



**COUPON.ONE**  
**WHITEPAPER**

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## 1. The basic information of the project

### 1.1 industry background

According to the latest statistical data released by the United Nations Conference on Trade and Development in 2017, the global e-commerce market has reached 25 trillion U.S. dollars along with the United States, Japan and China have taken the lead in this market. There are 2 trillion dollars within the 25 trillion-dollar e-commerce market that are done with electronic coupons and membership points. The demand for these services in e-commerce around the world and the wide range of e-commerce applications. This lead us to believe that the combination of advanced blockchain technology and the quick implementation of decentralized e-coupons along with user loyalty points will have tremendous commercial growth in the future. Coupon-based blockchain can ensure Customer Perceived Value (CPV) will not be lowered, while at the same time the cost of (CPV) transaction has lowered and the original price of the items sold with the coupon will not be affected. Coupons are more effective than the standard price cuts as we can also collect data on customer spending habits which in turn adds value to the current promotional methods. This will lead to a better result which will significantly increase the revenue, grow market influence and expedite the development of the enterprises.

With the rapid development of information technology and the information industry, the popularization usage of the internet in society, the rapid growth of the mobile Internet users, and the major breakthroughs in the decentralization of blockchain technology have all paved the way for a more mature and stabilized stage to develop electronic coupon applications that can support a multi-business model. This development will also mean the increased usage of e-coupons and expedite the adoption of e-coupons, which allow E-commerce merchants to use e-coupons more effectively towards their target audiences.

## 1.2 The future of all digitized e-coupons.

The coupon market has been massively transformed into the digitalized internet, and the market is starting to shift into platforms with mobile Internet and smartphones. The key to the driving force behind the evolution of coupon adoption, is the use of digital technology for coupon distribution. E-coupon has significantly lowered the cost of distributing coupons adding the capability to distribute directly into the hand of smart phone users, who can easily carry and covert the coupon for good use.

More than a decade has passed and e-commerce in China has achieved an exponential growth in the past ten years. However, the user rate of e-coupons is still at a relatively low level. The usage of e-coupons is still less than 10% even in Beijing, Shanghai and Guangzhou where Internet connection is the most developed. This data reveals that although the user rate of the e-coupon is low, there is a tremendous growth opportunity with the use cases of the e-coupon model in the China sector.

## 1.3 Industry challenging points

### **False promotion, Misusage and over usage of coupons.**

Some merchants issue many electronic coupons because they want an instant promotion. However, the consumers often realize there are many conditions applicable prior to using the coupons and they are being limited to use the coupons. Many consumers ultimately pay the original ticketed price which causes serious violation to the consumer interests. For example, when a consumer uses the coupon, a message generates as "the system failed to validate the coupon information" or "coupon has been used," which forces the consumer to pay with the original price. Due to the lack of confirmation from the affected consumers, they can only be considered unfortunate.

### **➤ Restrictions on the use of disguised sales**



Some merchants attach many conditions to the usage of coupons, resulting in the violation of the consumer freedom of choice. Consumers buy coupons online or through other ways but to find out that the coupons have complicated rules and limitations when the coupons are applied. For example, only one coupon can be used when purchasing the same type of product; or coupons can only be used only when a set amount is reached in one transaction. There is often only a simple message of the discount applied with no clear conditions and limitations written on the coupon.

E-coupons that are currently available in the market are issued from different businesses, whom also have different rules and conditions. Examples of the main issues include: unclear instructions of the coupon with combinations of other promotions, unclear clarification of regional usage, no indication of the number of times the coupon can be used, and an ambiguous expiry date of the coupons. For instance, Crip's dedicated car promotional e-coupon was a ticket-booking fraud which was set by enterprises who tricked consumers with unreasonable business behaviors.

➤ **Merchants over-issue coupons; limited service to consumers**

Merchants issue more than the acceptable capacity of coupons to the number of customers they can afford. In order to resolve this problem, merchants set limited resources and/or timeframe for the consumer to use their coupons. Therefore, the consumers with limitation to use their coupons will result in prolonged waiting time and repetitive rescheduling. This business practice forces the consumers to forfeit their coupons and pay the original price with cash. Such problems are usually seen in these types of businesses; hairdressing, beauty, fitness center, catering, and accommodation. The problem of excessive issue of coupons not only violates consumer rights, but is also a deception practice towards the consumers.

➤ **Unable to interchange business points; isolation to the points program**

Most of the points programs are currently controlled by the individual business autocratically. Points program between businesses cannot be circulated nor

interchanged. Since the consumers cannot maximize the value of the points and a majority of the points program is not being properly used, the points program becomes useless and results in a low sign-up rate for the points program. Individual businesses have restricted products, services and limited target audiences which cannot sustain the complete ecology of the points program. As a result, different business points programs are scattered throughout the market, and each points program becomes isolated to its own success.

➤ **Lack of a C2C e-coupon platform**

The emergence of a B2C (Business to Consumer) e-coupon platform in China should be paving the ultimate goal of building a C2C (Consumer to Consumer) e-coupon platform. In the United States, the C2C e-coupon platform has developed into a very mature stage, whereas the consumer can log onto the C2C e-coupon platform to exchange and trade their e-coupons to fulfill their consumption plans. U.S. Consumers can also sell their e-coupons on the C2C platform to applicable people which increases the popularity of e-coupons. On the other hand, the e-coupon market in China is unable to meet the demand for trading or exchange of the e-coupon. There is also no channel for the transfer of e-coupons between consumers. The Chinese market is in strong demand for an efficient C2C e-coupon platform to cover the needs from both the consumers and the businesses.

