$BTC Realized Market Cap by UTXO Age Range (%). It tracks the share of specific UTXO (Unspent Transaction Output) age groups in Bitcoin's realized market cap. The groups highlighted here are those that make up over 9.5% of the realized market cap: (1d ~ 1w), (1w ~ 1m), (1m ~ 3m), (3m ~ 6m), (6m ~ 12m), and (3y ~ 5y).

Realized Market Cap is a metric that evaluates the value of all circulating tokens based on the price at which they last moved. It provides insights into the share of tokens transferred within these specific age groups in Bitcoin's realized market cap.

1.2. THE CONCENTRATION OF POWER AND WEALTH POSES A THREAT TO BITCOIN'S DECENTRALIZATION

However, as the price of Bitcoin surged to tens of thousands of dollars, its original decentralized intent has gradually been diluted by centers of capital and power. Bitcoin was originally designed to provide a trustless, decentralized network, but in reality, it has slowly deviated from this vision.

In the early days of Bitcoin, when only a few individuals were dedicated to validating transactions and mining the first blocks, anyone could earn 50 BTC by running Bitcoin mining software on a personal computer. As the currency began to circulate, savvy miners realized that by using multiple computers to mine, they could earn more money.

The convenience of mining Bitcoin, followed by the rise of large-scale mining farms, quickly led to a concentration of production capacity and wealth within the Bitcoin network. To provide some context, 87% of Bitcoin is now owned by just 1% of its network, with many of these coins mined almost for free in the early days. Another example is that one of the largest Bitcoin mining operations in mainland China has earned billions of dollars in revenue and profits.

The centralization of power within the Bitcoin network has made it difficult and expensive for the average person to participate. One either needs to buy expensive equipment, consuming vast resources, and end up mining only a tiny amount of Bitcoin, or risk buying on exchanges. This year, we witnessed events such as the Wall Street Bets, GameStop, and AMC stock price events, which demonstrated how little control ordinary people have in these traditional financial structures. This centralized power structure has existed for years, but it has become particularly noticeable in the digital age. This moment has sparked a reevaluation of how more control can be decentralized to consumers and inexperienced investors. In this process, blockchain technology and decentralized financial systems offer a potential solution to achieve the decentralization of assets and democratization of investment on a broader scale.

Bitcoin was the first to show how cryptocurrencies can disrupt the current financial model, enabling people to transact without third-party interference. The increased freedom, flexibility, and privacy continue to drive the inevitable normalization of digital currencies. Despite the many benefits of Bitcoin, the concentration of capital and power presents a significant obstacle to its mainstream adoption.

As more large enterprises, government agencies, and capital groups enter the blockchain space, they are gradually taking control of what was once a decentralized ecosystem. For example, the U.S. Securities and Exchange Commission (SEC) has recently increased its regulation of the cryptocurrency market, including lawsuits against several major cryptocurrency exchanges, which has somewhat undermined individual users' trust in decentralized finance (DeFi). Meanwhile, some mining pools, due to the excessive concentration of hash power, have been criticized for potentially posing threats to network security and fairness.

1.3. THE DESIGN LIMITATIONS OF BITCOIN AND ITS FAR-REACHING IMPACT

Bitcoin's architecture includes deliberate limitations that stem from its prioritization of security and decentralization. While these features form the foundation of Bitcoin's position as the leading global blockchain, they also result in limitations in scalability and overall performance. To better understand these issues, the following provides a comprehensive exploration of Bitcoin's core limitations:

- Block Size and Transaction Throughput Bottlenecks

Bitcoin limits the size of each block to 1MB to maintain network decentralization and security. However, this design directly restricts the number of transactions processed per second, which is only 5–7 transactions, making it difficult to meet the needs of modern finance and high-frequency trading. In comparison, mainstream payment systems like Visa can process thousands of transactions per second. This significant gap makes Bitcoin challenging to be widely applied in mainstream economic activities.

- Confirmation Delays and Their Impact on Real-Time Processing

Bitcoin takes an average of around 10 minutes to validate each block, creating inherent delays that further limit its transaction efficiency. In scenarios where real-time processing is crucial, such as e-commerce and supply chain management, these delays become a major bottleneck, preventing Bitcoin from being widely adopted in these areas.

- Limitations in Smart Contracts and Development Flexibility

Functional Limitations of the Scripting Language

Bitcoin's scripting language is not Turing-complete and cannot perform complex computational logic. This means that Bitcoin-based applications are limited to simple payments and transaction verifications and cannot support more diverse

decentralized applications (DApps) or complex smart contracts.

Monolithic Developer Ecosystem

Bitcoin's developer community primarily focuses on the security of financial transactions and network stability, lacking support for smart contracts and new types of applications. This singular focus restricts Bitcoin's ecosystem diversity and innovation capacity, putting it at a disadvantage in competition with blockchain platforms that offer richer functionality.

- Bitcoin's Network Expansion and Interoperability Challenges

Lack of Flexibility and Upgradability

Bitcoin strictly adheres to its original design principles, which, while ensuring network stability and user trust, make it slow to introduce new features and adapt to new technologies. This rigidity hinders Bitcoin's technological progress, making it difficult to meet the complex needs of modern blockchain applications.

Interoperability and Limited External Communication

Bitcoin's isolated nature limits its collaboration with other blockchains, preventing it from meeting the advanced application needs that require cross-chain interaction. Additionally, the lack of seamless integration with external data sources and APIs restricts Bitcoin's potential in areas like decentralized finance (DeFi) and supply chain

management.

2.VISION

With the rapid development of blockchain technology, GEN Chain was born out of a deep reflection on the limitations of existing systems. It is not only a technological innovation but also a return to and extension of the original vision of blockchain. By combining technological breakthroughs with human-centered values, GEN Chain is dedicated to achieving a comprehensive transformation of decentralized ecosystems.

- Restoring the Core Value of Decentralization

Decentralization is the foundation of blockchain technology, but as capital and power centers gradually intervene, the principle of decentralization is facing challenges. GEN Chain aims to restore true power to users and communities through innovative technological design. We are committed to a transparent and open ecosystem, allowing all participants to equally benefit from the advantages of the technology. By relying on the security provided by Bitcoin miners and the network's decentralization, GEN Chain has built a fair governance structure to ensure that every node's voice is heard.

- Lowering the Barriers to Entry

Currently, the high technical and economic barriers in the blockchain field discourage many from participating. GEN Chain's mission is to create a more inclusive platform, offering everyone a fair opportunity to participate. By designing an efficient smart contract platform compatible with EVM, we simplify the technical complexity and lower development and usage costs, making it easy for everyday users to enter the Web3 world. We place the experience of developers and users at the core, optimizing both technology and the ecosystem to pave the way for future innovations.

- Promoting Technological Integration

GEN Chain is not only the successor of Bitcoin and Ethereum's philosophies but also a fusion and upgrade of these two concepts. We use the innovative Satoshi Plus consensus mechanism to combine Bitcoin's security with Ethereum's scalability. While maintaining network decentralization, we are also focused on enhancing blockchain performance and interoperability. By building a powerful decentralized platform, GEN Chain supports a diverse ecosystem, from DeFi applications to NFTs, providing a solid foundation for the future of the digital economy.

- Activating the Potential of Bitcoin

Bitcoin, as the beginning of blockchain technology, serves as the ultimate source of decentralized protection. GEN Chain's vision is to expand Bitcoin's protective scope, transforming it from a network that passively protects assets into an active player driving more digital assets and innovative use cases. By collaborating with Bitcoin

miners, GEN Chain provides additional economic incentives while maintaining the integrity and stability of the Bitcoin network. This not only strengthens Bitcoin's value but also lays a more solid foundation for the future of the blockchain ecosystem.

- Building a Sustainable Decentralized Future

GEN Chain firmly believes that a healthy blockchain ecosystem needs to be driven by technological innovation and supported by community strength. We not only focus on the forefront of technology but also on the growth and expansion of the community. Through multi-party collaboration, we aim to create an ecosystem that blends technological vitality with human warmth, allowing the concept of decentralization to integrate into every user's digital life.

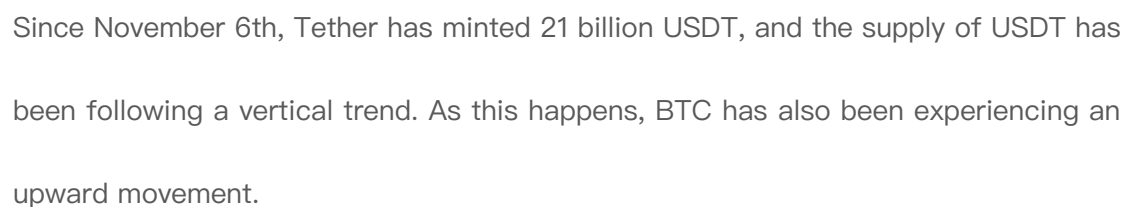
GEN Chain's goal is not only to solve the existing technological challenges of blockchain but also to provide a new framework for the global digital economy through the deep integration of technology and idea.

