ZJLT Distributed Factoring Network

Whitepaper

V 1.0

Build up a valuable enterprise credit ecological network

Directory

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1、 Summary

1.1 Background

In the traditional supply chain finance, the centralized management mode often makes enterprises face the problems of high cost, low efficiency in evidence chain and monopoly by centralized institutions. As there is no overall commercial credit evaluation system and credit rating mechanism In every country in the world, enterprises cannot demonstrate their credit worthiness, hence making it difficult to carry out self-compensated trade financing. The financial needs of enterprises can be met only through the traditional pledge or supply chain financing model, which is a great obstacle for social progress and the rational allocation of social resources. The root causes of the industry pain points, i.e. difficulty in obtaining financing are because the enterprise credit cannot be self-certified, cannot accumulate, and cannot be rated.

The traditional financing model is version 1.0, relying on pledge of tangible assets to support enterprise credit. In the background of inclusive finance, supply chain finance will enter the era of version 2.0. Through financial system innovation, including institutional innovation, institutional innovation and product innovation, inclusive finance allows enterprises more financing opportunities. However, from the perspective of credit, inclusive finance still does not solve the problem of enterprise credit accumulation and self-certification, corporate financing still has greater difficulties. Solving the problem of enterprise credit has become the inevitable direction of the reform of supply chain finance, and even the whole financial industry.

1.2 Block chain

Since Nakamoto put forward the concept of Bitcoin block chain in 2009, block chain technology has developed rapidly in the form of encrypted digital assets. However, the blockchain is not only a kind of digital assets innovation, but also a technological innovation. The concepts of decentralization, disintermediation and distrust behind it reveals the possibility of building a new social development model. From technology geeks to enterprises and governments, more and more organizations are conducting research and application attempts on blockchain technology. The combination of distrust and disintermediation with the existing industry will collide with the bright sparks, which provides the possibility for the promotion of industrial efficiency and the change of production mode.

1.3 Vision

The goal of the Foundation is to innovatively apply blockchain technology to build a self-evolving system for credit evaluation, using multi-dimensional and multi-level enterprise information, as well as objective evaluation of enterprise credit ratings and index, thereby realising a transparent and reliable enterprise credit system and to expand the credit value of enterprises. Through the accumulation of the enterprise individual credit value, we can together construct the bigger commercial prestige in the entire society. The ZJLT Platform will take the core enterprise's accounts receivable factoring business as the breakthrough point to realize the enterprise credit value exchange circulation between different industries and different domains and to activate vigorous development of the entire ecosystem.
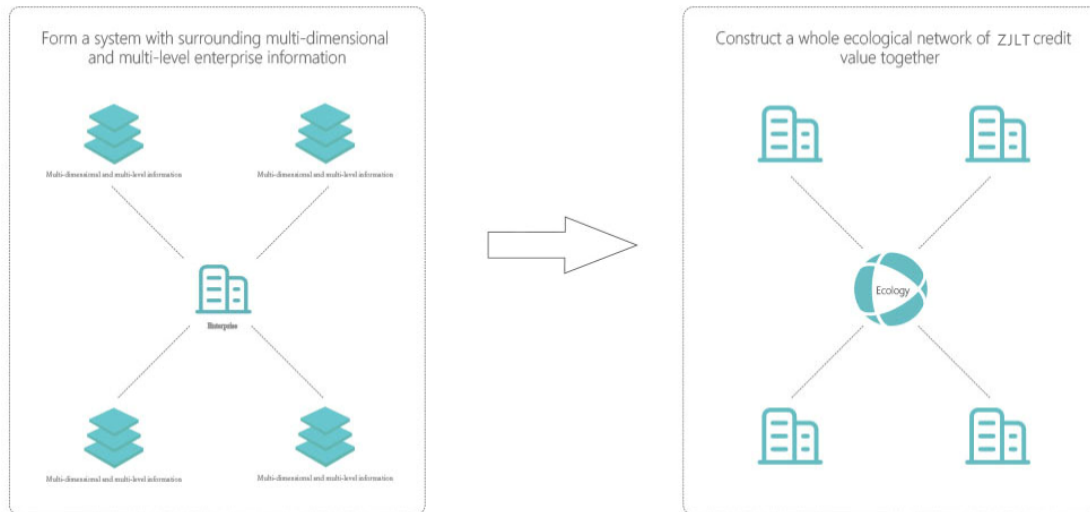
2 、 Supply chain finance based on decentralized credit system

2.1 Overview

The ecosystem on the ZJLT Platform comprises the decentralized credit system at the bottom and the financial business at the application level. Credit network is the infrastructure of Unicom's credit and value. On this basis, a pilot application would be receivable factoring with less risk based on the core enterprise accounts, and with this the business process is reconstructed to improve the business efficiency. With this, the financing problems of small and medium-sized enterprises will be solved.