## **2. Design concept**

### **2.1 Coupon One's Vision**

➤ **Establish an e-commerce coupon system that can work across all business platforms**

The goal of Coupon One is to combine the global flourishing e-commerce business with a global ecosystem of e-coupons. The Coupon One platform is developed with the Ethereum blockchain technology and is capable of creating decentralized applications (DAPP'S) and delivering decentralized data to build a

stable and sustainable e-coupon platform to global users. This platform will be at the forefront of encouraging the adoption and usage of e-coupon.

➤ **Create a platform for common points; provide an interchangeable points programs**

Through the API access, Coupon One will be able to provide full access to all registration of the points program and will act as a distribution gateway channel for all points programs. A business can register and validate their points programs with the Coupon One blockchain decentralized platform. Each business can select a designated color for the interchanged points program amongst the platform provided by Coupon One. All points programs can conveniently circulate in between businesses and increase the business value of the points programs.

➤ **Safe and reliable, enhance user experience**

Coupon One provides users coupons with accurate identity, non-counterfeit copy, and traceable history to prevent the business from fraud activities and building a C2C coupon trading platform, that maximizes the value of unused coupons to enhance consumer shopping experiences.

## **2.2 Problems that Coupon One can solve**

➤ **Track the historical price of goods; eliminate fraud to the consumer**

In China, most products are adjusted to a higher price prior to the actual big sale day on "Single Day" (November 11, an event such as Black Friday), and a huge discount will be given to the higher price on the day of the event which misleads consumers to believe that they received a better discount. However, deceivers and frauds can be avoided with Coupon One.

➤ **Coupon real-time tracking; development of potential value**

Merchants can track down the location and usage of coupons in real-time to eliminate fraudulent coupons. Merchants can understand coupon circulation and usage, consumer behaviors and the number of customers attracted by their business through the implementation of tracking. All the trackable information are priceless



data to an enterprise. With the usage of AI technology, data collection, and other technical analysis. Merchants can provide more relevant product information to their target audiences. Consequently, there will be stronger relationships between the merchants and their customers.

➤ **Prevent spam coupons; ensure the value of the coupons**

The use of smart contracts and blockchain technology allow the combination of price adjustments and various types of the complex rebates, to be automatically calculated and efficiently implemented to enhance the shopping experiences. Coupon One can act as a countermeasure to avoid merchants excessively issuing coupons which increase cost to the businesses. Thus, each coupon will sustain its original value.

➤ **C2C coupon trading platform; an interchangeable coupons and points program**

The current e-coupons cannot be traded and some coupons cannot even be transferred or given to others in need. E-coupons issued under the Coupon One platform can easily be exchanged and traded, empowering the e-commerce development.

### 3. The project commercial value system

#### 3.1 Scenarios of Coupon One application



#### 1. Electronic coupons based on smart contract

Electronic coupons issued with Coupon One platform are based on smart contracts and can be quickly assembled into an online promotional event. E-coupons with smart contracts can be programmed with a specific expiry date, quantity,

promotion method, terms and conditions. Once a blockchain e-coupon is issued, there is no alternation of the e-coupon. The blockchain technology will monitor the execution of all smart contracted e-coupons.

## **2. Merchants' Rainbow points**

The merchants may use Coupon One's platform to issue their individual Rainbow points to reward their customers. Points will be given after a purchase has been successfully made and it becomes a great way to track customer loyalty and reward them with a prize, which the Rainbow points may be redeemed as discounts towards their purchases.

## **3. Affiliated points program for business alliance**

Affiliated business alliance may issue a common points program that shares the same value across all members' shopping channels. As long as customers spend their money under the business alliance group, they can collect points and use them as discounts towards their purchases.

## **4. Trading points between different business alliance**

Coupon One not only allows coupon trading between different merchants, it also allows point trading amongst the members in the business alliance. Each points program can be interchangeable to Coupon one tokens and these tokens will be the gateway to different point programs in the business alliance. The ultimate goal is to maximize the value of each points program.

## **5. Building a shopping platform that can be paid with Rainbow points**

Merchants may set up an online store with Coupon One so that customers can redeem their points for good use. Through this shopping platform, merchants can maximize the exposure of their products to individual reward points programs and customers can redeem their points for products that they like.

## **6. Merchants may operate promotional events with Coupon One tokens for specific sales**

Merchants can easily launch promotion sale events under Coupon One's

platform. Using the social media group within Coupon One, the promotional message will reach all members in a timely and efficiently fashion. Merchants can quickly increase their brand image, influence and revenue using Coupon One's platform.

### **7. The e-commerce blockchain ecosystem**

Upon the maturation of the development of Coupon One, a second phase will be implemented to allow merchants to build a side blockchain and digital wallet within the platform. Coupon One is going to be a very successful dominating e-commerce trading platform. It will be equipped with a Coupon One smart contract, cross-chain trading technology and RFID live tracking technology. This will ensure business transaction security, product quality and customer protection to meet with the highest standards.

## **3.2 Project characteristics**

**Smart contract:** Provide large selection of smart-contract templates

**Wallet services:** Provide a safe and efficient electronic wallet for merchants and consumers to commence business transactions.