MARKET OPPORTUNITIES AND CHALLENGES

3.1. MARKET OPPORTUNITIES

- Blockchain Market Growth

Since 2020, 47 countries have expanded the use of BTC, and Bitcoin's global influence continues to grow.





- New User Demands

The younger generation's interest in blockchain technology and digital assets is rapidly increasing, particularly in the fields of cryptocurrency, NFTs, and decentralized finance (DeFi). According to industry reports, the demand for decentralized applications among millennials and Gen Z is growing sharply. They not only seek to invest in digital assets but also want to engage with new economic models through blockchain technology. For these young users, blockchain ecosystems that are easy to use and offer innovative experiences will be more appealing, creating significant growth potential for the market.

- Interoperability Demand

Cross-chain communication and multi-chain ecosystems are becoming central trends in blockchain development. As more projects are developed on different blockchain platforms, the demand for cross-chain interoperability has become increasingly

important. Users and developers expect to freely transfer assets and information between different chains without sacrificing security or decentralization principles. At the same time, the rise of cross-chain bridges, aggregation protocols, and multi-chain wallets has further promoted the realization of interoperability. This trend provides vast market opportunities for blockchain platforms that support multi-chain ecosystems.

3.2. MARKET CHALLENGES

- **Technical Bottlenecks**

Current blockchain technology faces significant bottlenecks in terms of performance and scalability. Many mainstream blockchains have low throughput, limited transaction processing speed, and long confirmation times. For example, traditional blockchains such as Bitcoin and Ethereum, while offering high levels of decentralization and security, process far fewer transactions per second compared to centralized systems. Additionally, transaction congestion during peak times and high transaction fees severely impact the user experience. Even though Ethereum introduced the Merge and scalability solutions, its scalability still falls short of meeting the global demand for high-frequency trading and complex smart contracts.

- Centralization risk

After many blockchain platforms introduced Proof of Stake (PoS) consensus mechanisms, the issue of staking centralization has become increasingly serious. Large institutions and staking service providers (such as exchanges) control a significant portion of the staked tokens, which poses a potential threat to the decentralization principle of the network. Moreover, due to high staking thresholds and complex technical requirements, ordinary users often find it difficult to participate directly, further exacerbating the concentration of resources. This trend not only undermines the decentralization concept of blockchain but may also lead to governance centralization issues, weakening the overall fairness and transparency of the network.

- User Education and User Acquisition

Although blockchain technology is becoming increasingly popular, many ordinary users still lack an understanding of its core concepts. For example, the use of decentralized wallets, the risks of key management, and the operational logic of smart contracts are unfamiliar to traditional internet users. Additionally, many users are still accustomed to traditional centralized services and lack the motivation to actively explore decentralized technologies. In order to attract more users into the blockchain ecosystem, project teams not only need to develop more user-friendly products, but also need to invest significant resources in education and guidance. For instance, organizing online lectures, user training, and community events can help lower the

cognitive barrier and enable users to better understand and engage with blockchain technology.

CORE DESIGN GOALS AND PRINCIPLES

GEN CHAIN: A DECENTRALIZED, SECURE, AND EFFICIENT BLOCKCHAIN PLATFORM

GEN Chain is a blockchain platform designed to combine the computational power of Bitcoin with advanced consensus mechanisms. Its design goals are to achieve decentralization, security, scalability, compatibility, and user-friendliness.

- **Decentralization: By combining the computational power of Bitcoin miners and a community voting mechanism, the network's decentralization is ensured.**

Combining Bitcoin Miners' Computational Power: GEN Chain leverages the computational power of Bitcoin miners as the foundation for network security. By allowing Bitcoin miners to participate in the verification process, it enhances the decentralization of the network.

Community Voting Mechanism: In addition to Bitcoin miners, GEN Chain allows GEN token holders to participate in network governance through delegated voting, empowering trusted nodes. This further decentralizes the control of the network.

Multi-Layer Node Election System: By combining DPoW (Data Proof of Work) and DPoS (Delegated Proof of Stake), GEN Chain establishes a multi-layered node election system that ensures both the decentralization and robustness of the network.

- **Security: The Satoshi Plus consensus mechanism enhances network security by preventing consensus attacks.**

Satoshi Plus Consensus Mechanism: GEN Chain utilizes the Satoshi Plus consensus mechanism, a proven system designed to effectively prevent consensus attacks. This mechanism integrates multiple security checkpoints and protective measures, ensuring that the network remains robust when facing various types of attacks.

Incentive Structure: GEN Chain has established a robust incentive structure by rewarding participants who identify and report malicious nodes, while penalizing the offending nodes. This mechanism encourages network participants to actively monitor network activities and collectively maintain the security of the network.

Regular Audits and Updates: GEN Chain is also subject to regular audits by top blockchain security firms. Based on audit results, necessary updates and fixes are implemented to ensure that the network's security remains at the highest level.

- **Scalability: Supporting High Throughput Transactions to Meet Global User Demands**

DPoS Consensus Mechanism: GEN Chain adopts the DPoS (Delegated Proof of Stake) consensus mechanism, which offers significant advantages in scalability. By adding more nodes, the network can significantly increase the block mining speed, thereby supporting higher transaction throughput.

Scalability Solutions: In addition to the DPoS consensus mechanism, GEN Chain is continually developing new scalability solutions, such as sharding technology, to further enhance the network's scalability. These solutions are designed to ensure that the network can continue to meet user demands and handle the growing volume of transactions in the future.

• **Compatibility: Achieving full compatibility with EVM (Ethereum Virtual Machine) to provide developers with a familiar development environment.**

Full EVM Compatibility: GEN Chain is fully compatible with the Ethereum Virtual Machine (EVM), meaning developers can use the familiar Solidity smart contract language to build applications on GEN Chain. This compatibility reduces development costs and time, making it easier to port Ethereum-based protocols to GEN Chain.

Cross-chain Communication: GEN Chain is also focused on enabling cross-chain communication with other blockchain projects to create a more interconnected blockchain ecosystem. Through cross-chain solutions, developers can transfer data and value between different blockchains, further expanding the application scenarios and potential user base of GEN Chain.

- **User-Friendliness: Lowering the Entry Barrier for New Users Through Simple and Intuitive Design**

User-Friendly Interface: GEN Chain offers a simple and intuitive web interface, allowing even blockchain beginners to easily get started. The interface design focuses on user experience, providing clear navigation and a variety of functional options.

Educational Resources: To help users better understand and use the network, GEN Chain provides a wealth of educational resources such as tutorials, documentation, and videos. These resources are designed to help users quickly grasp the basic operations and use cases of the network.

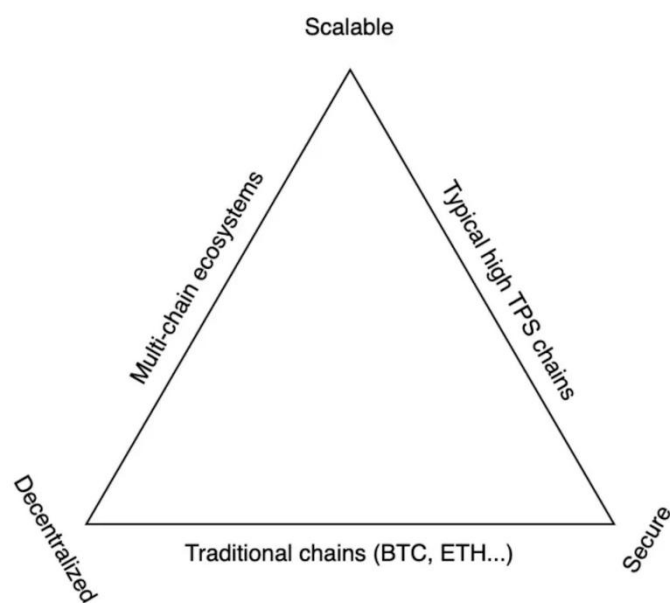
Community Support: GEN Chain has an active community where members interact, share experiences, and solve problems together. This community support provides users with a platform to learn and grow, ensuring that they receive continuous help and support while using the network.