Form a system with surrounding multi-dimensional and multi-level enterprise information
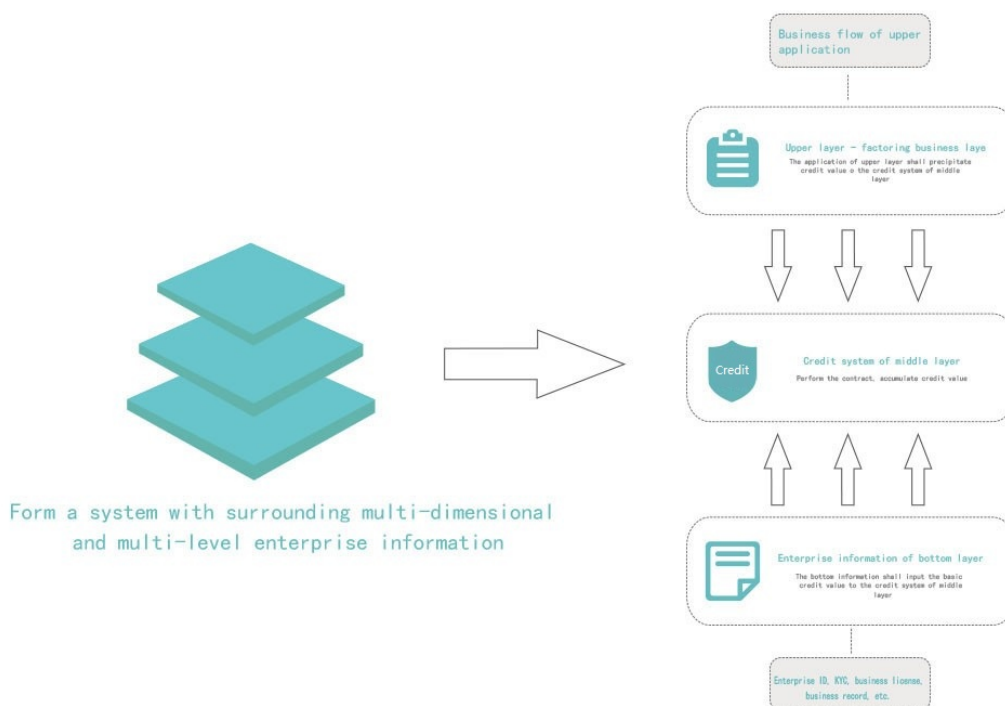
2.2 Infrastructure-decentralized credit system

2.2.1 Meanings of credit

Credit, as a basic moral standard, refers to the standard of behavior of individuals who are honest and keep their promises in the process of communication. In economic activities, on the basis of trusting a promisor to repay the promise, the promisee delivers goods, services or currency in advance, which provides sufficient liquidity support for the promisor and greatly improves the efficiency of its economic activities. This process has contributed to the vigorous development of the modern market economy. In the process of trade globalization, credit acts as a transaction intermediary and is the basis of value exchange among different economies. From this point of view, credit is the core and soul of modern market economy, the social resources required by economic development, and closely connected with value.

As the main body of credit resources, enterprises have full ownership of it, but in reality it is not easy to quantify one's own credit and report this value to others. The current

commercial credit evaluation system lacks a unified authoritative standard, and requires the enterprise to reveal a large amount of data to centralised organizations to determine credit rating. The credit value data obtained by the organization is not controlled by the enterprise itself, and the enterprise cannot quantify its own credit. In some commercial chains, credit systems may be established through long-term economic cooperation, but this enterprise credit cannot be transferred outside of the closed credit system. None of these credit ratings are public.

The lack of methods for self-certification of credit, accumulation and rating imposes high credit costs on enterprises, especially small and medium-sized enterprises, which hinders their rapid development through credit financing. The ZJLT Platform is envisaged to be a credit evaluation model based on invoice flow, capital flow and logistics information with the help of block chain technology to provide infrastructure for enterprises to prove and control their own credit. This will realize the mutual circulation of enterprise credit value between different industries and different fields, promoting the vigorous development of the entire ecosystem.

2.2.2 Block chain: machines of trust

Trust is a valuable resource, and the creation of trust between parties requires institutions and guarantees. In a centralized system, the guarantee is provided by various centralized institutions and organizations, introducing complicated procedures and inefficiency. Blockchain technology offers us another possibility: program-based trust.

Based on consensus mechanism and cryptography, the blockchain can ensure that the information on the chain is open, transparent, and cannot be tampered with. However, the existing infrastructure cannot guarantee that the information is not falsified before being uploaded. The critical examination of information can only be carried out by an offline centralized body. From the economic point of view, the design of the ZJLT Platform incorporates various incentives for audits and arbitration to be carried out within the system on the ZJLT Platform, paying incentives in ZJLT to users who performs these tasks, which is envisaged to eliminate to the greatest extent motives and possibility for fraud.

The combination of blockchain and credit model makes it possible to establish a transparent and efficient credit system.

2.2.3 Architecture and business processes

2.2.3.1 Role and function of credit system

There are four roles in the credit system on the ZJLT Platform: enterprise, audit node, supervision node, and arbitration node.

Enterprise: Generates demand for credit self-certification, and provide business-operations related records and documents according to the requirements of the ZJLT Platform, and will obtain the corresponding credit value according to the audit results.

Audit node: Auditors of submitted enterprise information (both through online and offline means) are able to obtain incentives paid in ZJLT for such activities. This role requires experience in risk control and credit experience, as well as sufficient resources to carry out the audit, and which is must be only experienced factors. When examining the information, the auditor would be required to lock up a certain amount of ZJLT into the smart contract on the ZJLT Platform to indicate trustworthiness.

Supervision node: Any user on the ZJLT Platform may become supervision nodes, whose role is to detect false information in the audited enterprise data and documents. Supervision nodes may provide a certain amount of ZJLT as an indication of trustworthiness and apply to arbitration nodes for review if false information is detected. If the information proves false, ZJLT will be deducted from the relevant enterprise and audit nodes, and distributed to the supervising node and arbitration node as incentives to encourage detection of false information. At the same time double the credit value of the information as punishment. If the information proves to be real, the ZJLT provided by the supervision node will be distributed to the enterprise, audit node and arbitration node accordingly.

Arbitration node: Their responsibility is to investigate all information submitted by supervision nodes, and will be incentivised with ZJLT for undertaking this activity. The arbitration nodes comprise the ZJLT Foundation Arbitration Committee, as well as all the audit nodes. For each investigation, 1-3 nodes are selected randomly.

2.2.3.2 Business processes

Registration

Audit node registration: Audit nodes are selected by the Foundation from the most reputable factors in the industry. Audit nodes are required to provide ID and KYC information, and lock up a certain amount of ZJLT into the smart contract on the ZJLT Platform to indicate trustworthiness.