**Exchanges:** Exchange coupons, rainbow points and alliance points amongst the alliance members.

**Data analysis:** Collect precise data for merchants to launch targeted promotion events.

### **Excellent technology**

- **Encryption technology selection:** Four encryption options including DES, SM4, SHA512, SHA256
- **Multi-chain structures:** Rich technical selection supporting public chain to chain link selection.
- **Zero Knowledge Proofs:** Support trades between different chain-links and smart contract trading to meet complex needs between different parties.
- **Anonymous control:** Encrypted technology to control and share data.

### 3.3 Coupon One's business model and value

#### **Coupon One's blockchain mode of operation**

Participated merchants under Coupon One are required to pay a certain amount of deposit to build smart contracts and electronic coupons and to distribute the discount promotion to the targeted group of recipients' electronic wallets. After receiving the promotional coupon from the merchants, the consumers may instantly apply the coupon offer onto their transactions or they may sell their coupons on the Coupon One exchange for CPU tokens. Users can use CPU tokens to buy their ideal coupons. Coupons may be used in both the online and offline businesses. Any used coupon will automatically be sent to the designated blockchain address to be eliminated.

From the enterprises point of view, Coupon One helps merchants to organize coupons that can be highly secure, convenient, trackable and data analyzable. In addition, merchants can enhance their coupon promotion through the Coupon one exchange marketplace for better business influence and revenue. On the other hand, consumers can benefit from the coupon interchangeable platform by maximizing the value of their digital asset. Any unused or unwanted coupon can be exchanged to CPU token and the CPU token allows consumers to gain discounts in multiple merchant coupon programs.

#### **Interchangeable rewards program**

Merchants may issue rewards through their points programs or through Coupon One's side-link blockchain by issuing tokens to loyal customers. Using smart contracts, merchants may apply terms and conditions onto the reward points that are linked with a smart contract. One of the major differences between a reward points and coupon discount is there are no timeline expiration on the reward points. When tokens or points are used, the tokens or points get recycled back to the business. Coupon One opens a door between different reward programs to be exchanged or redeemed. Not only does it help consumers to collect points faster, but it also helps

merchants to bridge the reward points from isolated businesses. Eventually, customers not only gain great shopping experiences with the Coupon one platform, merchants also reduce cost of running promotion campaigns.

In order to ensure a safe and stable operation, Coupon One will run on the POW (proof of work) consensus mechanism to ensure the participation, maintenance and safeguard from the entire global community of mathematics to the Coupon One decentralized system. When Coupon one e-commerce blockchains expanded its ecosystem, Coupon one will consider the consensual mechanism to be run on POW + POS (proof of stake), mainly to reduce cost. Coupon One will use the Ethereum gas mechanism. When merchants create e-coupons via CPU tokens, there will be a certain amount of CPU token used as "gas". Merchants can choose the gas value according to their business needs; the higher the gas value is set, the easier it is for miners to blockchain and speed up the transaction. The hard cap on CPU token set as 1,000,000,000. As Coupon One continues growing the user database and adds a greater number of participating merchants, the Coupon One eco-cycle will expand drastically. The increased adoption of CPU tokens will result in less circulation of the tokens which will increase the value of the tokens as time goes by.

#### **E-Coupon Characteristics that issue under Coupon one**

Ethererum using smart contracts has unified the global market of how tokens are issued, while the Coupon One token program is taking on a similar step to unify how coupons and reward points are issued. All enterprises can register for Coupon One and release the relevant e-coupons. Below are some of the token characteristics that attract merchants to register an account, issue e-coupons and build reward programs with Coupon One.

##### ➤ Transparency

E-coupons issued under Coupon One have a clear indication of the quantity issued, the time of issue and the number of ratios issued. All e-coupons go through the blockchain technology live monitoring system. Consumers are being protected



from excess coupons being issued and having an unreasonable limitation of the application of the e-coupons.

➤ **Traceable Data**

Merchants can always count on the reliability and accuracy of the live tracking of all the e-coupons. Combined with AI technology and data collection, merchants can easily pinpoint their promotional content to the target audiences and analyze the target audience's needs.

➤ **Elimination of Fraud**

E-coupons are issued through a smart contract with the Coupon One platform. As long as consumers meet the conditions required, the e-coupon will be automatically applied during the payment transaction to eliminate arbitrage activities and fraudulent activities by internal staff.

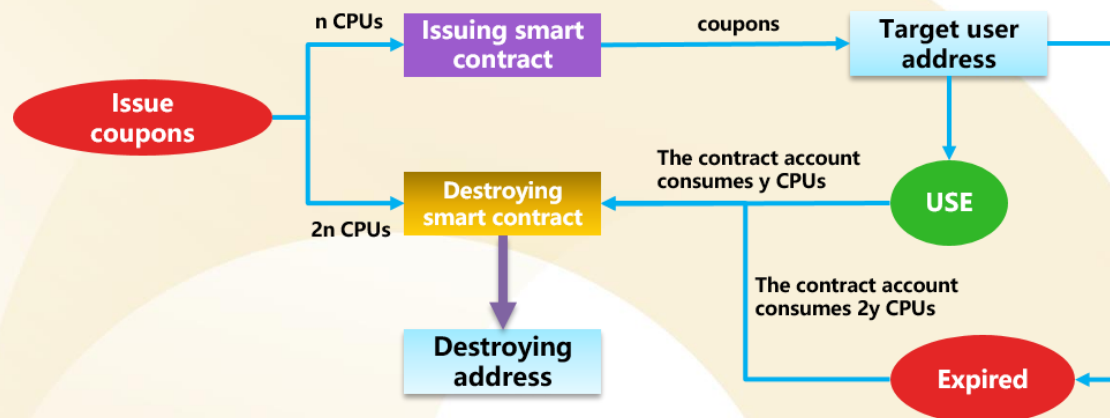
➤ **Supportive transaction flow**

For example, consumer "Alice" has a coupon for merchant A and when Alice spends money on merchant B, Alice will need a coupon for merchant B. In this situation, Alice can log onto Coupon One to exchange her e-coupon by using her e-coupon from merchant A to swap for a similar amount of coupon from merchant B. On the other hand, Alice can use the CPU token to buy an e-coupon from merchant B.

