



YOUChain Network

Application Platform of
Personal Digital Value /Personal Virtual Items

YOUCHAIN FOUNDATION LTD. February 2018

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1 YOUChain Network

2009 witnessed the birth of Bitcoin, hence ushering in the era of cryptocurrency. With Bitcoin pioneering the decentralised cryptocurrency system, the feasibility and security of blockchain technology have successfully withstood the tests over the past 8 years.

The starting of Ethereum in 2013 introduced the era of the smart contract. In resolving the problem of inadequate expansibility for Bitcoin through design means, Ethereum works on implementing a globally decentralised digital computer that is able to carry out point-to-point contracts devoid of proprietorship.

In 2017, the industry enjoyed an explosive growth in the number of token users and active users of digital wallets increased to over 20 million at the end of the year from less than 5 million at the beginning of the year. There were more than 12 million Coinbase users by the end of the year. The boom in the user base of the industry suggests that the technology and applications related to blockchain have extended beyond exclusive usage by the geeks and have started to be recognised by general Internet users. The surge in users leads to a sharp increase in demand. It is generally acknowledged that the blockchain system is never meant to just act as a means of payment but is also expected to become a new kind of Internet infrastructure in the future.

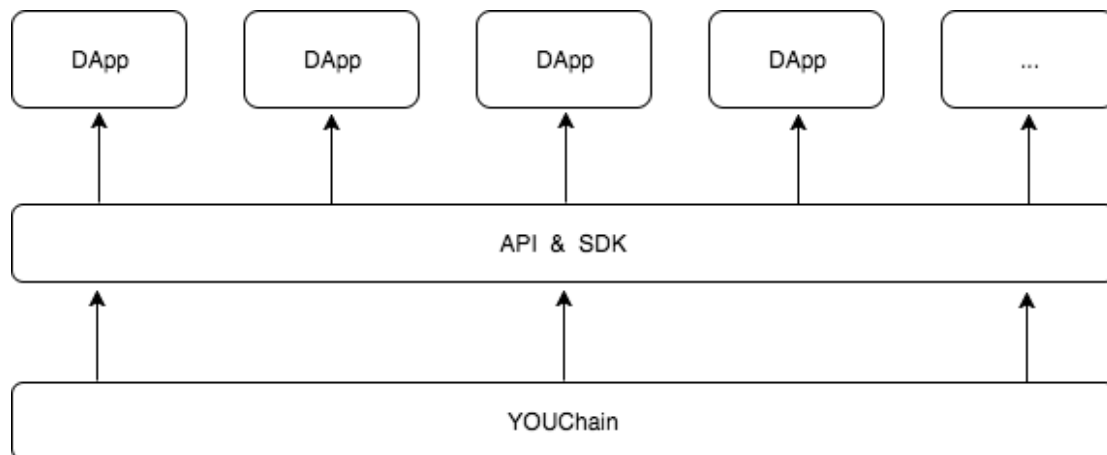
In 2017, the YOUChain Network broke new ground in the field of personal digital value / personal virtual items as a application platform designed and actualised.

As the first entertainment application distributed by the YOUChain Network,

the Personal virtual items system is designed to be used for the distribution of personal digital value/personal virtual items. Based on the personal usage scenario, more applications for value exchanges are aimed to be created in the future, such as those for social interaction, e-commerce, sharing, advertising, games and digital content etc.

1.1 YOUChain Network Project Overview

YOU is designed to be an ETH in the world of personal digital value/personal virtual items, with a low initial barrier to entry but strong expansibility. What seems like a small step ahead for ordinary users is envisioned to be a great leap forward towards the new era of personal digital value/personal virtual items in the field of blockchain.



YOUChain Network, a public blockchain which supports a high volume of concurrent transactions, supports various DApps through APT & SDK.

The goal of the YOUChain Network is to be an application platform for personal digital value/personal virtual items (henceforth known as Personal virtual items) and personal virtual items such as virtual items (henceforth known as Virtual Items) through the implementation of the following:

1) Building a public blockchain which supports a high volume of concurrent transactions — YOUChain Network

YOUChain Network aims to provide a low threshold for the production of personal virtual item and act as a commercial distributed blockchain operating system that supports high-speed virtual item creation, task creation, task distribution, and user communication, etc.

2) Supporting an open platform for developing DApps

YOUChain Network aims to create a multi-scene coexistence public chain and open up its partial capabilities so that eco-partners can develop DApps at low cost.

3) Personal Digital Virtual Items Management Tool Display Platform

The YOUChain Network provides a display platform of personal virtual items. Users can have cost free transactions on a set of platforms provided for Personal Virtual Items transactions. There is reason to believe that based on the YOUChain Network, more users will join in to give the rein to their creativity and imagination to explore more potential usage scenarios in the era of blockchain.