Enterprise registration: Enterprises are required to provide ID and KYC information for recording onto the blockchain, in order to obtain a network identity after checks are complete. This network identity would function as the enterprise credit evaluation file on the ZJLT platform, as well as the credit value network entrance of the future supply chain finance industry.

By checking the registration information provided by nodes and enterprises, the system will assign the initial credit index: "BCV" and "UCV" based on the corresponding credit model.

In order to promote ecosystem development, the Foundation will grant a certain number of ZJLT to pre-registered nodes and enterprises. In later campaigns, ZJLT may also be granted to certain eligible registered users.

Upload information
In order to obtain credit accumulation, enterprise users upload operation information and notes according to the model requirements, and submit audit requests to audit nodes. The submitted records and data will be stored in the IPFS system, and the generated hash values will be timestamped and recorded on the block chain to ensure security and non-tampering.

Audit
After receiving an audit request, the audit nodes will audit the submitted information (utilizing a combination of online and offline resources). Regardless of whether the audit results are satisfactory, the audit node will be paid in ZJLT and an increase in credit value BCV.

Credit accumulation

Credit accumulation for enterprises and users in the system mainly comes from the supply of information and the business carried out on the ZJLT Platform. For enterprises, the submission of daily business information for audit which has been verified to be true will lead to an increase of the credit value of UCV, while audit failure results in double deduction of credit value as punishment. Carrying out factoring finance on the ZJLT Platform and performing payment obligations on time will also increase credit values. For audit nodes and factoring, the completion of audit and factoring business will obtain the corresponding credit value.

The credit value UCV is directly related to the amount of financing available, and the discount rate. The credit value of factor BCV determines the leverage of its business on the ZJLT Platform.
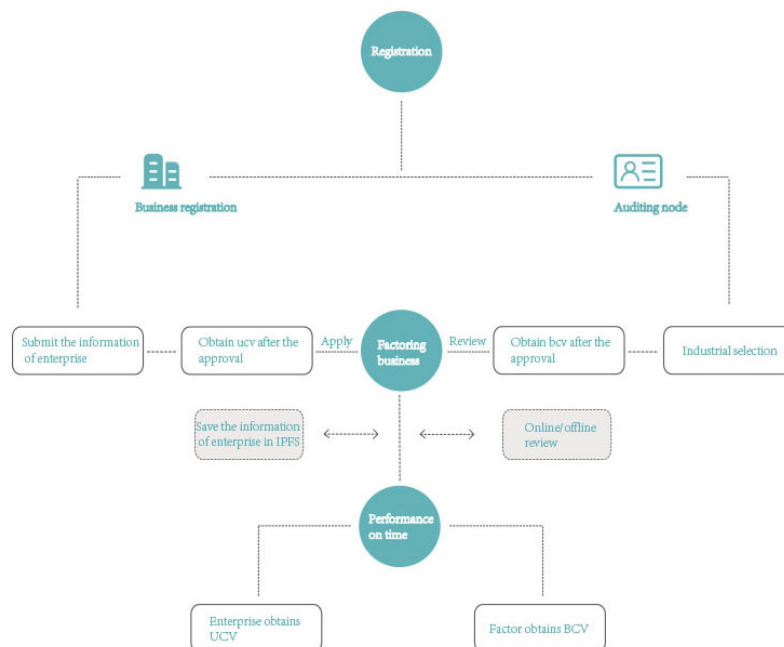
Review process
Any node which has doubts about the information uploaded by the enterprise may initiate arbitration to the arbitration node after locking up a certain amount of ZJLT into the smart contract on the ZJLT Platform to indicate trustworthiness.

Arbitration
After receiving an arbitration request from a supervision node, the system randomly selects 1-3 arbitration nodes to audit the relevant information. The locked ZJLT, as the credit value reward of the arbitration node, is transferred to the arbitration node account

after the arbitration is completed. If the information proves to be true, the supervision node which initiates the review will be subject to deduction from the corresponding credit value. If the information proves to be false, then the enterprise that provides the false information and the audit node that had audited that information will be subject to deduction of credit value, and at the same time part of its locked ZJLT will be paid to the supervision node as an incentive.
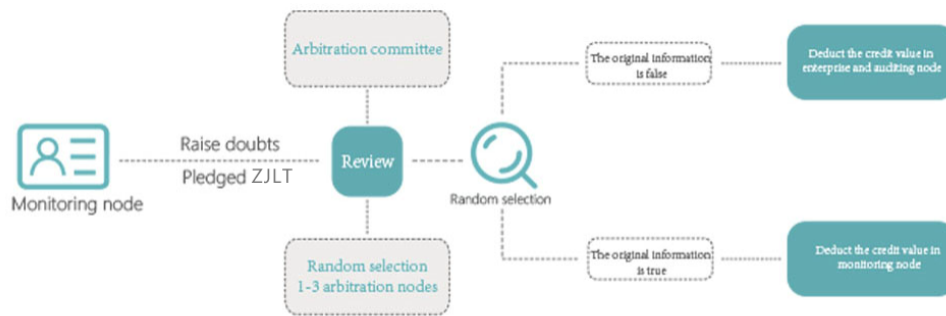
The above is the main economic model in the decentralized credit system to be developed on the ZJLT Platform. In the ecosystem, enterprises can accumulate credit and realize credit self-certification. With the addition of different supply chains, enterprise credit will be gradually connected. Finally, the formation of a wide range of corporate credit value network. However, we need to be mindful that the establishment of the credit system will not be achieved overnight, and this depends on the joint needs of different industries to gain consensus. Ecosystem expansion will also bring new business needs. For the realization of different industries and different areas of enterprise credit value exchange flow to make contributions.

