

ID CHAIN

Leading Decentralized ID (DID) Application

WHITE PAPER

Table of contents

Abstract	3
Vision	4
Chapter 1 Introduction.....	5
Chapter 2 ID Chain Design Concept.....	7
Chapter 3 ID Chain Platform.....	9
Chapter 4 ID Chain Mining and Payment Mechanism	13
Chapter 5 Rules for Issuing Tokens	14
Chapter 6: Development Plan	16
Chapter 7: Use of Funds	17
Chapter 8: About Team	19
Chapter 9: Investment and Cooperation Institution	22
Chapter 10: Vote and Social Governance	23
Chapter 11: Risk Alert.....	26
Chapter 12: Disclaimer	28

Abstract

In the past, many people have heard of the saying “On the internet, nobody knows you’re a dog”. This statement clearly points to an underlying problem to the fundamental structure of the Internet. Identification and verification of an opposing individual requires high costs to a processing intermediary. For example, the USB Key of multiple banks all indicate to the same person; traditional birth certificates, marriage certificates, real-estate property certificates, education certificates, property verifications, CV, criminal record certificate, food safety examinations driver license, ID, are provided by a specialized third party. Compared to USB Key, SMS verification costs are even higher. Given that verification is a basic element in modern life, we need to constantly verify important events that will not need changing like our identity, birth, education, driving skills etc. With the significant development of the internet in the recent years, verifications for human-machine interactions have appeared, in addition to large amounts of machine to machine (M2M) interactions. The number of verifications involved shall rise by a number of numeric levels compared to the internet era. According to estimations by Gartner, in the near future the global internet equipment shall reach 50 billion units. As for the mobile internet era that is 2016, global internet equipment is around 6.4 billion units. If we went back to the PC era of 2000, this number would be fewer than 1 billion units. As the fundamental components for the social operation of the era of Internet of Things and Artificial Intelligence (AI), “Net” & “Verifications” are ever frequently used. Reconstruction of the verification industry not only fulfills significant social meaning but also involves markets of over a trillion USD in value.

Under this large framework and demand, ID Chain adopts blockchain technology to solve problems that were not effectively fixed in the internet era but desperately needs solutions to in the Internet of Things & Artificial Intelligence era. In the future, ID Chain blockchain technology shall reconstruct the global verification industry and allow for rapid and efficient interactions of a 7 billion world population and 50 billion equipment units.

This accomplishment relies on the excellent genes of open transparency of blockchain technology, eliminating of centralization, intangibility, smart contracts etc.

Vision

ID Chain vision: The goal is to provide society operations with a rapid, highly reliable verification platform & tool, constructing global joint governance block node high efficiency verification platform.

1. ID chain utilizes blockchain technology to provide highly efficient, low cost reliable solutions for human to human, human to object, object to object verifications regarding identity, credit, information, KYC etc. and in turn reconstruct the global verification industry.

2. ID chain utilizes smart contracts to process safe, private authorization between information holder and information verifier in information transmission.

3. The information on ID chain can be adjusted according to user requirements and fulfill the diverse changes of application.

4. The de-centralization of ID chain does not rely on the verification of a single center node, so that distributed nodes are all capable of verification, ensuring high efficiency from joint governance of nodes.

Chapter 1: Introduction

1.1 Problems in the field of certification

In the era without the Internet, people-related certifications were mostly paper-based, such as passports, birth certificates, driver's licenses, title deeds, diplomas, and so on. In social activities, people used to show their identities by presenting a variety of certificates, which are usually awarded and processed by a relative authority of third parties, and the time to complete a proof is calculated on a daily basis.

After entering the Internet era, frequent network interaction has further triggered the frequency of certification activities, like USB key and SMS verification code as the most typical examples of bank application. Such certification processing time is usually completed in the seconds, but the cost is still not low. With the mobile Internet rapid development, the SMS verification code business has even become as part of the main business revenue of today's global operators.

In 2016 and 2017 that just passed, the IOT and AI era rapidly stepped in. The massive data generation and rapid interaction (Big Data Process) has supported the entire social operation. These rapidly emerging new technologies have subverted tens of thousands of years of human cognition and changed their way of life. It is an era, far more than any previous era, in which the interactions between people and between people and machines are highly involved with certifications. Thus, a certification demand within this huge society is generated during the interactive process of the 7 billion of population and 50 billion of equipment and machinery. This made us think how to adapt to the development from the bottom to reconstruct various elements.

How to improve the certification process to make it reliable, safer, more efficient and cost-effective, such as eliminating the repeated investment and wastes in the cross-industry, cross-business, and cross-platform certification process in the repeated investment and waste, which are the problems that the certification industry is facing. This happens to be the original intention of the design of ID Chain.

