SOPHON CAPITAL COMMUNITY

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Abstract

The Sophon Capital Community is a digital asset investment service community developed using blockchain and artificial intelligence and integrates investor education and protection, consultation, analysis, and investment advisory functions together.

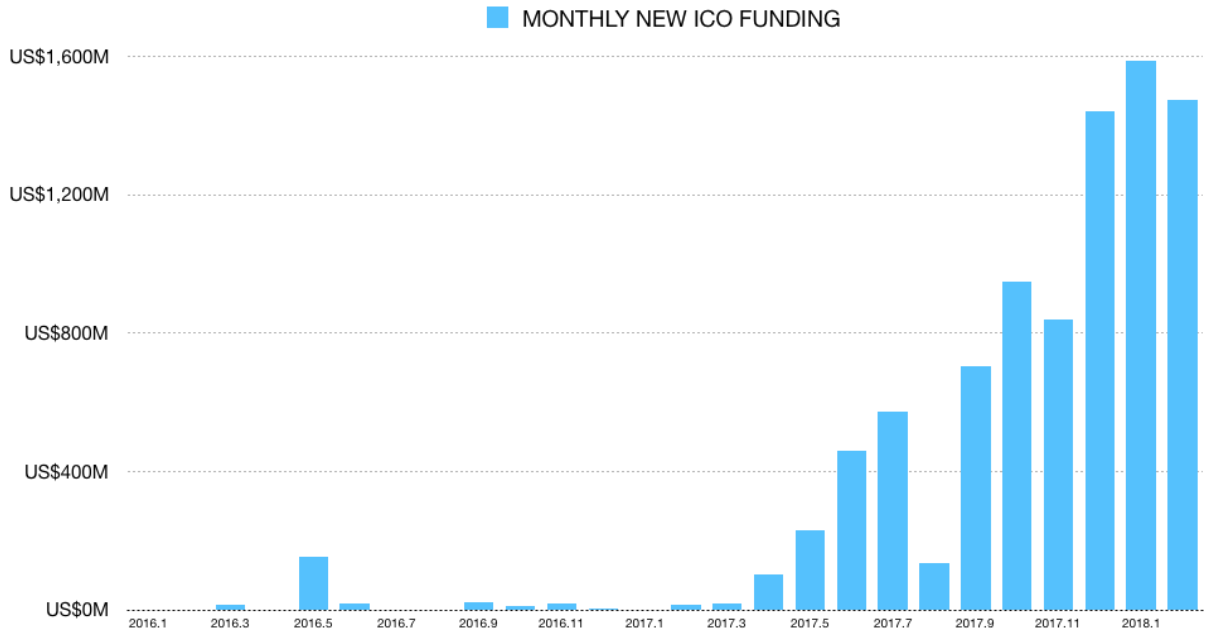
The Sophon Capital Community is the only designated strategic partner of the WBO and the Caribbean Free Trade Zone in the world. The Sophon Capital Community provides 24/7, all-time zone, full chain, valuable, highly efficient, multilingual robo-advisory and consultation services for digital currency and actual operational guidance. With regards to technology, the Sophon Capital Community uses blockchain technology and secures multi-party computation technology to solve transaction trust and data privacy problems and employs artificial intelligence to increase the service level and volume of the knowledge provider. With regards to systems, the Sophon Capital Community enables participants with high professional knowledge, high investment level, and high service quality to excel in order to create a successful ecosystem.

The community is benchmarked to companies offering similar services to the financial market such as Bloomberg, Standard & Poor's, and Morgan Stanley, which have a total market capitalization of nearly 200 billion US dollars. Given the large volume and potential of the digital asset market, we strongly believe that the future development of the Sophon Capital Community will be unstoppable.

1. Industry description

1.1 Outlook for the digital capital market

In recent years, the scale of digital currency based on Bitcoin and Ethereum has grown rapidly. As of the end of March 2018, the market value of Bitcoin was 120.1 billion US dollars and the market value of Ethereum was 38.6 billion US dollars, with their total exceeding the GDP of Hungary (132 billion US dollars). The market activity, capital participation, and market volume of the base currency system based on Bitcoin and Ethereum and the digital asset system based on launching of Initial Coin Offerings (ICOs) is comparable to real-life financial markets and has become an important tool for capital allocation and portfolio management.



From the perspective of global ICO funding, according to statistics, global ICO funding in 2015 was only 140 billion US dollars. However, in 2017, only half a year was required for more than 100 major global ICOs to have a total funding exceeding 120 billion US dollars, average funding of 22.6 million US dollars, and median funding of 5.50 million US dollars. This demonstrates the explosive growth of the ICO market. From a funding scale, we can see that since 2017, the cumulative funding for China's ICO projects has reached 63,523.64 BTC and 852,753.36 ETH, as well as some in renminbi and other virtual currencies. Based on the zero-price conversion rate on July 19, 2017, the total CNY as 2.616 billion US dollars. The cumulative number of participants was 105,000. Similar to the online frequency of ICO projects, the funding scale and user participation for ICOs also show an accelerated, increasing trend.

In 2018, we are seeing more and more institutional investors who are making their foray into the digital asset market. Firstly, insider information from Bloomberg claimed

that Soros Fund Management with 26 billion US dollars' worth of assets planned to deal in digital assets. Adam Fisher, who is responsible for macroinvesting in that fund has obtained, in the last few months, internal permission for trading in digital currencies. Subsequently, Venrock, the Rockefeller family's official venture capital arm, announced that they will be forming a cooperative relationship with the digital currency investing and incubation team, CoinFund, to enter into digital currency asset and blockchain projects. In the future, as more institutional investors enter the market and the types of digital assets become diversified, digital currencies will have even greater space to expand.

Up until the end of May 2017, the total market capitalization of the world's stock markets reached 76 trillion US dollars, while the total market capitalization of digital assets just reached 500 billion US dollars. Therefore, digital assets only accounted for one percent of the market capitalization of the stock market. For this market, with only a penetration of one percent, we believe that in the future, more and more investors will participate in digital asset-related investment projects, and digital asset investment may even become a normal investment choice for the public. If 2017 is described as a year of ICO explosion, then the era from 2018 onwards will be a new era in which financial institutions will adopt digital assets and mixed blockchain projects will continuously spring up.

1.2 Digital capital market chaos and pain points

Due to its short period of emergence and globalized transactions, the development of the digital currency industry is extremely immature, resulting in huge losses to digital currency investors.

The first event was **frequent ICO scams** including false investment agency who is suspected of "running away." The total amount involved was around 140,000 ETH during the period of 2016 and 2017, which is nearly 350 million RMB. Superstar (MXCC) raised nearly 30 million RMB from its ICO for listing. However, on the first day of listing, its value fell by a maximum of 90%, severely breaking nearly twelvefold. Subsequently, there was no progress for that project, and it has since been in an "out-of-contact status." HeroChain (HEC) broke on the first day of listing. Subsequently, it was revealed that the platform was a fraud, resulting in a drastic drop in its stock price and investors losing over 20 million RMB. According to statistics, the failure rate of ICO projects is more than half, with total capital in failed projects of tens of millions of US dollars. This caused huge losses to investors and severely damaged and hampered the development of the digital currency industry.

Secondly, there is a current **lack of a unified, regulated information and research system**, resulting in frequent false news in the digital currency industry. Frequent events of spliced news, release of old news, and out of context news are released by many bad media and illegal organizations to manipulate the market, resulting in huge

losses to investors. According to a sampling study by the digital currency research group from the Fintech Laboratory at the University of Hong Kong, 87.6% of news in the digital currency field is spliced news and out of context news that aim to change viewpoints. Therefore, there is an urgent need to establish a unified, regulated, and authoritative market information platform in which artificial intelligence is employed for automated filtering and normalization of information in order to provide a realistic and reliable information blueprint for investors.

And, there is a saying that “one day in the currency network is akin to a thousand years in real life.” This saying vividly describes the high intensity and fast-paced digital currency investment market. As digital currency is characterized by global transactions and 24/7 transactions, digital currency investors must rely on artificial intelligence methods to carry out real-time market monitoring to obtain the greatest rewards and avoid corresponding risk. According to sampling interviews of digital currency investors, **the lack of a systematic artificial intelligence tool** is one of the three major pain points for investors to participate in digital currency investment (other pain points include security of the transaction platform and authoritative information). Therefore, there is huge market demand for this tool.

Lastly, as investors are not familiar with the investment targets, investment risks and logic of digital asset market, it requires a team that integrates investor education and protection of traditional financial investors and digital asset market investment logic to conduct a community. Years of rich experience in both aspects of the community management team just meet this feature.

1.3 Mission and vision

The Sophon Capital Community is committed to establishing the world’s first robo-advisory community for digital assets that integrates investors education and protection, intelligent rating of ICO projects, smart investment, and intelligent digital capital management. Through cooperation with official authoritative organizations such as the World Blockchain Organization (WBO) and the Caribbean Free Trade Zone, a one-stop investor service community for digital currency that integrates investor protection, investment research and advisory services, and transaction regulation services was established to create the Bloomberg/Reuters + Standard & Poor’s + Morgan Stanley of the digital asset domain with huge space for future growth.

The Sophon Capital Community can grow and achieve its goals due to two main advantages: In the market, the Sophon Capital Community signed a strategic cooperation agreement with the Caribbean Free Trade Zone to become the only designated official partner for its digital currency technology. The Caribbean Sea region is one of the top three offshore financial centers of the world and has always been committed to financial innovation and development. Currently, comprehensive

measures (including establishing official transaction sites) are used to create a global digital currency center. Through the signing of the strategic cooperation agreement, Sophon Capital Community will obtain an extremely large strategic market space. This will enable the Sophon Capital Community to better serve investors through official authorization and endorsement, demonstrating its “near, source, trust” characteristics. That means that it is the most able to obtain user trust and is closest to the digital currency market and transaction source. At the same time, by cooperating with mature communities and financial companies, including Xing Yun community and Chancein Technology, high-net-worth users will be introduced in batches to rapidly expand the community scale.

In technology and financial market areas, the Sophon Capital Community has appointed a team led by Dr. Bai, the former chief engineer of the Shanghai Stock Exchange, as the only official advisory team for the community. This team has a diverse background in establishing trading systems, one-stop services for capital markets, development of artificial intelligence technologies, innovation in blockchain technology, and research on digital currency. In addition, the team’s technological levels are tops in the field, which can greatly promote the healthy and orderly development of the community.

2. Sophon Capital Community solutions

2.1 What is the Sophon Capital Community?

In order to achieve regulation, circulation and processing of information, protection of investors’ rights, and to promote the healthy development of the digital asset economy, the Sophon Capital Community aims to let digital asset investors (such as amateurs, public users, and other ordinary investors), analysts, financial advisors, private equity managers, and other professional investors enjoy professional ICO ratings and robot-advisor services. This will enable these investors to truly benefit from accumulation and value growth of wealth in digital currency during the rapid development stage of the digital currency market.