4) Task Platform (Create,Distribution,Reward)

On this platform, community users can create various tasks and make reward rules according to their needs. After the task submitted to the platform, it will be displayed to other users in the community. Users who meet the requirements of the task and have intention can apply for the task. When the task is successfully finished, the user who complete the task will receive YOU as a reward.

5) User Autonomous Platform

Decentralisation is projected to dramatically stimulate individual

potential but simultaneously runs the risk of bringing disorder to the market. In view of the above situation, the YOUChain Network provides a user autonomous platform and introduce the jury mechanism to regulate and manage all affairs in the community, with the objective of keeping the market transparent and better able to serve the needs of all parties involved. This is intended to help the market and blockchain more trustworthy. Details of the dispute will be recorded on the block chain.

1.2 The Public Blockchain of YOUChain Network

The YOUChain Network is envisaged as a blockchain-based operation system designed for commercial distributed application, comparable with ETH, which is a public blockchain customised for the production of Personal Digital Value / Personal Virtual Items. The YOUChain Network is projected to have the ability to distribute Personal Virtual Items with high concurrency and low barriers to entry. According to the rules and the principle of community autonomy, each user will be enabled to produce virtual items based on a smart contract template with one click; with an underlying architecture similar to the ETH operation system, users will be able to build various scenario-based applications of smart contracts, so as to enrich the scenarios for circulation and use of Personal Virtual Items.

The YOUChain Network is designed to adopt the certification system of DPoS authorisation, whereby token holders will select a certain number of nodes, which will act on their behalf to verify and keep accounts. A substantial decrease in the number of nodes involving verification and accounting would actualise second-level consensual verification. Based on the algorithm optimising of DPoS, it is expected that a great deal of commercial payment

scenarios will be available.

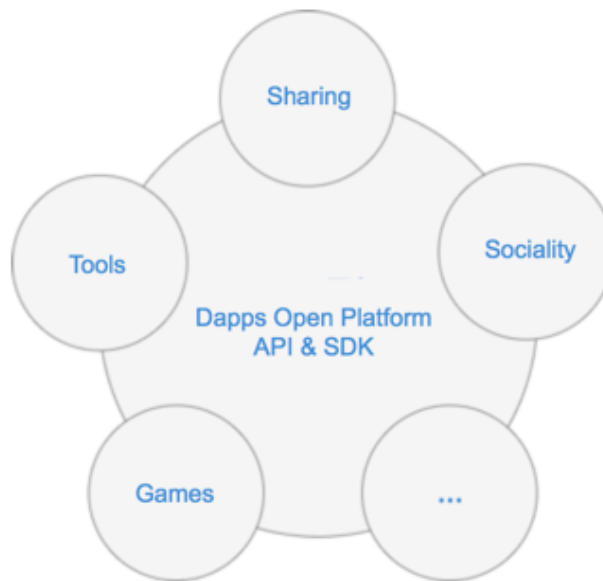
The YOUChain Network Supports a System for Production of Personal Virtual Items with Low Barriers towards Entry

The YOUChain Network is established on the basis of ETH's open source sharing. Presently, Ethereum can sustain 20 transactions per second and create 1.728 million kinds of personal virtual items. At the early stage of the ETH project, this performance could meet the commercial demand, but with the number of users increasing, the above-mentioned system limitations might become a bottle neck. The YOUChain Network team aims to improve the ability to produce virtual items by researching and optimising transaction algorithms and adopt trust-providing underlying technologies with better and newer performance to enhance the transaction performance.

The original "Quick-Offering" technology of producing secondary virtual items with one click can extract necessary parameters programmatically from the page registry and form submissions from front-end users, and dock with the underlying system of token production of the YOUChain Network; it can produce virtual items with one click.

1.3 DApps Development Platform Support

In order to cover more application scenarios, a development platform for DApps is intended to be launched. This platform is intended to provide an applet development environment as well as various tools to assist the implementation of all conceivable scenarios in different fields. DApps are projected to have the features of supporting the quick usage of the payment features involving the YOUChain Network and Personal Virtual Items.



Adhering to the aim of actualising practical applications of the blockchain concept of decentralisation, the Foundation intends to launch more open platforms target at third-party developers when it improves the blockchain technology step by step. With the future improvement of the platform ecosystem as well as the participation of more users and application developers, more application scenarios and functions are expected to be created. Competent application developers may supply users with abundant and interesting third-party applications through the platforms provided by the Foundation for developers, including but not limited to sharing applications, utility tools, social contact, games, etc.