### **3.4 Coupon One's CPU token value**

When the merchant issues e-coupons through Coupon One, there will be two smart contracts created, the distribution smart contract and the destruction of smart contract. There will be two CPU tokens required as deposits for every smart contract issued for distribution. When the distribution of e-coupon completes, the remaining gas used for distribution will be returned to the merchant's designated electronic wallet address. The destruction of the smart contract process will require three CPU tokens for every one contract that will be destroyed. When the promotion ends, all leftover and unused e-Coupon will be claimed for destruction. Merchants will be

accounted for the unused coupon and it will require the merchant to pay 10 times more gas than they initially set for. This penalty system restrains possible fraud activities and ensures merchants to follow data and evaluate the actual need for the e-coupons. As result, all e-coupons issued under Coupon One will retain their true values



## 4. Project Proposal

### 4.1 Project innovation and the possibility of landing

The use of blockchain technology is developed to solve the major problems for the e-commerce industry, which are the security and privacy issues. The e-commerce industry is in need of Multiple Blockchain Technologies that can integrate into the applications.

Multiple Signature Technology and Mutual Encryption Technology in blockchain technology can deliver the needs of the security and privacy protection features.

Few large corporate customers have expressed their interests and supports towards the landing of this project. Presently, Coupon One's decentralized blockchain e-commerce platform has received multiple business interests, many who have already reached a strategic partnership intention agreement.

### 4.2 Project Innovation

- Upgraded type of the Ethereum underlying technology

Based on Ethereum's underlying technology, implemented with scripting language Python, to reduce the cost of post-maintenance and to increase the rate of iteration.

- Loosely coupled design

The data communications between users and the user is a very complex design due to the huge amount of user's data and usage of user data targeted by Coupon One tokens. In order to reduce the components loss due to transition and future upgrades, the entire system will be built on Coupling Design.

- Fast Trading

The data cache accelerated service. By the selection algorithm in the RAFT, a high-speed trading node is selected and the transaction settlement is almost in real time. As a result, the transaction rate is increased as well as the asset utilization rate is greatly increased.

- Easy transaction design

Through a user-friendly interface operation, a user may easily edit the smart contract, while regular users can select embed pre-engineered transactions in the blockchain and can easily apply the use of a smart contract.

- Passage design

Enhance the privacy of the transaction. When a business user requires to trade anonymously, the CPU will provide a special passage and randomly select a point to perform hash indexing, to ensure the privacy and meet the security principle.

- Optional storage outside of a chain design

To balance the idea of massive centralized data processing and a decentralize storage format. Provide better user experience by having storage outside of the chain to ensure data not to be tampered with, and at the same time increase data processing efficiency.

- Convenient private key management

Traditional private key management reduces the user experience. With the

introduction of master control and automatic trading mechanism, regular users can log into their accounts with a password.

➤ Multi-link mechanism

CPU is aiming at the "C" sided user using the share chain technology, while business alliance using corporate blockchain alliance technology, Notary schemes, Hash-locking, side blockchain and other format to process the transaction.

### 4.3 Structure and component design



#### User Layer

The first gateway interface a user faces getting access to their account is the user layer. A user uses this layer for any daily account management functions.

Through this layer, users can use the blockchain service, transmit resource through blockchain service to multiple layers and build support for cross-layer blockchain service.

#### **Service layer**

The service layer provides a unified access and node management services, giving users reliable and efficient service experience.

#### **Network layer**

The network layer is based on the peer-to-peer networking mechanism, data distribution mechanism and data verification mechanism, which works on the operation of the system, network, storage and computing calculation resources together to establish a full cloud network service. A cloud network service is one that can provide multi-node for authentication and user management service to connecting and establishing an agreement on a communication network that links different services.

#### **Motivation layer**

A motivation mechanism includes value measures, e-wallets and user accounts that run on the Coupon One platform, to establish a set of incentives to stimulate accountability and integrity nodes and penalize non-compliance of the node. Thus, promote a healthy development of the Coupon One system.

#### **Core layer**

The core layer is the functional layer of the blockchain system, which includes the consensus mechanism, the homomorphic encryption, encryption, the abstract data less signature module. In addition, there will be options to select pre- set edition of modules to automatically executed a smart contract depending on the application.

#### **Contract layer**

The contract layer is responsible for the sorting of accounting nodes and providing the translation to contract scripts for the management of contract types. It



also adds status channels, controls anonymity of smart contracts, sets safe container operation contracts and safeguards contract security.

### **Base layer**

The base layer is responsible for basic storage using the LevelDB and file storage system to preserve the blockchain and system with general data sets, maintenance of node ledger, hardware acceleration of upper hash signatures and development of verification protocols for data security. Through performance tuning and IO processing, the base layer use both from the hardware and software to improve system revenue.