The Sophon Capital Community is a digital asset service community based on blockchain and artificial intelligence. In the community, blockchain technology and secure multi-party computation was used to solve transaction trust and data privacy problems. Artificial intelligence (AI) technology was used to improve the service level and volume of the consultation, investment advisory, and other knowledge providers and achieve 24/7, all-time zone, full chain, valuable, highly efficient, robo-advisory and market monitoring services for digital currency. AI can be used to support knowledge sharing and trading of digital currency to solve the problem of asymmetry in market information. In addition, a set of incentive mechanisms was designed so that participants with high professional knowledge, high investment level, and high service

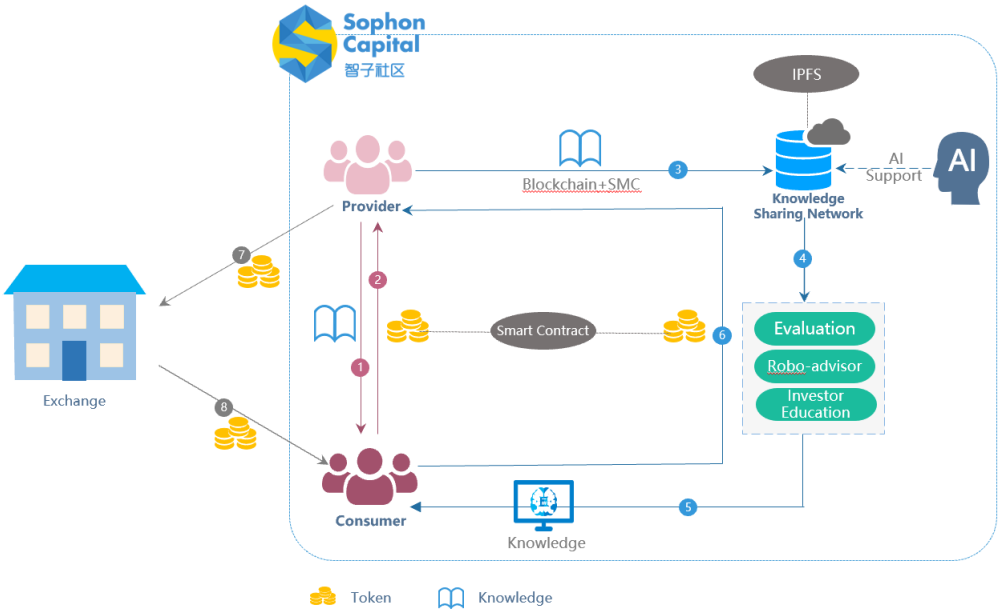
quality will be able to stand out.

The Sophon Capital Community aims to solve pain points in the digital asset industry and information chaos by providing highly efficient, more intelligent, more precise, and more responsive investment advisory services. This will enable investors to rationally understand the risk and benefits of investing in digital assets and provide value screening, rational investing, and a guide to digital assets.

Main modules	Service description
ICO Rating	Provides fundamental data and in-depth analysis and ratings for basic information, team status and relevance, code quality, and public sentiment for ICO projects. The knowledge graph of the currency network is used as a core for relational queries and inference. Machine learning and data mining methods are used to analyze the model and characteristics of massive projects. This will assist investors to fully grasp the quality, progress, and outlook for ICO projects, and provide a 360 degree-view on investment value and potential risk of ICO projects.
Robot-advisor	Provides 24/7 smart market monitoring services, which include automatic early warning for market trends and news. An AI-based algorithmic model is used to provide reminders and early warning for abnormal market prices. Knowledge graph and natural language processing techniques are used for real-time early warning and inference of positive, negative, and public sentiment news on digital currency. Through artificial intelligence tools to help users select the best strategies in the community for asset allocation, and uses blockchain to reward good strategic providers
Investors Education	Through inviting influential blockchain experts and KOLs, with operating team's rich experience in investor protection and education, the community conduct activities such as community education, evaluation, discussion, online and offline activities, and live broadcasting for investor education and protection.

	Community helps the rookie investors to have tailor-made training knowledge and individualized pertinence tests, to get started in accordance with their aptitude, and to learn digital asset market and blockchain knowledge base on knowledge graph technology. This can solve the problem of lacking investor education and protection and achieve the target of importation of user traffic.

2.2 Economic model



2.2.1 Community roles

Community users may include professional investors, ordinary investors, blockchain experts, project party, various medium and exchanges, and other individuals or organizations in the digital asset field. These users may be knowledge providers or knowledge consumers in the community.

2.2.2 Model interpretation

1

The knowledge provider releases unique knowledge in the community, such as research reports and investment strategy on a specific topic by blockchain experts. That knowledge can be bought by the consumer direct using Sophon coins (a token used in the community).

2

The know research reports and investment strategy on a specific topic by blockchain experts. That knowledge can be bought by the consumer direct using Sophon coins (a token used in the community). ledge consumer uses Sophon coins to purchase the knowledge from the provider.

3

The knowledge released by the knowledge provider can be safely shared through the back-to-back knowledge alliance (secure multi-party computation) and achieved privacy protection (knowledge enhancement).

4

The community uses artificial intelligence tools to improve sharing and knowledge, forming two major smart application modules of ICO rating and robot-advisor (AI enhancement).

5

The knowledge consumer uses smart knowledge provided by ICO rating and robot-advisor after knowledge and AI enhancement.

6

The knowledge consumer uses Sophon coins to purchase smart knowledge. Through smart contract pricing and clearing, various knowledge providers obtain corresponding Sophon coins.

7

Community users obtain Sophon coins by providing knowledge, which can be sold on the exchange (or through off-exchange transactions) to obtain corresponding rewards.

8

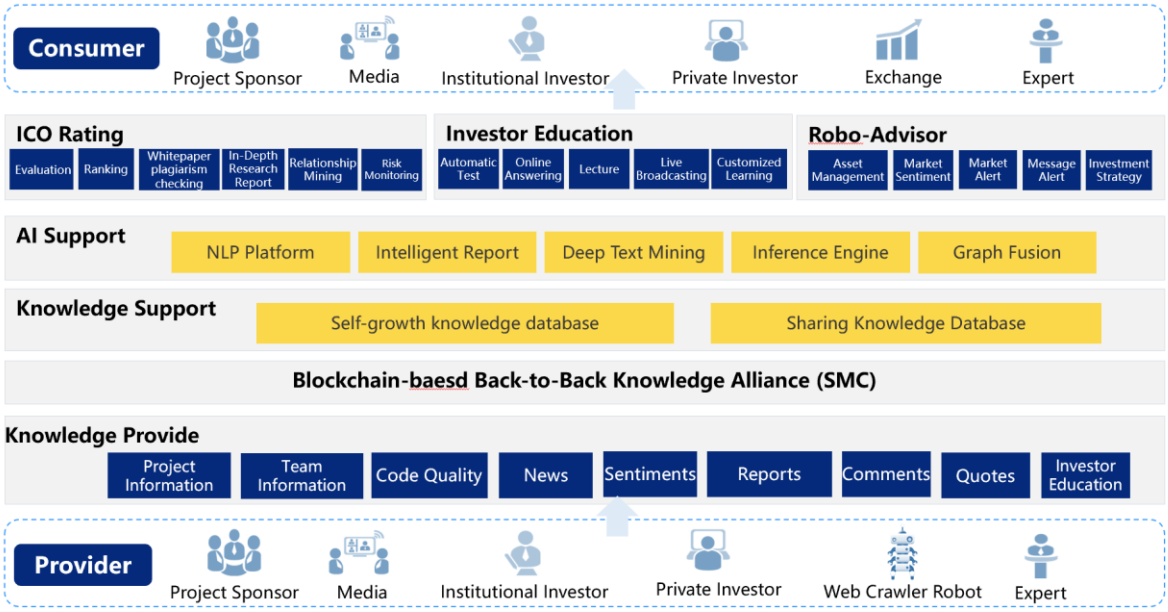
Community users can purchase Sophon coins on the exchange (or through off-exchange transactions) to purchase knowledge and smart application services in the community.

2.3 Major services in the community

The knowledge sharing community provides an environment for knowledge sharing, Q&A, sharing of investment experiences, project commenting, investors education and information commenting for digital asset analysts, industry experts, and investors. The knowledge and viewpoints in the community also provide an important data source for

ICO rating and smart market monitoring. Specifically, ICO rating and robot-advisor refers to the 24/7 comprehensive monitoring of important digital asset information and data from fundamental, news, including technical aspects, provision of comprehensive, smart, and rapid investment research and advisory, early warning of news, index services, transaction ranking, one-click ordering, rapid market information, daily project reports, in-depth analysis of project, project rating and ranking, and other services, and provide personalized digital asset management services for users according to the policy provided by community participants. The community applications satisfy the usage needs of different users. Through these functions, the community provides investors with intelligent information, smart early warning, strategic research services, etc.

Community participation roles and usage scenarios



The knowledge provider of the community is also a user of various community functions (user).

ICO project party

Knowledge sharing community

The project party of the knowledge sharing community can carry out official certification for projects, online information disclosure, investor Q&A, and releasing latest developments of the project in the knowledge sharing community.

ICO rating

Project rating is used to verify the reliability of the project itself. A ranking is used to increase promotional opportunities for the project.

Financial media

Knowledge sharing community

The media can carry out official certification in the knowledge sharing community for media, press release, reporting of projects, and “liking” and discussing news or other information.

ICO rating

Rating and ranking: The rating and ranking function can enable the media to have an in-depth understanding of the project, thereby releasing more objective reports.

In-depth reports: The in-depth report function enables the media to have an in-depth understanding of the project.

Risk monitoring: The risk monitoring function can assist relevant media to carry out risk monitoring of the project.

Experienced investors

Knowledge sharing community

Experienced investors in the knowledge sharing community can answer various questions posed by ordinary investors in the knowledge sharing community. At the same time, they can discuss or “like” various information in the community.

ICO rating

Experienced investors use project rating and ranking, in-depth reports, weighted index, relationship mining, risk monitoring, and other functions for comprehensive understanding of the specific situation for ICO projects and make highly informed decisions. At the same time, they also use relevant functions for project voting and transactions.

Robot-advisor

Chip monitoring, market sentiment, and early warning of market trends and news functions in smart market monitoring are used to achieve the 24/7 digital asset market monitoring needs for investors. At the same time, investment strategies and other research services can satisfy the investment advisory requirements by these investors.

Exchange

ICO rating

The risk monitoring function is used to assist transactions and monitoring of the risk of its token. At the same time, the one-click transaction function can be used to divert volume to the exchange.

Smart market monitoring

The various smart market monitoring functions are used to understand the market. At the same time, the one-key transaction function in smart market monitoring can divert investors to the exchange.

Blockchain experts

Knowledge sharing

Experts can publish essential content column, research reports, reply to investors' questions, publish comments, and "like" various types of information in the knowledge sharing community.