We will open the YOUChain-based DApps platform to provide a set of low threshold YOUChain mini application platform. Eco-partners can quickly develop and create various application scenarios. Individual users and third-party development organizations can exchange ideas, communicate with each other and make all kinds of virtual items in the ecological scenarios. This will make all kinds of communication and service scenes easier to build.

The first DApps on YOUChain is a personal virtual item creation and display platform that meets the needs of users to make and display personal virtual item, with numerous application scenarios, such as:

- a) Married today, Lisa and Ray used the wedding photos to make A virtual wedding souvenir and store it in their cell phone to record this special day.
- b) Lisa and Ray ushered in their first baby, made a virtual souvenir with the baby's footprints and welcomed the baby to the world.
- c) Simon hundred live concerts, distributed hundreds of virtual souvenirs to live fans. Let the fans witness the moment with him.

1.4 Personal Digital Virtual Items Management Tool And Display Platform

To actualise an acceptable pricing and healthy circulation of Personal Virtual Items in the market, a safe and reliable Personal Digital Virtual Items management tool is to be provided.

The App named YOU of the Personal Digital Virtual Items management tool allows the concurrent functions of managing YOU and Personal Digital Virtual Items management as well as the operation of related DAppss, providing a smooth and closed-loop experience of digital items production, collection, giving, usage, destroy, etc.

As a DApp, the display platform can also meet the closed-loop experience of users from production to display communication.

During the public survey, more than a million users participated in the

optimization and construction and created a number of meaningful virtual items to record the life events and to commemorate special events and people.

1.5 Task Platform (Create, Distribution, Reward)

In order to enhance the value-transfer capability of overall community and to promote the interaction and activity of community users, YOUChain will build a platform for user task creation, assignment and reward.

On this platform, community users can create various tasks and make reward rules according to their needs. After the task submitted to the platform, it will be displayed to other users in the community. Users who meet the requirements of the task and have intention can apply for the task. When the task is successfully finished, the user who complete the task will receive YOU as a reward.

Through the above method, user's needs and values will be tightly combined and personal value will be further tapped and rewarded accordingly.

In addition, the task platform will apply big data and artificial intelligence technology to discover appropriate user groups for the task, which will improve the efficiency of demand assignment and help users better fulfill the requirements. Further more, the interaction and collaboration between users will also increase the activity of the community. The platform's reward mechanism will also motivate users to contribute their value and the overall value of the community will also be improved effectively.

YOU serves as the platform's only settlement Token for payment of task bonus, Gas, etc.

1.6 User Autonomous Platform

The production of Personal Virtual Items is a newly emerging concept. Quick-Offering technology aims to actualise an efficient method for virtual items production. Due to its low barriers to usage, a lack of supervision would easily result in such problems as inaccurate and fake description of personal virtual products, it is imperative for the decentralized autonomous organization.

YOUChain provides a user autonomy platform. A jury mechanism was introduced to solve the controversial content by gathering the wisdom of the masses. The rules are open and transparent, and the platform does not participate in judging. The details of the dispute handling are linked and it is true, effective and traceable.

Relying on the decentralized and tamper-resistant nature of blockchain technology, the platform will publicly display the content of the petition and select jury members to form a temporary action team.

The platform will publicly display the contents of the appeal application and select the jury members to form an ad hoc action team, let the user to handle problem all by themselves. After the complaint processing is completed, the system will deduct the deposit of the responsible person by using smart contract and the deposit will be used to reward the role of contribution during the appeal processing period. This mechanism will increase fraud costs for fraudsters and purify the community environment.

YOU is the sole settlement token for the platform to pay as deposits, Gas costs

on chain, and reward for jury contribution.

2 Business Model

2.1 YOUChain Foundation (The Foundation)

As a non-profit organisation, the main functions of the Foundation are: open and transparent management of funds for the project to develop the YOUChain Network, working openly with all its members in the ecosystem, and researching and implementing the YOUChain Network, which will be designed to support efficient storage and rapid transactions, as well as business scenarios involving centres based on the YOUChain Network.

The Foundation will charge fees for issuance of Personal Virtual Items (which will be applied towards healthy management of the YOUChain Network) and receive payments from revenue earned by DApps on the YOUChain Network (projected to be 10%). All such fees and payments shall be paid in YOU.

The formula for calculation of the issuance fee for Personal Virtual Items: $X + nY$ (X is the basic fee for distribution of a Personal Virtual Items; the fee is charged whenever a Personal Virtual Items is initially distributed; n is the number of Personal Virtual Items made available for initial distribution in this round of distribution, and Y is the production fee for each virtual item. Default values for $X = 2YOU$, $Y = 0.01YOU$, X and Y will be adjusted in the future according to the market conditions).