1.2 Introduction of ID Chain

If you look at any of the blockchain books, you will find that the core is to establish a model of trust that is technically constrained to solve the trust problem of point to point, and the use of blockchain technology for certification is a very typical application scenario of blockchain technology. Its transparency,

decentralization, the impossibility to tamper, smart contracts and other good genes can fully play out during the certification process. As a typical example, different banks no longer need to save and process the same user profile, issue their own bank certification USB key, or self-build credit model for the credit investigation and the setting of credit limit. This is a complete waste of social resources when there is a lack of credit and inadequate technology.

The solution proposed by ID Chain team is to encrypt all kinds of user identity information and other important information record in a blockchain with the help of encryption algorithm constraints. These records cannot be tampered with, and are 100% generated irreversibly on a platform of ID Chain. With a simple authorization and scanning, the certification can be completed quickly.

In the ID Chain platform, we store and process various user attributes and data by decentralization. This is why ID Chain is a blockchain item with practical value which is also a direction carefully designed and selected by ID Chain team.

Chapter 2: ID Chain Design Concept

2.1 ID Chain's design thinking

From the very beginning of the design, ID Chain considered reconstructing the authentication system from the architecture to meet the needs of different industries in the world. These considerations include allowing countries such as the Philippines, where 90% of residents have so far not yet had an ID system, to have state-of-the-art authentication systems in place to support their establishment of health insurance and social insurance, and the input and transfer of credit information. This also covers how to authenticate the identification in the cross-platform apps and websites so as to replace SMS verification code. ID Chain team will use the high-frequency authentication application scenarios such as banking, insurance, credit, loans, and Internet application access as the starting point for the ecological construction.

The whole workflow is as follows:

- (1) The generation of user or equipment basic information to form a data label.
- (2) Encrypted blockchain for distributed storage and processing.
- (3) The generation of digital ID and key.
- (4) The other party obtains the original user authorization and immediately authenticates and returns to the results.

2.2 Problems to be solved by ID Chain design

ID Chain's design can perfectly solve the certification demands within the social operations of the new era.

- (1) Certifications can be fully trusted.
- (2) Fast certification process.
- (3) Point-to-point data safety guarantee.
- (4) Support of massive certification processing.
- (5) Scalable certification of information.
- (6) Reduce of the overall repeated investment in the certification of the community as a whole.

In response to the above problems, ID Chain should make full use of the trust mechanism of the blockchain to solve the trustworthy problem by de-centralizing the data computation and processing, and the irreversible function of the uplink. The combination of cryptographic algorithms and smart contracts are used to solve the problem of data security, and to establish a reliable certification process and model for the parties who certify and the ones

being certified. The open source and transparency of the blockchain further supports the reuses of different government, enterprises and individuals to form a virtuous circle.

2.3 Build an ecosystem around ID Chain

At the very beginning of designing ID Chain, the ID Chain team has already taken full account of the ecosystem construction. The core and advisory members have rich industrial ecological construction background and experience as well as blockchain experience. As early as 2014, they had studied and developed bitcoin mining ASIC IPs based on underlying understanding of the agreement.

In order to design a rigorous overall solution for the transfer and cooperation of various partners in the ecosystem, ID Chain team will re-use past experience working with banks and operators. In 2016, Hong Kong Applied Science and Technology Research Institute was commissioned by the Hong Kong Monetary Authority to draft digital ID application white paper in the banking field; the top five banks were also involved in the discussion, including HSBC and Standard Chartered Bank.

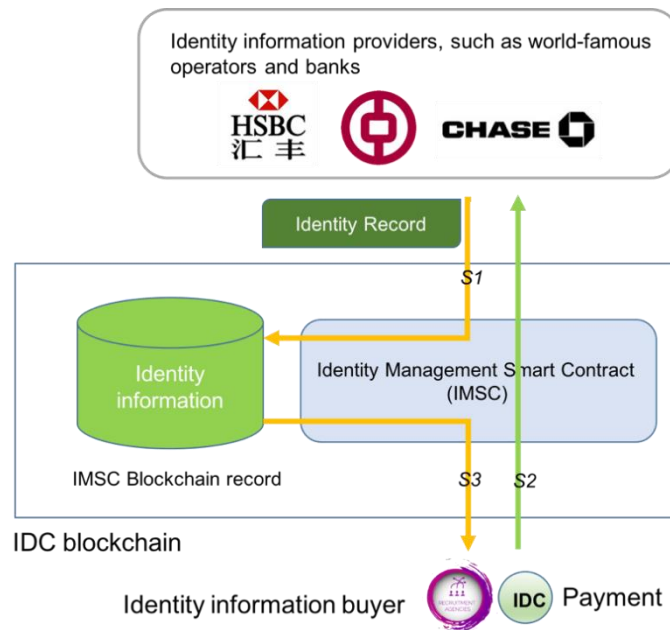
By processing a large amount of user data of operators and banks as a basis, the partners had supported the initiation of the ID Chain project. In the future, the project team will gradually expand the following users and applications:

- (1) The banking sector as the representative of the financial sector identity authentication and credit.
- (2) All kinds security authentication and identification in the websites, Apps and other online applications.
- (3) Various types of notarized documents on the chain (driver's license, insurance, diplomas, marriage certificates, proof of property, etc.)
- (4) A new generation of digital PassPort or digital ID
- (5) Recognition and certification in Internet of Things (IoT) interaction. For example, in the car rental industry, the renters can perform real-time automatic authentication and authorization without filling in and retaining the key information such as the ID card and driver's license.

Chapter 3: ID Chain Platform

3.1 About the ID Chain's technical framework

1. Cryptocurrency: IDC currencies generated through blockchain mining technology
2. Identity authentication services: running on a smart contract, with two kinds of customers for the services
 - i. Information providers, such as operators and banks with a huge data base
 - ii. Information buyers, such as the recruiting unit needing the candidate's background
3. A smart contract includes:
 - a) Use the blockchain ledger to generate an identity database
 - b) Information providers upload customer information data
 - c) Information buyers secure the yellow pages of information
4. The diagram of the framework



Steps:

S1: The identity information provider sends customer information to a smart contract

S2: The identity information buyer pays the IDC currency to the identity information provider through the smart contract.

S3: The smart contract transmits customer information to the identity information buyer

3.2 IDC token circulation mechanism

The IDC circulation mechanism is explained in the following steps:
After the successful generation of a block, the miners produce new IDC currencies

1. The bank or operator sends customer information to the IMSC smart contract in permissioned blockchain
2. The IMSC smart contract stores user identity information to the permissioned blockchain ledger
3. The information buyer purchases the IDC currencies from the miners via the online trading mechanism
4. The information buyer pays the IDC currencies for user information.
5. The IMSC performs the following operations: (a) transmit the user information to the buyer; (b) transfer the buyer's IDC currency to the information provider (bank/operator) wallet account

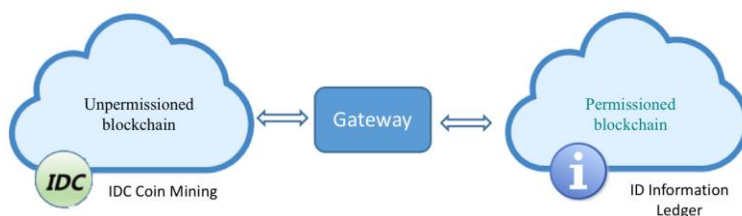
3.3 Authorized distribution and protection mechanism

1. Cryptocurrency:
 - a) Processed on unpermissioned blockchain
 - b) Anyone can submit cryptocurrency payment transaction request to the blockchain
 - c) Anyone can join as miner

2. Smart contract:
 - a) Started by the smart contract owner on permissioned blockchain
 - b) Ledger records generated by IMSC smart contract can only be accessed by the IMSC smart contract logic
 - c) Smart contract verifies that the consumer has paid required IDC coin before delivering the requested identity records in its ledger to the consumer
 - d) Smart contract logic cannot be modified by anyone

3.4 ID Chain blockchain network composition

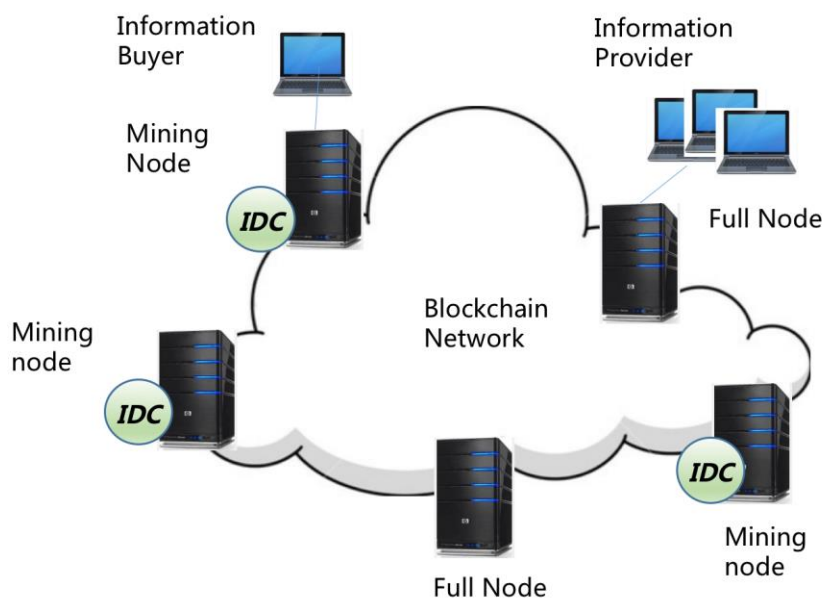
The system is comprised of two blockchains connected through a gateway. One blockchain is an unpermissioned blockchain and the other is a permissioned blockchain.