ICO rating

Project rating and ranking, in-depth reports, weighted index, relationship mining, risk monitoring functions, etc., are used to assist experts to understand the project and market conditions.

2.3.1 ICO Rating

The Sophon Capital Community provides an ICO rating system for knowledge providers, i.e., internal content generators (media, market analysts, investment agencies, blockchain project parties), to provide basic information, in-depth reports, and source code analysis of the ICO project. The in-depth text mining, smart reports, knowledge graph, and other intelligence tools provided by the community are used for deep processing. This is used to provide reliable investment rating and analysis data for investors and comprehensive rating services for the latest ICO projects to assist investors in the comprehensive understanding of the specific situation of the ICO project and assist investors in making highly informed decisions.

Project evaluation

Multi-dimensional in-depth reports and source code analysis from the knowledge provider are used for comprehensive evaluation. The community employs text mining

and other AI tools for precise evaluation of the project.

Ranking

The ICO rating results are used for ranking of ICO projects in descending order. This ranking will assist users to understand the overall status of ICO project evaluation, identify superior ICO projects and investment hotspots. At the same time, the project party can also use the ranking for project promotion.

Whitepaper plagiarism checking

In order to prevent fraudulent projects and enhance investors' understanding of ICO projects, the system can check the plagiarism to help users to determine the quality of the project's white papers. System allow users to query the degree of repetition of the white paper content of the project to determine the quality of the project. And system

will warn investors to pay attention to investment risks if it can be judged that the project may be fraudulent as it find out the content of certain project's whitepaper is overlap with another.

Relationship mining

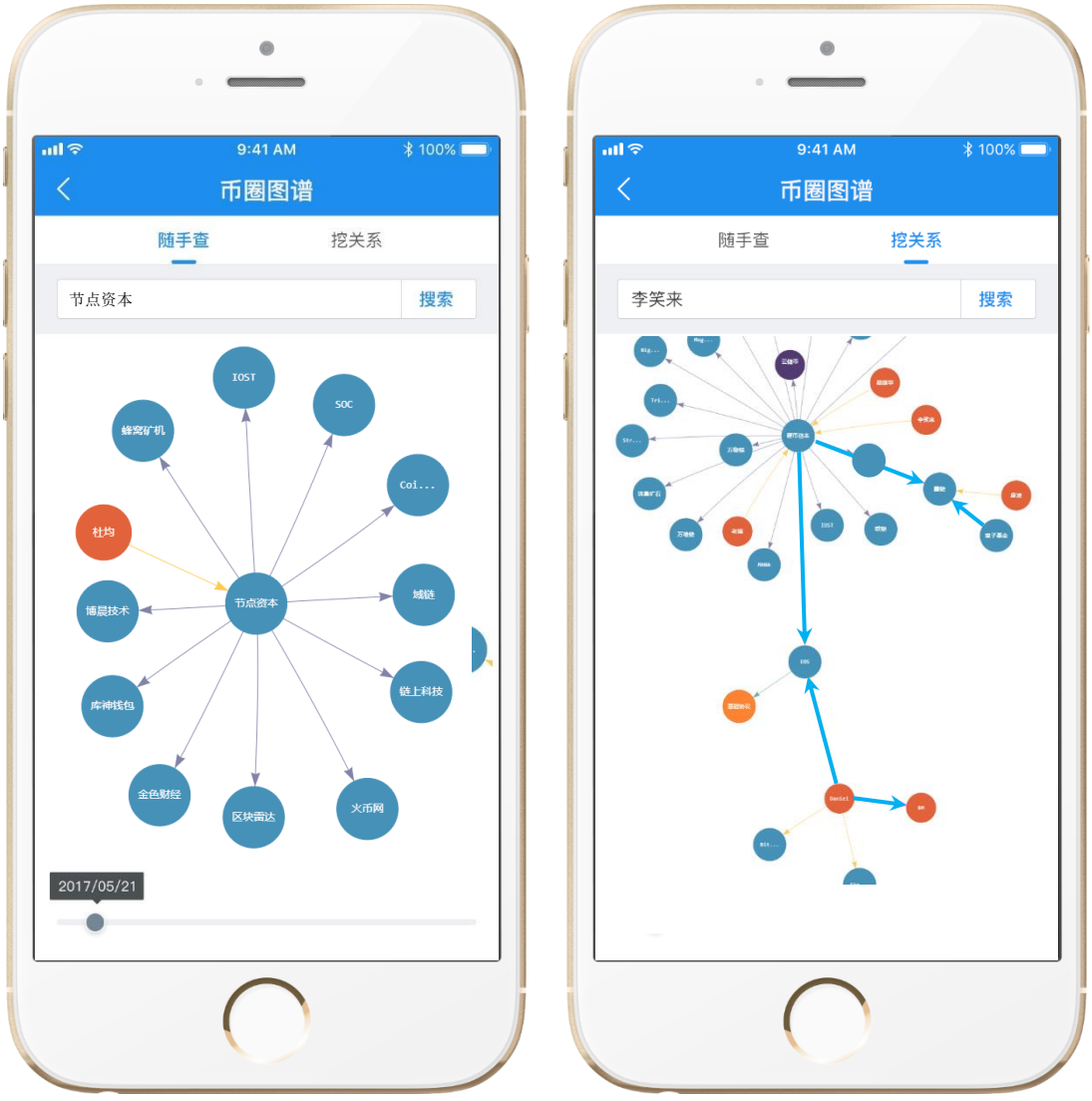
Community knowledge providers can utilize the artificial intelligence tools and knowledge base construction tools at the bottom layer of the community to establish a knowledge graph of the currency network for consumers to carry out purchases and enquiries. (The back-to-back knowledge alliance will be described in detail in Chapter 3.) Under the premises of utilizing the back-to-back knowledge alliance technology of the coalition and ensuring that the map contents of knowledge providers are not mutually revealed, investors can jointly examine the currency network knowledge graph constructed by different knowledge providers in the ICO rating system. This will assist investors in discovering the relationship between different people, projects, schools, media, companies, and currencies and grasp hotspot opportunities to provide value for the commercial decisions of the investors.

In-depth research reports

An in-depth and professional research report is provided to community users according to the in-depth comments and viewpoints of experts in the form of basic AI reports. This will assist users to better understand the industry, current development status, and future trends of the field.

Risk monitoring

The number of projects and information news on blockchain and the digital currency market are increasing day by day. The relationship between project information data is complex and difficult for investors to discern. The knowledge graph is used as a foundation for path and network analysis, map visualization, automated reports, and other functional components to achieve intelligent Q&A, path correlation analysis and discovery, discovery of community entity relationships, similarity, clustering, classification, recommended calculation, and other functions using the knowledge graph data in the digital currency domain. This will assist investors to identify and predict project risks from association relationship information by selecting the entities of concern (number of entities) and extracting all association relationships between various entities in the knowledge graph database for visualization and display.



Usage scenario 1: ICO project rating and voting

Many ICO projects with technical strengths and developmental prospects lack proper promotion and advertising channels, resulting in a low market dissemination rate. The smart ICO project rating system of the community enables investors to identify project

risk while simultaneously assisting the project team to analyze and validate the reliability of that project and provide a dissemination channel for the project as well. The project can be rated based on a combined form of the objective intelligent evaluation system and token voting.

Target users: Issuers of ICO projects

Usage scenario 2: Mining of knowledge graph relationships can solve the problem of insufficient depth in the information market and the risk of investors being defrauded when ICO ratings decrease.

The Sophon Capital Community enables you to mine the relationship between project, people, and other entities through the knowledge graph function to solve the problem of information blind spots. This will assist you in discovering hidden usable association relationship information, identify and predict project risks, and “intelligentize” ICO ratings, enabling you to not worry about which ICO project to invest in.

Target users: ICO investors

2.3.2 Robo-advisor

The Robo-advisor system of the Sophon Capital Community provides intelligent transaction and management services. Big data, market information, and consultation functions are combined with artificial intelligence tools at the bottom layer so that the community can provide 24/7 market monitoring services of the global digital currency market with no blind spots. The Sophon Capital Community can better solve the problem of real-time market monitoring needs of investors. The community can provide real-time acquisition and analysis of digital currency-related information for users and natural-language processing technology is used for real-time judgement of the information to determine the positive and negative effects on the digital currencies held by the user. This enables the user to have a real-time understanding of investment opportunities, conduct transactions, and obtain early warnings of abnormalities in trading volume so that investors can achieve profit maximization and loss minimization through the assistance of the smart market monitoring tool.

Market sentiment

Integration and utilization of search engine technology, text processing technology, knowledge management methods, natural-language processing, SMS platforms, automatic acquisition, extraction, classification, clustering of massive data, thematic monitoring, and special focus are used to satisfy the user's needs for monitoring of public sentiment on the digital asset market and tracking of hotspot events.

Asset allocation

Users can rank asset portfolio by different dimensions, and can perform one-click follow-and-shoot operations of their favorite asset portfolios to earn profit together with outstanding investors. Users can also view the performance trend of portfolio, detailed configuration, latest transfer record and portfolio news, and also have the reminder of portfolio changes.

Early warning of market trends and news

Investors can set relevant conditions for smart market monitoring, such as transaction market, time, transaction price, determination of information and public sentiment, and even detailed trading strategies. When the system automatically acquires real-time data and information and detects that these fulfill the user's preset conditions, a notification will be sent immediately to the investor. This entire process is recorded in the blockchain, ensuring the accuracy, integrity, and non-tampering of all statuses, and minimizing the effects of accidents.

Investment strategy sharing

Investors can create their own investment combination, release investment strategies, and record their own investment trajectory. A superior investor can choose to share their investment combination or hide details and only show earnings to the Sophon Capital Community. In addition, they can provide relevant analysis so that interested

users can use Sophon coins to view the analysis. Investors can also select an investment strategy that is suitable for them for investment. After confirmation, the system will automatically apply the investment strategy of professional investors to the user's account. In addition, the community will regularly rank the rate of return of investors during that period and outstanding investors will be rewarded with Sophon coins.

2.3.3 Investor Education

Through the introduction of influential blockchain experts and KOLs, operating team's rich experience in investor protection and education, online and offline activities such as community discussions and live broadcasting, the community will popularize basic knowledge of digital asset for rookie investors and therefore solve the problem of absence of investment treaty protection.