Usage of ZJLT token

The native cryptographic digital token of ZJLT Platform (**"ZJLT"**) is another major component of the ecosystem on the ZJLT Platform. ZJLT is a non-refundable functional utility token which will be used as the unit of exchange between participants on the ZJLT Platform, as well as the economic incentive which will be consumed to encourage participants to contribute and maintain the credit evaluation system and ecosystem on the ZJLT Platform. ZJLT does not in any way represent any shareholding, participation, right, title, or interest in the Foundation, its affiliates, or any other company, enterprise or undertaking, nor will ZJLT entitle token holders to any promise of fees, revenue, profits or investment returns, and are not intended to constitute securities in Singapore or any relevant jurisdiction. ZJLT may only be utilised on the ZJLT Platform, and ownership of ZJLT carries no rights, express or implied, other than the right to use ZJLT as a means to enable usage of and interaction with the ZJLT Platform.

Under the business process described above, time, computational resources and/or effort is required for maintaining the ecosystem on the ZJLT Platform (i.e. conducting and updating credit scoring), thus enterprises users of applications will be required to pay for the consumption of these resources and services. ZJLT will be used as the unit of exchange to quantify and pay these costs. At the same time, it is necessary to establish an incentive / disincentive system for the users on the ZJLT Platform to act honestly.

ZJLT is an integral and indispensable part of the ZJLT Platform, because in the absence of ZJLT, there would be no economic incentive for the users on the ZJLT Platform to interact, share information, and perform tasks to maintain the ZJLT Platform, thus rendering the ecosystem on the ZJLT Platform unsustainable.

In particular, you understand and accept that ZJLT:

(a) is non-refundable and cannot be exchanged for cash (or its equivalent value in any other virtual currency) or any payment obligation by the Foundation or any affiliate;

(b) does not represent or confer on the token holder any right of any form with respect to the Foundation (or any of its affiliates) or its revenues or assets, including without limitation any right to receive future revenue, shares, ownership right or stake, share or security, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights or equivalent rights, or intellectual property rights or any other form of participation in or relating to the ZJLT Platform, the Foundation and/or its service providers;

(c) is not intended to be a representation of money (including electronic money), security, commodity, bond, debt instrument or any other kind of financial instrument or investment;

(d) is not a loan to the Foundation or any of its affiliates, is not intended to represent a debt owed by the Foundation or any of its affiliates, and there is no expectation of profit; and

(e) does not provide the token holder with any ownership or other interest in the Foundation or any of its affiliates.

The contributions in the token sale will be held by the Foundation (or its affiliate) after the token sale, and contributors will have no economic or legal right over or beneficial interest in these contributions or the assets of that entity after the token sale.

To the extent a secondary market or exchange for trading ZJLT does develop, it would be run and operated wholly independently of the Foundation, the sale of ZJLT and the ZJLT Platform. The Foundation will not create such secondary markets nor will it act as an exchange for ZJLT.

2.3 Application scenario-supply chain finance.

On the basis of a decentralized credit system, the ZJLT Platform constructs the pilot application: supply chain financial business (enterprise accounts receivable factoring).

Accounts receivable factoring is a business in which an enterprise sells accounts receivable to a third party (lender) at a certain discount in order to obtain cash flow quickly. It is an important link in supply chain financing to promote the financing of small and medium-sized enterprises, to make up for the shortage of funds and to establish a good relationship between supply and marketing. The low risk rate of the business, the ZJLT Platform, generally reduces the risk of non-repayments from accounts receivable from suppliers of core businesses such as Wal-Mart.

The accounting system of the ZJLT Platform hopes to explore and improve the ecosystem deficiencies through low-risk business and accumulate experience for the future construction of other risk levels of business. Extrapolation from the core enterprises with high reputation also contributes to the expansion of the credit system.

2.3.1 Role and motivation-needs analysis

Enterprise: capital is an important factor to determine the development of enterprises and the credit financing is the premise of the development of modern market economy. However, the absence of credit system makes the enterprise unable to prove its credit, so it can not extend the credit beyond the business circle, resulting in the difficulty of financing and the high cost of financing.

Lenders: Lenders want to make profits by developing factoring business, but the absence of credit system makes it necessary to do a lot of work beforehand and it is expensive to develop new business objects. There is a lack of channels of communication between different lenders, resulting in a large number of duplicate surveys. The capital demand has the off-season peak season division, the time, the cycle of the different industries is also different, but lenders may be familiar only in individual industries or only even several enterprises, hence leading to low capital efficiency.

2.3.2 Business processes

Completing an account receivable factoring business on the ZJLT Platform consists of the following steps:

Make an application
Enterprise uploads accounts receivable and related business flow information, after the audit node passes, according to the enterprise credit score. Enterprise determines the financing quota and the discount rate and broadcasts to the chain (initially uses in the platform hanging single form. Solicitations may also be issued to the designated contractor).

The lender receives the order
The lender receives the financing request and reviews the relevant information, evaluates the risk against the return, and has the choice to accept the request. Where there is no response the financing fails, and the enterprise may choose to cancel the financing or amend the terms of the application again. If more than one lender receives an order, the final lender is selected according to the order in which the enterprise designates the lender - the lender performing the audit or the lender with the highest credit score.

Financial product generation
After the lender receives the order, the enterprise hands over the payment voucher (bank account control or KEY) to the lender. Lenders can raise funds to fulfil the order alone, or split the financing target into different risk levels of financial products, pledging a certain number of ZJLT, with the help of the ZJLT Platform into a standard smart contract, and/or pool monies from other lenders to fulfil the order. Through crowd-funding, lenders may issue leveraged products to increase yields. Lenders who   are   unfamiliar

with the business, or who have idle funds are able to enjoy a wider range of investment opportunities and capital utilization at the cost of a certain rate of return. The leverage ratio of the product issuer is not unlimited, but is based on the value of the ZJLT pledged as well as its credit value.

Crowd-funding

Other lenders confirm the terms of the financial product and transfers the relevant amount of pegged ERC20 token ETHUSD to the crowd-funding contract address. When sufficient funds are raised, the crowdfunding is deemed successful and the ZJLT platform will charge a certain percentage of the crowd-funding amount as a service fee.

