

GXB Whitepaper
March, 2017

Introduction

Gongxinbao (GXB) is a blockchain-based decentralized data exchange designed to set up a bridge between data sources released on different platforms and realize peer-to-peer data trading and sharing between all kinds of organizations or agencies. An ideal data exchange shall enable both parties to a transaction store, transfer and exchange data with minimum risks and costs. We have redefined a new product named GXB, which is built upon the idea of decentralization and blockchain technology, to bring about the ideal data exchange. In the first place, GXB Data Exchange breaks the deadlock to get rid of data precipitation existing in traditional data exchanges. No any third party other than the transacting parties can access the data. In the meantime, to safeguard the identity privacy, both parties are kept anonymous by GXB. Also, GXB enables the equal exchange between enterprises with a wide gap in their data volume, facilitates authentication of digital assets ownership and effectively curbs data fabrication in data exchange. GXB Data Exchange, a universal data exchange platform and an alliance chain based on the blockchain (public chain) technology, applies to data exchange in all walks of life. Its typical customers range from internet financial enterprises to government organizations, banks and insurance companies with data exchange demands (“Merchants”). To better demonstrate its applications and more promptly access to the market, we first opt to set P2P lending, automobile finance, consumer finance and banks as the target group and the data generated by these organizations and agencies on performance of financial agreements as the prime assets for data exchange

1. Background

1.1 Flourishing Development of Internet Finance

Economically speaking, investment, consumption, and export are often compared to three carriages spurring the GDP growth. While in contrast to the current decline in investment growth rate and insufficient exporting impetus, consumption grows rapidly, leading to a new round of economic development. As indicated by relevant data released by iResearch, China’s consumer credit scale reached RMB 13 trillion in 2013, RMB 15.4 trillion in 2014, RMB 19 trillion in 2015, and is estimated to climb up to RMB 41 trillion in 2019. In future, the importance of consumption will be further enhanced, and its growth rate is expected to remain robust in the next few years. The continuous growth of consumption’s contribution to economic growth means that, following the rapid industrial development, the economic growth are more reflected in resident welfare and achievement sharing. It also indicates that consumption will hold greater significance in the future. The blue ocean has formed. In Q1 2016, the People's Bank of China and China Banking Regulatory

Commission jointly issued the *Guiding Opinions on Enhancing Financial Support to New Consumption Sectors*, which put forward detailed financial support policies and measures for new consumption sectors to enhance financial support to the key fields. Meanwhile, ban on the access to the consumer finance market was to be lifted as determined at the executive meeting of the State Council on June 10, 2016. The pilot programs carried out in the designated consumer finance companies from the original 16 cities were to be expanded to the whole country to boost the impetus of consumption on economic growth, propel the development of consumer finance, release the consumption potential and facilitate the consumption upgrade. The frequent policy guidance and highlight on the development of consumer finance established the foundation for the status of consumer finance.

Eight non-government credit investigation agencies getting qualified pursuant to the Notice on Ascertaining Preparation for Personal Credit Investigation, China's credit investigation system has officially set sail. With the support of state policies and gradual perfection of the credit investigation system, the ban on consumer finance has been lifted and consumer finance has expanded to the whole country. It is expected to motivate the self-transformation of the banking industry and the emergence of internet finance. The consumer finance market has ushered in a huge development opportunity.

1.2 Development Potential of Personal Credit Investigation Industry

As credit investigation is a latecomer in China, some sectors remain uncovered under the credit system of the People's Bank of China. In China, the total number of people trackable with transaction records and covered by credit investigation system is around 300 million, mainly those with mature and stable financial capacity. While the other 500 million people covered by the credit investigation system of the People's Bank of China only have basic information. This is a blank market for credit investigation. Plus the groups not covered by the People's Bank of China, there is great development potential in China's credit investigation market in future.

