WaykiChain Governance Coin WGRT

Whitepaper

I. Policy and Dividend

On October 24th, Central Politburo of the Communist Party of China stated the important role of integrated application of blockchain technology in new technological innovations and industrial changes. China will take blockchain as an important breakthrough for independent innovation of core technologies, clarify the main direction, increase its input to target on core technologies, and accelerate the development pace of blockchain technology and industrial innovation.

The application of blockchain technology has been extended to digital finance, IoT, Smart Manufacturing, supply chain management, digital asset trading and other various fields. At present, the world's major powers are all accelerating development of blockchain technology. China has a good foundation in blockchain field. It is necessary to accelerate the development of blockchain technology and industrial innovation, and actively promote the integration development of blockchain, economy and society. It is necessary to promote collaborative research, conduct breakthrough of core technologies, provide safe and controllable technical support for blockchain

applications, strengthen the research on blockchain standardization, enhance China's international discursive power and rule-making power, build industrial ecosystem to allow blockchain technology play a more important role in building network-powerful country, developing digital economy, and supporting economic and social development.

Under this background, WaykiChain persists in developing bottom layer technology of public chain, keeps its leading position of mechanism and technology, and layouts the development in the decentralized finance field to provide multi-level financial services to users and investors, WaykiChain launched its stablecoin system based on the bottom layer of WaykiChain public chain -- stablecoin WUSD and governance coin WGRT (bechmarking to MAKER and DAI on the ETH).

II. Company Introduction

The main body of WaykiChain is registered in Hong kong. It is a technology-innovative company focusing on blockchain technology R&D and the related project operations. Its mainnet coin WICC has been successfully released. WaykiChain is the only blockchain partner of Chinese Academy of Ministry of Commerce.

The third-generation commercial public chain independently developed by WaykiChain has always been industry-leading. With its high-performance transaction processing capabilities, efficient consensus mechanism, powerful Smart Contract engine, and blockchain upgrade management capabilities, WaykiChain public chain

can provide blockchain infrastructure and industry-level solutions for various industries and the important vertical fields. At present, WaykiChain keeps upgrading and optimizing the bottom layer of public chain. Its various mechanisms are leading the industry, such as stablecoin, which has achieved remarkable results, and is constantly empowering the developers and application layer. WaykiChain stablecoin based on the bottom layer of the public chain, as one of the important infrastructures of the blockchain finance promoted by WaykiChain, is constantly improving the potential in decentralized business development.

There are more than 70 team members served for WaykiChain, more than 50% of which are R&D employees. Over 93% employees have bachelor degree, more than 10 employees are from the world's top 500 companies. WaykiChain employees are from more than 5 countries around the world.

With its strong fundamental construction and marketing capabilities, WaykiChain gained a sound reputation in China. WaykiChain had several marketing campaigns rather well-known in the industry in 2018, including Huobi Trading Competition which gives away helicopter, Product Launching Conference with thousands of attendees in Shenzhen and Seoul, and Global Trading Competition with rewards of 5 kilograms golden football. There were more than 1000 target investors attended WaykiChain Product Launching Conference, and the strong multiplied traffic is more than 200,000 people.

Through refined community operations and multi-platform channel matching, currently, WaykiChain's Chinese community has more than 100,000 WICC users. regardless of technology and community, WaykiChain has more advantages than most Chinese public chain projects. In addtion, WaykiChain also has strong user base in overseas community. Nowadays, WaykiChain has successfully developed nearly 30 overseas countries communities with a total of 40K+ user base and more than 20 global ambassadors work together to develop WaykiChain Eco-system.

III. Brief of WaykiChain stablecoin WUSD and governance coin WGRT

3.1 Stablecoin WUSD introduction

At present, in blockchain and digital currency fields, in addition to investment, investors also need a media for asset preservation and daily payment and pricing, so stablecoin is urgently needed by the market. However, those stablecoin pledged by fiat money (e.g. USDT) have been criticized by the market for its regulatory uncertainty and operational opacity. Therefore, stablecoin based on blockchain digital currency is generally recognized as the direction of future stablecoin.

Bitshares(BTS) created the first generation of decentralized stablecoin bitCNY, but due to the economic model of its dual-coin system (pledge coin and stablecoin), the vicious circle of asset liquidation occurred when the mortgage assets falling, the stablecoin pledge system is not really accepted by the market.

MakerDAO created the second generation of decentralized stablecoin DAI. A three-token model (pledged coin, stablecoin, and governance coin) was used in the MakerDAO system. The model has a certain improvement in risk resistance compared to Bitshares, but DAI is particularly limited in its application.