Financial delivery

After the crowd-funding success, the contract automatically transfers the ETHUSD collected to the enterprise account, for operation and production.

Profit settlement

After the loan matures, the crowd-funding issuer receives the funds and translates them into the corresponding ETHUSD to break into the crowd-funding contract, the principal and proceeds of the contract settled to the crowd-funding participant account, and the ZJLT secured by the issuer is unlocked. All business participants will have increased credit value. In the event of default (the probability is minimal, the crowd-funding issuer and the participants bear the corresponding losses under the crowd-funding terms) (generally, the initiator should assume the main risk as a bad result, after the settlement is completed. The ZJLT secured by the initiator is unlocked, and if the initiator is unable to bear the loss, the ZJLT is assigned to the participant account.

Supply chain finance based on decentralized credit system will help enterprises to realize the circulation of credit value between different industries and fields, greatly reduce trust costs and improve financing efficiency.

2.4 Project advantages

The ZJLT team has looked into the supply chain finance industry for many years, and has come up with a set of relatively mature credit mechanism; With deep resources in the industry, and Amazon, Wal-Mart, China Mobile and other top supply chain established business relations, for cross-supply chain credit Unicom laid the foundation for the ZJLT Platform.

3、 Technical framework

3.1 Overview

The accounting system on the ZJLT Platform is an ethernet based enterprise data accumulation and business credit evaluation platform. Enterprises may store all kinds of business information, such as capital flow, logistics and document flow, on the block chain, and store the data on the storage network based on private IPFS.

The decentralized enterprise credit evaluation system on the ZJLT Platform will evaluate the credit of enterprises. After obtaining a credit rating, an enterprise may conveniently carry out factoring financing based on the accounts receivable on the accounting system on the ZJLT Platform through the smart contract.
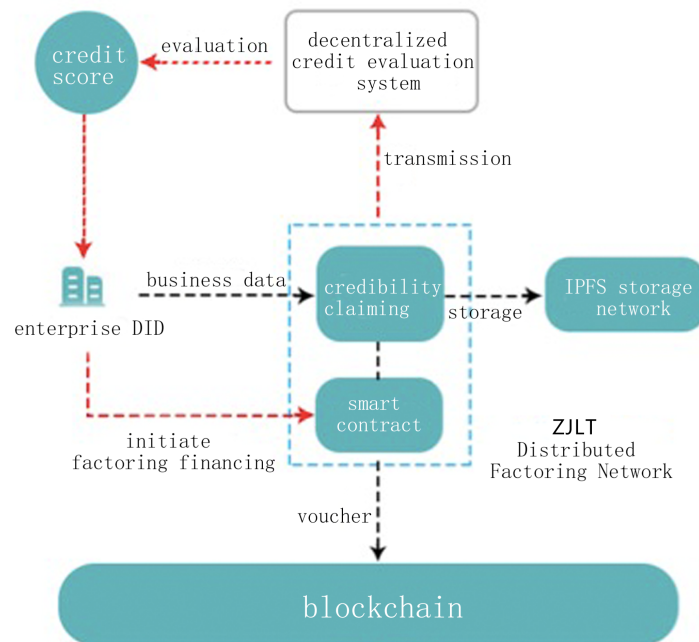
3.2 System architecture

In the system architecture, the ZJLT Platform adopts the hierarchical design pattern. From the bottom up, it is divided into system base layer, protocol layer, data layer, application layer and client layer.
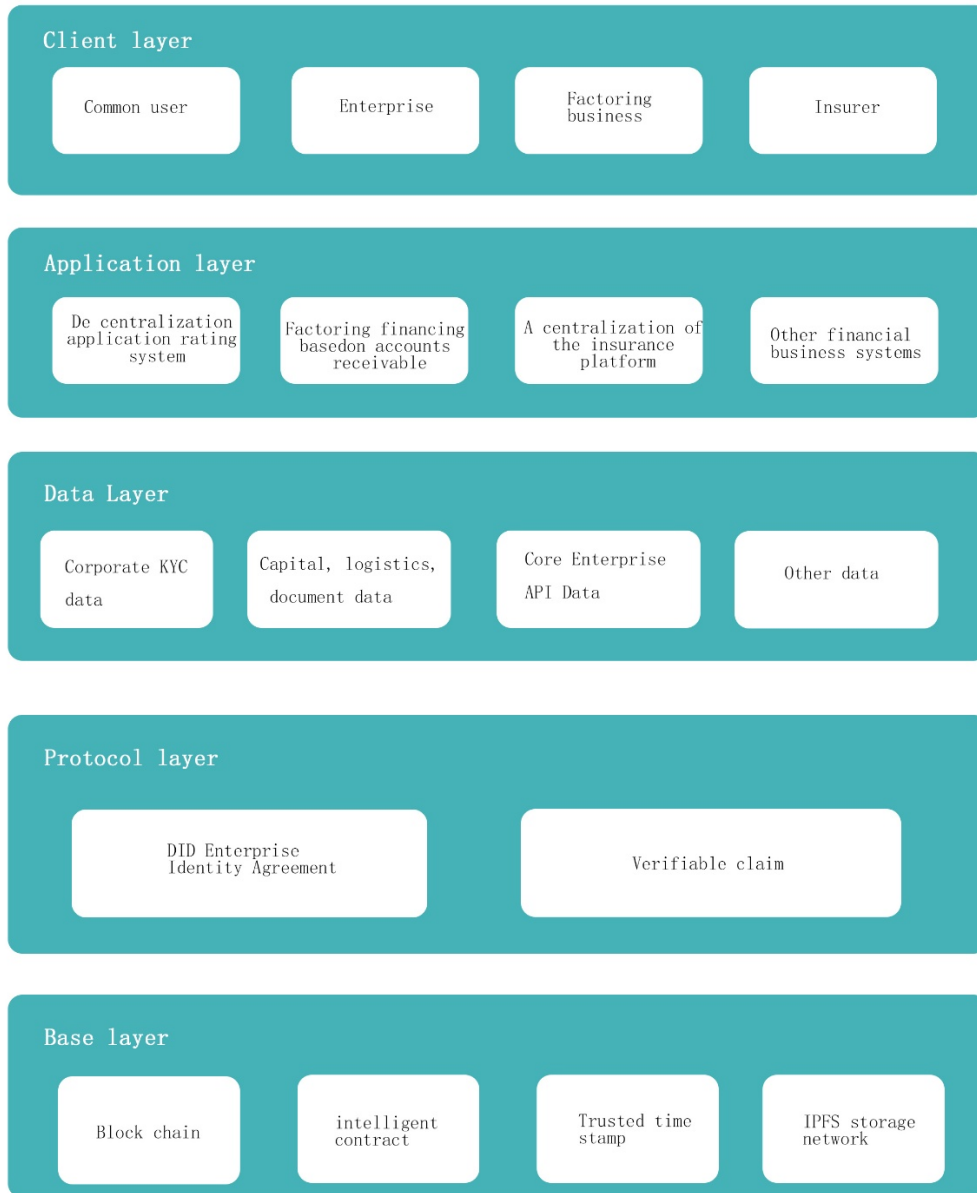
The system foundation layer is the basic setup of the system, which mainly includes the blockchain system, system level smart contract, trusted time stamp and storage network based on private IPFS.