## **4.4 Description of parts components**

### **User Management**

User management is responsible for information management of all the blockchain participants, including the maintenance of public and private key generation, key storage management, maintenance of the user's true identity and protection of blockchain address correspondence. It also monitors and audits certain user's true identities on their transaction with an authorized consent to provide risk control configuration on digital asset and financial transaction application, ensuring the transaction security.

### **Registration**

Registration aims at alliance chain nodes to performing registration management, meeting the requirement of the governance committee KYC And AML to register merchant messages, submitting the public key of the merchant, completing certificate registration and unifying information on registration management to complete the consent audit setting that has special monitoring rights certification.

### **Audit Consent**

Audit users automatically submit information and public key according to the consent requirement. After the audit is completed, rules are set according to the

certificate while the corresponding information and public key information are released to the signed certification. Audit consent setting has special monitoring rights after the certification comes into effect.

### **Status channel**

The channel management function of the platform can build an independent business chain according to the business needs. It allows participants to join the business chain in the form of blockchain nodes and share the business chain data. Blockchain nodes can join multiple service chains through the channel management function and each service chain's data (chain, service) will individually be sorted. Supporting the multi-chain structure and allowing different business to run on a separate chain to work under one platform's roof, enhancing privacy protection, reducing system cost and improving equipment utilization.

### **Dynamic networking**

The Coupon One CPU platform can identify nodes through the chain channel. In the terms of service is not being suspended under the premise, it allows dynamic control of network nodes to join or quit the business chain.

### **Smart contract**

Smart contract is responsible for the registration of the contract to perform upgrades and cancellation. Users write smart contracts in a specific programming language, and the smart contracts will be automatically triggered by their subscriptions based on the user's preferences.

### **Load balancing**

Load balancing can equalize the flow of the application program, transfer the front-end access receipt to the backstage supporter, understand business level expansion, automatically switching through the barrier, to eliminate any single point of service failure, enhance the service provided and provide good user experience for the DPSP ring scenario application on the main chain of Coupon One.

### **Service components**

For businesses and individual developers, our service components can create accounts, digitize assets, get the district blocks of the district, create and inquire transaction information, provide real-time chain notification and other functions. At this stage, Baas can provide access, information privacy protection, value pass-through and certificate storage through the SDK to meet the access requirements of different application platforms in the ecological chain.

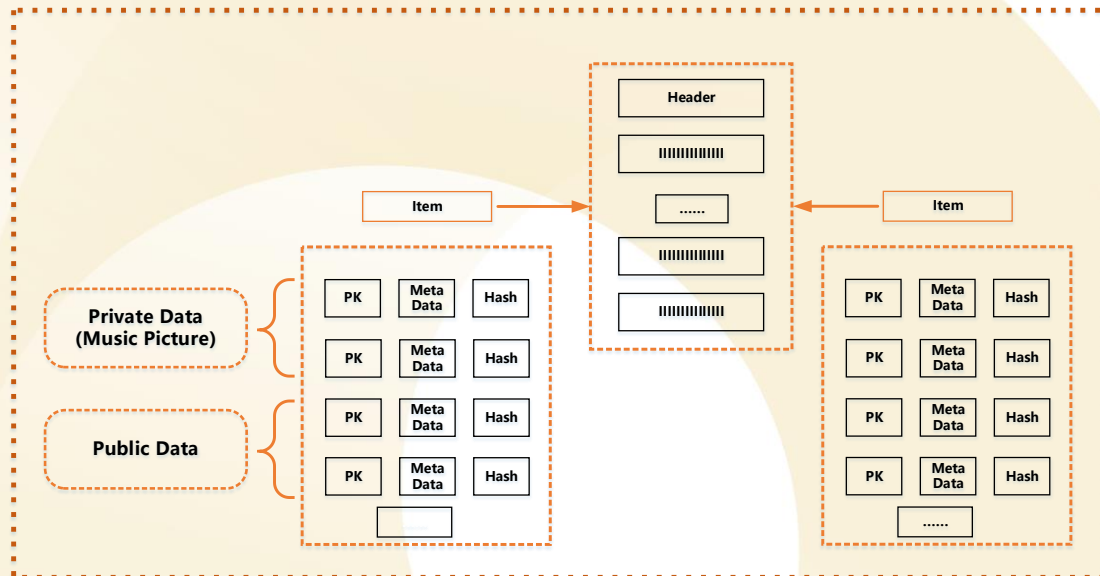
### **Data Security Design**

Through research, we found that the Coupon One platform will produce a large amount of data, while the cost for the general merchants to build their own database is relatively high and the platform compatibility is insufficient. On the other hand, the traditional e-commerce data center construction is imperfect with no strong data processing capabilities, so we designed two sets of alliance servers, with the Ethereum public chain bottom layer technology and the cross-link mechanism, to effectively utilize the existing database under the current e-commerce scenario to achieve a decentralized, secure and traceable data share. In addition, due to the large storage needed for some data, such as pictures and video works, all the owner's public key encryption and re-distribution of distributed database are used to ensure that the recorded content is credible and original. The model records a summary of all data and uses hierarchical pole storage. The data hash is stored in the Item node pole and then the hash of each Item is calculated and stored in the Item block pole; as a result, reducing the search space and speeding up the user verification of records.