GEN Chain, with its decentralized, secure, efficient, compatible, and user-friendly design principles, is gradually building a robust and flexible blockchain ecosystem. By combining Bitcoin's computational power with advanced consensus mechanisms, GEN Chain is injecting new energy and momentum into the development of the blockchain space.

In 2023, the Ordinals protocol greatly unlocked the potential value of the Bitcoin ecosystem, making Bitcoin the biggest trend of the year. Currently, Bitcoin's circulating market capitalization exceeds \$900 billion. However, due to inherent limitations such as the lack of support for smart contracts and scalability challenges, there remains vast untapped value within Bitcoin.

To build a decentralized financial ecosystem for Bitcoin and unlock its tremendous potential, projects within the Bitcoin ecosystem have long focused on two main approaches. On one hand, they aim to reuse Bitcoin's PoW mechanism based on the consensus of the Bitcoin mainnet to unlock Bitcoin's security value. On the other hand, they seek to enhance Bitcoin's liquidity and unlock its usability value by introducing mechanisms like Bitcoin staking.

As is well known, the Blockchain Trilemma:



Security, scalability, and decentralization are the three core elements of any valuable blockchain. However, blockchain innovation has increasingly moved away from decentralization. The reason for this trend can be best explained through the Blockchain Trilemma, a theory which argues that all cryptocurrencies must make trade-offs between optimal security, scalability, and decentralization. Until now.

5.1. DPoW AND DPoS

GEN Chain is an innovative network designed to provide a solution to the widely discussed Blockchain Trilemma. With its Satoshi Plus consensus, GEN Chain leverages different mechanisms from multiple blockchains. Through this unique combination of features, GEN Chain achieves decentralization via Bitcoin's PoW model, scalability through DPoS, and optimal security with its robust consensus mechanism. Additionally, GEN Chain is compatible with the Ethereum Virtual Machine (EVM).

Authorized Proof of Work (DPoW) :

The Satoshi Plus consensus originated from the Bitcoin network. Instead of developing an entirely new, independent proof-of-work (PoW) algorithm, Satoshi Plus directly leverages Bitcoin's proven PoW system. Specifically, the PoW component of

Satoshi Plus involves Bitcoin miners delegating their hashing power to the miners. This hashing power serves as the energy expenditure to ensure two fundamental elements of the blockchain. Firstly, it provides the necessary input to guarantee the security of the authentic ledger. Secondly, by encouraging participation from the most decentralized consensus network in the blockchain world, it maintains decentralization.

Delegated Proof of Stake (DPoS):

While compensating for the decentralized security of Bitcoin's PoW, Satoshi Plus also leverages Ethereum's scalable and efficient Proof of Stake (PoS) consensus mechanism. Unlike PoW, which consumes a significant amount of energy but ensures security, PoS validates transactions by selecting nodes that stake a large amount of local tokens. However, the problem lies in the high staking requirements, which limit participation from smaller token holders.

To level the playing field, Satoshi Plus incorporates Delegated Proof of Stake (DPoS), which allows all GEN token holders to participate in the node election process by delegating their GEN tokens to qualified nodes. By enabling even small-scale GEN token holders to vote in the node election, DPoS empowers the GEN DAO community and incentivizes the democratization of GEN token staking.

Thus, Satoshi Plus' DPoS provides scalability on top of the significant decentralization and security of PoW, while still carefully maintaining the decentralization of the node election process and ensuring security through skin-in-the-game incentives for voters.

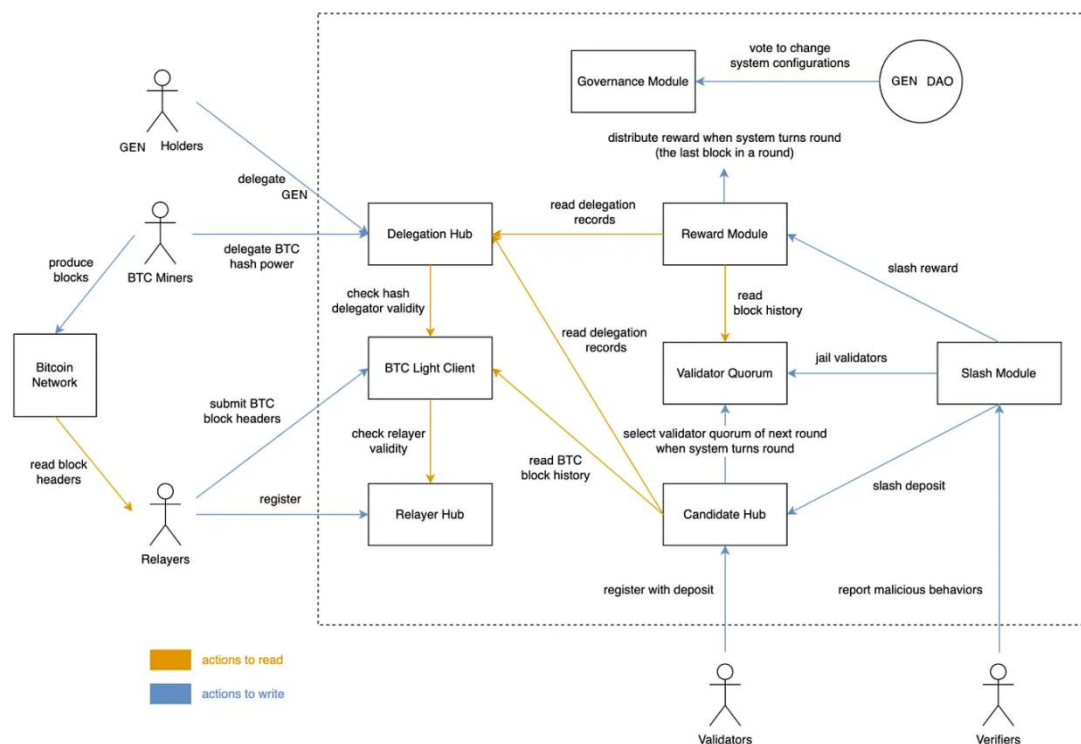
GEN Chain's Combination:

Individually, PoW and DPoS are both powerful consensus mechanisms, but what makes Satoshi Plus special is its combination of the two. To combine the decentralized security of BTC-powered PoW with the scalability of DPoS, the Satoshi Plus node election mechanism selects nodes with the best combination of BTC hash power and staked GEN tokens to form the node set, generating blocks in a secure and efficient manner. Through a streamlined node set selected by decentralized delegation/voting-based security, Satoshi Plus provides high transaction rates and enhanced scalability without compromising security and decentralization.

5.2. HOW IT WORKS AND KEY PARTICIPANTS

The working principle of the Satoshi Plus mechanism used by GEN Chain is that it leverages both Bitcoin's Proof of Work (PoW) consensus and Delegated Proof of Stake (DPoS) mechanisms, while ensuring EVM compatibility.

What makes the Satoshi Plus consensus mechanism unique is its combination of the hash power generated by Bitcoin miners and Delegated Proof of Stake. This enhances decentralization and security while improving scalability, making it superior to traditional Proof of Work mechanisms. The Satoshi Plus mechanism bridges the gap for developers looking to create applications that are perfectly integrated with Web3 and promote true decentralization. This system is truly unique.



The GEN Chain ecosystem participants consist of the following components:

Stakers: Users who are unable to become nodes can still participate in the blockchain by selecting nodes and staking a portion of their tokens with them. These users are

called stakers. They also pay a commission to the nodes, as stakers help them interact directly with the blockchain.

Miners: In the description of the Satoshi mechanism's working principle, it is mentioned that the hash power is obtained from Bitcoin miners and then transferred to the nodes.

Nodes: Nodes report bad actors in the network. Nodes involved in malicious activities may be penalized, and their rewards or stakes may be reduced, or they could be banned; in such cases, they will be removed from the node list. Additionally, when users perform NFT transactions under node management, the nodes receive a commission based on the transaction amount.

The Satoshi Plus mechanism aims to improve the decentralization model in the crypto ecosystem. This will enable businesses to further participate in Web3 and fully understand the impact of blockchain technology. Ultimately, GEN Chain's goal is to create a secure, decentralized, and scalable network by combining the advantages of Bitcoin's Proof of Work consensus model with Delegated Proof of Stake consensus.

5.3. NODE MECHANISM

5.3.1. NODE APPLICATION MECHANISM

- Community Influence Requirements

Node applicants must be miners or regular users who have made significant contributions to the community's growth and development. These contributions go beyond simply expanding the community size; applicants should excel in fostering the quality and cultural development of the community. Specific evaluation criteria include:

Community Development: Applicants must propose innovative solutions to optimize the community structure, improve user experience, and promote the continuous development of the community in terms of governance, technology, or culture.