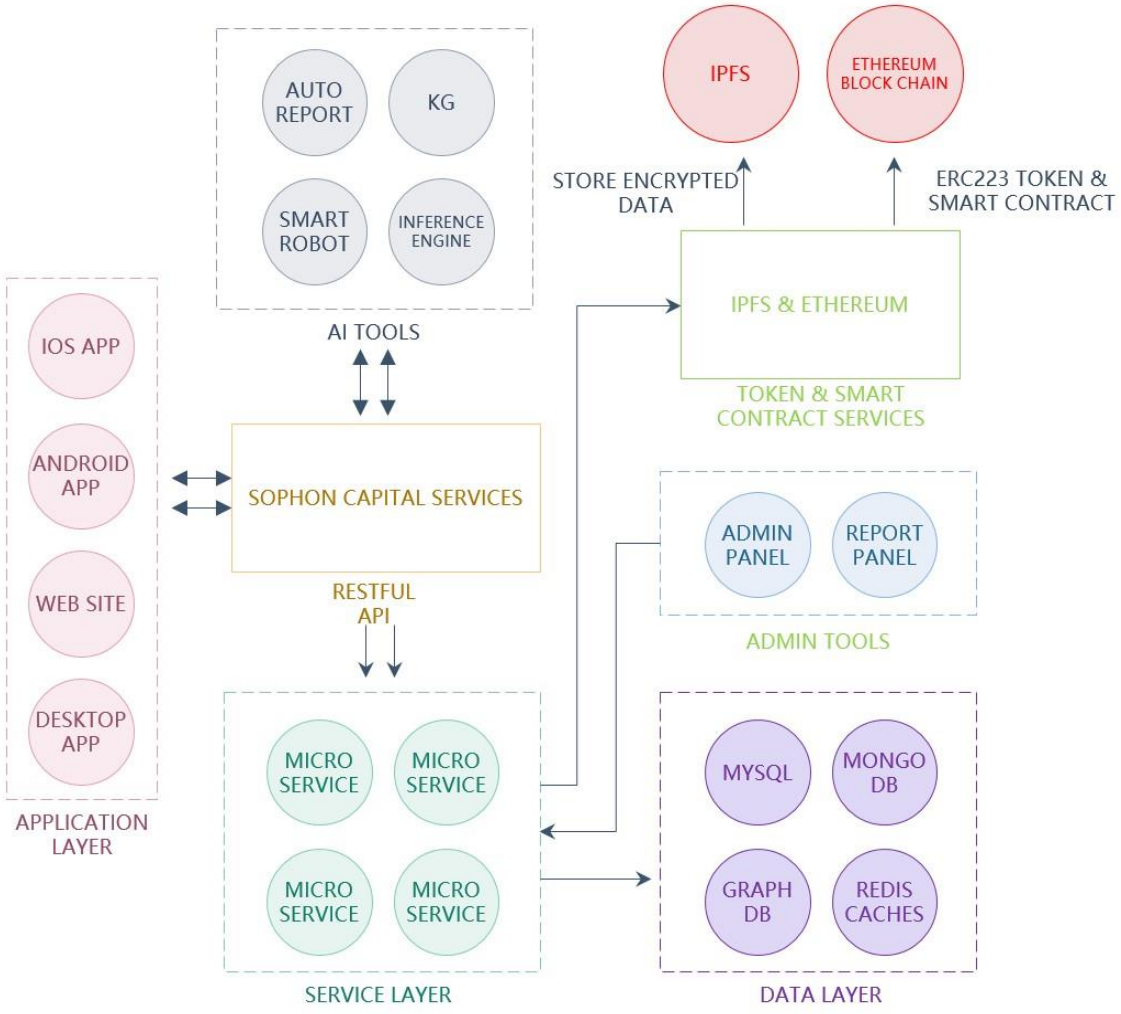
Personalized teaching and intelligence test

Community will construct knowledge graph of blockchain learning system. According to the user portrait, system will automatically generate learning materials and test materials by real-time following up of the user's learning progress, including their strengths and weaknesses etc. This enable users to quickly grasp the key point and improve the learning efficiency.

Experts live boardcast

Through inviting influential blockchain experts and KOLs, with operating team's rich experience in investor protection and education, the community conduct activities such as community education, evaluation, discussion, online and offline activities, and live broadcasting for investor education and protection.

2.4 Technical architecture of the community platform



The Sophon Capital Community is supported by Ethereum blockchain and Inter Planetary File System (IPFS). The tokens will operate using Ethereum blockchain technology and smart contracts. The IPFS is a global, peer-to-peer (P2P) distributed file system. We use IPFS to store data from knowledge files and immutable IPFS is connected to the blockchain transaction and smart contract to ensure the ownership and security of knowledge shared by the users. In order to maintain the stability of the community IPFS, the community will carry out multiple IPFS nodes to ensure efficient access to knowledge by users.

The platform will provide iOS and Android applications, desktop applications, and

websites for knowledge providers and consumers to use. The knowledge provider uses applications to upload their knowledge to the community for other users to consume. The knowledge content is directly uploaded to IPFS and is encrypted and stored. The knowledge profile and tags are stored in the community platform database for users to query.

The platform also provides automatic reports, intelligent robots, knowledge graphs, an inference engine, and other AI tools. These tools will provide valuable support to the basic services of the community platform and can also be directly provided to knowledge providers for configuration and use on desktop applications. The knowledge provider can configure artificial intelligence tools by selecting data source or private data to establish their own characteristic artificial intelligence services.

The community back-end services were developed based on the microservice architecture and various businesses were split into small independent microservices that are deployed independently and can interact flexibly with other microservices.

The community platform also provides a management tool console for configuration of community columns and other information and generation of statistical reports for various community information purposes.

2.5 Community operations

2.5.1 Incentive mechanisms

A set of complete scoring and incentive management systems was set up in the community for community management and marketing. For knowledge consumers, the scoring system can enable them to rapidly identify and locate valuable and high-quality knowledge, which provides effective support for purchasing decisions. For knowledge providers, scoring can aid them in setting up their brand in the community, expanding their influence, and attracting more consumers to purchase the knowledge provided by these providers. Rating and scoring can provide mutual understanding between knowledge providers and consumers and promote community development at the same time. A combination of valuable community content, functional services, and incentives from the scoring system can rapidly increase user activity, dwell time, and user adhesion to the community.

Score acquisition

The community scores are composed of two components: “originality” and “appreciation.” The knowledge provider will be given basic scores after publishing content. This score will be used as a basis for calculation of originality. Content consumers will be given a rating quote every 24 hours to rate the content published by knowledge providers. The rating is divided into two parts: 1) Rating and evaluation tag for article content and recording of user preferences, which is not compared with the ratings of other users in the entire community, and 2) Rating and evaluation tag for article quality, which is recorded in the community consensus. After an article has collected sufficient community consensus scores, the weight will be calculated to obtain the originality of the knowledge provider. Originality=basic score X weight. If the community provides positive evaluation of the content, positive originality scores can be obtained. Otherwise, negative originality scores are obtained. Content consumers that participate in evaluation will also obtain corresponding “appreciation” scores. The more accurate their evaluation and the closer to the community consensus, the higher the appreciation scores obtained. If the long-term evaluation of a certain content consumer is not consistent with the community consensus, such as giving good ratings to all content or giving negative ratings without reason, the appreciation score of the consumer will decrease.

As different authors have different styles, if only “like” is used as an evaluation marker, this may cause authors to produce only articles that pander to audiences’ tastes and do not contain essential content. If evaluators are all “nice guys,” this will result in the consensus forever having a score of 100 points. We specifically set up a mechanism of separating content score and quality score. Only content score, such as whether the article is lengthy, clear, the images are related to the article, and the article is clickbait, will be included in the consensus mechanism. In this way, the evaluators will have

relatively clear standards and can provide objective and unified good or bad reviews with ease.

After their content has been given a consensus evaluation by the entire community, the knowledge provider can see the overall evaluation trend and thereby improve their writing standards and generate better content for fans.

Score usage

The scores obtained can be used for:

- ✓ In article zone——

  Rewarding outstanding articles
  Rewarding authors of articles

- ✓ In Q&A zone——

  Rewarding outstanding answers
  Rewarding authors who provided answers

- ✓ In crowdfunding zone——

  Inviting “big shots” to answer questions
  Inviting “big shots” for paid broadcast

- ✓ In ICO zone——

  Inviting “big shots” to publish in-depth reports

  Activate automatic pushing of KOL’s reports (only manual viewing is possible without points)
  Activate automatic follow-on investing (only manual follow-on investing is possible without points)

Relevant and more detailed score acquisition and usage mechanisms will be determined by the fund decision management committee of the community.

2.5.2 Management regulations

The fund decision management committee of the community will formulate various rules for the community, including specific rates, specific incentive system, specific scoring and evaluation system, specific terms of use for knowledge services, etc.

3. Technical strengths

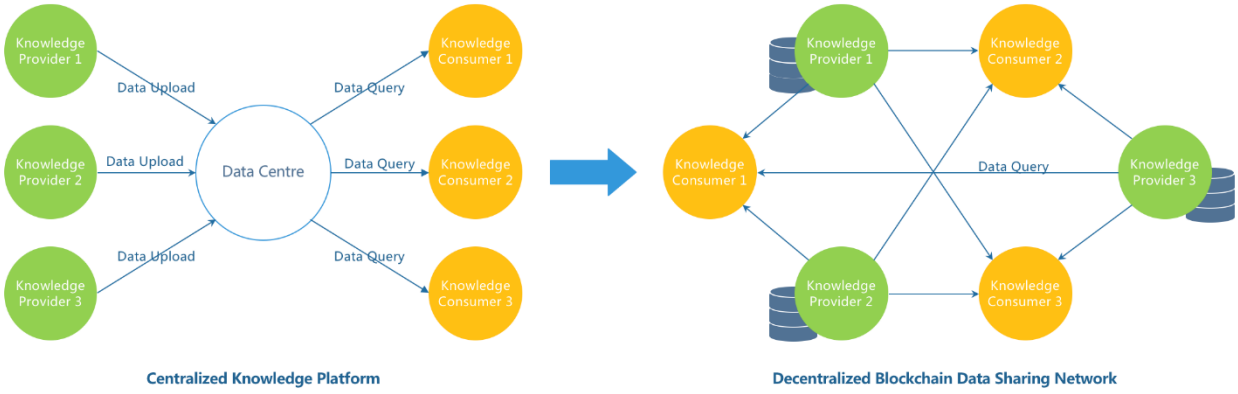
The Sophon Capital Community is based on two advanced technologies: blockchain and artificial intelligence. Deep processing of knowledge in the community is used to provide high speed, efficient, and precise smart market monitoring, ICO project rating, knowledge sharing, and other services. The user (knowledge provider) can freely provide and share knowledge in the community and can determine the price of knowledge. The types of knowledge include news information, market information on currency, ICO information, research reports, comments, source code for the GitHub project, etc. Priced knowledge is traded through the P2P knowledge transaction website. Transaction behavior is managed using blockchain technology and the transaction process is transparent and auditable. In order to ensure the absolute sovereignty of knowledge by the user, blockchain is used for storing knowledge and the back-to-back knowledge network is employed for knowledge interconnections and ensuring the privacy of user knowledge. However, this knowledge is often relatively superficial and it is impossible to know the effects on the market trends of the currency through knowledge representation. Therefore, the community has provided artificial intelligence tools that are suitable for the digital asset domain, which cover natural language processing, deep text mining, knowledge graph, and other key algorithms in the technical domain.