a. Unpermissioned blockchain

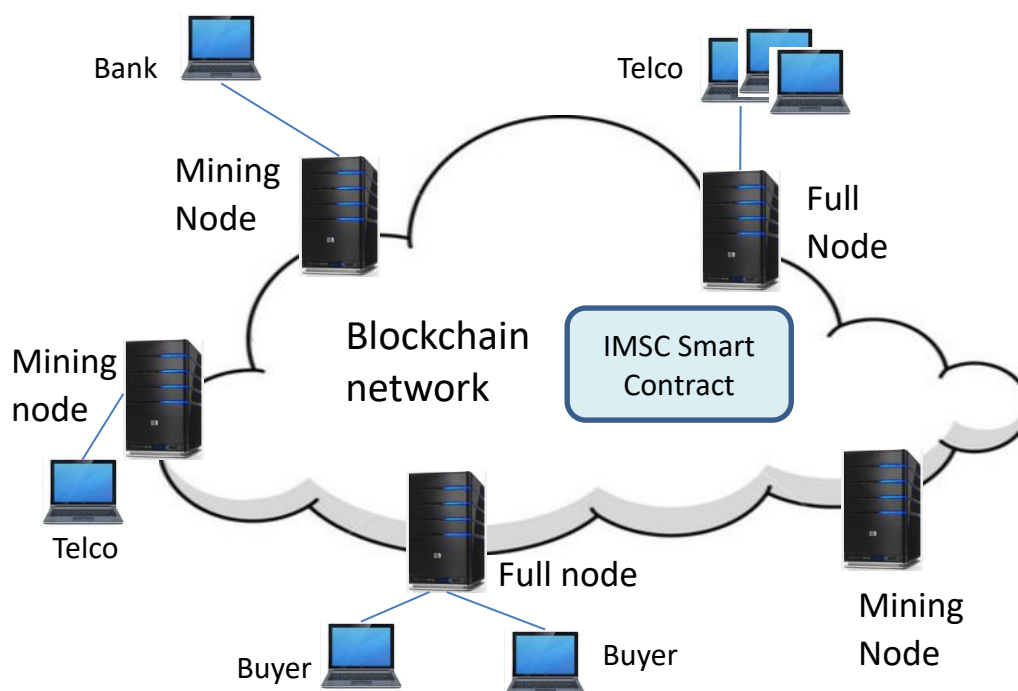
In unpermissioned blockchain, the miner can produce the IDC currency when a block is produced

BFT (Byzantine Fault Tolerance) Proof-of-Work based consensus is applied for mining operation.



b. **Permissioned blockchain**

In permissioned blockchain, ledger is distributed across every mining and full node. Membership is required to participate in the blockchain. Non proof-of-work BFT consensus is used.



3.5 ID Chain permissioned blockchain node

In the permissioned blockchain, each blockchain full node and mining node stores the complete blockchain ledger. These nodes serve the participants. The implementation features are as follows:

1. The participants consist of information providers, information buyers, and smart contract operators
2. Protect the assets of the participants in the blockchain, guarantee that their information are replicated on multiple nodes, and ensure the resilient and healthy development of the ID Chain

Chapter 4: ID Chain Mining and Payment Mechanism

4.1 Mining and incentive mechanisms in communities

Each participant in the ID Chain can become a miner and the IDC can be secured by deploying the mining nodes in the blockchain.

The total number of the IDCs distributed is 10 billion, of which 6 billion are used for community incentives, with the incentive cases as follows.

- a) Motivate enterprises or personal information owners to upload all kinds of data that can be used for authentication to the ID Chain.
- b) Motivate the developers to apply the ID Chain platform and interface to the enterprise systems, mobile apps, or smart devices, and other settings.
- c) Encourage the information buyers to use the ID Chain authentication to carry out multidimensional incentives aimed at the number of requests for smart contracts and the specific application settings at the initial stage.

4.2 User payment mechanism

Businesses and individuals can gain benefits through authentication data transactions; the developers can get revenue through the deployment of service enterprises and individuals and the development of ID Chain applications; the buyers can also generate added value for their applications and equipment by asking for authentication data; and the miners produce the IDCs through mining which are used for trading. All payments are set freely by the businesses, individuals, and miners, but shall not be lower than a certain threshold value.

