TicTalk Foundation
WHITEPAPER

The Lean Incubation Process

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Preface

Before we start, let's answer a question that many people are concerned about. What role does TicTalk Foundation play in the VeChain ecosystem?

The T-DID (TicTalk-Digital Identification) created by TicTalk Foundation is a new identification credential circulating in all items of the VeChain ecosystem, an identity link between VeChain users and VeVid and a convenient tool for blockchain communication and value delivery between VeChain users.

VeVid is a blockchain-based new identity authentication system created by VeChain for its users. T-DID is such a tailored coat for VeVid that a user can only have one VeVid but he/she can possess multiple T-DIDs, just as we will prepare different clothes for different needs (dinner, fitness, travel, etc.).

T-DIDs enable VeChain users to cope with different scenes and meet various practical and social needs with different identities. In the blockchain era, we are not likely to use one identity all the time on the Internet, because this is neither safe nor convenient for users. However, T-DIDs that carry different data (tokens) can be applied to various present identities, so that we can cope with all possible scenes on the Internet or in the real life. For example, we can use different identities for transaction businesses in a bank and medical examinations in a hospital. Although these identities are based on the same VeVid, the bank or other institutions cannot obtain more information than they need to provide corresponding services.

1. Project Background

1.1 Market status

Since ICQ, the first IM (instant messaging) software, was launched in 1996 and as the mobile Internet booms in recent years, IM software is increasingly varied in functions and integrates functions such as email, blog, music, TV, game, live broadcast, transfer and search. IM is no longer a simple communication tool but a comprehensive information platform integrated with communication, message, entertainment, search, e-commerce, office collaboration and corporate customer services.

From the end of 2011, IM has always ranked first in the utilization rate of Internet applications. Especially, IM is utilized to the extent greater than the overall development level of mobile applications. The revolution of each generation of IM destroys certain communication methods in the last era and incubates a great company. The emergence of WeChat allows SMS to leave the historical stage of communication, and the upcoming blockchain and 5G era will pose serious challenges to the telephone bill-based communication that produces a large amount of invalid and crank calls and interferes with the social experiences of individuals due to its nearly free costs. However, the communication charged by the time value of individuals will bring us more efficient and valuable communication information and allow us to avoid invalid information effectively for valuable and unaffected communication.

The time value of an individual cannot be used for communication only, but act as an important reference indicator in the social division of labor when the employment relationship is completely different from the current condition due to the development of blockchain technology and application scenarios in the future business world.

In addition to the time value, a lot of valuable information is ignored. Since the future Internet world is composed of multiple ecosystems, all valuable information produced by users in the ecosystems is tokens of the ecosystems. For example, the valuable data generated in the ecosystems, such as page view, forwardings, likes, followers, social circles, viewing time and user level, are future tokens. At present, the value of the information cannot be turned into digital assets for lack of blockchain technology, but the digital assets must be highly diversified in the future blockchain era.

The current platforms are the future ecosystems. However, it seems that major Internet platforms have forgotten the original intention of the spirit of the Internet. As firewalls and obstacles are set up between platforms, no forwarding is allowed and jumps are prevented, the spirits of the Internet including "Openness, Equality, Collaboration, Speed, and Sharing" seem to have been abandoned by these major platforms. Therefore, the upcoming blockchain era is the best chance to break the situation and get everything back to its initial intention.

1.2   Mission and objective

TicTalk Foundation hopes to build a complete communication ecosystem for global users in the blockchain era to guarantee the free will, individual value and time value of users in the ecosystem.

The gap between major Internet platforms is splitting the entire Internet world into several isolated islands. And the bridge between the platforms has been removed from a long time ago and high enclosing walls have been built between them.

TicTalk Foundation expects to provide a better Internet ecosystem for global users in the blockchain era. Since the bridge on the land has been destroyed by major platforms, TicTalk Foundation intends to build a rainbow bridge in the air between the continents to enable users to embrace the new world built on blockchain from a new perspective.

Users will have higher requirements for and be increasingly enthusiastic about privacy and security, and they will be very interested in the identity value and time value, so that the Internet has to be more transparent, open, free and equal. The gap between Internet giants can only be broken by the technology and spirit of blockchain, and TicTalk Foundation is committed to creating such a new ecosystem that will not be closed and will grow stronger and stronger. To achieve that goal, we need common efforts from every individual for a decentralized, public, open, transparent, free and equal Internet environment. TicTalk Foundation hopes to bring everyone a better era based on blockchain!

