

Kitchain - A digital crypto trading platform

Whitepaper

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1. Industry Status

In recent years, with the rapid growth of digital currency represented by bitcoin, the concept of digital encrypted currency has been gradually recognized and accepted by the public. At the same time, along with the capital injection and practice of geeks, competing coins such as Litecoin, ETH and Ripple began to pour into the market. Because of the rich application scenarios and the technology innovation based on block chain, the trading volume of competing coin has been rising in a short period of time, and the market value has increased substantially.

More and more investors are turning their attention to the digital currency market with great potential. This spawned all kinds of digital crypto currency platforms, they provide a wide range of services for digital currency investors, including real-time quotes, place orders, order matching and many other services for digital currency investors. They optimize the transaction process, reduce the investment threshold, enrich the investment means. At the same time, the market liquidity of digital money has been increased, exchanges have promoted the development of digital currency to some extent.

2. Industry pain point

Digital currency trading platform provides a convenient investment channel for investors. Different prices between trading platforms also offer arbitrage opportunities. However, for domestic and foreign investors, there are still some widely criticized issues:

2.1 High transaction fees

Many digital currency trading platforms have a commission, which is always high. The general commission of each transaction is 0.2%, The commission of withdrawal is 0.5%. This not only shrinks the investors' profit, but also limits the high-frequency trading behavior

2.2 Single investment tool

Some trading platforms only support spot trading of digital currencies. Being lack of diverse investment tools is unable to meet the needs of investment users with different risk preferences.

2.3 The threshold of API

Generally, trading platform provides real-time quotes, place orders, order inquiries and a series of API for users to use. However, the use of API relies on the programming. For ordinary users, the cost of learning is higher and it is difficult to use.

2.4 Lack of quantitative trading strategy based on the digital currency

Quantitative trading refers to the mathematical model instead of subjective judgment of human. By using computer technology, a variety of "big probability" events that can generate excess returns are selected from the historical data of the trading platform to formulate strategies. Use computers to implement strategies automatically.

The API provided by the trading platform can be used for information display. But the more suitable application scenarios should be quantitative trading based on the digital currency. But with high commissions, API barriers, obscure API documents and poor response speed, there are very few profitable trading strategies.

2.5 Complicated registration and certification process

For the implementation of national digital currency regulation, digital currency trading platform often needs to set up strict and complicated process of real name authentication, which makes foreign users' participation extremely difficult, they have to use their mobile phone number, passport number, address and a series of data to complete the registration certification

2.6 Use legal tender as the settlement unit

Because of economic policies and attitudes towards the digital currency is different in countries, using legal tender as the settlement is strongly affected by policy constraints and not conducive to the long-term stable development of trading platforms.

3. Introduction of kitchain crypto trading platform

Based on the existing market pain point. The project team has surveyed and used dozens of trading platforms worldwide, such as Bitmex, Poloniex, Liqui.io, OKEx, Zaif and Coinbase. Standing in the investors' perspective, we evaluate each platform from a variety of aspects, such as user experience, operation process, investment tools, API response speed and so on, analyze the advantages and disadvantages of each platform. Combined with the project team's existing business resources and years of Internet financial development and operation experience, figure out the business characteristics and transaction flow of the kitchain, and complete the technology selection and development of core modules. We aim to create the world's best digital currency trading platform

3.1 Business trait of kitchain

- 1) Spot transaction is free of charge to maximize investment returns and eliminate the restrictions on high-frequency transactions.
- 2) Kitchain will provide a variety of investment tools including spot transaction, margin trading and financing trading. Detailed English documents guide investors to operate correctly, prevent loss of funds due to misuse.
- 3) With graphical programming tools, users can generate their own trading strategy buy simple drag-drop and input basic parameters, without the concern of API calls.
- 4) Provide quantitative transaction module, users only need to set simple indexes to generate their own trading strategies automatically, quantitative trading strategies can be optimized with platform historical data, and can also be automatically executed by the platform, breaking through barriers that ordinary users can not use API to do quantitative transactions.

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5) On the premise of guarantee the security of users' funds, kitchain optimize the registration process to the maximum extent. Users don't need to carry out complex real name authentication and identity check, only need to enter the pre-set security password in the risk operation.