User Invitations: Actively invite new users to join, expand the community size, and assist new users in integrating into the community, enhancing their recognition and loyalty to the project.

Task Completion: Demonstrate excellence in community projects, tasks, or activities, effectively driving teamwork and delivering high-quality output.

- Materialization of Community Contributions

The foundation of node applications lies in the applicant's ability to demonstrate specific contributions to the community. Applicants are required to submit a detailed community development report, such as user growth statistics, records of completed activities, and the implementation status of community governance proposals. This

materialized contribution requirement serves not only as recognition of the applicant's past achievements but also as an evaluation of their future node management capabilities. Only applicants with long-term management and innovation abilities are qualified for the node role.

5.3.2. NODE ELECTION MECHANISM

Nodes are a crucial component of the core network. The node election process is where the DPoW (Delegated Proof of Work) and DPoS (Delegated Proof of Stake) parts of the Satoshi Plus consensus come together. Therefore, we need to use the following formula to calculate the contribution score of node applicants in the network.

$$S = \frac{r_{Hp}}{t_{HP}} * m + \frac{r_{SP}}{t_{Sp}} * (1-m)$$

r_{Hp} represents the Bitcoin hash power delegated to a node, measured by the total number of Bitcoin blocks that write the node's information into their coinbase transaction;

t_{Hp} is the total hash power on the GEN Chain;

r_{Sp} is the number of GEN tokens delegated to the node by GEN token holders;

t_{Sp} is the total stake on the GEN Chain;

m is a dynamic weight that adjusts over time to ensure a smooth transition during the acceleration process.

Node applicants are ranked based on their hybrid score, and the top 30 nodes with the highest hybrid scores are selected as the governance participants of the GEN DAO.

Bitcoin miners can vote for nodes through their PoW by writing node information into the coinbase transaction of the blocks they mine. GEN token holders can vote for nodes through their PoS by delegating their tokens to them. Non-custodial Bitcoin stakers can vote for nodes using the same mechanism. The delegated PoW and delegated PoS are weighted to determine the hybrid score.

This is the "core" of the GEN blockchain, which utilizes the security and decentralization of the Bitcoin network and the scalability and composability of Ethereum. Allowing Bitcoin miners and Bitcoin stakers to vote for nodes enables the GEN Chain to fully leverage Bitcoin's legendary robustness. Furthermore, since the GEN Chain is EVM-compatible, it allows for the building of smart contracts, dApps, and other applications on the GEN Chain, which would otherwise only be possible by altering the underlying Bitcoin protocol.

5.3.3. NODE STAKE MECHANISM

- Token Staking Rebates

Node-based Staking Management

All users must complete their GEN token staking operations through nodes. This mechanism ensures the standardization of staking activities while linking them to the

node's management performance, creating a closer economic and community connection.

Management Reward Mechanism

To incentivize nodes to actively participate in community building and provide efficient services, the platform will allocate 10% of the total staking amount as a token rebate reward to the nodes. This rebate not only covers the operational costs of the nodes but also promotes their ongoing investment in the token ecosystem.

- NFT Transaction Rebates

Node-driven NFT Transactions

For every NFT transaction conducted under node management, the node will receive a 10% rebate of the transaction amount in USDT. This mechanism is designed to encourage nodes to actively promote NFT applications, provide users with diversified trading scenarios, and increase platform activity.

Incentivizing Node Innovation

Through rebate incentives, nodes will be more focused on creating value for community users, such as organizing NFT trading events, promoting high-quality works, and further enhancing the platform's trading volume and brand influence.

- Ranking Advantages

Comprehensive Evaluation Dimensions

The platform will rank nodes based on their overall performance, with outstanding nodes receiving higher community exposure and more resource allocation. This ranking is based on the following key metrics:

Number of Invites: The number of new users successfully invited by the node, reflecting its contribution to expanding the community size.

Token Staking Volume: The total amount of tokens staked by node users, indicating its performance in promoting token circulation.

NFT Sales Volume: The number of NFT transactions completed within the node's community, demonstrating its impact on driving the platform's trading ecosystem.

5.3.4. CORE VALUE AND ECONOMIC BENEFITS OF NODES

- **Promoting Community Building**

As the core unit of the community, nodes can significantly expand the community size and enhance the overall activity of the ecosystem through their resource integration capabilities and user influence. Additionally, the operational activities of nodes inject more opportunities for interaction and communication within the community, making it a gateway for new users and a sense of belonging for existing ones.

Through the efforts of nodes, users will receive a richer community experience, such as exclusive events and reward mechanisms. This not only strengthens the actual demand and use cases for the token but also increases user loyalty to the platform.

- Distributed Governance

The rights and rewards of nodes are directly linked to their community contributions, ensuring the fairness and transparency of governance. Nodes need to prove their value through tangible actions in order to occupy a more significant role in the governance structure.

Well-performing nodes will gain greater influence and resource allocation within the community. This not only motivates nodes to continuously optimize their operations but also provides a solid foundation for decentralized governance on the platform.

- Incentive Mechanism for Long-Term Sustainability

Through staking rebates and transaction rebates, nodes can earn stable economic returns. This long-term incentive mechanism ensures that nodes are encouraged to invest more resources and time, further promoting the sustainable development of the community.

The platform's comprehensive ranking mechanism encourages healthy competition among nodes. Nodes must continually improve their performance in user invitations,

promoting transactions, and community management to stand out in the competition, thereby driving overall network activity and ecosystem expansion.

In addition, the economic significance of nodes is reflected in the following aspects:

- Enhancing Token Locking

Through the staking mechanism managed by nodes, users' tokens will be more locked within the platform. This model not only increases the market stability of the tokens but also strengthens the importance of nodes within the entire ecosystem.

- Encouraging Active User Participation

The rebate reward mechanism for nodes attracts more users to participate in staking and trading activities, creating a positive interaction between nodes and users, and further enhancing the liquidity of platform assets and community activity.

- Promoting Ecological Circulation

Nodes distribute tokens back to the community through rebate rewards and event planning, strengthening the circulation of tokens within the community. This model effectively promotes the healthy development of the token economy ecosystem.

- Strengthening NFT Application Scenarios

By promoting NFT transactions and sales, nodes bring more high-quality content and trading volume to the platform. As NFT applications become more widespread, the overall value of the project ecosystem will significantly increase.

- Ensuring Project Decentralization

Through the distributed governance mechanism of nodes, power is no longer concentrated in a single entity but is fairly distributed through community performance and competition. This mechanism not only aligns with the spirit of blockchain but also enhances the transparency and credibility of the project.

GEN's node mechanism ensures high-quality and high-impact nodes through a rigorous community contribution evaluation. At the same time, the staking and transaction rebate rights enjoyed by nodes incentivize them to continue contributing to community development. The comprehensive ranking mechanism fosters healthy competition among nodes, driving the stability of the token economy and the expansion of the ecosystem. The node mechanism is not only a reward for active community users but also a key pillar of GEN's decentralized governance.

GEN Token Economic Model

6.1. GEN TOKEN

GEN is the utility and governance token of the GEN Chain. Its functions include, but are not limited to:

- **PAYING TRANSACTION FEES;**
- **STAKING AND PARTICIPATING IN COMMUNITY GOVERNANCE;**
- **REWARDING MINERS AND COMMUNITY ACTIVITIES.**

6.2. GEN TOKEN DISTRIBUTION

6.2.1. TOKEN SUPPLY

The total supply of GEN tokens is capped at 2.1 billion tokens. Beyond this cap, a certain percentage of block rewards and transaction fees will be burned in a manner similar to Ethereum's "ultrasound money" model. The exact percentage of tokens to be burned will be determined by the DAO. In practice, the total number of GEN tokens will gradually approach, but never fully reach, the 2.1 billion token cap.

6.2.2. TOKEN ALLOCATION

The total supply of GEN tokens is allocated according to the following proportions to support the platform's long-term development and ecosystem expansion:

- **Community Rewards: 40%**

A significant portion, 40%, of the tokens will be allocated to community users for daily task rewards, check-in rewards, and community building incentives. This high proportion of community rewards aims to encourage more users to participate in tasks and activities, enhancing user engagement and community activity.

- **Liquidity Pool: 20%**

This portion of tokens will be used for liquidity mining and liquidity pool incentives to ensure the market circulation and stability of the platform's tokens. The liquidity incentive mechanism will attract more users to engage in token trading and staking, boosting the token's market performance.