1. Based on Ethereum development, MakerDAO is very low in efficiency and user experience. It cannot stand high frequency operation when coin price fluctuating.

2. DAI is an ERC20 token issued based on the Ethereum contract. When users transfer DAI, they also need to hold a certain ETH as transfer fee, which increases the threshold for ordinary users to learn and use.

3. MakerDAO only sets a 150% margin line and a 130% liquidation line mechanism on the risk defense system, and only way to maintain the anchor value of stablecoin is adjusting interest rate, so that the value of DAI has been less than one dollar for a long time.

3.2 The advantages of WaykiChain stablecoin system

WaykiChain's stablecoin system has been improved on the basis of MakerDAO from both economic models and technical mechanisms. It is the most advanced third-generation stablecoin system in the market. In the early stage, it was generated by pledging WICC. After the completion of the BTC and ETH cross-chain at the end of 2019, it can be generated by pledging BTC, ETH and other mainstream coins. In order to maintain the stability of its value, the system must ensure that there is enough decentralized asset to pledge as endorsement behind each issued WUSD. Its advantages are as follows:

3.2.1 Four major risk prevention mechanisms make the system more stable: WaykiChain creates the world's first risk reserve mechanism. In the process of declining the value of pledged assets, the system reserves the funds required for liquidation in advance in order to close the CDP when the assets are insolvent. Excessive pledge at the time of opening the position, timely liquidation when the pledge rate is lowered, risk reserve compensation when the assets are insolvent, and the melting of the Black Swan Event. The four mechanisms ensure the stability of the stablecoin system.

3.2.2 Faster transfer allows higher efficiency: WUSD is the bottom layer asset of WaykiChain public chain, and WaykiChain TPS is 3300, ranking NO.1 in the mainstream public chains. This makes the transfer speed of WUSD very fast, only 3 seconds to arrive.

3.2.3 Self-paying fee brings better usability: WUSD is developed at the bottom layer of the public chain, WUSD can be used as a transaction fee when transferring. It does not need to pay BTC or ETH like other stablecoins e.g. USDT, DAI, etc. as transaction fee. WUSD is the only stablecoin that can achieve this.

3.2.4 Decentralized mechanism developed on the bottom layer is more secure: stablecoin system of WaykiChain is developed on the bottom layer of the public chain, using a decentralized oracle price feeding system. Compared to MakerDAO's stablecoin on the contract layer, it is safer and more reliable, and is not easy to be attacked.

3.2.5 By increasing BTC, ETH as collateral assets, the market value can be greater: because the fluctuation of BTC price is lower than other digital assets, WUSD is more stable in security, and the liquidity that can be pledged is theoretically up to $100 billion, far exceeding the billions of DAI.

3.3 WGRT Brief introduction

WGRT, the governance coin supported by WaykiChain's decentralized lending platform. The platform provides decentralized collateral lending services for users worldwide. The stable fee and penalty fee received by the system will be used to recycle WGRT on the market and destroy. WGRT holders will enjoy the benefit of the eco-system and at the same time, be responsible for governing the system through adjusting parameters like interest and penalty rate.

3.4 The relationship between governance coin WGRT and stablecoin system:

WGRT is the abbreviation of governance coin. It is short for "WaykiChain Great", and also represents "WaykiChain", "Governance", "Rights", and "Treasure". WGRT plays a role in regulation and governance in the whole system.

In the operating process of the stablecoin system, the stable fee generated by pledging WICC to generate WUSD and the penalty generated when the bad CDP is liquidated received by the system will be automatically purchased WGRT in the market and then burned by the system on DEX. Therefore, when the system is active and the pledged asset is large, **the total amount of governance coin will be continuously repurchased and destroyed**. **As a result, the value of governance coin will continue to rise.** (The specific adjustment mechanism of WGRT is written in WUSD Whitepaper, also please refer to *cdp.waykichain.com*).

The coin similar to WGRT is MKR. The current total volume of issued DAI (stablecoin) is about 700 million RMB, and the market value of its governance coin MKR is 4 billion RMB. It can be seen that under the economic model, the market value of governance coin is very optimistic in the market.

IV. Broad Future and Application Scenarios of WUSD

As can be seen from the economic model of governance coin (WGRT), as long as stablecoin (WUSD) system is continuously applied, its governance coin (WGRT) will be destroyed by deflation at the same time, resulting in price rise. WaykiChain team is

committed to creating the WUSD application scenarios, including but not limited to:

4.1 Cross-Border Finance

WUSD as stablecoin can be used as a channel for cross-border financial products to deposit. Huatong Securities (a licensed securities firm), which was incubated by WaykiChain, has opened a new trading function using WUSD for Hong Kong and UK stocks. Users can use WUSD to invest in Hong Kong stocks or US stocks in China or other regions, greatly enriching their investment options. WaykiChain will also work with foreign property companies, such as Vietnam, to link up local properties and allow users in other countries to subscribe for the right to benefit from the property. This makes it possible for users from different countries who could not invest in overseas real estate to make cross-border investment.