6) Using the platform token KCT (transaction settlement token, different from KCN) as a trading settlement token, to circumvent the regulatory risk of policies in countries. 1KCT's settlement value is \$1

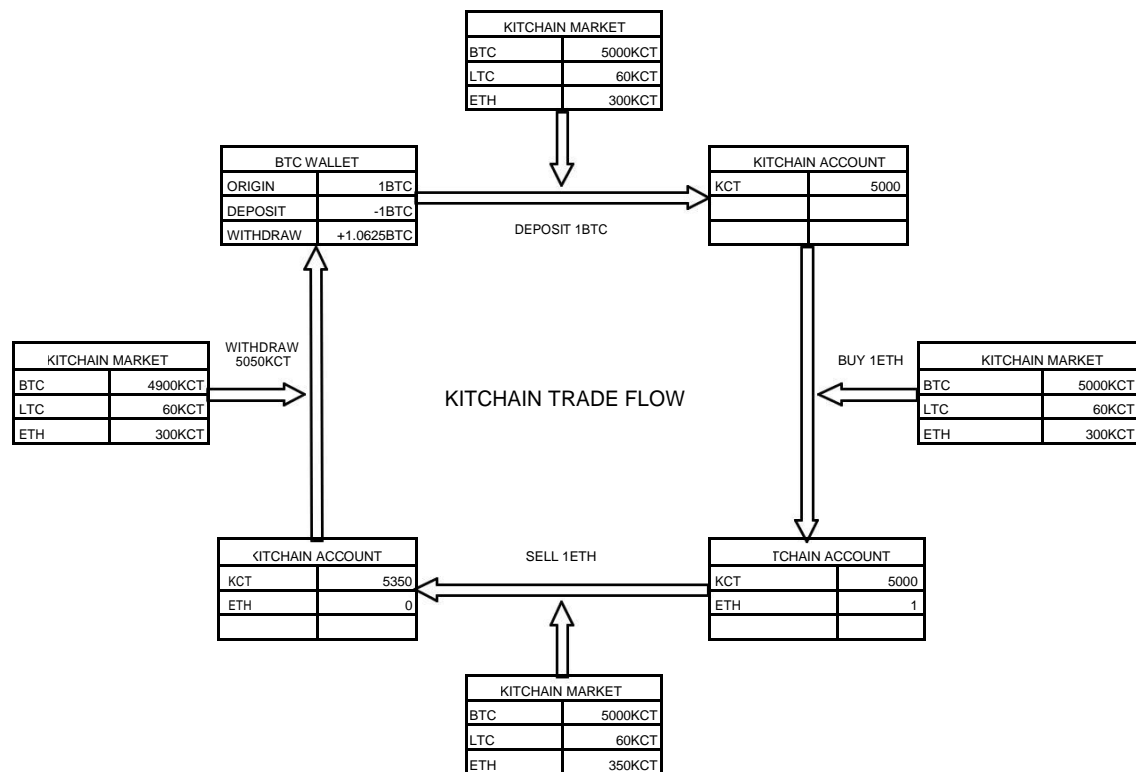
7) Kitchain use the distributed architecture to make efficient and stable RESTful API. Provide demos in different languages. Supply developer-friendly API documents. This is suitable for investors with programming experience.

8) Provide investment assistance APP. By using large data analysis, improve the user's portrait gradually. Supply investment advice and value-added services with pertinence.

3.2 Basic transaction process of kitchain

- 1) Users deposit bitcoins to kitchain. And then, kitchain convert bitcoins received to the KCT (refer to the current market price of bitcoin) as the user's initial account balance.
- 2) The price of digital assets on the kitchain is marked with KCT, and users can use various investment tools provided by the platform to trade as they like.
- 3) When the user withdrawals, the platform converts the amount of the KCT into equivalent bitcoin and send them to the user's withdraw address.

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Kitchain transaction process

3.3 Ways to gain profit

- 1) Commissions for futures and other investment tools (other than spot transactions).
- 2) By using quantitative trading module, users can generate their own trading strategies, which can be deployed to the platform automatically. The platform charges hosting fees by the hosting time.
- 3) By providing financing services, the kitchain charges by financing amount and duration.
- 4) With the investment assistance APP, kitchain will analyse risk tolerance and financial management level of different users to provide differentiated investment advice and value-added services. Kitchain will receive subscription / service costs.

3.4 Profit sharing

Profit sharing is one of the advantages of kitchain, kitchain issued KCN (Kitchain Network Token) tokens which will serve as profit sharing proof of the kitchain platform. Each KCN holders will have the opportunity to participate in the kitchain platform construction and share the profit of kitchain. Specifically, after kitchain formally release, the kitchain platform will calculate the profit at the end of each quarter. In the premise of ensuring the operation, kitchain and KCN holders will share the residual profit at the ratio of 1:1. Profit sharing is done automatically by kitchain, the distribution process is as follows:

- 1) KCN holders need to log in to kitchain and deposit KCN to the platform account.
- 2) After quarterly profit liquidation, kitchain creates an account snapshot for each user.
- 3) Kitchain automatically sends a certain amount of ETH to the user's kitchain account, and the number of ETH sent is proportional to the amount of KCN held by the user when the snapshot is created, the more KCN you hold, the more ETH you will receive.
- 4) The whole process does not require any consumptions of ETH and KCN.