The community uses a “blockchain + big knowledge + artificial intelligence = new knowledge” model which establishes trust based on blockchain, employs secure multi-party computation for verification of rights, and employs AI technology to generate new knowledge. This thereby results in value-added knowledge while ensuring that knowledge sovereignty will not be infringed, guaranteeing knowledge privacy. The earnings produced by value-added new knowledge are settled automatically through smart contract and contribution ratio for the provider who contributed knowledge. The smart market monitoring service uses news classification, event extraction, automatic summary, sentiment analysis, smart inference, and other natural language processing techniques to push currency information that the user is concerned with, events, and early warning of market trends and public sentiment. This enables users to have a real-time grasp of market dynamics and assist users to respond with corresponding investment strategies. The ICO rating service utilizes knowledge graph construction, query, and push technologies, correlation analysis, influence calculation for analysis and mining of people, project outlook, public opinion, technical strengths, code quality, and other deep layers. This is used to generate a multi-dimensional index for rational and scientific rating and scoring of ICO projects.

3.1 P2P knowledge transaction network

The P2P knowledge transaction network is constructed primarily through Ethereum and IPFS. IPFS is a P2P hypermedia protocol and its decentralized characteristics enable it to be particularly suitable for usage with blockchain. IPFS can be used to store large amounts of encrypted documents of different formats and sizes. Immutable IPFS connections are used as data DNA to be placed into smart contracts, which can control the distribution of keys.

Compared with conventional centralized knowledge platforms, P2P transaction network users do not need to upload their data into a data center in the platform but hold the data themselves, which is stored in local conventional databases or is in encrypted and stored in a distributed IPFS file system. Knowledge transactions are managed through smart contracts. This not only protects data privacy but also enables knowledge transactions to be more open and transparent, non-tamperable, and auditable. In this process, data DNA, data storage, back-to-back knowledge sharing, and settlement of earnings are important steps for transactions.



Data DNA

As digital assets are easily replicated and the traditional digital asset industry lacks automatic authorization mechanisms, extremely high communication fees for reproduction result even if authors are found. This greatly impedes the legalized and large-scale sharing of content. In order to solve this problem, we used smart contracts for transactions, which use intervention-free automatic authorization and unleashes the value of data sharing. In the blockchain network, all digital assets have a unique identifier, which we termed as data DNA. Data DNA includes author, publication time, content fingerprint, Uniform Resource Identifier (URI), and terms of use, etc. The source of the data is clearly stated and is auditable so that it is easy to obtain evidence should infringement behavior occurs.

Data storage

In order to ensure the sovereignty boundaries of user knowledge, a combination of on-chain and off-chain methods are employed for storing knowledge. On-chain storage is used for storing essential formulas and data that requires auditing. Off-chain storage is used to store private data of the knowledge provider. An association relationship between on-chain and off-chain data is established through smart contracts on blockchain. For example, off-chain data is encrypted and stored in smart contracts, which control access. The smart contract legally connects the knowledge provider, knowledge consumer, and terms of use for knowledge, and other areas together. Blockchain ensures that the smart contract can record manipulations by all people and can ensure non-tampering and auditability.

	Storage method	**Applicable data**
On-chain data	Data directly stored in blockchain.	Suitable for storing standardized, open-access, consensus-requiring data that can be audited by all participants. Data DNA, transaction rules, and transaction records are stored here.
Off-chain data	Data that are independently and locally stored using conventional means or stored in IPFS. In addition, data connections are used as pointers for storing on the blockchain.	Suitable for storing private data of any format, any size, and that can expand. Raw data from the knowledge provider, AI-enhanced knowledge, etc., will be stored locally or encrypted and stored in IPFS. Their connections and content fingerprint will be stored in blockchain data DNA.

Back-to-back knowledge sharing

Knowledge sharing is widespread in collaborative relationships. When knowledge is compiled to form intelligence, some resistance in knowledge sharing will be met. Various parties with their own knowledge all hope to collaborate for deep mining of knowledge. However, all participants do not wish that their raw data can be seen by others. We employ the back-to-back knowledge sharing network (secure multi-party computation) to solve this problem. Specifically, in the back-to-back knowledge sharing

network, every knowledge provider corresponds to a node and P2P communications and transactions can occur between nodes. This prevents interception and replication of data by centralized nodes. At the same time, smart contracts are used to achieve secure sharing and calculation of data from various parties. Secure multi-party computation (SMC) can perfectly solve the collaborative computing problem on ensuring privacy between a group of distrustful participants. SMC must ensure input independence and calculation accuracy while not disclosing the input values to other participants in the calculation. The use of SMC enables us to support joint modeling and computation from multiple data sources and construction of an AI variable library that conforms to financial standards. This enables statistical analysis of the joint data source by modeling according to the user's needs.

Settlement of earnings

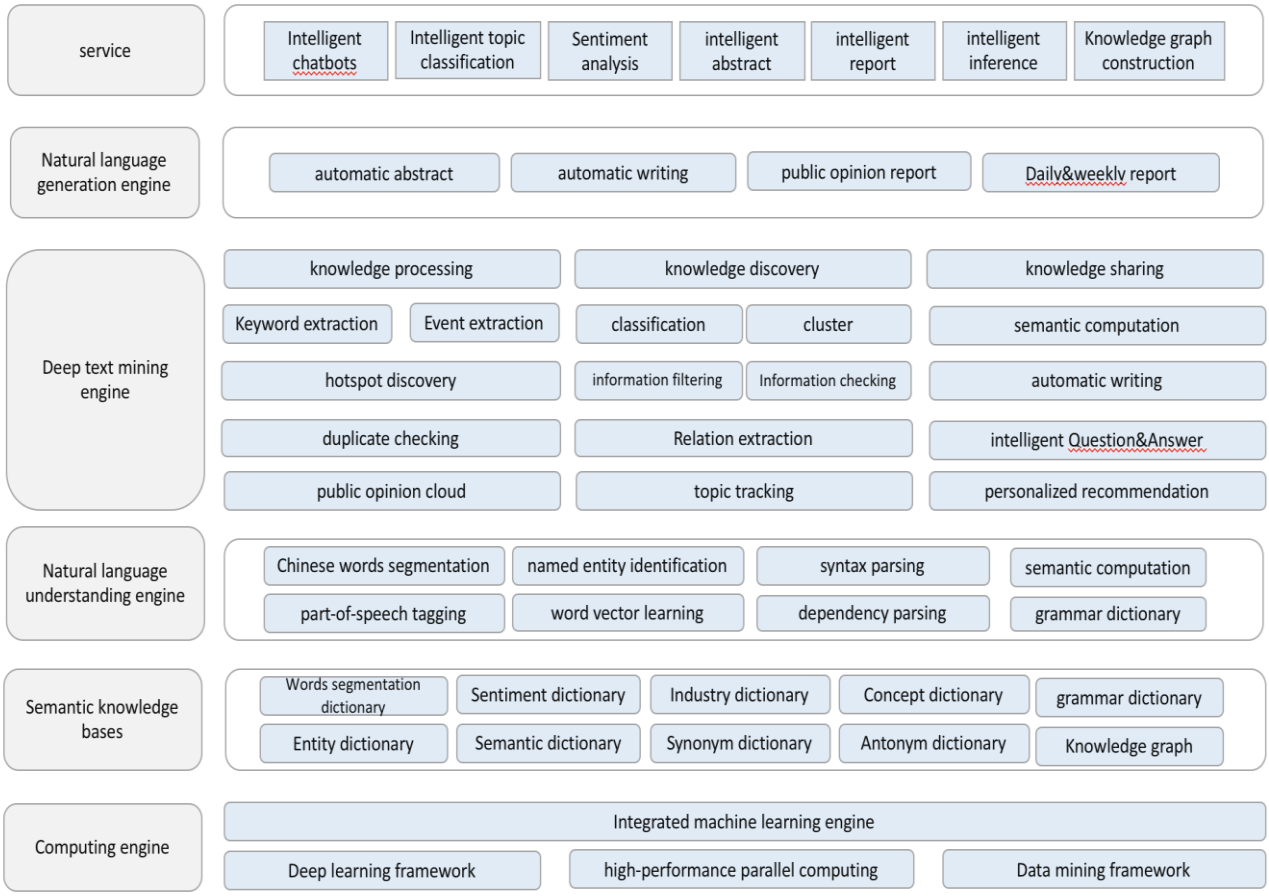
Smart contracts can be used for settlement of earnings. This ensures that collaborators can obtain corresponding returns from the box according to their contribution under circumstances where knowledge data privacy is maintained

3.2 Natural language processing engine

Natural language processing engine is an advanced algorithmic model for the digital asset domain that integrates natural language processing, machine learning, deep learning, and data mining. This engine aims to rapidly and efficiently mine unknown, potential, practical, and comprehensible knowledge and models from cross-language digital asset texts. Natural language processing provides professional, cross-language, and self-adaptable sematic analysis, text mining, data processing, Q&A system, recommendation system, and other functions. This effectively solves the problems of different language, unsynchronized information, language barriers, and other problems in the digital asset domain, so that users can comprehensively grasp information dynamics in the global digital asset field, thereby assisting in transactions for digital asset knowledge and service sharing.

The natural language processing engine primarily includes natural language understanding sub-engine, deep text mining sub-engine, and natural language synthesis. The natural language understanding engine can better understand the semantics of different languages at the word level, i.e. enabling the computer to understand the meaning behind different words in different languages and their interconnections. However, when faced with the need to mine unknown knowledge and models from texts on the digital asset domain, the natural language understanding engine still falls short. In view of this, the deep text mining engine was developed. The natural language understanding engine enables the computer to interpret the known

world while deep text mining engine explores unknown data. This enables the intelligence that is automatically discovered by the computer to be converted into human language through the natural language synthesis engine. These three engine layers are tightly linked to maximize data mining and correlation analysis in the digital asset domain, and truly enables the development of artificial intelligence.



Natural language understanding engine

The natural language understanding engine aims to convert human language into a language that the computer can understand. This is mainly achieved by providing word segmentation, part-of-speech tagging, syntactic structure analysis, syntactic dependency analysis, named-entity recognition, typo recognition, feature selection, word vector learning, semantic similarity computation, and stop word removal. Among these processes, word segmentation supports user-defined dictionaries to adapt to words in specific domains. These domain-specific dictionaries can be directly obtained from the community service provider through transactions, or automatically generated from dictionary expansion tools provided by the community service provider. In word-vector learning, we will employ word-embedding methods for relevant knowledge in the foundational knowledge base to introduce deep neural network models for vector constraints to obtain more accurate semantic representations for words, sentences, paragraphs, and chapters. At the same time, users can use their self-defined dictionaries for constraints in the vector space. It is worth mentioning that this model uses parallel multilingual dictionaries to map words from different languages to the same semantic space and text information from different languages are fused in the same space to provide multilingual text semantic representation. This thereby supports semantic mapping and translation of different languages. In addition, we also integrated the independently developed semantic analysis tool, SubCAT. SubCAT effectively combines linguistics and deep learning and is a breakthrough with important significance in natural language processing at the grammatical level.