The core of the finance industry is risk pricing. As urged by the internet finance, the credit investigation industry, just getting on track since 2013, is put in the teeth of the storm and has become the target of parties wrestling with each other for profits. Some credit investigation and data companies would directly buy data from the black market or even hire hackers to steal data. One such company was evaluated as billions of RMB. Some companies are eager to cash their data. They hire agents to promote their credit investigation reports from place to place, and their annual turnovers are up to hundreds of millions. "Middle man" for such kind

of registered transaction have emerged, who are publicly selling the registered credit investigation reports made by the credit investigation companies. Currently, there are up to tens of thousands of middle men selling data, and the price of the data resold each time is up to tens of thousands or even to millions. “The underground black market has already grown into a trillion-worth market.” said an insider.

The sensitive and core industry are experiencing a savage age.

2. Operator

GXB is developed, maintained and operated by Hangzhou Credit Data Technology Co., Ltd. The Company established in July 2016, its core members are like-minded practitioners in software development, internet finance, and blockchain, who come from home and abroad and have been working together closely for many years. Hangzhou Credit Data Technology Co., Ltd. has accumulated years of experience in blockchain development. The Company boasts a profound background of internet finance and a top web crawler technical team in China. It is dedicated to the development of the leading-edge Fin-Tech, the blockchain, big data, IPFS and other technologies, with an aim to offer top-quality integrated solutions for clients by combining with the current mainstream business models.

3. Project Origin

The rapid development of internet finance, personal credit investigation, and personal information leakage became the center of public concerns in 2016. As the nature of finance is risk pricing, and there is no unified sharing and trading of data on the performance of financial agreements in the internet finance industry, risk control of the entire industry remains at a very low level, and the issue of multi-end loan becomes prominent. On the other hand, due to data “caching and precipitation” in traditional data exchanges, enterprises cannot afford to share and trade essential data on the performance of financial agreements. All the above has made us aware that various problems troubling today’s industry can only be solved by the blockchain technology. It is under such a background that the GXB project has gradually taken its shape by repeated adjustments in technical and market aspects as well as the development strategy. GXB decentralized Data Exchange Project has been included into the ***Project Library of the Ministry of Science and Technology of the People's Republic of China.***

4. The Operational Status

The blockchain-based GXB Decentralized Data Exchange and its components are as follows:

- Core product: decentralized data exchange.
- Data exchange component 1: authorized data crawler.
- Data exchange component 2: Know Your Customer system.

4.1 Data Exchange Component 1: Authorized Data Crawler

Data crawler is a Fin-Tech product developed to capture user's data with user's authorization. It covers multidimensional data on greater finance, greater e-commerce, greater social networking and individual identities, and provides quality service to supply basic credit data for banks, consumer finance, P2P lending, automobile finance and other companies. In future, data obtained through crawlers will be fed into GXB Data Exchange as its own data source. The data crawler product was launched in October 2016. So far, we have 37 contracted internet finance enterprises and 89 contracted petty-loan companies. Over millions of data entries on loan borrowers are captured every day. These business customers have become the first customers of "GXB Data Exchange," which are entitled to grab the profit in proceeds arising from data transaction.