As shown in the figure, the data block is composed of multiple Item blocks and the hash value is calculated at each layer to obtain a Merkle of this data block, which is executed every minute. Due to Ethereum bottom block chain using POW mechanism, it takes ten seconds to generate a block; so the database is frozen every 10 minutes in this model. IAESG warehouse table submits the generated Merkle to Ethereum block chain in the form similar to the submission of an Ethereum

transaction, so that the data cannot be tampered within the true sense.

Each Item contains storage Item hash value and leading information due the public chain of nodes is more involved and is open and credible. It not only is beneficial to each block point-to-point network propagation, but also reduces the cost of data validation. Each data package contains three pieces of information: data owner public key, metadata, data summary.



## 5. Introduction to the CPU token distribution proposal

Total CPU Token to be issued: Ten billion.

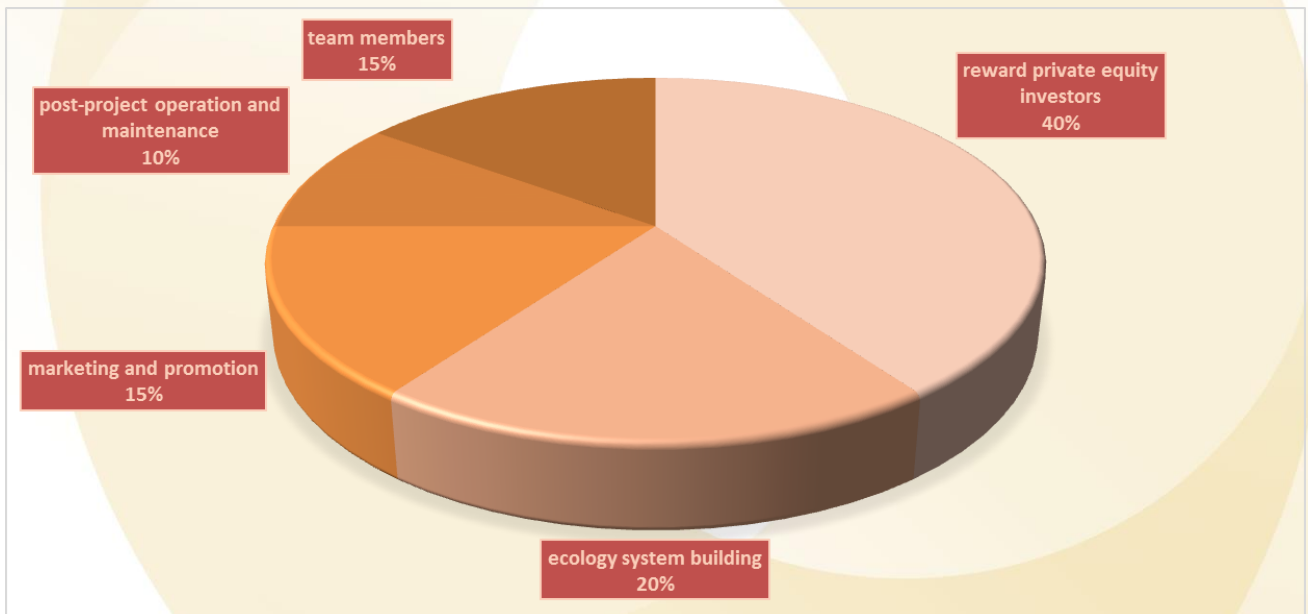
40% of the tokens will be used to reward private equity investors;

20% of the tokens will be used toward building an ecology system for e-commerce blockchain;

15% of the tokens will be used for marketing and promotion of Coupon One;

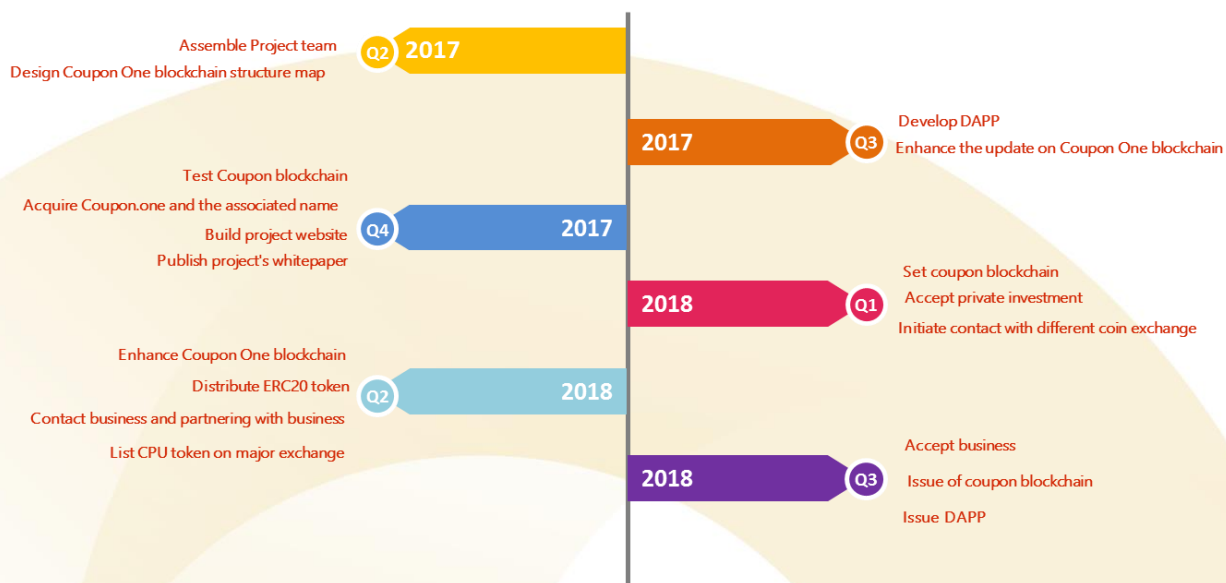
10% of the tokens will be used towards post-project operation and maintenance;

15% of the tokens will be held by the project team members and be locked for three years.