Deep text mining engine

The deep text-mining engine integrates advanced algorithmic models from deep learning, machine learning, data mining, etc. and provides text classification, clustering, keyword extraction, sentiment calculation, hotspot discovery, topic tracking, event extraction, relationship extraction, cloud visualization of public sentiment, calculation of text similarity, personalized recommendation, Q&A system, and other services. For text classification, “parallel multilingual dictionaries + word vector representation + deep neural networks,” “parallel multilingual dictionaries + feature selection + vector space models + classifiers,” “parallel multilingual dictionaries + topic models + classifiers,” etc., to support unsupervised, semi-supervised, and supervised text classification (such as information classification, sentiment classification) across languages. At the same time, different combinations of feature selection, feature representation, and classifiers are also supported. The classification method can be customized according to the classification requirements for different languages and data characteristics to select preferred classification methods. In addition, for sentiment calculation, cross-language sentiment classification models can be designed and achieved based on probabilistic

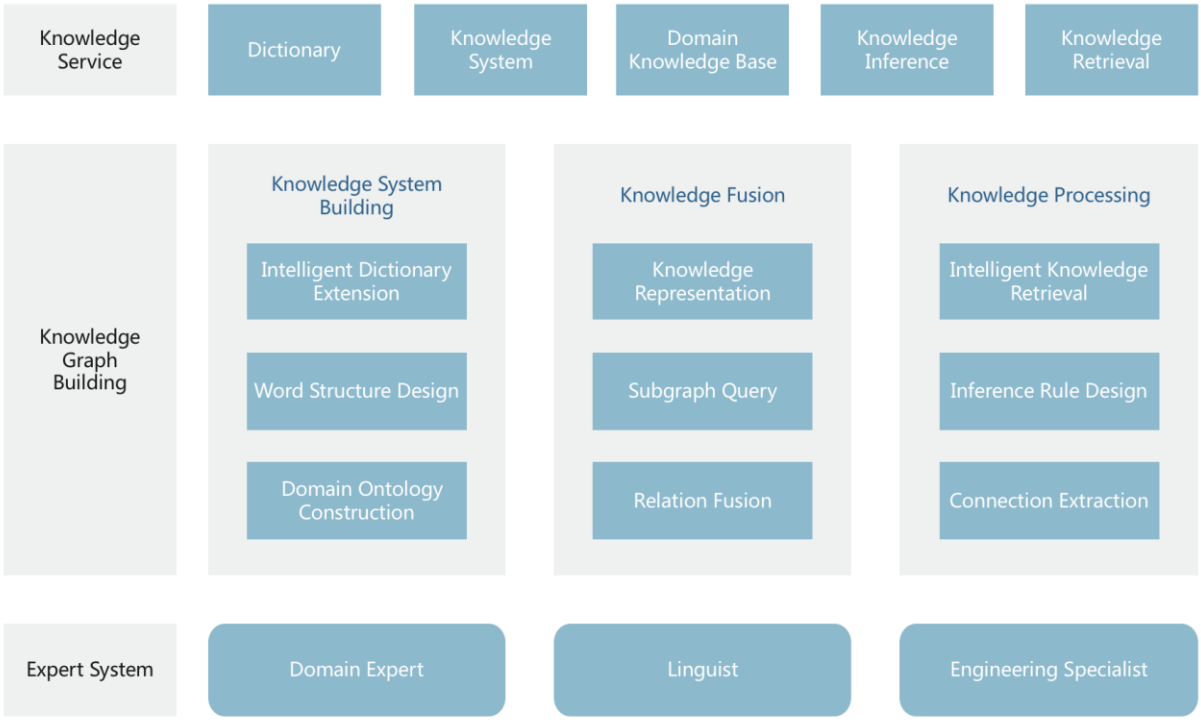
matrix factorization models and utilizing parallel multilingual dictionaries. This can be used for positive and negative judgment of information for languages with little or missing corpus to provide public sentiment dynamics for multilingual digital assets domains for the user.

Natural language synthesis engine

A powerful natural language synthesis engine is included in the AI enhancement tool in the community platform. The natural language synthesis engine can automatically summarize and automatically and efficiently generate various reports to upgrade knowledge. This enables users to conveniently and rapidly customize analysis reports with their own characteristics and viewpoints. The smart report synthesis tool supports user customization; the user can select the data source to configure the data processing logic for the report, content presentation format, and configuration of the report synthesis plan can be used to synthesize various daily reports, weekly reports, and monthly reports, using time as a unit. In addition, the report synthesis rules can be customized for real-time news scans or other information sources. When the rules are satisfied, real-time synthesized early warnings or prompts are shared to the community platform so that other users in the community can subscribe and benefit.

3.3 Multi-source, polymorphic knowledge graph

The aim of the multi-source, polymorphic knowledge graph is to integrate and organize knowledge of different forms and sources into one large knowledge graph. By integrating the professional knowledge of contributors, the organized knowledge network will be the combination of this professional knowledge. The organic combination of cross-domain professional knowledge will result in qualitative and qualitative changes in knowledge. During knowledge integration, the community will employ the aforementioned back-to-back knowledge sharing network to guarantee the user's intellectual property rights and corresponding returns. The community will integrate intelligent and expandable knowledge graph fusion tools. Community users can use the knowledge graph tools provided by the community to connect their knowledge to the community knowledge graph and obtain relevant benefits from knowledge dissemination and sharing. In this process, the Scheme (programming language) rapid construction, expansion of foundational dictionaries, knowledge graph presentation and fusion, and intelligent knowledge inference in the domain knowledge graph are key components for constructing the multi-source, polymorphic knowledge graph.



Construction of the knowledge system

Construction of the knowledge system mainly refers to construction of foundational dictionaries and domain ontology. Foundational dictionaries primarily provide knowledge support for mining and analysis at the upper layer and mainly include word segmentation dictionaries, sentiment dictionaries, industry dictionaries, concept dictionaries, entity dictionaries, grammar dictionaries, synonym dictionaries, antonym dictionaries, parallel multilingual dictionaries, etc. These dictionaries are also obtained from automated or semi-automated learning. Professional jargon and new words will be mined from large-scale industry and conceptual corpus to assist users to rapidly and efficiently construct relevant dictionaries. Word embedding vector models and topic models will be combined to identify topic words in candidate domains from the domain corpus for domain experts to screen. Currently, our foundational dictionaries have accumulated several thousand words and relationships. Ontology modeling techniques are used to determine the domain ontology concepts and categories. Collection and analysis of domain information is used to determine the core concept and the layer structure and relationship between concepts. This thereby enables the construction of a multi-semantic matching model between concepts to create a fixed semantic expression model between concepts.

The foundational dictionaries and domain ontology support community services by providing various types of analysis services and API services for knowledge consumers. In different application settings, these knowledge bases can be directly taken as knowledge for transactions. In addition, foundational semantic knowledge bases also

support knowledge consumers in dictionary customization. After knowledge consumers have issued a request for dictionaries in the community, the community service provider or other knowledge providers can carry out data mining according to the consumer's needs and provide a dictionary that will satisfy the consumer. The community service provider provides an automatic construction function for domain-specific dictionaries. The knowledge consumer only needs to provide the domain name (required) or domain name (optional) to obtain domain dictionaries that fulfill their requirements.

Knowledge Fusion

The community uses advanced subgraph fusion technology and secure multi-party computation for automated connection and expansion of everyone's constructed knowledge subgraphs. This provides knowledge consumers with cross-node query and inference while ensuring that the knowledge subgraph data are encrypted. Knowledge consumers can obtain query and inference results based on intact knowledge graphs and knowledge providers can obtain corresponding returns through sharing of knowledge subgraphs. Knowledge is organized in the knowledge graph based on Resource Description Framework (RDF) triples. Each triple includes an entity header, an entity tail, and the relationship between them. Self-adaptable updating and growth of the knowledge graph is achieved through vector representation of the knowledge graph and is based on joint inference methods of a random walk algorithm in the dependency graph model.

In addition, community users can use the knowledge graph tools provided by the community to construct their own knowledge graph. Paid sharing of the knowledge subgraphs constructed by everyone will be carried out under voluntary circumstances for knowledge consumers to query and infer. The community uses advanced secure multi-party computation to ensure that cross-node query and inference will be provided to knowledge consumers under conditions in which the knowledge subgraph data are encrypted. Knowledge consumers can obtain query and inference results based on intact knowledge graphs and knowledge providers can obtain corresponding returns through sharing of knowledge subgraphs.

Knowledge inference

According to the scenario requirements of the digital asset domain and using investment and risk early warnings as traction, we developed a complete set of big data knowledge graph-based inference engine and graph visualization, inference rule setting, and engine management support components in a package. These components are based on the intelligent inference engine for factor graphs and inference technology, which are at the forefront of the industry. When a news event occurs, relevant nodes in the graph are triggered and quantitative conduction occurs along the relationship edge, thereby achieving intelligent inference for digital asset investment research scenarios.

Big data and deep learning of the knowledge graph in the finance domain are used to mine for the intrinsic association between various information sources and define rules and inference models based on early warning of digital asset investment risk. Natural language processing, machine learning, etc., are employed for automatic generation of self-evolving inference rule base. This will automatically extract events from textual data in the Internet and factor graph, knowledge graph, and event evolution graphs, which are used for calculation of influence propagation and intelligently infer the effects produced by that event.

4. Team

The community service team is a dream team from industry and academia that were formerly from the Shanghai Stock Exchange, Sinolink Securities, Guosen Securities, and the University of Hong Kong. Dr. Shuo Bai is currently the chief engineer of the stock trading system in China and has extensive trading and information system construction experience. The advisory team that he is leading is currently the only team with rich cumulative experience in traditional fintech in the global digital asset community.

Kaman Leung-Foundation Chairman

Master's in Accounting and Management Science from the University of Kent. Many years of project management, enterprise software management, and sales experience. Microsoft and Oracle ERP senior consultant and project manager. Previously responsible for many famous listed Hong Kong groups and renowned for enterprise software development and management work. Specializes in business solutions for finance, hotel management, retail, and management industries. Was previously the COO for a local leading artificial intelligence company. Participated in planning various fintech projects, such as the Dalian Commodity Exchange, Soochow Securities, etc.

Nemo Chan-General Manager of Hong Kong Sophon Technology Limited

Bachelor of Accountancy from Sun Yat-sen University, member of the Hong Kong Association for Modernization, and former member of the election team for a constituency in Hong Kong. Previously an assistant director in the investment department of Shenzhen Capital Group (Hong Kong). During his tenure, he participated in many early-stage fintech due diligence work projects. Subsequently, he worked in the investment, operations, and internal audit department of the Hong Kong and China Gas Company, a company listed on the Hong Kong stock exchange. During his tenure, he focused on local projects and previously participated in the investment and acquisition projects of a large state-owned enterprise in Northeast China. He has many years of project investment and management experience.