2.2 Third-party Application Companies

The initial payments received by third-party application companies will come from the "application bonus" granted by the Foundation with the aim of promoting ecosystem development, and their long-term projected revenues are intended to come from application service fees and service commissions charge by the individual DApps.

The Foundation will consider allocating resources for a incubation fund for incubating a DApp-linked startup project, to provide entrepreneurs with a physical one-stop office space, financial support, platform, dedicated to providing thinking, motivated and outstanding entrepreneurs a platform to develop their projects.

The basics of the DApps Third Party Developer Incentive program is that developers would obtain additional YOU incentives for the creation of user-friendly third-party apps. The program will regularly incentivise third-party application developers, the incentive settlements are transferred in a frozen form to the wallets of third party developers and will be gradually unfrozen over time.

The core algorithms for the DApps Third Party Developer Incentive are:

Third-party app developers are incentivised based on app index (active user activity and in-app market volume, etc.) and developers will receive a YOU incentive within their period. $Q=N_j*Z$

$$N_j = H_1 (S , U , T)$$

S (Score) represents the application score.

U (Active Users) represents the number of active users.

T (Transaction) represents YOU transaction volume.

Z represents the number of incentive YOU for the base unit index.

The detailed definition of H_1 is:

$$H_1 (S, U, T) = w_U H_1 (U) * [w_B H_1 (S) + w_T H_1 (T)]$$

H_1 represents the value of each factor through the normalised algorithm, w_S ,

w_U , w_T are the weight coefficient of each factor.

3 YOUChain Network Ecosystem Scenario

The eco-incentives on the YOUChain Network include: entrepreneurial incentives, high-quality DApps incentives, user incentives and so on. The YOUChain Network has full-service development platform resources that are positioned to promote the growth of the native ecosystem.

3.1 Functions of YOU

The native digital cryptographically-secured utility token of the YOUChain Network (**YOU**) is a major component of the ecosystem on the YOUChain Network, and is designed to be used solely on the network. In order to issue secondary Personal Virtual Items on the YOUChain Network, an amount of YOU will be locked by the network, and cannot participate in the ecosystem circulation. The Personal Virtual Items holder issuer would have the option to re-purchase these YOU at the original distribution price(deduction gas).

YOU is a non-refundable functional utility token which will be used as the unit of exchange between participants on the YOUChain Network, as well as the economic incentive which would encourage participants to contribute to the ecosystem. The goal of introducing YOU is to provide a convenient and secure mode of payment and settlement between participants who interact within the ecosystem on the YOUChain Network. YOU does not in any way represent any shareholding, participation, right, title, or interest in the Foundation, its affiliates, or any other company, enterprise or undertaking, nor will YOU entitle token holders to any promise of fees, dividends, revenue, profits or investment returns, and are not intended to constitute securities in Singapore or any relevant jurisdiction. YOU may only be utilised on the YOUChain Network, and

ownership of YOU carries no rights, express or implied, other than the right to use YOU as a means to enable usage of and interaction with the YOUChain Network.

Computational resources are required for executing transactions as well as account keeping on the YOUChain Network, thus providers of these services / resources would require payment for the consumption of these resources (i.e. DPOS "mining" on the YOUChain Network) to maintain network integrity, and YOU will be used as the economic incentive to motivate the provision of these services / resources. YOU is an integral and indispensable part of the YOUChain Network, because without YOU, there would be no incentive for users to expend resources to participate in activities or provide services for the benefit of the entire ecosystem on the YOUChain Network.

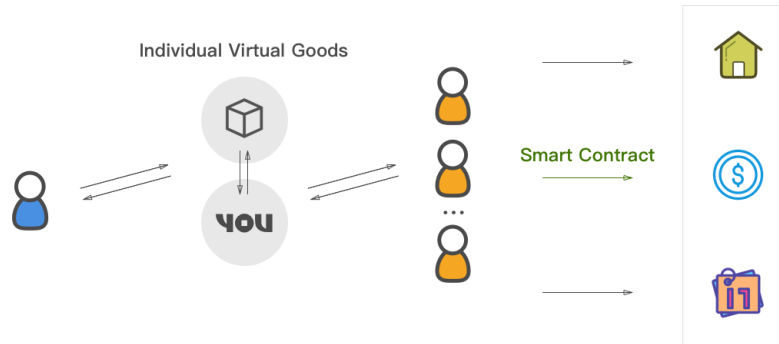
YOU, as the anchor token on the YOUChain Network, is intended to be used in a variety of roles, scenarios, transactions. For example: production fees, fees, transaction fees, service fees, miner fees. The more the scenarios, the demand for YOU in the market is projected to be greater. Users of the YOUChain Network and/or holders of YOU which did not actively participate will not receive any YOU incentives. In particular, YOU:

- (a) is non-refundable and cannot be exchanged for cash (or its equivalent value in any other virtual currency) or any payment obligation by the Foundation or any affiliate;
- (b) does not represent or confer on the token holder any right of any form with respect to the Foundation (or any of its affiliates) or its revenues or assets, including without limitation any right to receive future dividends, revenue, shares, ownership right or stake, share or security, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights or equivalent rights, or

- intellectual property rights or any other form of participation in or relating to the YOUChain Network, the Foundation and/or their service providers;
- (c) is not intended to represent any rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;
 - (d) is not intended to be a representation of money (including electronic money), security, commodity, bond, debt instrument or any other kind of financial instrument or investment;
 - (e) is not a loan to the Foundation or any of its affiliates, is not intended to represent a debt owed by the Foundation or any of its affiliates, and there is no expectation of profit; and
 - (f) does not provide the token holder with any ownership or other interest in the Foundation or any of its affiliates.

3.2 Example of Scenarios

As a unified personal virtual currency, YOU is envisioned to produce a large selection of interesting and interactive functions in the areas involving personal, social networks, entertainment and other scenarios in the future. During the public survey, more than a million users participated in the optimization and construction and created a number of meaningful virtual items to record the life events and to commemorate special events and people.



As the imagination and creativity of users continue to be stirred, more DApps scenario-based applications, accompanied by personal interest, are projected to come one after another, adding to a positive cycle of potential and imagination. The Task Platform will also be launched. After the task is created, the task can be distributed to the target group, and the reward can be obtained by completing the task and completing it.

The following are several examples of scenarios. And the user's imagination is unlimited and is not limited by the following scenarios.

a) Task of finding cat

Meimei's cat was lost. In order to find it, Meimei launched a cat-finding task on the task platform. The owner of the cat will supply the description and appearance characteristics of the cat as well as set the number of the reward YOU in the platform, then the cat owner will set the conditions of target task accepters based on the lost location so that the users nearby can see and take

the task. After the setting and submission of the task, the platform will automatically show task detail to users based on geographical location, when eligible users see the task detail and reward information, they will be encouraged to join the task. When the cat is successfully found and confirmed by Meimei, the corresponding YOU rewards will be issued to the finder.

b) User Survey

M company as a mobile phone manufacturer, in order to make products meet the needs of users, intends to do a survey on users' mobile phone usage habits. The current market survey questionnaire has low efficiency to reach the target users, besides users will have less motivation to do the survey which will lead to the result of low quality and low value in reference and analysis of the survey.

To solve this problem, the manufacturer can create an electronic survey questionnaire task on the platform provided by YOUChain, in addition, in order to locate the user group they wish to investigate, the manufacturer can set filter conditions, such as age range, income scope, city and education level, etc. After task submitted, the platform will intelligently select users base on their informations on YOUChain and show task detail to them. After viewing the task and task-related reward information, users will be motivated and actively participates in the survey. As the user group is carefully selected, so the results of the survey will be of great analytical value, and the manufacturer will be happy to see such results.

For users participating in the survey, due to the removal of the intermediary third-party survey company's share, the task participant would get a very generous YOU reward and this mechanism will create a win-win situation.

c) Image Tagging

In order to improve the accuracy of the image classification algorithm, B development team needs to tag specific image data sets. In the traditional way, tagging data is done by members of the team, however the labor cost is high and the efficiency is low, usually the data sets are huge. Under such a situation, the team can initiate a image tagging task through the task platform and offer smaller costs as a reward. After the task is published, any participant can get a reward according their work result.

In this way, community users can be encouraged to participate in the image tagging tasks and which's efficiency will be greatly improved, and also the labor costs is low. In response to maliciously tagged content, the demanding party can appeal to the community and the community will supervise and punish the malicious person.

d) Wedding Invitation Design

Susan and Leo are getting married. Compared to stereotyped wedding invitations, they hope to design e-invitation cards with their own animated images. So they can initiate invitation design tasks on the task platform and find suitable designers to collaborate. They can make bi-directional choices with related designers in the entire network to avoid information asymmetry.

e) Question Consulting

How to write a recommendation letter for studying abroad? How to prepare for college independent recruitment of students test? Where is the parking lot of a certain community? What should we do when children always wake up crying at midnight? We always have a lot of questions. If we want to get the answer, it is always difficult to find the right people to help. To solve this problem, we can create a question consulting task on the task platform, set up rewards and select the user group with relevant experience. After task is published, the

qualified users will take the initiative to help and contribute professional consulting information. Through this way, we can get the professional answers we want and on the other side the helper can get a reasonable YOU as reward. In addition, without platform's share, the cost will be more reasonable.