Chapter 5: Rules for Issuing Tokens

5.1 Token Money Issue

The total number of the IDCs distributed is 10 billion, 60 percent of which are produced from mining. The founding team considers the ID Chain as an item that has a huge market share and a public blockchain of industry users, making the process of coinage strongly associated with application value. The token money is gradually issued through the mechanism of mining using the core business shared storage and computing ability. Each token corresponds to the calculated value of the service provided at the time of issuance, a truly valuable "asset" and digital currency which has landed. With the increase in the difficulty of the issue, the amount of flow required for each new token generated will rise, and the earlier the tokens are held, the more market value added is expected.

5.2 Token distribution scheme

When more people and devices adopt the authenticated ID Chain, the more services running on the ID Chain customers use, the higher the value of a single token, thereby rapidly boosting the profits of the supporters who have engaged in token sales and tokens-in-hand purchase.

Usage	Proportion
Community (mining generation)	60%
Institutional investment	25%
Foundation ecosystem building	10%
Team	5%

5.3 Rules for sales of tokens

The majority of tokens sales will go for institutional investment with targets listed below:

Institutional investment Round	Hard Cap	Soft Cap
20,000 ETH	25,000 ETH	15,000 ETH

5.4 Comparison of the sales risk of tokens

In order to surrender part of the profits to the participants of the sale of tokens, build a good and orderly market atmosphere, and develop a valuable project, 60% is produced out of mining. The ID Chain is compared with token sales in other projects as follows:

Type	ID Chain	Other common token sales
Whether issued through mining	60% produced from mining	No, most issued at 100%
Team proportion	5% in total	The proportion is high at more than 30%
Expected value	Value investment with landing projects	The majority is speculative, with few landing projects
With the aid of famous companies	Screening and cooperation from well-known investors, industry experts, and government officials	No screening from well-known investors and no background of cooperation with big companies

Chapter 6: Development Plan

Timeline	Event / Milestone
2016.11	Main project technical team Hong Kong Applied Science And Technology Research Institute Company Limited collaborated with Hong Kong Monetary Authority to release an ID White Paper based on the statistics of block chain.
2017.9	Activation of planned ID Chain project placement, technical structure. Communicated with our Ecosystem partners in producing the project White Paper
2017.12	Launch of institution investment
2018.1	Initial public offerings on exchange platforms
2018.2	Activation of ID Chain project global roadshow (operator, social security, medical insurance, notary, credit, KYC subjects)
2018 Q2-Q4	<p>Develop ID Chain higher application systems and the completion of ecosystem system.</p> <ol style="list-style-type: none"> 1. Regular project updates, disclosure of vital notices promote ID Chain importance in the financial industry 2. Collaborate with Top tier international universities in establishing ID Chain technology research laboratory 3. Promote the internationalization of ID Chain and establishment of ecosystem 4. 2018 ID Chain Global Partnership Conference

Chapter 7: Use of Funds

As an artificial intelligence certification platform combining a number of technologies such as blockchain, big data, internet of things and financial technologies, we will focus on global users and establish the benchmark for blockchain applications. The purposes of public token sale mainly include:

1. Consolidate the status of ID Chain as the top-ranking brand in the industry.

Optimize the performance of the ID Chain system and conduct domestic and international marketing and promotion over the network, so that more governments, businesses, users can know about ID Chain and offer support to ID Chain.

2. Apply/upgrade the blockchain technologies, and create more valuable assets.

Our position is to redefine the certification process with the blockchain technology and we believe the combination of the blockchain and certification applications is in line with the expectations about future development of technologies and the development scale of the project. Blockchain-based certification will change every aspect of our lives.

3. More efficiently reward mining node contributors and public token sale supporters.

With the increase in the number of cooperative vendors and demands, the difficulty of mining will be accelerated and the value of the currency will rise rapidly. This will further stimulate the enthusiasm of the mining node contributors in achieving the effect where the supporters (i.e. currency holders) can receive direct benefits. The project team will set up the ID Chain Foundation to use funds raised by public token sale for special purposes, and to develop a periodic disclosure mechanism for timely disclosure of details about the use of funds.