Technical Development Advisory Team

Shuo Bai-Chief Advisor

Chairman of the technical committee for ChinaLedger, doctoral advisor for Institute of Computing Technology and Institute of Information Engineering, Chinese Academy of Sciences; executive director of the Chinese Information Processing Society of China; vice chairman of the securities subcommittee of the China Financial Standardization Technical Committee, one of the founders for blockchain research and application in China. Was previously a researcher in the Institute of Computing Technology, Chinese Academy of Sciences; chairman of the software laboratory, and chief scientist for software direction. In 2000, he participated in the National Computer Network Emergency Response Technical Team / Coordination Center of China (CNCERT/CC) and, in 2002, he took on the role of chief engineer of the Shanghai Stock Exchange. Chief designer of the next-generation trading system in the Shanghai Stock Exchange and top expert in natural language and artificial intelligence.

Xue Bai-Executive Chairman

PhD in computer artificial intelligence from Fudan University. Previously a post-doc in the Capital Market Research Institute, Shanghai Stock Exchange. Researcher, previously in charge of multiple key research projects for securities systems, including securities knowledge graph. Subsequently, she was employed in Sinolink Securities for FOF Asset Management, design and R&D of fintech products, and other relevant work.

Operation Team

Dingding Hu-Chief Operating Officer

More than 10 years' experience in the advertising industry and 4A system. He once served in McCann, TBWA, Bates, Artbase, Ogilvy, and worked as creative director of Ogilvy & Mather and McCann. His works have been hailed as the most creative representatives. He won numerous awards in the advertising industry including the Gold, Silver and Bronze Lion-Cannes Lions, the Gold, Silver and Bronze Pencils-OneShow, the Gold GreatWall Awards and so on. He started his own business in the late period and served over 60 large clients including L'Oréal, Dove, Pond's, Lee, Mercedes, Lincoln, Carlsberg, Oreo, Puma, F1 and so on.

Strategy Advisory Team

Jeff Chang- Strategy Consultant

One of the founders and partners of Ulink Financial Services, founder of TCP, director and chairman of the TCP foundation, founder of Nebula Digital Asset Fund, an experienced trading structure designer who used to work at Fannie Mae and Merrill Lynch in the United States. He once worked as a leader of overseas listed state-owned companies and the director of overseas investment and financing for Inner Mongolia Mining Group. With 15 years of experience in investment, financing, M & A and cross-border financial services, he is specializing in resource capitalization, asset securitization, trading structure design, financial derivatives design. He graduated from Tsinghua University, and New York University.

Yuandao- Strategy Consultant

Founder and chairman of Century Internet Data Center， which is China's largest telecommunications neutral IDC operator. In early 2014, Mr. Yuan Dao took the lead in proposing to translate “qukuailian” into “blockchain” to open up the development of the domestic blockchain. In 2016, under the support of Zhongguancun Management Committee, Century Internet Data Center, as the chairman unit, initiated the establishment of the Zhongguancun Blockchain Industry Alliance. Mr. Yuan Dao has a deep research on the token economy and has his own unique insights.

Ran Chen- Strategy Consultant

Ms Ran Chen, has been working as an investment banker for over 15 years with Morgan Stanley in New York, World Bank's International Finance Corporation in Beijing and CITIC Group in Hong Kong. Prior to her career in the investment banking business, she had been working as an IT consultant for more than 5 years with Unysis in the US. She has a Bachelor’s degree in Management Information System from Tsinghua University and an MBA degree from Stern School of NYU.

Frank Zheng-Strategy Consultant

Secretary-general of World Blockchain Organization (WBO), postdoc in management science from the Technical University of Berlin, Alexander Von Humboldt fellow of Germany, renowned overseas investment expert, researcher and doctoral advisor in Institute of Computing Technology of the Chinese Academy of Sciences, adjunct postdoctoral advisor at the Chinese Academy of Social Sciences, adjunct professor at Antai College of Economics & Management, Shanghai Jiao Tong University. Internationally renowned capital market expert, with in-depth knowledge of corporate

finance, real estate finance, private equity fund management, private equity financing, and reverse takeover, and listing. He was formerly a partner in the locally renowned Blue Ocean Angel Investment Management and Managing director of Peking University Vertical and Horizontal Investment Center. Currently, he is the chairman and general manager of Greenfield Capital Group, director of the Caribbean Free Trade Zone, managing director of the Caribbean Institute of Blockchain Industry, economic ambassador extraordinary from Caribbean Zone to China.

Research Institute Advisory Team

Dr. S.M. Yiu-Member of Advisory Team

Associate professor (blockchain technology) in the department of computer science, University of Hong Kong; fintech laboratory director for University of Hong Kong; pioneer in blockchain technology in Hong Kong, and expert in distributed ledger technology, computer security, cryptography, and bioinformatics. He has published more than 100 journal and conference papers, was conference/project chairman for renowned conferences (such as the 2017 Asia International Conference, the RECOMB 2017 conference), editor for information processing journal, and has extensive experience in industry project and international collaboration.

Hao Xiong-Member of Advisory Team

Finance researcher at the University of Hong Kong; PhD in cryptography; graduate advisor for the Department of Computer Science, University of Hong Kong (computational finance and digital currency). Previously a post-doc researcher in the Capital Market Research Institute, Shanghai Stock Exchange. His research was on Internet securities and finance big data. One of the early researchers in Internet securities in China and was responsible for many key research projects for securities systems, such as internationalization of securities. Subsequently, he was employed in the strategic development department in Guangdong Technology Financial Group and has extensive technical and capital market experience.

5. Token issue plan

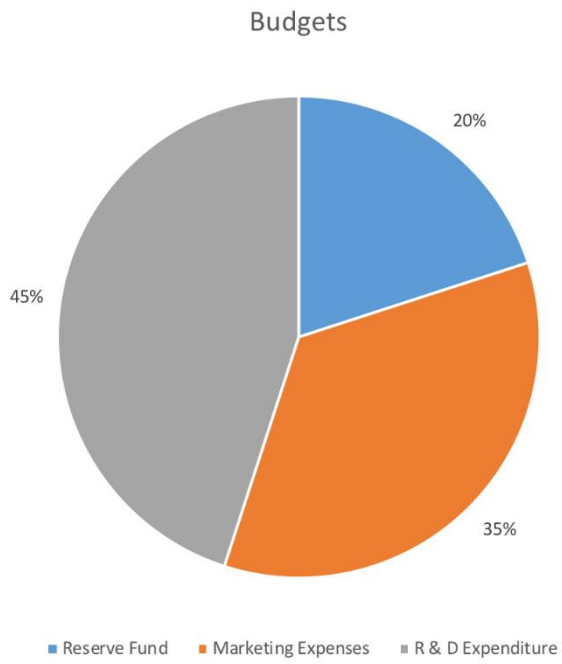
The token issued by the Sophon Capital Community is called the Sophon coin and is synthesized based on the ERC-20 smart contract for Ethereum. The token is used for settlement, transaction, and fulfillment of smart contracts. In accordance to the standards by the Swiss Financial Market Supervisory Authority (FINMA), Sophon coins are categorized as payment tokens. The total amount of Sophon coins that will be issued are 100 million and will never increase. Sophon coins are distributed to different holders according to specific rules and ratios. One specific ratio is to issue to suitable populations by appropriate means. Sophon coins are used for construction of the bottom layer of blockchain, R&D for the product module, applied for eco-layout, and maintenance of overall fund operations. After issuing has ended, an equivalent amount of Sophon coins will be exchanged for investors.

5.1 Token distribution

Ratio	Number of tokens	Distribution protocol	Notes
30%	300 million	Token Exchange	Issuance of tokens to investors for use in fund operations. These operations mainly include development, marketing, community promotion, and other costs.
55%	550 million	15% Recruiting operational professionals and partners	Lock-up period is same to the team
		10% Community operation	Use for community ecosystem operations at the early stage
		30% Community long-term development	Retained for future expansion
15%	150 million	Team incentives	Issued to relevant teams that have worked and contributed during the development and operation process. These tokens have a lock-up period.

Notes: The lock-up period for the team is one year. Starting from the second year onwards, 20% is unlocked every year and unlocking is completed in the fifth year.

5.2 Fund uses



R&D expenditure include recruitment of experts, research and development, intellectual property protection.

Marketing includes market deployment strategy, project management, product operations, promotion, and commercial channel expansion.

Reserves Reserved for development of mobile functions.

5.3 Economic Model and Future Growth of Token

The Sophon Capital Community belongs to applied blockchain projects and can rapidly launch and generate large number of application scenarios to support the rise of the token. The Sophon token is the usage credential for community services and will become a universal token for transactions in all scenarios in the community. This token can be used to pay for fees for various service processes such as digital asset information and investment advisory in the community and included decentralized P2P labor costs. This will achieve P2P rapid payment, transaction, and exchange within the community. The community uses Sophon tokens for value circulation, promoting the development of the community ecosystem. The higher the demand by the community for tokens, the greater the space for the token to increase in value. The following channels can ensure that the token will increase in value.

5.3.1 Internal growth economic model

Internal growth economic model is to enhance the value of tokens through the community's own service system, including the improvement of application scenario and incentive for user's lock-up.

Intelligent services payment

Investors can use high quality of research and investment service with various tools powered by AI in the community.

Investor education fees

Intelligent digital asset management

Investors can use the token to purchase trading strategies and investment portfolios of professionals and analysts according to their risk's appetite. In order to ensure the effectiveness of strategies and investment portfolios, and to increase the willingness of professionals and analysts to share strategies with others, investors need to allocate some of the profits obtained from the investment to the knowledge (content strategy) providers and communities in the form of token. Intelligent investment research and investment services will mutually boost the demand of investors to use the community, so it will quickly drive demand for tokens.

Lock-up with incentives

Performance of investment research robot and investment strategies will be sorted in each fixed stage. Each level of strategy can only be used by investors with corresponding tokens and follow-up strategies. Similar to buy new shares in A-share market, the amount of credit that can be purchased is tied to the number of stocks currently held, it is the way to incentivize users to voluntarily lock positions and increasing the scarcity of tokens.

5.3.2 External growth economic model

Community voting

Voting requires Sophon tokens and the number of these tokens held will be used as votes directly reflecting the user's voting rights. The ICO rating requires the voting results for ICO rating that the community user participates in and objective indicators. Promotion of ICO projects and other institutional collaboration requires tokens as a form of payment.

This will be similar to Huobi, Binance, and project voting systems. Employing the voting

system for Huobi that was used some time ago, the revenue for one night was 50 million RMB.

Institution collaboration and drainage fees

In community and exchange collaboration, information access, closed-loop investment advisory and transaction, and diversion by the community to the exchange, the exchange must use tokens as a means of payment for the diversion. This amplifies the demand for the token. Based on current estimates, the market value for this type of token is in the scale of billions.