The YOUChain Network has the potential to provide much more than the above. The Foundation fully respects the imagination of users and supports them in the development of their own Personal Virtual Items.

4 Advantages of the YOUChain Network

1. Personal Virtual Items Production: As Fast as Lightning

Compared to other public blockchains such as Ethereum, the YOUChain Network can produce personal virtual items by graphical and visual modular with its unique patented technology named Quick-Offering. This makes it extremely easy for Internet users to production their personal virtual items, allowing them to enter an era where production of Personal Virtual Items is as fast as lightning.

2. Opening Source with Joint Innovation

The YOUChain Network further optimises the scripts and on-chain meta-protocols of the smart contract platform of Ethereum. It provides a DApps platform based on consensus, expansibility, standardisation, Turing completeness, rapid development and collaboration. Meanwhile it makes a friendly applet development environment possible. The DApps platform that the YOUChain Network develops can interact with the public blockchains through virtual machines and RPC interfaces.

3. Ingenious team

The YOUChain Network is committed to creating a unified personal virtual items platform for all users. The brand only hires employees with profound insight and operational experience, who have the experience of working with operations that deal with hundreds of millions of users. The core members all come from first-tier Internet companies such as BAT (Baidu, Alibaba and Tencent). They have created and run a variety of popular

products with a userbase of more than one billion users daily during their tenures in companies such as Tencent and Alibaba. They are well versed in the R&D and operations of Internet-based products and good at designing Internet-based products that exceed the expectations of users.

5 Future Plans

Periods	Steps
2018.02 ~ 2018.03	<p>Finishing virtual items production system and personal virtual items management, supporting users to make personal virtual items in blockchain at low cost.</p> <p>Supporting virtual items largess and destroy.</p>
2018.04 ~ 2018.07	<p>Finishing mining function, maintaining and improving the number of users and DAU;</p> <p>Enhancing personalized packaging of virtual items.</p> <p>Improving capacities of concurrent transactions</p> <p>Optimizing the experience of virtual items payment scenes and community interaction</p>
Since 2018.07	<p>Exploring the field of entertainment IP, publishing related DApps online.</p> <p>Exploring the field of advertising, publishing related DApps online.</p> <p>Releasing software development kits and platform tools for DApps and Mini apps.</p>

6 YOU Distribution Plans

The Foundation issue encrypted YOU tokens (referred to as YOU). 3.2 billion YOU will be distributed with the distribution plan as follows:

Ration	Distribution Solution	Details
20%	Private contribution	Reward early investors
30%	Ecosystem incentives	Allocated for operations of users, eco-partners and developers. Regular announcement needs to be made about the use of these tokens.
25%	Reserves	Allocated as backup reserves for the project to develop YOUChain Networkproject, used for the project for R&D and establishment of business ecosystem. Regular announcement needs to be made about the usage of these tokens.
10%	Early contributors	To be allocated to early supporters who had provided much resources, planning and talent assistance during project development. This portion will initially be non-transferable, with 20% unlocked each month over the next 5 months.
15%	Team incentives	Being used to inspire the team to explore and develop in the token area as well as

		being used as incentivisation for their future maintenance in technology and operations for products on the YOUChain Network. This portion has been locked by smart contract, and will initially be non-transferable, with 1/60 unlocked each month over the next 60 months.
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The contributions in the token sale will have no economic or legal right over or beneficial interest in these contributions or the assets of that entity after the token sale. To the extent a secondary market or exchange for trading YOU does develop, it would be run and operated wholly independently of the Foundation, the sale of YOU and the YOUChain Network. They would be run and operated wholly independently of the Foundation, the sale of YOU and the YOUChain Network.

7 Foundation

YOUChain Foundation Ltd. (the "**Foundation**") would promote the decentralised personal value service chain that allows every participant to create a fully self-owned ecosystem and join a decentralised ecosystem partner community that uses the virtual currency YOU for settlement. The primary mission of the the Foundation is to study and implement the YOUChain Network which supports efficient storage and rapid transactions, as well as a decentralised personal value services based on the YOUChain Network. At the same time, the Foundation hopes to become an independent, non-profit and democratic management agency for all members of the ecosystem.

The main functions of the Foundation will include: openly managing its resources with all members of the ecosystem; studying and implementing the YOUChain Network that supports efficient storage and rapid transactions as well as decentralised business scenarios based on the YOUChain Network.