Category	Proportion	Description
Technology R&D	55%	Hire senior technical personnel, establish the blockchain with world-class universities and artificial intelligence laboratories, optimize/upgrade the performance of the ID Chain system, conduct ID Chain ecological strategic investment, and more cases of ID Chain Applications
Marketing	25%	Invest in media advertising, promote the brand, and work with governments, businesses, users and developers to promote ID Chain and contribute to its widespread use
Normal daily business	10%	Office expenses, travel expenses, transportation expenses, conference fees, business hospitality expenses, office equipment and other expenses
Community motivation	8%	Encourage supporters to spontaneously establish an ID Chain application-based community for supporters across different regions and continue to maintain the activeness of the community. Collect suggestions from the massive amount of supporters and promote the healthy development of the ID Chain platform
Intellectual property	2%	Domestic and international patent fees, trademark fees, copyright fees, high-tech certification, exchange between experts

Chapter 8: About Team

8.1 Initial Team Members



Rita Chao (Project Amassador)

Rita graduated from MIT, major at innovation and technology management, Master degree. Born in Taiwan, former COO of renown artificial intelligence company. Responsible for product, data, commercialization, and foreign business development. Leading the development and completion of the first artificial intelligence robot products, and then lead a team to land AI technology in China Merchants Bank, Minsheng Bank, VIP, Changhong TV, UBTECH and other large projects. Market and life experiences in many nations, years of experiences in artificial intelligence, Internet of Things, intelligent hardware, software and hardware services expertise integration.



Glenn Quiro (Business Development Partner)

Glenn graduated from UCLA, major at electronic engineering, born in Philippines, US passport. Investor of financial technology startups, game and new energy companies. Intel Shanghai/ Shenzhen General Manager, managed Intel's Chinese technology ecosystem. Marketing director at Global PC, responsible for all segments and industries. Work and life experiences in many nations, good at management and ecosystem construction.



Alan Cheung (Chief Technology Advisor)

Alan graduated from Stanford University, major at electronic engineering, Master degree. Born in Hong Kong, worked at ASTRI as the advanced digital systems team technical director. Worked at SUN and ATI in Silicon Valley, USA. After returning to Hong Kong, he led a financial technology development team, and was entrusted with Bitcoin mining chip development in 2014.

In 2016, commissioned by the Hong Kong Monetary Authority, ASTRI's research team published the first white paper on Hong Kong's decentralized ledger technology. Currently working with banks and other financial institutions to develop blockchain applications such as digital identity management.

8.2 Investors / Advisors / Consultants



Zhang Tong

Tencent AI Lab Director, Bachelor of Mathematics and Computer Science of Cornell University, USA, and Master and Ph.D. of Computer Science of Stanford University. Professor of New Jersey State University, IBM researcher, Yahoo Research Fellow, vice president of Baidu Research Institute and Big Data Laboratory. During this time, he joined and led in the development of many machine learning algorithms and applications



Jan Van Sas

Jan graduated from KULeuven (Belgium) with a Master degree in Computational Linguistics. Born in Belgium, holder of a Dutch passport .AI expert, with over 20 years experience in AI and big data. Former AI solution director at **Oracle**, where he managed a global team for enterprise solutions.



Adam Goodman Esq.

Adam Goodman Esq. works at the intersection of law and business where he counsels companies on block chain and big data regulation at the state and federal levels. Adam holds a JD/MBA from Boston College and a Bachelors Degree from the University of Wisconsin-Madison. He currently is licensed to practice law in the state of Maryland, America.

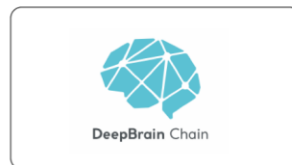
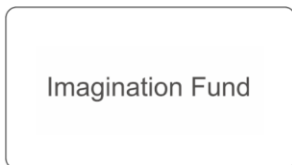


Kong Hua Wei

Shanghai branch director of the Institute of Computing Technology Chinese Academy of Sciences, starting capital partner, founder of IC Cafe, and italk salon founder.

Concerned about the blockchain, Internet of things, virtual reality, cloud computing, big data and artificial intelligence and other fields, investments in many items. Master of Physics, Zhejiang University and Bachelor of Theoretical Physics, Beijing University.

Chapter 9: Investment and Cooperation Institution



Chapter 10: Vote and Social Governance

10.1 Operation Entity

ID Chain founded an ID Chain Public Assessment Chain Foundation in Singapore, which is mainly intended for operating an ID Chain platform which is public, fair and transparent as well as is not for benefit. Also, the foundation supports a development team for the ID Chain. The foundation is a legally founded organization intended to support or participate in activities of public interest or private interest without involvement in any business benefit. The "profit" gained by the foundation is called power surplus, which will remain as expenses for other activities without being distributed as profit to other members.

10.2 Governance Structure and Vote

In order for the ID Chain Public Assessment Chain Foundation to utilize funds, resources of the foundation reasonably under public, fair and transparent conditions, keep on driving rapid development of the ID Chain, extend application scenarios of the fund chain, as well as include more institutions, companies and organizations in the fund chain ecology, the following organization architecture is built for the foundation:

Decision Making Committee

The Decision Making Committee is the top decision body in the ID Chain foundation in charge of final decision making. All members in the Decision Making Committee are of equal position, and are responsible for reviewing and approving major items of the foundation, such as strategic planning, annual planning, budgets etc., as well as vote for major issues with respect to ID Chain ecology on behalf of the foundation. Terms of service for members of the Decision Making Committee and the chairman of the foundation are both two years.