- **Team and Development: 10%**

This allocation is designated for the project team and developers to ensure continuous innovation and technical maintenance. By supporting the core team, this portion guarantees technological updates and operational stability for the project.

- **Investors: 10%**

Tokens will be allocated to early investors as rewards and incentives, attracting more strategic partners to participate in the project's development. The support from investors will bring additional resources and opportunities, injecting strong momentum for future growth.

- **Ecosystem Development: 20%**

This portion will be allocated to ecosystem partners and long-term strategic resources, used for promotion, marketing, and expanding ecosystem projects. By supporting ecosystem development, the goal is to create a multi-dimensional, decentralized community economy and drive the platform's global growth.

6.3. TOKEN DISTRIBUTION MECHANISM - GEN MINING MINI PROGRAM

GEN is a mining program designed specifically for users, offering a range of basic features and value-added experiences. Users can earn GEN tokens for free by completing tasks, checking in, and inviting friends, and they can use the tokens to further enhance their mining efficiency. The GEN program supports multiple languages, making it a global, multifunctional community mining platform.

6.3.1. MINING MECHANISM BASED ON TELEGRAM MINI PROGRAM

- **User Participation Method**

The mining mechanism of GEN relies on the Telegram Mini Program (DApp), where users can participate in token distribution by checking in, completing daily tasks, and consistently dedicating time. This model lowers the technical barriers for user participation while ensuring wide adoption of the platform.

- **Reward Design**

Users earn basic rewards by completing daily check-ins and fundamental tasks, while sustained high-quality contributions unlock additional rewards. This reward mechanism not only increases user participation but also fosters long-term user

engagement and loyalty.

- Time Investment and Reward Correlation

Users are required to dedicate a certain amount of time on the platform to complete related tasks, and the system dynamically adjusts rewards based on the user's actual activity level. The model links time investment with contributions, ensuring fairness in reward distribution and maximizing the value provided to users.

6.3.2. CORE FEATURES

Mining Features: Every few hours, users can log into the program and click "Start Mining" to earn a certain amount of GEN tokens. Mining is completely free, easy to operate, and users can participate anytime and anywhere.

Multi-language Support: The program currently supports English, Indonesian, Russian, and Chinese versions. Users can select their preferred language version in the settings, making it easy to operate and understand.

Task Rewards: Users can earn additional GEN token rewards by completing tasks on the homepage. Tasks include daily goals and community interactions. Once completed, users can claim their rewards.

Daily Check-in: By logging into the program and checking in daily, users can receive a certain amount of GEN tokens as a reward. Consecutive check-ins may result in additional rewards.

Leaderboard Feature: The leaderboard feature allows users to view their GEN token holdings and their ranking within the community. Users can motivate themselves to earn more GEN tokens by comparing their rankings.

Mining Speed Upgrade: Users can use the GEN tokens they earn to upgrade their mining speed, increasing their earnings efficiency. After upgrading, the number of tokens mined will significantly increase.

Invite Feature: Users can invite friends to join the GEN mining community. Whenever an invited friend starts mining, the inviter will receive additional GEN token rewards. The more friends invited, the higher the rewards.

Wallet Feature: An integrated wallet function records all GEN token transactions, allowing users to view their wallet history and track token changes at any time.

Recharge and Withdrawal: Users can directly recharge fiat currency or other cryptocurrencies into the wallet or withdraw them to external accounts.

Staking Feature: Users can stake GEN tokens to earn additional rewards.

Node Feature: Users can apply to become community nodes, participate in ecosystem governance, and earn node rewards.

6.3.3. CONTRIBUTION-ORIENTED DISTRIBUTION MECHANISM

The distribution of GEN tokens is strictly based on users' contributions to the community, with the following mechanisms in place:

- **Active User Rewards**

Users earn more GEN tokens by completing daily tasks, checking in every day, and participating in community activities. The accumulated tokens can be used to increase mining speed, which in turn boosts subsequent earnings, creating a reward cycle.

- **Community Building Rewards**

Contributors who help expand the community by inviting new users are rewarded based on the participation and mining speed of the invited users. This reward model, which is based on actual engagement, avoids fixed rewards and effectively incentivizes real contributors.

- **Transparency and Fairness of Rewards**

All reward mechanisms are based on users' actual contributions. The system rules are transparent and publicly available, ensuring that all users receive rewards fairly and on equal terms.

6.3.4. ASSESSMENT OF COMMUNITY VALUE CONTRIBUTION

The GEN system dynamically evaluates users' community contributions through multidimensional metrics, ensuring that token distribution is precisely linked to user contributions:

Task Completion Rate: A comprehensive evaluation based on the quantity and quality of both basic and additional tasks completed by the user.

Check-in Frequency: Assesses the continuity of daily check-ins and the total number of participation days, rewarding long-term active users.

Mining Speed Enhancement: Encourages users to reinvest the tokens they earn, such as by upgrading mining speed, to maximize long-term returns.

Invitation Contribution: Rewards the inviter based on the sustained activity and mining speed of the invited users, rather than a one-time reward, boosting long-term user engagement.

6.4. TOKEN VALUE APPRECIATION

To ensure the long-term value growth of the GEN token and the stability of the economic ecosystem, the project has designed a multi-layered value enhancement mechanism. Among these, the **staking model** and **burning mechanism** are the core methods, addressing both token supply-demand balance and liquidity management, laying the foundation for the healthy development of the ecosystem.

6.4.1. TOKEN STAKING MODEL: LOCK-UP AND LONG-TERM INCENTIVES

(1) Staking Participation Method

- **User Participation:** After obtaining GEN tokens, miners can choose to participate in staking by locking up their tokens for a set period to earn additional rewards.
- **Long-term Incentives:** The staking mechanism incentivizes users to hold tokens long-term, reducing the market circulation of tokens and mitigating the impact of short-term speculative sell-offs.

The staking behavior has a profound impact on the token's value stability and the ecosystem's development from an economic perspective:

- **Reduced Token Liquidity:** When users stake tokens, a certain amount of GEN is locked, reducing the circulating supply in the market, effectively minimizing price fluctuations caused by excessive sell-offs.
- **Stabilizing the Price Foundation:** The reduction in circulation and improvement in supply-demand balance create a more stable price environment for the token.
- **Supporting Long-term Development:** Staking encourages users to focus on the long-term potential of the project rather than chasing short-term profits, helping maintain a healthy token economic model.

(2) Staking Reward Distribution Mechanism

The project team allocates a portion of the GEN tokens as a staking reward pool to continuously incentivize staking users.

Reward amounts are dynamically calculated based on the amount of tokens staked and the lock-up duration:

- **Staking Amount:** The more tokens staked, the higher the share of rewards users receive, encouraging larger staking investments.
- **Staking Duration:** Different reward levels are set based on staking duration. The longer the staking period, the higher the reward percentage, enhancing users' willingness to hold long-term.
- **Dynamic Adjustment:** The project dynamically adjusts the reward ratio based on market conditions and staking participation levels, ensuring the sustainability and fairness of incentives.

The staking model plays a significant role in enhancing token value and promoting community ecosystem activity:

- **Reducing Market Sell Pressure:** By locking up tokens, speculative sell-offs are minimized, maintaining market price stability.
- **Enhancing User Confidence:** Staking behavior demonstrates user trust in the project's development, attracting more investors and participants.

- **Creating a Circular Incentive Mechanism:** Staking rewards bring tokens back into users' holdings, increasing community engagement and improving user loyalty.
- **Supporting Ecosystem Expansion:** Staked tokens provide financial support for the project's ecosystem development, such as for node applications, governance voting, and other functions, further enhancing the token's practical utility within the ecosystem.

6.4.2. BURNING MECHANISM: REDUCING TOKEN SUPPLY

(1) Operation Principle of the Burning Mechanism

Buyback and Burn of Transaction Fees

- **Fee Source:** In the GEN ecosystem, every transaction generates a certain percentage of transaction fees.
- **Buyback and Burn:** A portion of the transaction fees is used to buy back tokens from the market and immediately burn them, reducing the total token supply.

Transparency of the Burning Process

- **Blockchain Record:** All burning activities are recorded on the blockchain, allowing users to check the amount of tokens burned and transaction details at any time, ensuring transparency.

- **Smart Contract Execution:** The burning process is fully executed through smart contracts, with no need for manual intervention, eliminating the possibility of unfair actions caused by human manipulation.

The burning mechanism reduces the total supply of tokens, increasing the market's perception of token scarcity and value. By reducing the total number of tokens in circulation, it effectively lowers the risk of inflation and ensures long-term token value stability. The reduction in token supply improves the supply-demand relationship, driving natural price growth in the market. The burning mechanism highlights the project team's commitment to long-term token value management, which can attract more long-term investors.