4.2 Data Exchange Component 2: KYC System

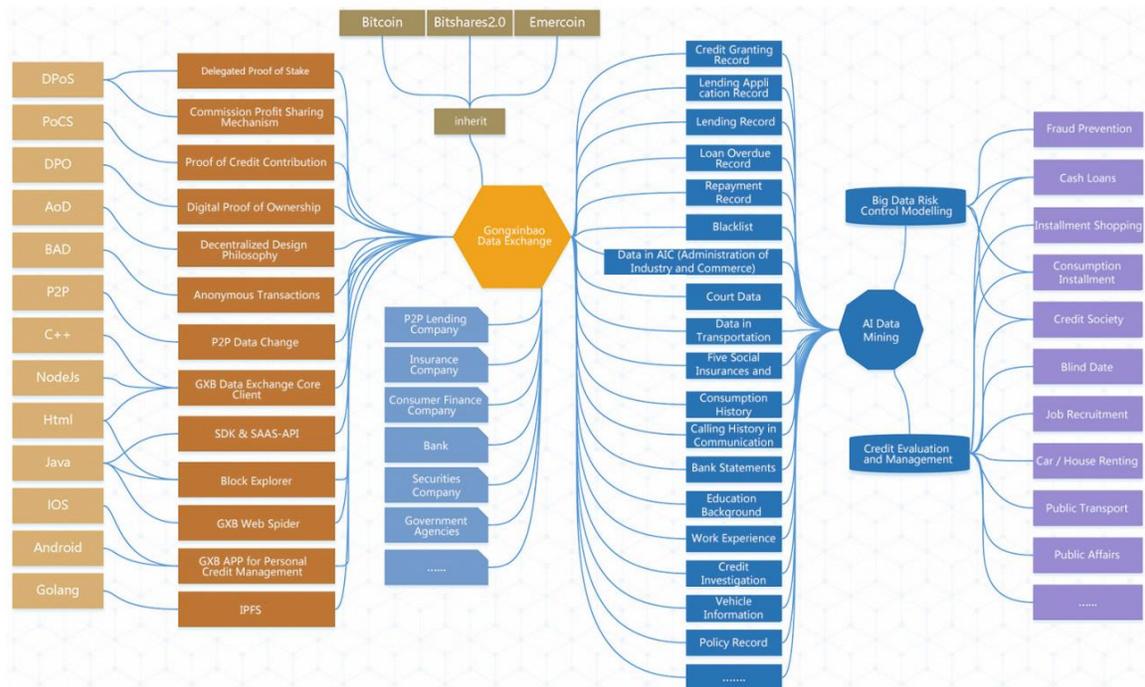
GXB's KYC system is designed to recognize and validate user's identity by comparing the mug shot taken by a camera with the data held by the First Research Institute of the Ministry of Public Security of PRC (no need to upload ID card pictures) , and thus to realize truly effective identity verification. It is best applied to anti

-money laundering and anti-fraud, geared to customers engaged in internet finance, banking, Bitcoin Exchange and insurance, who are highly dependent on the KYC system. The KYC system was launched in February 2017. Now, we are working on its integration with the customers' systems.

5. Partial List of Our Clients



6. Product Architecture of GXB Data Exchange



7. Development Plan (Roadmap)

7.1 Phase I: Build the Authorized Data Crawler Product (Completed)

The mission of phase I is to build a network crawler product to attract more clients from the internet finance enterprises in a free and fast way and incorporate those business clients into the list of “GXB Data Exchange Alliance Members” to share the profits made from data exchange. Development of crawler was completed on October 8th, 2016. Now, the GXB’s crawler team is working on more crawler dimensions and new crawlers are brought online every day.

7.2 Phase II A: Build the Blockchain-based Decentralized Data Exchange (In Progress)

GXB blockchain development team was founded in November 2016 and now it has set about for code development. The first version is expected to complete in June 2017 and the stable version be released before September.

7.3 Phase II B: Activate Exchange Operation and Incorporated with Internet Finance Data

Over more than half a year since the development of GXB Data Exchange, more internet finance clients are solicited through the free and precise crawler product. They will be automatically added to the list of data exchange alliance. By the end of 2017, we plan to develop 500 business clients, covering 200 million individual users in the P2P lending and consumer finance sectors.

7.4 Phase III A: R&D of GXB APP for Individuals (December 2017 –February 2018)

GXB APP for Individuals: is a powerful tool designed for the public to manage their own credit data. The credit management function is enabled by completing the four elements and face recognition and authentication. Sensitive data on individual privacy involved in GXB Data Exchange are subject to personal authorization through the APP before exchanging takes place (alternatively by SMS for non app users), and the confirmation messages are logged into the blockchain.

7.5 Phase III B: Build Alliance and Cooperation with the Internet Finance Associations (September 2017 – Long Term)

Continue to expand the business client base in the internet finance industry and cooperate with the internet finance associations. GXB will build independent data exchange alliance for the internet finance associations from across the country to enable the sharing of data on performance of financial agreements between the members within the associations. At present, there are over 30,000 P2P lending, consumer deposit and offline petty-loan companies and more than 100 internet finance associations and alliances.