The mission of the the Foundation is to develop an ecosystem with digital personal services and an openness towards different values so that users can easily meet their own needs.

In fulfilment of its mission, the Foundation will invest resources in three specific goals related to research, development and management:

Management Goals

The Foundation will invest resources to establish a fair and transparent management process that takes into account the opinions and needs of all participants in the ecosystem. This open management model will oversee the decisions related to user processes, YOU Incentives, participation rules, legal matters and contents as well as compliance guidelines.

Research Goals

The foundation aims to study and implement the YOUChain Network that supports efficient storage and rapid transactions as well as decentralised business scenarios based on the YOUChain Network. By working with partners, it will invest in resources, nurture an innovative environment, test new approaches to participate in ecosystems, and create value and network effects within the ecosystem of the YOUChain Network.

Development Goals

The Foundation aims to guide and give financial support to the development of tools that enable ecosystem partners to establish, develop and create value for each other.

Mission and Long-term goals

One of the long-term goal of the Foundation is to fund the research and implementation of the YOUChain Network which supports efficient storage and rapid transactions, as well as the YOUChain Network-based decentralised business scenarios. Another goal is to maintain a pool of open source code libraries of the YOUChain Network, from which ecosystem participants can benefit. To assist the Foundation in the performance of its mission, part of the YOU supply is intended to be allocated as reserves which may be applied at the Foundation's discretion, depending on project needs. The Foundation intends to ensure the safety of these funds and incorporate transparency measures regarding the use of funds.

8 Conclusion

After the introduction of the first entertaining Virtual Items application, the YOUChain Network intends to develop application around individual scenarios with more value in exchanges, such as social networking, e-commerce, sharing, advertising, games and digital content. Based on this, the personal digital value/personal virtual items era based on the public blockchain - YOUChain Network, the open platform of DApps, the Personal Digital Value Application platform and the autonomous blockchain trust community, is envisioned to be soon around the corner.

It is believed that with the increasing userbase and variety of applications, more usage scenarios will be actualised. The YOUChain Network has provided this vast stage so that users can potentially give full play to their imagination, exhibiting and actualising their unique and valuable ideas.

9 The YOUChain Network Team



Founder & CEO: Zhao Feng

Technical Product Director of Ant Financial and Alipay;

Director of Ant.open.com;

Product Director of Koubei;

Architect of Tencent Mobile QQ;

Technical Leader of Microsoft



Co-Founder & CTO: Zhang Lei

Founder & CEO of Bugtags;

12 years of experience in R&D and management of product technology;

1 year of experience in blockchain technology;

Technical director of important product lines in many major Internet companies such as Kaixin001.com.



Chief Architect: He Changbin

Co-Founder & CTO of Bugtags

Good at the design, implementation and optimisation of 1 billion PV distributed system;

Deep practitioners of micro-service and containerisation;

Technical expert of first-tier Internet companies such as Kaixin001.com.



Operations Leader: Liu Shuaizhen

Offline channel manager of Ant Financial and Alipay;

Product Manager of Alipay QR code payments in three and four-tier cities;

General manager of national channels for Koubei pan-industry;

General manager of Koubei Takeaway in Jiangsu Province

10 Risks

You acknowledge and agree that there are numerous risks associated with purchasing YOU, holding YOU, and using YOU for participation in the YOUChain Network. In the worst scenario, this could lead to the loss of all or part of the YOU which had been purchased.

Risk due to loss of private key:

Before YOU is assigned to the participant, the participant will obtain the public key account associated with YOU, and the YOU public key account can be accessed by the randomly assigned private keys of each participant, forgetting private key will likely lose YOU in the associated public key account. Suggest practise how to operate more so that the participant can safely back up private key in multiple local devices, preferably operate in the non-network environment.

Risk due to the private key being revealed to the third party:

After obtaining the private key of the participant' public key account, any third-party individual or institution may process the YOU in their corresponding account. It is recommended that participants protect the related equipment to prevent unauthorised login and reduce the risk probability.

Related risks caused by Ethereum network protocol:

The YOUChain Network will initially distribute an ERC20 token (“YOU”) developed on the base of the Ethereum protocol, any faults and unknown function in the Ethereum protocol are likely to lead that the unknown undesirable situation happens in YOU. Local unit accounts of Ethereum and that are based on Ethereum protocol may lose all the value as YOU, and for more information on Ethereum protocol, please refer to: www.ethereum.org

Unofficial YOUChain Network alternative risk:

After the system of the YOUChain Network is developed, it is very possible to be plagiarised by others or they will build the similar network system due to its open source code and protocol. The official system of The YOUChain Network may need to compete with these plagiarist network systems, all users will need to bear the negative impact on the system of the YOUChain Network due to this.