The **GEN token value enhancement mechanism** operates through a dual-driving system of the **staking model** and **burning mechanism**, forming a healthy economic loop.

The staking model reduces token liquidity by locking up tokens, suppresses short-term fluctuations, and strengthens user confidence in the project's long-term development, while providing funding support for ecosystem expansion. In addition, the burning mechanism reduces the total supply by buying back and burning tokens, increases market scarcity, and helps stabilize the long-term value of the token.

This design, which combines long-term incentives and supply-demand balance, not only enhances the token's market appeal but also lays a solid foundation for the sustainable development of the GEN project.

6.5. TOKEN TRADING MECHANISM

The **GEN token trading mechanism** plays a critical role in the overall project design, with the core goal of providing liquidity, balancing supply and demand, and laying a solid foundation for the project's long-term development through a flexible, efficient, and decentralized approach. The design of the trading mechanism not only meets the diverse needs of users but also drives long-term value growth for the GEN project through market-based pricing and community-driven development.

In the early stages of the project, the GEN team made a strategic decision to open up token trading. This move aimed to quickly give the token market properties, enabling it to integrate into the daily use cases of Web3 users. Although the market price of the token may be relatively low in the early stages due to the underdeveloped community, as the ecosystem expands and technical capabilities are gradually enhanced, the token's utility and market recognition will continually improve, leading to a long-term upward trend in its price. The fully open **P2P (peer-to-peer)** trading model offers users great freedom, allowing them to set transaction prices based on market supply and demand. This mechanism not only ensures market-based pricing but also provides users with the freedom to choose, significantly enhancing the token's liquidity.

The **GEN trading mechanism** also focuses on the core needs of different users, aiming to create a win-win scenario for multiple parties. For users who believe in the

long-term value of GEN, the trading mechanism allows them to accumulate more tokens on the market, positioning themselves for future appreciation. For users needing short-term liquidity, they can quickly liquidate through free trading, meeting their immediate financial needs. To maintain the healthy development of the market, the project team dynamically adjusts the circulating supply of GEN based on market conditions. This flexible supply-demand adjustment mechanism ensures that, while users can freely trade, the price does not experience extreme fluctuations due to supply-demand imbalances, providing a stable foundation for the token's price curve.

The ability of the **GEN trading mechanism** to drive token value growth depends on several key factors. First, **community development** is the core driving force. As the GEN community grows, the demand for the token will significantly increase, leading to a positive correlation between the token price and the number of users. Second, the continuous iteration of underlying technology and improvement of ecosystem functions will continuously enhance GEN's actual use value, injecting confidence into the market. With technological advancements, the use cases of GEN will expand across more areas, offering users a wider range of functionalities. At the same time, the project team also leverages media power through market promotion and educational activities to attract more Web3 core users. The addition of these users not only expands the ecosystem but also increases GEN's recognition within the industry.

The **GEN trading mechanism** also exhibits several advantages in its design. On one hand, the fully decentralized **P2P** model ensures the freedom of transactions between users, with the project team not imposing any restrictions on trading behaviors. This mechanism not only ensures market vitality but also allows users to fully enjoy autonomy in the trading process. On the other hand, through dynamic circulation adjustments, the project team can balance supply and demand without directly intervening in the price, ensuring the healthy development of the market.

To further enhance the security and performance of trading, the GEN project team adopts the highest industry security standards to ensure the absolute safety of user funds. The trading system is built by core members who have previously worked on the development of top exchanges like Binance and Coinbase. It provides high-speed, stable transaction processing capabilities and supports large-scale concurrent trading, ensuring users enjoy a world-class trading experience. This technological guarantee not only enhances user trust but also lays the technical foundation for the widespread application of the token.

From a long-term perspective, the design goal of the **GEN token trading mechanism** is to build an efficient and competitive market ecosystem. Through dynamic supply-demand balancing and decentralized trading models, GEN's competitiveness in the market will continue to grow. At the same time, the open trading system attracts more users and developers to join the ecosystem development, further solidifying GEN's core position in the Web3 space. As market liquidity and use cases continue to

expand, GEN's user base and value potential will grow significantly. Through this open and transparent trading mechanism, the GEN project not only gains the trust of its users but also provides strong support for the long-term development of the community.

The **GEN trading mechanism** showcases a transparent, fair, and user-centric design philosophy. It not only provides liquidity for the token but also ensures price stability and growth through market-based pricing and supply-demand regulation. This mechanism strengthens the market appeal and competitive edge of the GEN project, laying a solid foundation for the token's long-term value growth.

6.6. GEN PROJECT'S NFT MARKETPLACE

The **NFT marketplace module** is a core component of the GEN ecosystem. Through a thoughtfully crafted issuance mechanism and a diverse set of features, it infuses the community with innovation and vitality, embodying the unique value propositions of the Web3 era. GEN NFTs go beyond being mere digital assets; they represent users' contributions and growth within the community. They combine scarcity, utility, and economic value, serving as a robust foundation for the token ecosystem.

The GEN project will launch multiple series of NFTs, with each NFT embodying users' contribution records and rights within the community, featuring unique identifiers and scarcity. These series include the **Genesis Series, Legendary Series, Miracle Series,**

and **Collector's Series**, each designed with a distinctive value proposition. The Genesis Series represents the honor and status of early core contributors in the community; the Legendary Series is intended to recognize users who have made significant contributions to the project's development; the Miracle Series rewards members who have excelled in special activities; and the Collector's Series, characterized by scarcity and limited availability, highlights its high value and collectible appeal. This diverse design not only fulfills users' varied needs but also further strengthens the symbolic significance of NFT within the community.

Users can obtain NFTs through multiple methods, enabling more community members to participate flexibly. On the one hand, users can directly redeem NFTs using GEN tokens, strengthening the economic connection between the tokens and NFTs. On the other hand, NFTs can also be purchased using USDT, a method that introduces external capital flow and directs all deposited USDT toward repurchasing and burning GEN tokens while supplementing liquidity, thus forming a virtuous cycle within the token economy. Furthermore, GEN emphasizes incentivizing users' long-term contributions to the community by providing contribution points based on metrics such as task completion, referral numbers, and node development, which can be redeemed for corresponding NFTs. This mechanism encourages users to actively engage in community activities, driving community growth and expansion. Additionally, all unclaimed NFTs or airdropped NFTs that remain unused will be destroyed by the system, further ensuring their scarcity and preserving market value.

The NFT marketplace module of the GEN project also boasts significant innovation and practicality at the functional level. Each NFT comes with enriched functionalities, not only recording users' contributions to the community but also endowing them with "mining machine" attributes, enabling holders to continuously earn GEN token rewards. This mining function has a dynamic term setting and is effective for a specific period, protecting the rights of ordinary miners and preventing excessive inflation in the market. Although the mining function terminates upon expiration, the collectible value and historical significance of the NFT remain intact, offering users a more diverse experience and long-term value. Additionally, NFT holders enjoy greater decision-making power and participation in community governance, especially under the DAO model, where the opinions of NFT holders can have a profound impact on the future development of the project. This design integrates NFTs into the governance framework of the entire ecosystem, giving them a critical role in the technical and organizational architecture.

From an economic perspective, the NFT module of the GEN project not only enhances the market value of the token but also promotes the healthy development of the entire token ecosystem. By allowing users to purchase NFTs with USDT, the funds introduced into the project are subsequently used to buy back and burn GEN tokens. This mechanism effectively reduces the number of circulating tokens in the market, increasing their scarcity and, in turn, stabilizing and enhancing their long-term value. At the same time, the NFT reward mechanism attracts users to continuously participate in community activities, such as user acquisition and node construction,

thereby strengthening community engagement and user loyalty. The limited issuance mechanism further amplifies market demand for NFTs, reinforcing their scarcity and attracting more collectors and investors to the GEN ecosystem.

The NFT marketplace module of the GEN project also embodies multiple technological and operational innovations, showcasing a novel approach to integrating community building with economic models in the Web3 era. Each NFT features dynamic mining attributes and includes a validity period mechanism, which protects market fairness and the rights of ordinary miners while ensuring that the value of NFTs can sustain continuous circulation within the ecosystem. This dynamic design not only prevents excessive resource concentration in the market but also provides users with greater opportunities for participation and interaction. Additionally, the design philosophy of GEN's NFT marketplace draws inspiration from the success of the Bored Ape Yacht Club (BAYC), positioning NFTs as symbols of user identity and contribution, a strategy that further enhances GEN's recognition and appeal within the Web3 community.