The protocol layer is the foundation of enterprise credit accumulation. The ZJLT Platform is based on the DID protocol of W3C, and a set of enterprise identity identification system is constructed. With the help of trusted declaration, the trusted transfer of data between enterprises is realized. Any enterprise that implements the protocol specification of the ZJLT Platform can access the accounting system.

The data layer is the interface layer for the enterprise to accumulate data and realize the access interface of all kinds of data. At the same time, the ZJLT Platform provides multiple core enterprises with API data access components, which is convenient for enterprises to accumulate business data with core enterprises.

The application layer is the top level service provided by the ZJLT Platform based on the data accumulated by the enterprise. It mainly includes the decentralized enterprise credit rating system and factoring financing service based on accounts receivable. In the future, decentralized insurance services based on the accounting system on the ZJLT Platform may be explored, and ordinary users will be able to participate in the insurance system by mortgaging ZJLT.

The client layer is at the top, and the ZJLT Platform will provide the web/App client to act as a convenient operating experience for users of various roles.

Client layer

Common user Enterprise Factoring business Insurer

Application layer

De centralization application rating system Factoring financing basedon accounts receivable A centralization of the insurance platform Other financial business systems

Data Layer

Corporate KYC data Capital, logistics, document data Core Enterprise API Data Other data

Protocol layer

DID Enterprise Identity Agreement Verifiable claim

Base layer

Block chain intelligent contract Trusted time stamp IPFS storage network

3.2.1 Enterprise identity system

Enterprise identity refers to the identity of business entity on the ZJLT Platform. The ZJLT Platform uses W3C's DID identity scheme as the enterprise identity system.

DID (Decentralized identifiers) is a decentralized identity scheme whereby the generation of IDs does not depend on any centralized service. DID has the

characteristics of identity autonomy, security and ease of use. In the DID identity system, each ID corresponds to a DDO (DID Description Object DID identity object descriptor. Property information (such as the public key of the controller used to record the DID.DDO) is stored in Ethernet as public information.

In addition to recording the public key information of the DID controller, the DDO also records the time when the DID was created and modified, and the signature of the DID private key to the whole DDO. Where the DID controller list is used to reset the DID private key if the DID private key is missing. For privacy reasons, the DDO does not contain any entity-related information.

3.2.2 Credential statements

A trusted declaration Verifiable claim is a declaration with the signature of the declarant's private key. Because it is accompanied by a private key signature, it has the characteristics of non-repudiation, non-tampering and so on. The trusted declaration mainly includes the declarant ID, the time of declaration, the content of the declaration and the signature of the declarant's private key. The content of the declaration can be any data.

Authentication of trusted declarations does not depend on any third party system. Anyone can obtain DDOs from the block chain according to the declarant ID, thus obtaining the signatory's public key. The signatory's public key is then used to verify the validity of the declaration.

3.2.3   Enterprise data acquisition

Enterprise data is the cornerstone of enterprise credit evaluation. There are five kinds of data acquisition methods on the ZJLT Platform:

1.   Authentication of real names

Enterprises need to undergo real name certification in order to assess the accounting system on the ZJLT Platform. The real name certification is completed by a committee of the Foundation and the audit node. The basic information submitted by the enterprise such as business registration, corporate, tax registration and so on. According to the actual circumstances, other authentication methods including without   limitation

pictures, video and field visits may be required. After this certification process is passed, the certification body shall issue a true name certification certificate.

2. Credential statements by business partners

Business partners with access to the accounting system may also issue credential statements based on various notes as a source of business data for the enterprise. Upon receipt of a credential statement issued by a business partner, the enterprise may upload the data to the ZJLT Platform.

3. Enterprise upload

In reality, a business partner of the enterprise may not be in the accounting system on the ZJLT Platform, so for these situations the enterprise may sign the trusted statement based on various documents and invoices, and upload the trusted statement to the ZJLT Platform.

4. Core enterprise API

For the core enterprise providing API access, the ZJLT Platform can provide the core enterprise API access system. After reading all kinds of data from the core enterprise API, accounting system on the ZJTL Platform may issue a credential statement based on that data.

5. IOT equipment

According to the actual circumstances, information from IOT equipment may potentially be accessed in the future. IOT equipment based on the warehousing, logistics and other information such as credential statements issued, may all be uploaded to the ZJLT Platform.