## 6. Project development road map



## 7. CPU token declaration and restriction

- China, United States, Singapore Citizens and permanent residents within these three countries are prohibited to participate in the consumption of CPU tokens within the Coupon One platform. Coupon One's CPU token team cannot solicit to business or individual residents in China, United States and Singapore.
- Coupon One's CPU token does not represent any asset or right to Coupon One's Dividend, the Foundation's shares and the Foundation's voting rights.
- Before the official launch of CPU token, the ICO sale proposal may be updated or changed.
- All participants of Coupon One's CPU token sale must understand their own diligence and risk tolerance. Please review Coupon One's whitepaper and website for related information.
- Digital assets are considered a high-risk investment. Cryptocurrencies are an emerging market and investors should be cautious and study the financial risk factors involved.
- Investment from any terrorist group or anti-humanitarian organizations will not be accepted.

## 8. Governance structure

Coupon one's e-commerce blockchain managing guidelines are originated from the Internet e-commerce managing guidelines for the purpose to constrain business strategy, risk management, operation principle, transaction and legal syndicates. Although blockchain technology is based on decentralization as a starting point for building an efficiently shared economy platform, the network of e-commerce business management framework must be drawn into reference as a result to increase the coordination rate of blockchain community and promote the operation of community activities.

Coupon one blockchain platform want to build a "untraditional" community. Aside from individual participants, the platform will also include participants from all sizes of businesses and end-users. Therefore, there must be a reasonable guideline structure referencing to the business managing structure to resonate the business community. The reasonable guideline will require a dynamic managing culture balance between the blockchain decentralized community and the e-commerce business community.

The method of governance set forth below is a combination of strategies that includes the experience of traditional merchants with the developmental experience of the blockchain industry in the past few years. Although the governance method is currently at the top of the industry-leading level, the ever-changing blockchain industry will bring updates to the governance guideline according to local operational conditions for better optimization.

Coupon One business alliance and partnership members will be allowed to join the Coupon One Foundation committee with no greater than 30% of the total members in the committee. Rest of the committee will be rotated throughout the Foundation community. All members within the community unite to build a committee board that opens for constructive ideas, manages transparent update on post-operation and ensures the safety and harmony of the Coupon One Ecosystem.

Through the proposal of good governance structure, we help to manage and push the projects to move forward from multiple dimensions, such as QR code management, financial management, public relations management and operation management, to ensure the sustainable development of the Coupon One Platform. The Foundation will also be benefited from the good governance structure having an efficient management and fund security. Coupon One operation team members, given an equal status, are no different than any other serving members in the community. Everyone is treated equally between the Coupon One platform authority and CPU token issue authority. Any changes to the community's policy or the Coupon One Platform must go through the Foundation approval.

## **9. The Coupon One Foundation**

The Coupon One Foundation, short form as "the Foundation", is a non-profit Foundation found in July 2017 in Seychelles by the Coupon One project team. The Foundation's goals were advocating e-commerce blockchain adoption, promoting development the ecology on a transparent blockchain operation and pushing e-commerce to build a safe and user-friendly environment.

The Coupon one's team entrusts a reputable third-party firm to assist with the setting up and maintaining the Foundation operation in Seychelles. After the Foundation is completely set up, the third-party, accompanied with a selection of blockchain technology community members to join the Foundation Committee Board, share the management of the Foundation to those who have the same principle goals.

### **9.1 Principles of the Foundation governance**

The Foundation governance principles are designed to sustain a continuous development of the Coupon One platform, to strategically develop management efficiency, to monitor risk management and to build a high economical operation platform. The following are the principles in governance raised by the Foundation.

### **1. Centralized governance**

Blockchain itself is a distributed and decentralized technology; thus, many people admire the decentralization of community governance. However, conflicts of interest and ideology between members arise as the decentralized community grows, leading the community to a very slow and inefficient development. In some extreme case, the conflicts split the community into multiple parties (for example Bitcoin is divided into BTC and BCC), which we do not wish to happen.

We select qualified members from the community through Coupon One's CPU Smart Contract voting system to join the Coupon One Foundation committee. Departments with different functions will be established to allow each department to elect a set number ratio of representatives at the committee board. All major decisions must be approved by the Foundation's committee board.

### **2. Risk management**

Blockchain technology is still in an early developmental stage, administrations from most of the countries and regions are still on the sidelines to the technology. Aside from technical risk, e-commerce blockchain technology is also facing administration and regulation risks. As a result, risk management is set to number one priority when the Foundation is setting the strategic development on Coupon One. The principle of risk management is to ensure the Foundation completely evaluate the risk factors when making any decisions through the guidance by the Foundation Committee and ensuring all aspects of risk are being considered as well as the possible effect of the risk outcome. As a result, the Coupon One decentralized blockchain platform can continue to thrive and meet the regulatory demands on a legally accepted path.