By combining diverse acquisition methods with innovative features, the GEN NFT module offers users a comprehensive and enriching experience. From collectible value to mining functionality, and to its central role in community governance, the multifaceted attributes of NFTs create a deeper sense of participation and honor for users within the ecosystem. Furthermore, the close connection and dynamic circulation between tokens and NFTs strengthen the robustness and sustainability of GEN's token economic model. The NFT marketplace module not only invigorates the

community but also brings long-term value growth to the token market, serving as a critical pillar for GEN's success in the Web3 domain. The successful operation of this module enhances the value and uniqueness of the GEN community and further establishes the project's leading position in the blockchain world.

GEN DAO GOVERNANCE

GEN DAO GOVERNANCE

GEN DAO is the decentralized autonomous organization of GEN Chain, responsible for the governance and development of the network.

Challenges of the First-Generation Governance Model

Trust is the foundation of any successful monetary system. One of the most important factors in building trust is governance, or the process of implementing changes to the protocol over time. Despite its importance, governance is often one of the most overlooked aspects of crypto-economic systems.

First-generation networks like Bitcoin largely avoided formal (or "on-chain") governance mechanisms, instead opting for informal (or "off-chain") mechanisms that combine role and incentive design. By most measures, Bitcoin's governance mechanism has been quite successful, enabling the protocol to scale and significantly increase in value since its inception. However, there are also challenges. Bitcoin's economic centralization has led to the centralization of political power. As a result,

ordinary people may find themselves caught in destructive battles between major Bitcoin holders. One recent example of this challenge is the ongoing conflict between Bitcoin and Bitcoin Cash. Such internal conflicts can result in blockchain forks. For token holders, hard forks can lead to inflation and potentially threaten the value of their tokens.

GEN Governance Model — A Two-Phase Plan

Vlad Zamfir, a core Ethereum developer, argued in an article questioning the merits of on-chain governance that blockchain governance "is not an abstract design problem. It is an applied social problem." One of Vlad's key points is that designing governance systems "a priori," or before observing the specific challenges that arise within a political system, is extremely difficult. A historical example of this is the founding of the United States. The first democratic experiment in the U.S., the *Articles of Confederation*, failed after eight years of experimentation. The U.S. Founding Fathers were then able to learn from the lessons of the *Articles of Confederation* to draft the Constitution—a more successful experiment.

To establish a lasting governance model, GEN will implement a two-phase plan.

Temporary Governance Model (< 5 Million Members)

Until the network reaches the critical mass of 5 million members, GEN will operate under a temporary governance model. This model is most similar to the "off-chain" governance models currently used by protocols like Bitcoin and Ethereum, where the

core team of GEN plays a significant role in guiding protocol development. However, the GEN core team will still heavily rely on community input.

The GEN mobile application itself will serve as a place where the core team solicits community feedback and interacts with pioneers. GEN embraces community criticism and suggestions, which is enabled through the open comment features on the GEN landing page, FAQs, and whitepaper. Whenever users browse these materials on the GEN website, they can submit comments, ask questions, and make suggestions on specific sections. Offline pioneer gatherings organized by the GEN core team will also serve as an important channel for community input.

Additionally, the GEN core team will develop more formal governance mechanisms. One potential governance system is liquid democracy. In liquid democracy, each pioneer can either vote directly on an issue or delegate their vote to another member of the network. Liquid democracy will allow the GEN community to maintain broad and efficient membership.

GEN's "Constitutional Assembly" (Over 5 Million Members)

Once the membership surpasses 5 million, a temporary committee will be formed based on prior contributions to the GEN network. This committee will be responsible for soliciting and proposing recommendations to the broader community. It will also organize a series of online and offline dialogues where GEN members will be able to weigh in on GEN's long-term charter.

Given GEN's global user base, the GEN Network will host these meetings in multiple locations worldwide to ensure accessibility. In addition to hosting in-person meetings, GEN will also use its mobile application as a platform to allow GEN members to participate remotely. Whether in person or online, GEN's community members will have the opportunity to contribute to the establishment of GEN's long-term governance structure.

USER GROWTH AND ECOSYSTEM EXPANSION

USER GROWTH AND ECOSYSTEM EXPANSION

With the rapid development of blockchain technology and the Web3 ecosystem, the GEN project is committed to building a user-centric and diversified decentralized network. Through precise user growth strategies and multidimensional ecosystem expansion plans, GEN aims to achieve long-term value growth. In the future, GEN will fully optimize its task modules, educational activities, and tokenomics while enhancing the openness and scalability of its ecosystem. This will position GEN as a key player in decentralized finance (DeFi), NFTs, GameFi, and other domains.

User Growth

GEN will implement a series of effective strategies to attract new users and incentivize existing users to engage. Firstly, by collaborating with key opinion leaders (KOLs) in the crypto space, GEN will promote its innovative ecosystem to a wider audience.

These influencers, with their significant impact in the crypto community, help boost brand awareness and attract a large number of users interested in DeFi and decentralized technologies. In addition, GEN will launch various user reward programs, including airdrops, task-based incentives, and community competitions. These activities not only provide low-barrier opportunities for new users to participate but also enhance user retention through incentive mechanisms, encouraging deeper involvement in the GEN ecosystem.

Educational activities are also a critical part of GEN's user growth strategy. To help beginner users quickly get started and gain a deeper understanding of blockchain technology, GEN regularly organizes online and offline training courses, workshops, and community-sharing events. These activities simplify the core concepts of decentralized finance and cryptocurrency in an accessible manner, lowering the technical barriers for new users entering the Web3 world. Additionally, these educational efforts build trust in the GEN brand and foster greater user enthusiasm, driving further community expansion.

ECOSYSTEM EXPANSION

GEN demonstrates its ambition to create a diversified range of application scenarios as part of its ecosystem expansion. Currently, GEN not only supports DeFi but is also actively investing in the rapidly growing NFT and GameFi sectors, aiming to provide users with more diverse use cases.

These burgeoning fields present new opportunities for GEN while offering users richer experiences. Meanwhile, the GEN technical team is committed to developing cross-chain bridging functionality to achieve interoperability across multiple ecosystems. By enabling seamless connectivity with other blockchain networks, GEN not only deepens its technical capabilities but also enhances the openness and compatibility of its ecosystem, attracting more developers and project teams.

In 2025, GEN plans to partner with Multibit and Bitstable to launch the "GEN Journey" campaign. This initiative aims to further promote the GEN ecosystem and its associated tokens, sparking enthusiasm among investors and generating significant discussion in the crypto market. "GEN Journey" seeks to strengthen community engagement through a series of interactive and reward-based mechanisms while expanding GEN's brand influence. GEN envisions this not just as a market promotion effort but as a key strategic move to inject new momentum into ecosystem expansion and user growth.

Future Vision

GEN's vision for the future is to create a sustainable decentralized ecosystem network, achieving long-term token value through user growth and ecosystem expansion. By using task modules as the entry point for user participation and leveraging educational activities to increase the acceptance of new users, GEN will gradually strengthen community consensus, driving the token's market value.

On the ecosystem side, through cross-chain bridging, diversified use cases, and deep collaboration with other projects, GEN will enable high-frequency token utilization and comprehensive ecosystem value growth. As it continuously optimizes the user experience and ecosystem development, GEN will become a significant force in the Web3 domain, delivering sustained value growth for users and investors while contributing to the prosperity of the entire blockchain industry.

GEN ROADMAP

2024 DEVELOPMENT ROADMAP: FOUNDATION BUILDING AND FEATURE OPTIMIZATION

In 2024, the GEN project will focus on deepening its technical foundation, optimizing user experience, and expanding its community and ecosystem. First, the integration of the GEN wallet will be the top priority of the year. By enabling secure storage and seamless management of tokens, users can conduct transactions more conveniently and enjoy worry-free asset management services. Additionally, the project will work on improving the mining speed upgrade mechanism to allow users to achieve faster returns, thereby increasing their engagement and satisfaction.

In terms of the task system, GEN will continue to diversify its basic task types, providing users with a variety of tasks that reward tokens upon completion. This strategy will not only boost user activity but also help grow and expand the community.

Meanwhile, GEN will actively seek partnerships with major blockchain projects like Ethereum and Solana, introducing co-branded tasks to enhance its market credibility and strengthen brand influence.

The launch of the NFT module will be another major highlight of 2024. By releasing limited-edition NFTs across series such as Genesis, Legendary, Miracle, and Collection, the project will offer users unique benefits and token rewards, further sparking their interest in collecting. Additionally, the introduction of mining properties for NFTs will give them added economic value. By setting validity periods, the project aims to maintain token economic balance and ensure sustainable ecosystem growth.