3.2.4 Data storage

Enterprises produce a large amount of data every day, which is stored on the blockchain (in particular, the hash value of the data and a trusted time stamp). Based on the uniqueness of hash and the immutability of blockchains, the authenticity of data is ensured. At the same time, the complete enterprise data is stored in the IPFS private network under the chain.

The full name of IPFS is "Interplanetary File System". IPFS is a distributed storage protocol based on distributed Hash type technology. IPFS indexes data through the contents of the file (specifically, the hash of the file) rather than the path of the file. In IPFS, large files will be divided into fixed size data blocks, and stored in a distributed manner across a large number of P2P nodes. At the same time, in order to ensure the security and reliability of data storage, the same data will have multiple copies stored

on different nodes at the same time in order to ensure accessibility of data in situations where certain data nodes are offline or damaged. At the same time, data stored in the storage network based on IPFS cannot be deleted and modified. Where there is modification of a copy of the data is stored in the IPFS network, a new file will be generated, with the original data intact. Therefore, the data stored in the IPFS network is highly secure.

3.3 Operational modules

3.3.1 Decentralization of the enterprise credit rating

With the accumulation of multi-dimensional business data, it is more and more difficult to excavate the value of enterprise data through traditional means of enterprise credit rating. The ZJLT Platform puts forward a new credit rating model, which is based on the credit level and evaluation of other enterprises (including suppliers, core enterprises, etc.) in the ecosystem which have business dealings with a particular enterprise. Combined with information such as the logistics situation, capital flow, invoice flow, corporate tax, and credit performance, it is possible to comprehensively evaluate and calculate the credit rating of enterprises. The new enterprise credit model covers as many dimensions as possible, in order to reduce the credit calculation error caused by a single data dimension.

3.3.2 Factoring business model based on the ZJLT Platform

Based on the business data accumulated by the enterprise and the lender on the ZJLT Platform, the enterprise can easily initiate factoring financing on the ZJLT Platform. The smart contract of the ZJLT Platform assesses the financing range of an account receivable according to the credit rating accumulated by the enterprise and the credit rating of the core enterprise and the lender.

Lenders issue an account receivable financing contract to investment institutions (other lenders) according to the scope of financing assessed intelligently, and set the funding limit, maturity time and rate of return, etc. Other lenders combine their own risk bearing capacity according to the credit rating of the enterprise, the core enterprise, the contract issuer, the availability of insurance, the rate of return and maturity of the project, and

so on. Entering ETHUSD into accounts receivable financing contract. Upon expiry of the contract, the lender enters the corresponding ETHUSD into the smart contract, and the contract automatically settles the income of the parties in accordance with the default terms. During this period, the accounting system on the ZJLT Platform will record the initiation, operation, and performance of the entire project. The proper performance of the contract is an important basis for assessing the credit rating of enterprises.

The lender is required to review the accounts receivable and other risk control information submitted by the enterprise to prevent multiple financings, and to be responsible for docking the lender to increase the ability to pay the business. For the sake of risk control, the credit rating and financing scale of smart contract comprehensive enterprises, core enterprises, lenders, insurers and so on, set the upper limit of leverage ratio. In the case of a breach of contract by the loan enterprise, the lender shall issue a claim to the insurer for payment, and the remaining losses shall be shared in accordance with the terms of the contract.

4、 Route map

Date	Event
2017.06	Project launched
2017.09	Market and industry research completed
2017.11	Architecture demonstration completed, and the basic model established
2018.01	Issue of White Paper V1.0
2018.07	Implementation of the underlying core system
2018.10	Decentralized credit evaluation model algorithm design, related smart contract development
2018.11	Web preview release, the implementation of corporate documents, upload and audit function
2019.01	Core enterprise API access
2019.02	The official version of ZJLT Platform V1.0 was released, and the perfect enterprise credit data certificate and evaluation system was put on line
2019.04	Completed factoring product design based on accounts receivable.
2019.10	Decentralized Insurance Product Design.

5、 Organizational structure

The Foundation is registered in Singapore. As an independent non-profit entity, the Foundation is accountable to the ZJLT community with the promotion and development of the ecosystem on the ZJLT Platform as its primary goal. The organizational chart of the Foundation is as follows:
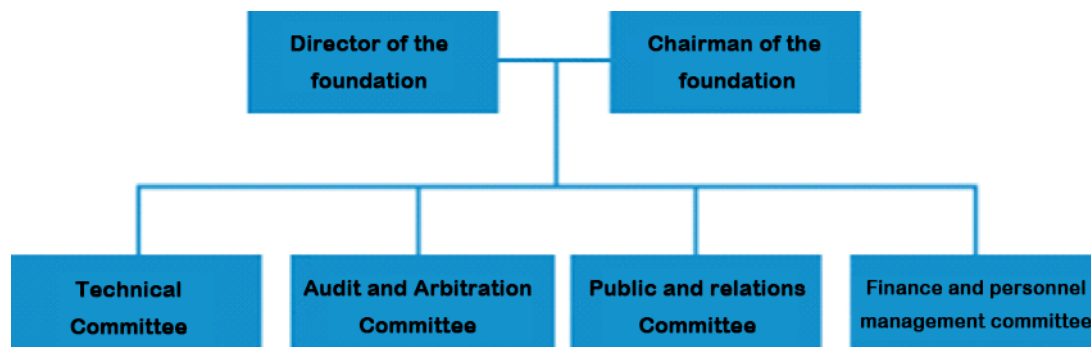

Figure 6.1 Organizational chart of the Foundation

The ultimate decision making body of the Foundation is the Board of Directors. Its functions include nominating and voting executive heads e.g. Secretary General, heads of functional commissions; making important decisions; and convening emergency meetings. The term of office of the members and the Chairman of the Board shall be two years, and the Chairman may not serve more than two consecutive terms.
Members of the Foundation's first Board of Directors are selected by the members from among the following groups: core team, platform based enterprises and lenders, partners and consultants with rich industry experience and community representatives.