5.3.3 Community growth space and benchmarks

As the community is used for digital asset investment transactions, and the number of users who learn to interact increases, the demand for Sophon coins will become greater. This will lead to greater market acceptance and higher value for Sophon coins. The continuous expansion of the community will attract more investors to become community users (including knowledge providers and knowledge consumers). Knowledge providers can safely and assuredly trade their unique knowledge in the community and can share their knowledge or investment strategies to obtain profits. Other investors can obtain professional information, research, and investment advisory services in the community, which will assist them in profiting from the digital currency market. A good community ecosystem will increase the value space for Sophon coins, bringing huge investment returns for early community investors. Besides the large appreciation space for Sophon coins, the estimated value of the community itself is also considerable.

In the information aspect, we are benchmarked against Bloomberg. According to big data information, up until March 11, 2018, the number of blockchain self-media accounts has reached 664. As of February 2018, 270 blockchain accounts have published 4333 articles reflecting the digital capital market's huge demand for information. The Sophon Capital Community uses various intelligent tools to provide information with greater value to investors and its growth space is unlimited.

In investment advisory services, we are benchmarked against Morgan Stanley. In traditional finance, "smart investment advisory" is no longer a new concept and few people haven't attempted it. However, professional smart investment advisory in digital currency is almost zero. Digital asset allocation is a new industry and most people lack professional knowledge and investment strategies. Currently, more than 90% of investors in the digital currency market are retail investors who carry out manual transactions based on personal experience. This backward method is not suitable for the rapidly changing digital asset market. The community provides smart market monitoring and smart investment advisory services, which can be combined with the knowledge and strategies provided by experienced and professional investors to solve

the problems of amateur investors who do not have professional investors to manage their investments and face the risk of severe asset loss. In the promising digital asset market, the community can provide smart investment advisory services to provide unlimited possibilities for users.

In investment research and rating, we are benchmarked against Standard & Poor's. As of early 2017, the blockchain ICO market is abnormally hot as the number of cryptocurrencies has reached 1486. Therefore, there is a huge demand for research and rating services for projects. The AI tools provided by the community for rating services include using knowledge graphs to mine potential relationships to evaluate risk, etc., which can satisfy the strong demand for project evaluation and appraisal of users.

The community is benchmarked to these well-known companies in the financial market, which have a total market capitalization of nearly 200 billion US dollars. Under the large volume and potential of the digital asset market, Sophon Capital Community will be unstoppable in the rapidly developing digital asset domain.

5.3.4 Future growth of community

With the rapid development of digital asset trading, the need to form an asset management chain based on transactions, accounts, custody, settlement, and investment has increased. As a result, there is large appreciation space as the operations and advisory team of the Sophon capital community will base its accumulated experience in the trading, custody and settlement system in the traditional capital market, to construct a capital market infrastructure public chain in digital asset market.

5.4 Withdrawal and returns

Investors can withdraw through the following means:

- Selling Sophon coins on the open exchange and after the lock-up period

-Transfer Sophon coins through external channels

Returns

Imagination on the use of scenarios is unlimited. The community will increase the number of application scenarios, utilize artificial intelligence technologies to increase community operations, so that scenarios are abundant and diverse. This will enable users to hold Sophon coins for long periods to time, to earn Sophon coins in the community, and to purchase more Sophon coins in the exchange, ensuring the long-term, stable growth of Sophon coins, and ultimately benefiting Sophon coin holders.

6. Governance mechanisms

6.1 Fund establishment

The Sophon Capital Community is owned by the Sproton Foundation. That fund is committed to community development, construction, marketing, promotion, transparent governance, the promotion of platform security, efficiency, orderly operations, and healthy development of the Sophon Capital Community ecosystem.

6.2 Foundation governance principles

In terms of governance structure, the foundation conforms to the principles of efficient management, sufficient research, and active development. Under open and transparent premises, the foundation invested heavily in the development of technological innovation and applied research for the Sophon Capital Community, continuously recruiting outstanding talents, rapidly developing platform modules to enhance user experience and market competitiveness.

6.3 Foundation organizational structure

The foundation organizational structure consists of a combination of professional members and functional departments for processing and management of daily tasks and special matters. This is combined with offline operations and management. The foundation will set up a management committee and various functional departments, including a management committee, a technology R&D center, a market operations center, an integrated management center, and a risk management center.

7. Development journey

Previously, we have carried out many studies on artificial intelligence technologies; our intelligent information, inference engine, automated research reports, and other services have been successfully used in traditional finance. The returns of investments made based on our artificial intelligence recommendations have mostly exceeded those of investments made using technical indicators from conventional analysis toolboxes and can provide substantial profits for investors. In addition, since 2005, we have started blockchain research; we focused on the application of blockchain in data sharing and the combination of secure multi-party computation with blockchain. These previous works will greatly accelerate our application progress. Following that, we will develop all functions for the Sophon Capital Community and provide rich applications and interfaces for all community participants.

2017/09: Foundational research on blockchain technology

2017/12: Research on blockchain and secure multi-party computation
Completion of blockchain-based data sharing network Demo
Application of intelligent information, inference engine, and automated research reports in traditional finance

2018/01: One of the community technical collaborators, Hong Kong Chancein Technology Limited collaborated with the University of Hong Kong to jointly set up a fintech laboratory in the University of Hong Kong

2018/03: One of the community technical collaborators, Hong Kong Frontier Blockchain Technology Limited and the University of Hong Kong jointly applied to the Hong Kong government for funding for the ITF 3 million blockchain research.

2018/04: The community and the Caribbean Free Trade Zone signed a strategic cooperation agreement in which products and technologies will be implemented and used in several dozen countries, covering the asset transaction service and monitoring service in the world's greatest offshore financial center.

2018/06: The beta version of the Sophon Capital Community will go online.

2018/09: The APP beta version of the Sophon Capital Community will be released.

2018/12: Version 1.0 of the Sophon Capital Community will be officially released.
Continuous functional iteration

8. Disclaimer

This is a conceptual white paper that is used to describe the concept and core technical concepts of the Sophon Capital Community in detail. This document will be continuously modified, but we are not obliged to regularly update this white paper or provide any additional information. This project may fail due to legality, market demand, technical, or other uncontrollable reasons. The worst outcome of project failure may cause you to be unable to withdraw all Bitcoins (BTC), Ethereum (ETH), or other investments that you have invested. Please read the following content in detail and fully evaluate your risk tolerance and actual situation to make a rational judgment regarding investment:

Limitations of smart contracts

The smart contract technology is still in its infancy stage of development and its use is experimental. This fact may result in severe operational, legal, technical, reputation, and financial risks. Although an audit by third parties can increase the security, accuracy, and reliability of smart contracts, they cannot be used as a guarantee for smart contracts

according to the original operation rules. This also cannot ensure that smart contracts for tokens do not have any defects, weakness, or other problems that will cause technical difficulties or complete loss of tokens.

Risks associated with judicial regulation

Blockchain technology has become the main subject of regulation by various major countries in the world. If regulatory authorities interfere or exert influence, the Sophon Capital Community may be affected. Examples include legal limitations on use, which may affect the sale of electronic tokens, impeding or even directly terminating the development of the Sophon Capital Community.

Security vulnerability risks

The Sophon Capital Community applications include a series of open-source software. There is a risk that the Sophon Capital Community team or other third parties may intentionally or unintentionally apply code with vulnerabilities or bugs to the core architecture.

Non-declaration or guarantee

We do not guarantee the accuracy and integrity of information, statement, comments, or other matters in the white paper. Under circumstances with no limitations, we do not provide any declaration or guarantee for the achievement or rationality of any prospective or conceptual statements. Any content inside the white paper cannot be used as a basis for future commitments or statements. We are not liable for any loss caused by contents in the white paper and will not accept any legal responsibility arising therefrom.

Inflation risk

Patches or upgrade to the source code of Sophon Capital Community (this is determined by the Sophon Capital Community and not the Sproton Foundation) may cause the number of tokens to increase. The resulting inflation in token supply may cause market prices to drop, and token holders may experience economic losses. We do not guarantee that token holders will be given reparation or any form of compensation due to token inflation.

Market risks

The value of tokens is determined by market development of the Sophon Capital Community and user acceptance to a large extent. The Sophon Capital Community is not expected to be widely accepted or used within a short period of time after it is released. Under the worst circumstances, the Sophon Capital Community may even be marginalized for a long period of time and only attract a small number of users. In comparison, a large part of the demand for tokens may be speculative in nature. The

lack of users may cause the fluctuations in market price of tokens to be amplified, thereby affecting the long-term development of the token. When this form of price fluctuations occurs, the Sophon Capital Community shall not and is not responsible for stabilizing or influencing the market price of the token.

Circulation and transaction risk

The token is not a currency issued by any person, entity, central bank, or national organizations and is not supported by other hard assets or other credits. As a cryptocurrency, the token does not belong to the following categories: (a) Any form of currency, (b) Securities, (c) Equity shares of legal entities, (d) Shares, bonds, negotiable instruments, warrants, certificates, or other documents conferring any rights. The circulation and transaction of the token in the market is not the responsibility or pursuit of the Sproton Foundation. Token transactions are only based on the consensus achieved between relevant market participants on its price. No one is obliged to exchange any token from a token holder and no one can ensure token liquidity and market price at any time. If a token holder wishes to transfer their token, he/she must find one or many interested parties for exchange. This process may incur large costs, is time-consuming, and may not ultimately succeed. In addition, there may not be a cryptocurrency exchange or other markets for online public trading of tokens.

Risk of insufficient information disclosure

Up to the publication date of this white paper, the Sophon Capital Community is still at the development stage, and its philosophical concept, consensus mechanism, algorithm, code, and other technical details and parameters may be frequently updated and modified. Even though this white paper contains the latest key information of the Sophon Capital Community, it is not absolutely intact. In addition, Sproton Foundation may revise and update this paper from time to time for specific objectives. The Sproton Foundation is incapable and not obliged to inform participants of every detail in the development of the Sophon Capital Community (including progress and expected milestones, regardless of whether they are delayed or not). Therefore, token holders will inevitably be unable to have timely and sufficient access to newly generated news in the development of the Sophon Capital Community. Full information disclosure is avoidable and reasonable.

Other unexpected risks

Cryptocurrency is a brand new and untested technology. Besides the risks mentioned in this white paper, there are also other risks that are not mentioned by the Sophon Capital Community team or unexpected risks. Other risks may suddenly appear or combinations of various mentioned risks may appear.

Non-provision of any advice

This white paper does not constitute advice on whether you should participate in the Sophon Capital Community or purchase any token and should not be used as a basis for your participation or purchasing decisions.

You must listen to all necessary and professional financial and legal advice: including communication and management of relevant matters with taxation experts, accountants, and lawyers, and handle relevant matters accordingly. As relevant laws on blockchain and digital assets are continuously improving, please pay attention to real-time updates on relevant laws in the host country and your home country. Citizens from countries who have clear ICO risks should not participate in this ICO.