4.2 Derivatives/Lending

Most financial derivatives are settled in cash, while WUSD can transfer value through parity .Nowadays, the infrastructure of modern Banks, such as CME and CBOE, relies heavily on high-cost intermediaries, such as clearing houses, and use fiat money to settle contracts. Assets denominated in dollars are needed when these complex operations are performed on the chain through Smart Contracts. For the foreseeable future, these derivatives can be settled on the chain through stablecoin, minimizing friction costs and eliminating the need for centralized institutions. In the current financial market framework, these centralized institutions provide trust between market participants. Similarly, stablecoin can be used for decentralized lending.

4.3 Cross-Border Payment/Cross-Border Transfer/Foreign Exchange Acceptance

As a payment tool, WUSD can effectively eliminate the risk of price volatility. Compared with current banking facilities (currently it takes 3 days for international bank transfer), cryptocurrency transactions can provide better user experience and significant efficiency improvement. Currently, WUSD transactions can be confirmed quickly (with an average time of 3 seconds). Especially for the scenario of small cross-border payment, the transfer speed of WUSD and the advantages of low fees will be further amplified. For example, WaykiChain will work with gaming platforms and online monetization platform, open up their payment channels for those with a global communities. Currently, the cross-border transfer platform used by these platforms charges up to 5%~23%, while with WUSD, the fee will be reduced to less than 0.1%.

4.4 Decentralized Exchange Pricing Unit

WaykiChain will work with AEX (formerly as the world's largest counterfeit currency exchange) to develop a decentralized Exchange that will provide digital currency and blockchain users with a more secure, efficient and transparent platform for trading digital assets. WUSD will be the primary unit of account and the base currency of the Exchange. In the future, it will cooperate with more first-tier Exchanges.

4.5 Ecosystem Construction

WUSD is developed at the bottom layer of WaykiChain, and any Smart Contract based on WaykiChain can be easily invoked, using WUSD as the main coin of Smart Contract applications. This expands the application scenarios of WUSD from the business developed and expanded by the core team of WaykiChain to more broader possibilities, which can be applied to more WaykiChain DApps in the future. Using stablecoin as the medium for DApp to deposit will make the DApp more acceptable to non-digital currency investors. Because there is no risk of value fluctuation in their using process.

In the future, as the completion of cross chain of BTC and ETH, WaykiChain plans to apply WUSD stablecoin to much broader scenarios, such as indirect investment in overseas real estate, cross-border real estate or securities mortgage lending. With blockchain distributed accounting, tamper-free features, and Smart Contracts automatically clearing and allocating due dates, the use of WaykiChain stablecoin will be increasingly abundant.

V. WGRT ---- Community Governance

To receive stable fees and penalties, the Governor is playing a key role in the stablecoin system and maintaining the stable operation of the system. WGRT is the governance coin of WUSD, and the user holding WGRT is the Governor of the system. The super nodes will control parameters of systems and may even change the operational rules of systems.

Unlike other stablecoins in terms of smart contracts, WUSD is the underlying public chain stablecoin, which is an integral part of the WaykiChain ecosystem. To ensure the economic connection between WICC Governors and WGRT Governors, participants vote in the super nodes election of WaykiChain will receive a reward of WGRT. It demonstrates that the super nodes of WaykiChain play important roles in stablecoin system.

Any Governor that meets the system rules can submit a proposal. Whether or not such proposal shall be passed and put into practice will be decided by voting.

Voting governance

All WGRT holders can participate in governance of the entire stablecoin system. Qualified proposals will be submitted for voting, and all WGRT holders can vote to determine whether or not such proposals shall be passed and implemented. Proposals are mainly about setting operational parameters of the system, such as interest rate and penalties.

1. Submitting proposals

Any WGRT holder can submit proposals. A submitted proposal can only become a qualified one when applicable WGRT locking-up requirement is satisfied. □

- Qualified proposal – a proposal that corresponds to at least 210,000 locked-up WGRT in the voting system will directly become a qualified proposal and be voted on thereafter.

2. Voting process A qualified proposal will have a voting period of one week. During the period, WGRT holders may vote on the proposal, with one coin representing one vote. Holders will have three options, namely "Agree", "Disagree" and "Abstain".