In terms of token management, GEN plans to implement a token-burning mechanism for inactive users, redistributing resources to active users to improve token liquidity and utilization. Furthermore, the project will launch a decentralized P2P trading platform, allowing users to freely buy and sell GEN tokens, with prices entirely determined by the market. Through an exchange liquidity supplement mechanism, GEN will aim to stabilize market supply and demand, ensuring users' trading interests are safeguarded.

For staking and node functionality, GEN will launch a beta version of its token staking mechanism, encouraging long-term holders to stake tokens, reducing market liquidity,

and enhancing project stability. Simultaneously, the project will open node applications, encouraging active community members to become nodes and participate in community governance, promoting healthy ecosystem development.

2025 DEVELOPMENT ROADMAP: ECOSYSTEM DEEPENING AND GLOBAL EXPANSION

In 2025, the GEN project will further enhance its decentralized governance, deepen user participation, and expand the diversity and interoperability of its ecosystem. First, the implementation of a DAO governance model will empower community users with decision-making rights regarding the ecosystem's development direction. By introducing a token-based voting mechanism, users' sense of involvement and belonging will be enhanced. This will help create a more open, transparent, and democratic community governance system.

In terms of user social network analysis and rewards, GEN will launch a user social network evaluation system to quantify users' contributions to the community and provide higher task rewards to high-quality users. This will incentivize more high-value content creators to join the community, contributing to the ecosystem's prosperity and development.

In transaction functionality, the project will launch an escrow module to ensure the security and reliability of funds in user-to-user transactions. At the same time, the

introduction of an AI assistant will provide users with more intelligent task matching and revenue management services, enhancing user experience and satisfaction.

For the task system, GEN will continue adding more advanced task types, collaborating with more leading blockchain projects to offer users a wider variety of tasks and rewards. This will further enhance the appeal of the tasks, encouraging active user participation and sustained community growth.

In ecosystem expansion and cross-chain bridging, the project will support more decentralized application scenarios, such as DeFi and GameFi, to increase the ecosystem's diversity and vitality. Additionally, the development of cross-chain bridging functionality will enable interoperability between GEN and other blockchain ecosystems, facilitating the sharing and exchange of resources and information, thus laying a solid foundation for the ecosystem's long-term development.

Lastly, in terms of node incentives and market promotion, GEN will establish a comprehensive ranking system based on node contributions to the community, offering more rewards and support to outstanding nodes. Meanwhile, the project will launch global promotional activities to attract more users and developers to join the GEN community, driving the project's rapid development and the prosperity of its ecosystem.

The GEN roadmap focuses on technical optimization, community building, and ecosystem expansion. By leveraging early transactions, task incentives, and NFT mechanisms, GEN aims to create a user-centered, sustainable development ecosystem. In the future, GEN will further consolidate its position at the core of the Web3 ecosystem through decentralized governance and strategic collaborations with leading projects.



GEN TOKEN RISK ASSESSMENT AND MITIGATION MEASURES

In the rapidly developing blockchain industry, the GEN token, as a crucial component of the project, faces various potential risks. To ensure the long-term stable operation of the project and the interests of users, a comprehensive risk assessment is necessary, along with corresponding mitigation measures. Below is a detailed explanation of the risk assessment and mitigation measures for the GEN token.

Technical Risks are among the most common and unavoidable risks in blockchain projects. For the GEN token, technical risks mainly include system security vulnerabilities, code defects, and smart contract vulnerabilities. These risks could lead to severe consequences such as fund losses and user data breaches.

Mitigation Measures:

- **Regular Audits:** Hire professional security audit teams to conduct thorough audits of the underlying blockchain system of the GEN token to identify and fix potential security vulnerabilities promptly.

- **Code Review:** Establish a strict code review mechanism to ensure that every line of code is carefully examined and tested to prevent security issues caused by code defects.

- **Smart Contract Security:** Use verified smart contract templates and conduct rigorous testing and auditing of smart contracts to ensure their security and reliability.

- **System Upgrades:** Regularly update and upgrade the blockchain system, incorporating the latest security technologies and protective measures to improve the overall security of the system.

Market Risks refer to the risk of token price fluctuations and a decrease in trading volume due to factors such as market volatility, intensified competition, and policy changes. For the GEN token, market risks may directly impact users' investment returns and the market performance of the project.

Mitigation Measures:

- **Flexible Tokenomics Model:** Design a reasonable tokenomics model, including token issuance volume, distribution methods, and circulation mechanisms, to cope with market fluctuations. Additionally, adjust token policies in response to market conditions to maintain token stability and attractiveness.
- **Diversified Use Cases:** Expand the use cases of the GEN token, such as payments, trading, and investment, to enhance the token's utility and liquidity. By diversifying use cases, more users will be attracted, increasing market demand and trading volume for the token.
- **Market Promotion and Partnerships:** Strengthen market promotion efforts to enhance the visibility and influence of the GEN token. At the same time, establish partnerships with mainstream blockchain projects, financial institutions, and others to jointly promote the market development of the token.
- **Risk Warning Mechanism:** Establish a risk warning mechanism to monitor and analyze market dynamics in real-time, providing scientific basis for project decisions. In case of risk occurrence, measures can be taken promptly to reduce losses.

Compliance Risks refer to legal risks caused by violations of international regulations and policy requirements. For the GEN token, compliance risks could involve penalties from regulatory bodies, as well as a decline in user trust.

Mitigation Measures:

- **Compliance with International Regulations:** Closely monitor changes in international regulations to ensure that the issuance, trading, and circulation of the GEN token comply with relevant regulatory requirements. Seek guidance and support from professional legal institutions when necessary.

- **User Education:** Strengthen users' understanding of blockchain and tokens through publicity and training, improving users' compliance awareness and risk prevention abilities.

- **Establish a Compliance Review Mechanism:** Create a compliance review mechanism to review all project decisions and operational activities, ensuring that the project consistently complies with relevant regulations.

- **Communication with Regulatory Bodies:** Actively communicate with regulatory bodies to understand changes and requirements in regulatory policies, and adjust project strategies in a timely manner to ensure the project's compliance and sustainable development.

The GEN token faces various potential risks, including technical, market, and compliance risks. To ensure the long-term stability of the project and protect the interests of users, a series of mitigation measures should be implemented to reduce

the impact of these risks. By conducting regular audits, upgrading systems, designing a flexible tokenomics model, expanding use cases, strengthening market promotion and partnerships, establishing a risk warning mechanism, complying with international regulations, enhancing user education, creating a compliance review mechanism, and communicating with regulatory bodies, we can effectively address various risk challenges and promote the healthy development of the GEN token.



CONCLUSION AND OUTLOOK: BUILDING A DECENTRALIZED FUTURE TOGETHER – GEN CHAIN

In today's rapidly evolving blockchain technology landscape, GEN Chain, with its unique vision and firm belief, is dedicated to reshaping the core values of decentralization. We believe that through relentless technological innovation and strong community support, we can create a secure, efficient, and fair blockchain platform for global users, leading the blockchain industry toward a more brilliant future.

GEN Chain understands that the core value of decentralization lies in breaking the shackles of traditional centralized systems, allowing everyone to freely participate and create in an environment of equality and freedom. Therefore, we are constantly seeking breakthroughs in technological innovation to ensure the security of user data and the fairness of transactions through more advanced blockchain technologies. We

know that the power of technology is infinite, and its true value lies in how it better serves the development of human society.

On the GEN Chain platform, we encourage users to actively participate and express themselves freely, collectively driving the popularization and application of blockchain technology. We recognize that the power of the community is immense, and its cohesion comes from the collective effort and contributions of every member.

Therefore, we remain committed to being user-centric, continuously optimizing the user experience, and improving service quality so that every user can find their own value and sense of belonging on the platform.

Looking ahead, GEN Chain will continue to uphold the core principles of "freedom, fairness, and innovation," exploring the limitless possibilities of blockchain technology.

We will continue to strengthen technological innovation, promoting the application of blockchain technology in more fields, and providing more convenient and efficient blockchain services for global users. At the same time, we will also focus on building a stronger community, attracting more like-minded individuals to join us, and together driving the progress of decentralization.

We know that building a decentralized future is not an easy task, but it is precisely this challenge and mission that makes us even more determined to walk this path. We believe that as long as we join hands and work together, we will undoubtedly break the traditional constraints and create a bright future.

Here, we sincerely invite all those who support freedom and fairness to join the GEN Chain family, and together, we will build a decentralized future. Let us unite and create brilliance, making blockchain technology an important force in driving human society's progress!