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AFTER CALCULATE PROFIT	KITCHAIN					
	PROFIT	\$100000				
	USER'S KCN	1,000000				
	SNAPSHOT					
	KITCHAIN USER A		KITCHAIN USER B		KITCHAIN USER C	
	KCN	15000	KCN	30000	KCN	60000
ETH	0	ETH	0	ETH	0	
↓						
AFTER SHARE PROFIT ASSUME 1ETH = \$300	KITCHAIN					
	PROFIT	\$100000				
	USER'S KCN	1,000000				
	SNAPSHOT					
	KITCHAIN USER A		KITCHAIN USER B		KITCHAIN USER C	
	KCN	15000	KCN	30000	KCN	30000
ETH	5	ETH	10	ETH	20	

Kitchain profit distribution process

3.5 Development plan of Kitchain

- 1) Continuously improve technical skills of the team, achieve technical accumulation, raise technical barriers. Cooperate with industry companies to provide technical support and technical output.
- 2) Through diverse investment tools, smooth user experience and effective ways of operation and promotion, we will gradually establish brand image and enhance market share.
- 3) In the process of product iteration and optimization, bring the blockchain technology into the real economy. Cooperate with companies and institutions in various industries. Create more practical scenarios of the blockchain technology, involving finance, supply chain, trademark anti-counterfeiting, copyright protection, traceability of food and drug, iot technology and many other fields.

4. Development roadmap of Kitchain

03/2017:	Kitchain concept formation
04/2017-09/2017:	Investigate digital currency trading platforms around the world. Figure out business flow and technology selection, develop core modules.
10/2017:	Kitchain ICO
2017/10-2018/03:	Kitchain development and infrastructure construction
2018/04-2018/06:	Internal testing and marketing
2018/07:	Kitchain formally launched operations

5. Introduction of Kitchain ICO

Kitchain ICO issues token KCN via Ethereum smart contract. On the one hand, KCN can be traded in the parallel market to achieve liquidity premium. On the other hand, the KCN holders can share the profit of kitchain, which ensures the KCN's intrinsic value.

Pre-ICO 1ETH = 15000 KCN (Bonus 50%)

(MAX) 90,000,000 KCN = 6000 ETH ~ 1,800,000 USD

ICO 1ETH = 10000 KCN

(MAX) 330,000,000 KCN ~ 30,000 ETH ~ 9,000,000 USD

1 Week: **1ETH = 13000 KCN (Bonus 30%)**

2 Week: **1ETH = 12000 KCN (Bonus 20%)**

3 Week: **1ETH = 11000 KCN (Bonus 10%)**

4 Week: **1ETH = 10000 KCN**

Total : 600,000,000 KCN

- + 330,000,000 KCN for ICO crowdsale (55%)
- + 90,000,000 KCN for Pre-ICO. (15%)
- + 100,000,000 KCN for Team (16.7%)
- + 60,000,000 KCN for Advisor (10%)
- + 20,000,000 KCN for Bounty: Twitter, Facebook, Bitcointalk, (3,3%)

5.1 Rules of subscription

Support digital currency: ETH

Maximum target: 36,000 ETH

Minimum target: 3,000 ETH

Subscription time: KCN subscription will start from 10:00 October 01, 2017, to the end of the 01:59 November 04th, the actual start and end times may vary slightly due to Ethereum smart contract use of time as a unit of time.

5.2 Capital use

- 1) 40% of the funds are used for the early construction, development and pre operation of the kitchain platform, including the expansion team, recruitment of development engineers and so on.
- 2) 15% of the funds are used for the infrastructure construction of kitchain, including the purchase of necessary hardware equipment, IDC trusteeship and so on.
- 3) 15% of the funds are used for kitchain operation promotion and brand building, to ensure rapid growth of the kitchain platform.
- 4) 10% of the funds provide market liquidity support for the kitchain.
- 5) 20% of the funds are kitchain reserve emergency funds, used to deal with unexpected situations.

6. About our team

Team leading members have over ten years of Internet work experience, half of whom have worked in the same large foreign company, and have many years of experience in overseas project development and learning. Under the influence of meticulous culture in foreign invested enterprises, our attitude to working is rigorous and conscientious.

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The team has developed a domestic Internet financial platform, a large Japanese securities trading system, a famous Japanese cosmetics company electric business website, a large Japanese bank application project independently, has accumulated rich experience in the financial industry and the development of good business resources.

7. Disclaimers and risk warnings

This white paper does not represent any investment advice. This ICO aims to sell kitchain digital currency trading platform token KCN, not any form of investment and currency.

8. Contact information

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