3. Confirming voting results

A qualified proposal needs to satisfy the following conditions before being recognized by system and becoming effective: □

- Over 20% circulating WGRT has voted □
- Excluding those who have abstained, over 60% of voters chose to "agree" 45

If either of the above conditions is not satisfied, the proposal in question will not be passed. 10% of the WGRT pledged by the user whose proposal is not passed will be included into the "voting incentive pool", and the remainder will be returned to the original holder. If the proposal is passed, all locked-up WGRT will be returned to the original holder and all remainder funds in the "voting incentive pool", if any, will be rewarded to the user who submits such passed proposal based on the ratio of "Voting WGRT/All circulating WGRT".

4. Implementing the passed proposal The passed proposal will be implemented immediately. The system will immediately start to operate according to the newly passed proposal.

VI. Operation and Marketing Plan of WGRT

The total amount of WGRT issued is 21 billion, with the initial face value of $0.01.

30% for instituition subscription through private placement, partial lockup position in accordance with aggreement.

15% for strategic reserve deployment, which is used for large scale strategic resource Exchange. The lockup time is not less than 3 years, and the rest is held by the

foundation for a maximum of 5 years.

15% is reserved for the development team, and this part will lockup for more than 5 years. 20% for the budget for DeFi marketing campaign project, and will be all airdropped. All the airdrop token will lockup less than 6 years.

10% for distribution through WaykiChain's super node voting rewards, which will lockup for 6 years.

10% for airdropped to WaykiChain's currency holders and lockup users. For lock-up tokens, based on the ecosystem development, the foundation can initiate community voting to unlock in advance and make community announcements.

VII. Team Introduction

Wayki Sun, Founder of WaykiChain

One of the earliest digital currency investors and entrepreneurs in China, named as

"Godfather" in the industry, and nicknamed as "Fencing Master" online, the world most powerful pushing hand of Dogecoin. The founder of Xinhuo Network, the founder of Ou Lu Zhong Chou and the Managing Director of Jufeng Digital Asset Management Co., Ltd. Sun led an investment team of hundreds of people with great achievements made in stock, foreign exchange, futures and digital currency markets. With over 10 years entrepreneurial experience in the financial industry and the Internet high-tech industry, Sun enjoys high reputation in both the traditional financial industry and the emerging digital currency market, and with plentiful industrial resources, maintains good cooperation with the industrial biggest digital currency exchange.

Gordon Gao, Co-founder & CEO of WaykiChain

An alumni of Columbia University in New York, ex-Lead Data Scientist of Fishbowl in Wall Street, ex-Senior Data Analyst of Alibaba Group, senior member of Mensa International Club, currently serves as WaykiChains CEO. He is responsible for offering support to WaykiChains commercial model designing and strategy planning, building up a digitalized monitor system for products and operation and promoting WaykiChain overseas with his international background.

Richard Chen, Co-founder & CTO of WaykiChain

Master of Computer Science from the National University of Singapore and Bachelor of Communication Engineering from Shanghai Jiao Tong University. Richard worked for Alibaba and was responsible for the internal and external information security system construction of the entire groups Customer Service Department. Prior to this, Richard also served as Senior Vice President for the worlds top investment bank Morgan Stanley for 3 years and Intel Chief Architect for 8 years. Richard has received four US patents and won Intel Achievement Award (IAA). Richard has published several global patents in encryption technology, distributed network communication and collaboration, and big data. He was entitled "the Father of Student Computer Anti-theft Technology"for his innovative design for security product technology architecture. The achievements in recent years include the successful leadership of a multi-billion-dollar Internet financial platform construction and technical support, the architecture design and development of a trading-as-mining cryptocurrency exchange and cryptocurrency wallet, as well as the core improvement of underlying system of WaykiChain. Richard has mastered the core skills of the underlying technology of the

blockchain and the architecture design and optimization of various protocols.

Xi Zhang, Chief Product Officer of WaykiChain

Tsinghua MBA, former Senior Product Manager of Tencent. As an expert in products and operations, Xi Zhang has been engaged in Internet industry for 14 years with several entrepreneurial experiences. In 2008, he joined aibo123.com as Product Director, responsible for the product design and operation of Olympic lottery. In 2014, he stared his own business and founded QiuShang APP, the first prediction APP in China applying big data prediction with 8% return rate and 67% win rate. In 2016, as a partner, he joined the Haiqiu Technology founded by famous football player Sun Jihai, responsible for the Miaohai business unit. He was fully responsible for the products, technology, operations, and marketing of Miaohai sports short video APP. The total downloads of Miaohai APP were 6 million and daily active users were 1 million.