Risk of unlawful invasion from a malicious third party:

Malicious third parties, such as hackers, other teams or organisation, may attempt to intervene in the development of network system of YOU, possibly use but not limited to the following methods: DDOS, Sybil, spoofing, smurfing or attacks based on consensus mechanism and so on.

Risk due to that network system of YOU has the infrastructure software security vulnerability:

This network system is an open source system, YOU employees or other third parties may intentionally or unintentionally introduce bug to the network core system, which will lead to the use risk and loss of YOU.

Risk of that major technological breakthrough in the area of cryptography may cause the hidden weakness being excavated and exploited:

Cryptography is an important part of block chain technology, and the advance in cryptography or the development of other high-tech technologies may bring the risk of network system of YOU and YOU being stolen or losed.

Risk of network system of YOU failure:

As a relatively high-tech system, unacceptable or unexpected network failure may happen in the network system of YOU, meanwhile there may be risk of

causing the YOU to disappear or the market fluctuation.

Risk of being mined and attacked due to the appearance of its high value:

For many decentralised cryptographic tokens and virtual currencies, YOU generated by the block chain technology of network system of YOU is likely to be mined and attacked, including but not limited to double attacks, large pool attack, "selfish digging mine" attack and competitive condition attack, etc., there may also be unknown newer mining attack that bring a significant risk to the operation of network system of YOU.

Risk due to small number of users in network system of YOU:

network system of YOU will generate the corresponding value over time, and if network system of YOU is not used by more businesses, individuals or other organisation, cannot generate more public awareness, it will impact less its development and lead to the small number of users, which may restrict or reduce the use and value of YOU.

Risk of insufficient liquidity of YOU caused by Exchange:

At present, YOU has not yet traded on the Exchange, after it is open to trade on the Exchange, it is likely because the exchange is relatively new and for understand less for various laws and regulations, compared to those Exchange that have established for a long time and have other mature virtual token trading in, the new Exchange is prone to fraud and failure. Exchange problems may cause a significant portion of YOU transactions to fall into fraud or other operational risk problems, which may reduce the value and liquidity of YOU.

Risks of that the development of network system of YOU does not keep up with the expectation of YOU holders:

network system of YOU is currently still in the development stage, and there may be a lot of changes before official distribution to the outside world, the expectation of participants on YOU or its network system may be different from that in the actual distribution, meanwhile the change of actual situation in the design and implementation may also cause that it cannot be distributed as the schedule.

Risk that participants are not covered by insurance in case of a loss:

Unlike YOU public key accounts, bank accounts, other financial institution accounts or other social service accounts, the Foundation usually will not buy insurance on their network system. When YOU is lost or the network system loses its value, there will not be any insurance agencies that can provide claims service to YOU holders.

Risk of the project of YOUChain Network dissolution:

The project of the YOUChain Network will have a variety of factors, such as value crash of Bitcoin and Ethereum, the failure of commercial operation or intellectual property claims, etc., the project of the YOUChain Network may not be able to continue operating so that leads to the failure of distribution or team dissolution.

Risk of regulatory policies in the judicial or administrative departments of relevant regions and countries:

The regulatory status of YOU and distributed ledger technology is unclear or unsettled in many jurisdictions. The regulation of virtual currencies has become a primary target of regulation in all major countries in the world. It is impossible to predict how, when or whether regulatory agencies may apply existing regulations or create new regulations with respect to such technology

and its applications, including YOU and/or the YOUChain Network. Regulatory actions could negatively impact YOU and/or the YOUChain Network in various ways. The Foundation (or its affiliates) may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. After consulting with a wide range of legal advisors and continuous analysis of the development and legal structure of virtual currencies, the Foundation will apply a cautious approach towards the sale of YOU. Therefore, for the token sale, the Foundation may constantly adjust the sale strategy in order to avoid relevant legal risks as much as possible. For the token sale the Foundation is working with Tzedek Law LLC, a boutique corporate law firm in Singapore with a good reputation in the blockchain space.

Other risks:

In addition to the aforementioned risks, the potential risks briefly mentioned above are not exhaustive and there are other risks (as more particularly set out in the Terms and Conditions) associated with your purchase, holding and use of YOU, including those that the Foundation cannot anticipate. Such risks may further materialise as unanticipated variations or combinations of the aforementioned risks. You should conduct full due diligence on the Foundation, its affiliates and the YOU team, as well as understand the overall framework, mission and vision for the YOUChain Network prior to purchasing YOU.