Twenty community representatives will be chosen (depending on actual ZJLT holdings and duration of holdings). These holders of ZJLT will be entitled to provide suggestions for improvements for the ZJLT platform. For the avoidance of doubt, the community representatives shall have no right or control whatsoever over the Foundation's (or any affiliates') assets or the management thereof, which shall remain under the full and absolute control of the relevant Board of Directors.

The Secretary General (the top responsible person in charge of the administrative affairs of the Foundation) provides unified guidance and coordination for daily operation and management, technology development, market expansion, community maintenance,

public relations, etc. The Secretary General is elected by the Board of Directors and reports regularly to the Board on its work.

Technical Committee-consists of core developers in the Foundation and it is responsible for making and making decisions on the direction of technology development, underlying technology development, open port development and auditing, technical patent development and auditing, etc. In addition, the Technical Committee provides technical support for activities such as the launching of crowdfunding by lenders within the ecosystem. Finally, members of the Technical Committee regularly keep abreast of the developments and hot spots in the community and industry, communicate with the community and hold occasional technical exchanges.

Audit and Arbitration Commission-consists of senior factoring professionals, financial analysts, etc. Responsible for the audit of enterprise qualifications and data authenticity, arbitration objections, audit the feasibility of crowdfunding, and conduct appropriate guidance.

Market and Public Relations Committee- Ecosystem Development and Community Building has always been the core work of the Foundation, under the supervision of the Finance Committee. The committee will use the digital asset revenue from its initial funding and community operations to promote and collaborate in marketing and business, and to encourage quality companies, lenders and supply chains to collaborate in the accounting system on the ZJLT Platform. To Bring more potential partners into the ecosystem to promote sustainable development. At the same time, the Commission will also be responsible for all outreach and public relations operations.

Finance and personnel Management Committee is responsible for the use and audit of the Foundation's assets, staff recruitment and compensation management, day-to-day operating expenses management, etc.

ZJLT will be distributed by an affiliate of the Foundation as follows:

(a) The initial issuance of ZJLT will be 2.5 billion tokens.
(b) 40% of the initial issuance will be available for sale, at a price of 1ETH = 30,000 ZJLT.

6、 Usage of sale proceeds

Exchange： **40%**
40% of ZJLT initially issued is for exchange, with the price of 1 ETH for 30000 ZJLT.

Foundation Stone: **10%**
10% of ZJLT early issued is assigned to early investors and organizations for team building.

Project Operation:**15%**
Development of core intelligence contract and client application, ecological construction and commercial operation, introduction of quality enterprises, community building, marketing, etc.

Core teams: **10%**
Product release and operation, office, hiring, legal and financial consultation, core team operation and maintenance assignment

Foundation： 2**5%**
No less than 25% of the initial issuance of ZJLT will be allocated to the Foundation, in order to carry out its objects (including without limitation development of the ecosystem). The receipt and use of ZJLT shall be approved by the Board of Directors and reviewed by the Financial and personnel Management Committee, and publicly disclosed in the Foundation's monthly report.

The Foundation is set up as a separate legal entity in Singapore with its own set of accounts. All financial budgets and expenditures are overseen and audited by the Foundation's Financial and personnel Management Board and issued monthly and publicly.

7、 Risks

You acknowledge and agree that there are numerous risks associated with purchasing ZJLT, holding ZJLT, and using ZJLT for participation in the ZJLT Platform.

1. Uncertain Regulations and Enforcement Actions

    The regulatory status of ZJLT and distributed ledger technology is unclear or unsettled in many jurisdictions. It is impossible to predict how, when or whether regulatory agencies may apply existing regulations or create new regulations with respect to such technology and its applications, including ZJLT and/or the ZJLT Platform. Regulatory actions could negatively impact ZJLT and/or the ZJLT Platform in various ways. The Foundation (or its affiliates) may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.
    After consulting with a wide range of legal advisors and continuous analysis of the development and legal structure of virtual currencies, the Foundation will apply a cautious approach towards the sale of ZJLT. Therefore, for the crowdsale, the Foundation may constantly adjust the sale strategy in order to avoid relevant legal risks as much as possible. For the crowdsale, the Foundation is working with Tzedek Law LLC, a boutique corporate law firm in Singapore with a good reputation in the blockchain space.

2. Competitors

    It is possible that alternative networks could be established that utilise the same or similar code and protocol underlying ZJLT and/or the ZJLT Platform and attempt to re-create similar facilities. The ZJLT Platform may be required to compete with these alternative networks, which could negatively impact ZJLT and/or the ZJLT Platform.

3. Loss of Talent

    The development of the ZJLT Platform depends on the continued co-operation of the existing technical team and expert consultants, who are highly knowledgeable

and experienced in their respective sectors. The loss of any member may adversely affect the ZJLT Platform or its future development.

4. Failure to develop

    There is the risk that the development of the ZJLT Platform will not be executed or implemented as planned, for a variety of reasons, including without limitation the event of a decline in the prices of any digital asset, virtual currency or ZJLT, unforeseen technical difficulties, and shortage of development funds for activities.

5. Security weaknesses

    Hackers or other malicious groups or organisations may attempt to interfere with ZJLT and/or the ZJLT Platform in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, there is a risk that a third party or a member of the Foundation or its affiliates may intentionally or unintentionally introduce weaknesses into the core infrastructure of ZJLT and/or the ZJLT Platform, which could negatively affect ZJLT and/or the ZJLT Platform.

6. Other risks

    In addition to the aforementioned risks, there are other risks (as more particularly set out in the Token Purchase Agreement) associated with your purchase, holding and use of ZJLT, including those that the Foundation cannot anticipate. Such risks may further materialise as unanticipated variations or combinations of the aforementioned risks. You should conduct full due diligence on the Foundation (and its affiliates), the ZJTam, understand the overall framework and vision for the ZJLT Platform prior to purchasing ZJLT.