Executive Owner

The Executive Owner is resulted from vote in the Decision Making Committee, and is responsible for the Decision Making Committee. The Executive Owner will organize and implement resolutions and regulations with respect to the Decision Making Committee, be responsible for daily operation of the ID Chain, accomplish various indices of tasks comprehensively, and report to the Decision Making Committee for implementation status regularly.

The Executive Owner has rights to create necessary functional departments, organize and recruit management staffs, as well as coordinate five departments, including Technical R&D, Product Design, Ecology Operation, Market Promotion and Finance & HR, to form an organization, management system centered at the Executive Owner.

Technical R&D Committee

The Technical R&D Department, which is responsible for development and examination of technical infrastructure, is a basic department of the foundation. To maintain mutual communication and consistent pace within the team, Technical R&D Department has to communicate with other departments (especially Product Design Department), and adjust details of communicated items immediately to determine the R&D direction in the next stage.

Product Design Committee

Product Design Department is responsible for optimizing product framework provided by technical department, creating sustainable specific development strategy, including market investigation, coordination for product functions, and undertaking UI design and image design tasks of the ID Chain. Members have to understand dynamics, hot spots and feedbacks of community in all the time, communicate token holders actively, and hold activities, such as technical seminars, regularly.

Ecology Operation Committee

Based on what provided by technical and product departments, Ecology Operation Department is responsible for "One External Mission and One Internal Mission". First, tasks are extended more deeply, as well as partners are developed actively, the ID Chain, end users and partners are connected together closely to form an open, distributed and privacy protected global certification ecologic chain; Next, ecosystem within community is constructed to form a user community with good interaction, free communication of information and sufficient symmetry.

Market Promotion Committee

Market Promotion Department is responsible for promoting core or derivative products and services of the ID Chain. Its duties include, but not limited to, contact with media for cooperation, advertisement promotion, design of user interaction etc. This department will cooperate with Ecology Operation Department closely to design the most appropriate promotion scheme according to requirement of partners, end users.

Finance & HR Committee

Finance & HR Department is responsible for financial and human affairs of the whole company, including specifically fund management, accounting, cost control etc. Also, due to higher risk of digital asset items, this department is responsible for risk control business, in which operation and financial risks are analyzed and evaluated with other departments for items. For audit, in view of specialty of digital asset and token itself, it is difficult to regulate them effectively with existing system. Decision Making Committee will recruit professional auditors with related experience in order to guarantee public and transparent use of IDC.

Chapter 11: Risk Alert

1. **Systematic risk:** It indicates potential volatility of profits due to global common factors, which influence profits of all securities in the same manner. For example of political risk, there is no clear national regulatory policy for blockchain items and financing for token sales currently, so that participants may suffer from loss due to policy to a certain extent. For market risk, in case the entire value in digital asset market is overestimated, investment risk will rise, and participants may expect overgrown token sales, but such high expectations might not be realizable. Also, the systematic risk includes a series of majeure factors, including, but not limited to natural disasters, large global scale failure of computer networks, political turmoil etc.
2. **Regulation absence risk:** It includes very high uncertainty for transaction of digital assets, including ID Chain. There is no powerful regulation for digital asset transaction currently, so that there are risks, such as abrupt rise and abrupt fall, manipulation by market maker for electronic token etc. Individual participants who are lack of experience may not be able to resist asset impact and mental stress due to unstable market. Although academic experts, official media etc. suggest prudent participation sometimes, such risk cannot be avoided currently because there is still no regulation approaches and articles of statute at present.
3. **Regulation Presence Risk:** Undeniably, in the foreseeable future, regulatory provisions will present to constrain and regulate blockchain and electronic token. If regulatory entity regulates and manages this field, there may be impact on tokens purchased during token sale, including, but not limited to, fluctuation and limit with respect to price and liquidity.
4. **Inter-team risk:** There are a multitude of items and substantial fierce competition in current block chain technology field, and there are larger market competition and item operation pressure. Not only outstanding performance and wide recognition of ID Chain among several excellent items depend on link to the ability of the team itself, vision planning etc., but also it is influenced by competitors in the market and oligarchy, in which it may face vicious competition.
5. **Team risk:** ID Chain has brought together a team of people who are both dynamic and strong, attracting experienced practitioners in the area of blockchain, experts in the field of artificial intelligence, and experienced technical developers. As a pioneer of blockchain in the field of artificial intelligence token sales, the stability and unity within the team are crucial

to the overall development of ID Chain. In the future development, the possibilities of core staff quitting or overall negative impact to ID Chain due to internal conflicts are not ruled out.