### **3. Applicability**

Applicability is the core focus of the technical value. Any technology built without the consideration of applicability usually face major challenges moving forward. The value of a technology is reflected in the business application led by the

technology. The original founding of CPU is to aim at corporate business with the Blockchain technology breaking the bottleneck of shared economy with a safe and fast integration. CPU Foundation shares the same CPU idea in driving a breakthrough to the e-commerce world. The CPU Foundation is a non-profit organization, but one of the goals from the Foundation is to win the adoption from the commerce community and maximize profits for the Coupon One applications. In return, profits can continue the building and upgrade of the Foundation community and the Coupon One platform.

One of the core principles the CPU Foundation consider when selecting staff and building its human resource structure is to acquire talents with technical and business commerce expertise's. Only the understanding in the combination of both fields can lead the effectiveness of our technology and fulfill the business application needs.

#### **4. Transparency and supervision**

Referencing to the traditional commerce monitoring system, the CPU Foundation set up a monitoring and reporting portal. The Foundation has assigned dedicated staff to respond to any reported incident. The Foundation also welcomes community members, as well as the general public, to join the monitoring, managing and supervising of Coupon One. The Foundation encourages prompt and confidential report of any suspicious activities using a special category is created under "Report Activity". The reported issues include, but are not limited to the following: news breakthrough or suggestions that have a significant impact on the CPU blockchain technology, community operation issues, crisis and risk information and fraudulent activities. The Foundation will consolidation the reported information and publicly publish the information while ensuring the privacy of the reporter's information.

In terms of information disclosure, the Foundation will be reporting to the public through scheduled reports and unscheduled news release to make sure the community is fully aware of the Foundation's operation status. All key members on

the committee board of the Foundation will have their contact information available for the general public and accept supervision from all parties.

## **9.2 The Foundation organization structure**

The Foundation set up will include a research and development department, a finance department, a human resources department, a marketing department, an administration department, a legal justice department and a compliance department. A certain number of members in the research and development will be selected as members of the technical committee, while a certain number of members in finance department and human resource department will be selected as members of the Finance Committee. A certain number of members in Marketing department will be selected into the operation committee and a certain number of members in the administration, the legal justice, and the compliance departments will be selected as members of the public relations and supervisory committee.

The strategic decision committee consists of the technical committee, finance committee, operations committee, public relations committee, supervisory committee, and the secretary-general. The foundation of guidelines for future strategic decisions of the Foundation must be voted and approved by the strategic decision committee.



## 10. Introduction of Coupon One's team members

### The founder and core members



**Mark Zong**

**CEO**

The former system architect from the PRIME member points coupon system of the Amazon e-commerce platform. He was responsible for design of the points and vouchers technology framework. He later completed the joint venture to open 51 rebate sites, led Coupon One APP users to reach 10 million and the annual profit to reach 35 million. He withdrew after the project has been marketed as a listed company.



**Deniel Payton**

**CTO**

He was the former senior research engineer at Amazon headquarters in Seattle USA. He was responsible for the project of Ecoupons which is a global merchant platform at Amazon that uses data tracking module design and point exchange system. He also co-founded projects such as Groupon and the Coupon One app and in which he successfully accomplished substantial project profits and later quitted upon mergers and acquisitions.

**Palamit Singh**

**Chief Architect**



He was the former software engineer at Zappos.com, a well-known e-commerce platform in the US. He was responsible for the structural design of the e-commerce platform and the offline logistic and various storage applications. He was later in charge of the global Amazon Prime member points management system followed by the merge and acquisition of Zappods into Amazon.

## The Consultants and investment team



### **Tony Zhu**

He was the senior manager at JD.COM (JingDong Mall), a well-known Chinese E-commerce platform second to Alibaba. He was lead manager of mobile related business and was responsible for the product development and design of the JD Mall App. Tony is an expert in e-commerce coupon business planning process. He later joined Huawei and he is currently in charge of the development and operation of its overseas e-commerce platforms.



### **Tony Zhang**

He has a PhD in computer science at the Georgia Institute of Technology, and was a senior researcher of parallel computing direction at the IBM Institute. He later joined Google and was one of the few pioneers working on search engine optimization and the development of the adwords advertising system. He joined the blockchain revolution in 2010.



### **Billy Wen**

HighVison Fund Partner and a former IBM senior technical advisor. He worked in the research and development department of China Mobile Telecom developing the wireless value reward data management system. He also founded the HighVision Fund which invested in the various early network projects. He is a strong believer in blockchain technology and all its applications in the e-commerce field.



### **Bin Duan**

Partner of the Le Tour Fund and a former vice president of the Qingke Investment Group. He later became the partner of the Le Tour Fund and is responsible for its investment projects in the field of the network entertainment industry. He helped incubates various early network projects and advised on their commercial operations. He has also been actively leading Le Tour fund to invest into many blockchain projects.



### **Kun Zhang**

Partner of the Blue policy consulting group, former senior manager who managed all the investment and demanders division at the Deloitte consulting group. He was responsible for the financing and reorganization of business of the network industry investment. He was later involved in the establishment of blue strategy advice and

domestic deficit network large-scale trafficking transactions.



**David Liang**

Founder of TMM community in China, Blockchain senior investors, a well-known currency price forecaster and blockchain educator. He established TMM in China in 2017, and his work has been widely approved by the vast majority of investors in China. He is also an advisor for the Datavlt project.