7.6 Phase IV A: Business Development for Other Related Governmental Departments and Enterprises (December 2017 – Long Term)

GXB Data Exchange is applicable not only to data exchange and trading between lending and consumer finance enterprises, but also to data exchange between the enterprises of all industries and governments. In the beginning of November 2016, GXB was acknowledged by leaders of Zhejiang Province Big Data Center, who expressed their wish for GXB to accelerate data exchange R&D and to put data exchange modules of relevant government organs in GXB data exchange, or to jointly operate a private alliance chain specifically managed for government.

7.7 Phase IV B: Expand the Base of Individual Users (February 2018 – Long Term)

GXB App for individuals will be applicable to a wide range of scenarios and we will advance the expansion of C side clients at all strength.

7.8 Phase V: Expand Overseas Market for GXB Data Exchange (November 2018 – Long Term)

The GXB Data Exchange model is featured with strong radiation and shall be applicable to the same scenarios in foreign countries. According to the reports of the renowned consulting company IDC and Open Evidence, by 2020, the volume of the data exchange market of the entire Europe will be up to €111 billion. Only a model like GXB's decentralized data exchange will be accepted by foreign clients, as they share the same concerns over data exchange as domestic clients.

8. Objectives of Token Sale

8.1 Development of the Data Exchange

GXB Data Exchange is a brand new blockchain developed from the underlying layer on the basis of analysis on the advantages and merits of the existing blockchain. It is designed to solve problems existing in data exchange in the real world, e.g. data fabrication, data interception by exchange brokers, credit data island, non-exchange of data between enterprises with a wide gap in data volume, poor data updates, unprotected user privacy, etc.

8.2 Operation of the Data Exchange

The developer of GXB project – Hangzhou Credit Data Technology Co., Ltd. —is the first company in China to combine the study of blockchain and personal credit investigation. As a reputable company in the industry, we are frequently invited to well-known industry forums, summits and presentations home and abroad, and declare and review the achievements of relevant teams. The team invests its best human resources, material resources and financial resources in operating the knockout product – shared data exchange, in order to gain the maximum social effects, market effects and economic effects in the shortest period of time.

8.3 Legal Affairs and Emergency Response

To handle relevant legal affairs and emergencies.

9. Token Sale Terms

9.1 Glossary

GXS: issued by GXB Decentralized Data Exchange as the object of token sale.

9.2 Plan

Total supply of GXS: 100,000,000.

Total distribution for private equity: 10% (10,000,000) – issued to the first private equity investors (private placement was completed on December 12, 2016, which raised 500 bitcoin from 250 investors in total, each limited to maximum 2 Bitcoin.)

Total amount for token sale: (39%) 39,000,000

Amount held by GXB Foundation: 51% (51,000,000) is held by the foundation as restricted and shall be circulated annually; maximally 6% in the first year and shall be used for marketing programs (consultant appointment, talent recruiting, community construction, business development etc.); maximally 5% unfreeze start from 2018. The GXS account held by the foundation shall be announced to the public and the plans and purposes for the use of funds shall be announced on its official website and open to social supervision.

9.3 Token Sale Procedure

9.3.1 Time

As scheduled, GXB's token sale will be officially commenced at 8:00 pm March 15, 2017 (Beijing time) and ended at 8:00 pm April 14, 2017, lasting for one month, or it will be ended immediately when the targeted amount of BTC had successfully raised through the token sale claim process.