6. Project co-ordination, marketing risk: ID Chain founding team will spare no efforts to achieve the development goals set forth in the white paper, extending a space for project growth. As this white paper may be adjusted as the details of the project are updated, if the updated details of the project are not readily available to the token sales participant, or the public is not aware of the latest progress of the project, the participants or the general public may be subject to information asymmetry. The lack of awareness of the project may affect the subsequent development of the project.
7. Project technology risk: First of all, this project is constructed by the algorithm of cryptography, and the rapid development of cryptography is bound to bring the potential risk of being cracked. Secondly, technologies such as blockchain, decentralized ledger, decentralization and disagreement support the core business development. ID Chain team can not fully guarantee the technical landing. Thirdly, the project update adjustment process may find loopholes which can be remedied by patch release, but the degree of impact caused by the vulnerability cannot be guaranteed.
8. Hacking attacks and crime risk: In terms of safety, the amount of individual supporters is small, but the total number is large, which also places high demands on the safety and security of the project. Electronic tokens are anonymous, difficult to trace, and can be easily exploited by criminals, attacked by hackers, or criminal activities may be involved, such as the transfer of illegal assets.
9. Other risks unknown to date: With the continuous development of blockchain technology and overall industry situation, ID Chain may possibly face other risks that are unknown to date. Before participating in the decision-making, participants are invited to have a full understanding of the team background, the overall framework and ideas of the projects, a reasonable adjustment of your own vision, and a rational participation in tokens crowdfunding.

Chapter 12: Disclaimer

1. This document is for informational purposes only. This document is for reference only. This document does not constitute any investment advice or solicitation for an investment in corporate shares or securities by ID Chain and its affiliates. Such invitations must be made in the form of a confidential memorandum, subject to the relevant laws and regulations on securities.
2. The contents of this document may not be construed to create an obligation to participate in token sales. None of any act in association with this white paper may be considered as participation in the sale of tokens, including making a request to obtain a copy of this white paper or sharing this white paper with others.
3. Participating in token sales indicates that the participants have reached the age criteria and have complete civil capacity. The contract with ID Chain is true and valid. All participants have signed the contract voluntarily based on a clear and necessary understanding of ID Chain prior to signing the contract.
4. The ID Chain team will continue to make reasonable attempts to ensure that the information in this white paper is true and accurate. During the development process, the platform may be updated, in terms of platform mechanisms, tokens and relevant mechanisms, token distribution, etc. Certain portions of the document may be adjusted in the new white paper as the project progresses, and the team will release the update by posting a notice or a new white paper on the website. Please be sure to get the latest white paper, and make timely adjustments to your decisions based on the updates. ID Chain explicitly disclaims any liability for the participants suffering losses from (i) reliance on the contents of this document, (ii) the inaccuracies of the information contained in this document, and (iii) any act related to this document.
5. The team will spare no efforts to achieve the goals mentioned in the document. However, due to the existence of force majeure, the team may not fully fulfill its commitment.
6. IDC as the official token issued by ID Chain, is an important tool for the platform to be effective. IDC is not an investment target. Possession of IDC does not represent ownership, control, or decision-making rights granted to its owners over the ID Chain Platform. IDC as a type of encrypted token used in ID Chain shall be classified into the following categories: (a) any kind of currency; (b) securities; (c) equity of legal

- entities; (d) stocks, bonds, notes, warrants, certificates or other instruments that confers any right.
7. The value appreciated in IDC depends on the market rules and demands when applications are officially implemented. Thus, IDC may not have any value. The team cannot promise its appreciation, and the team is not responsible for any consequences due to the increase or decrease in the value of IDC.
 8. To the fullest extent permissible under the applicable laws, the team shall not be liable for any damages or risks resulting from participation in crowdfunding, including but not limited to direct or indirect damages to individuals, loss of business profits, loss of business information or any other financial losses.
 9. The ID Chain platform shall comply with relevant laws and regulations and industrial self-regulations on the token sales industry for its healthy development. Your participation shall indicate that you will fully accept those inspections and abide by relevant laws and regulations. At the same time, all information disclosed by participants to accomplish such inspections must be complete and accurate.
 10. The ID Chain Platform clearly communicates the possible risks to participants. Once participants participate in the crowdfunding based on public token sale, they acknowledge and understand the details in relevant Terms and Conditions and accept the potential risks of this platform at their own expense.
 11. Citizens from countries that prohibit the sale of tokens are not allowed to participate.