9.3.2 Claim Terms

As considering the following two aspects, GXB's team had decided to adjust the original claim rules which were aimed to raise 3,900 BTCs due to the sharp rise in BTC's price in RMB recently: At the very beginning when planning GXB's token sale, BTC's price in RMB is far below RMB 8,800. The targeted 3,900 BTCs was calculated by GXB's team according to expected scale of the business

development of the company based on BTC's price in RMB during that time. However, due to the sharp rise in BTC's price in RMB recently, the users shall shoulder more if BTC's price in RMB remains around RMB 9,000; meanwhile, what is in the first place is always the expansion and development of our own business, from the perspective of GXB's operation mode. However, as uncertain risk exists in BTC's price, especially in the sensitive period recently. In addition, GXB shall implement the policy of Yunbi that the 30-40% of the BTC raised shall be managed by Yunbi for 1 year, then, it will be up to the holder of GXS to pay for the residual, BTC's price in 1 year remains much less predictable. We have taken into account of many factors before making the decision on a "flexible price exchange" which could guarantee the benefits of users while reducing the risks facing GXB: The time node of the "flexible price exchange": the closing price of BTC on Yunbi at 18:00 March 15, 2017 (Beijing time).

Exchange ratio:

A: If the closing price of BTC by that time is below RMB 8,000, the upper limit of BTC to be raised through token sale process shall be 3,900, then, the exchange ratio shall be 1 BTC=10,000 GXS;

B: If the closing price of BTC by that time is over RMB 8,000 (including RMB 8,000), the upper limit of BTC to be raised through token sale process shall be 3,455, then, the exchange ratio shall be 1BTC=10,000 GXS if we failed to raise 3,455 BTCs, while the exchange ratio shall be 1 BTC=11,000 GXS if we successfully raised 3,455 BTCs.

The minimum BTC to be raised through token sale process shall be 1,000. We will announce the failure of token sale if we the BTC we raised through token sale is less than 1000. Then, the raised BTC through token sale shall be returned to the investors from the original route.

9.4 Platform

GXB has established a relationship with Beijing Yunbi Technology Co., Ltd. (hereinafter referred to as "YUNBI" <https://yunbi.com>) and entrusts Yunbi with GXB's token sale program, funds custody, GXS online trading in future and other matters. YUNBI, formerly known as Peatio Exchange, is a wholly-owned project under BitFund PE and co-funded by Li Xiaolai and Qiu Liang. YUNBI was initiated on July 1, 2013, launched on April 1, 2014 and officially renamed to YUNBI on October 8, 2014. It is built on the independently-developed Peatio Open Source Project. In addition, YUNBI is the first in the industry to provide full disclosure of its

reserves, and the quantity of all digital coins and legal tenders are open and transparent.

9.5 Fund Custody

In order to safeguard the security of investors' funds, we, as a responsible operator of GXB, decide to place BTCs raised during GXB token sale (excluding those raised by private placement) under YUNBI's trusteeship. The custody ratio will be calculated according to the total volume of BTCs raised during token sale: If the total volume of the BTCs raised during token sale (excluding those raised by private placement) is 1,000~2,000 (including 2,000), then, 30% of the total will be deposited at YUNBI; If the total volume of the BTCs raised during token sale(excluding those raised by private placement) exceeds 2,000, then, 40% of the total shall be deposited at YUNBI.

9.6 Fund Usage

The total basic fund demand for the development, construction, operation and promotion of GXB Decentralized Data Exchange is estimated to be around 10 million CNY, largely spent on the following aspects:

- Server purchase: CNY 500,000;
- Development of network spider and data service: CNY 1.5 million;
- Blockchain development: CNY 4.5 million;
- SDK and APP development: CNY 1 million;
- Distribution channel development: CNY 1 million;
- Propaganda and promotion: CNY 500,000;
- Daily operation and initial working capital of the company: CNY 1 million.

The total is 10 million CNY. Our goal is to set at 3,900 BTCs for ensuring the rapid progress, grab a large market share and beef up the technical inputs and market inputs, so as to establish a trade barrier and technical barrier before competitors join in the game.

9.7 Commitment

- We will disclose the progress made by each project team once a quarter.
- We will disclose the operation condition each month after the GXB Data Exchange is brought online.
- The public address of GXB Foundation will be announced and subject to the supervision of the entire community.