1.3   Vision of TicTalk Foundation

TicTalk Foundation has created the model of "lean incubation process" which consists of project screening, mid-end services and project tracking. It is designed to select more business partners for the TicTalk ecosystem. TIC token is the settlement currency for this project, in order to improve its circulation and vitality and to encourage the participation in TicTalk Foundation's ecosystem building by community users.

It is well known that the Build-Measure-Learn (BML) model created by Lean Startup approach encourages quick replacement. On this basis, we have improved this model to encourage users in the community with the idea of lean incubation, by providing funds (TIC tokens), and our strong mid-end services, including human resources and administration, product design, film production, marketing, promotion, technology development, etc. We will also provide further diagnosis and financing services according to the implementation status, to contribute to the project's healthy development.

t is worth mentioning that all the projects in TicTalk Foundation's ecosystem are allowed to keep their

independence. We will provide necessary assistance on time if anything goes wrong during the implementation. Later we will hold public voting in the community for the first projects, while in the earlier stage, the voting will be led by TIC Foundation.

LEAN INCUBATION PROCESS

Upload of BP or VCR → Voting inside institutes and ecosystem → Investment led by TIC Foundation or ecosystem → Investment followed by institutes and accredited investors → Confirmation of shareholding

Project initiation on the Lean incubation platform
↓
Transfer of Tic tokens as planned
↓
Payment with Tic tokens on the platform as needed for projects
↓
Categories of services

- Human resources and administration
  - Human resources
  - Administration
  - Legal affairs
  - Corporate culture
- Product design
  - Graphic design
  - UI design
  - UE design
- Film production
  - Advertisement
  - Commercial
  - VLOG
  - Film editing
- Marketing
  - Brand partnership
  - Market research
- Promotion
  - Media interaction
  - Community maintenance
  - Overseas resources connection
- Technology development
  - Development of IOS/Android APP
  - Development of mini programs

According to the implementation status, the platform will

Start early warning when problems arise
↓
Intervene when necessary
- Exit settlement procedure when verification fails
- Go back for re-incubation when problems arise

Assist to connect external resources to achieve established goals
↓
Assist to raise funds under the healthy and rapid development of projects
↓
Partial exit of institutes and accredited investors ← Fund-raising in place → Continue to develop inside the platform → Assist with independent development

1.4   Vision of TicTalk Foundation

There are three parts in TicTalk Foundation's ecosystem: frond end, TIC mid-end and investment. The projects which match our needs in the ecosystem, such as Tictalk voting, Tictalk forest, and Tictalk dating, fall into the part of front end. TIC mid-end services include operations, technology, products and marketing provided by us. The investment part includes seed-stage funding, angel-stage funding and crowd funding. All of the above are settled by TIC tokens.

1.5   Vision of TicTalk Foundation

1.3.1   Pioneer of communication solutions in the blockchain era

The traditional Internet and mobile Internet eras have given births to many leaders in the communication field, such as Facebook, WeChat and MOMO. They have changed the way people communicate and improved communication in just a few years. Defined as the Internet 3.0, blockchain will bring new methods of communication and leaders in the new era.

TicTalk Foundation aims to discover and create new social needs and scenes, and we believe that the contents generated by users on the platforms are valuable and should be rewardable. Lots of super social platforms emerged in the old Internet era, but users did not get the value that they deserved. We see the technology and spirit of blockchain as the best way to solve the value and communication issues of users.

1.3.2 Personal digital asset center in the blockchain era

Blockchain can turn all valuable information, both tangible and intangible, into digital assets. For example, on the TicTalk social platform established by TicTalk Foundation, every user is associated with a large amount of valuable information such as voting on a mini APP, creating a digital ID card, completing the user data, signing in on a daily basis, uploading high-quality contents, getting followers, getting likes, forwarding and promoting, face recognition, AR interaction, answering the phone and consumption.

Given that a large amount of valuable information will be turned into digital assets during the evolution from the old Internet era to the blockchain era, TicTalk Foundation is going to build a platform capable of carrying these digital assets, namely, a personal digital asset center in the blockchain era. It shall be noted that digital assets shall not and will never be carried by a digital wallet only.

1.3.3 Global borderless digital asset exchange

We believe that digital assets will be the safest and most convenient assets around the world, but they are not just about money but carry all values. Internet has transformed the earth into a borderless information world, while blockchain technology will enable the borderless delivery of global assets.
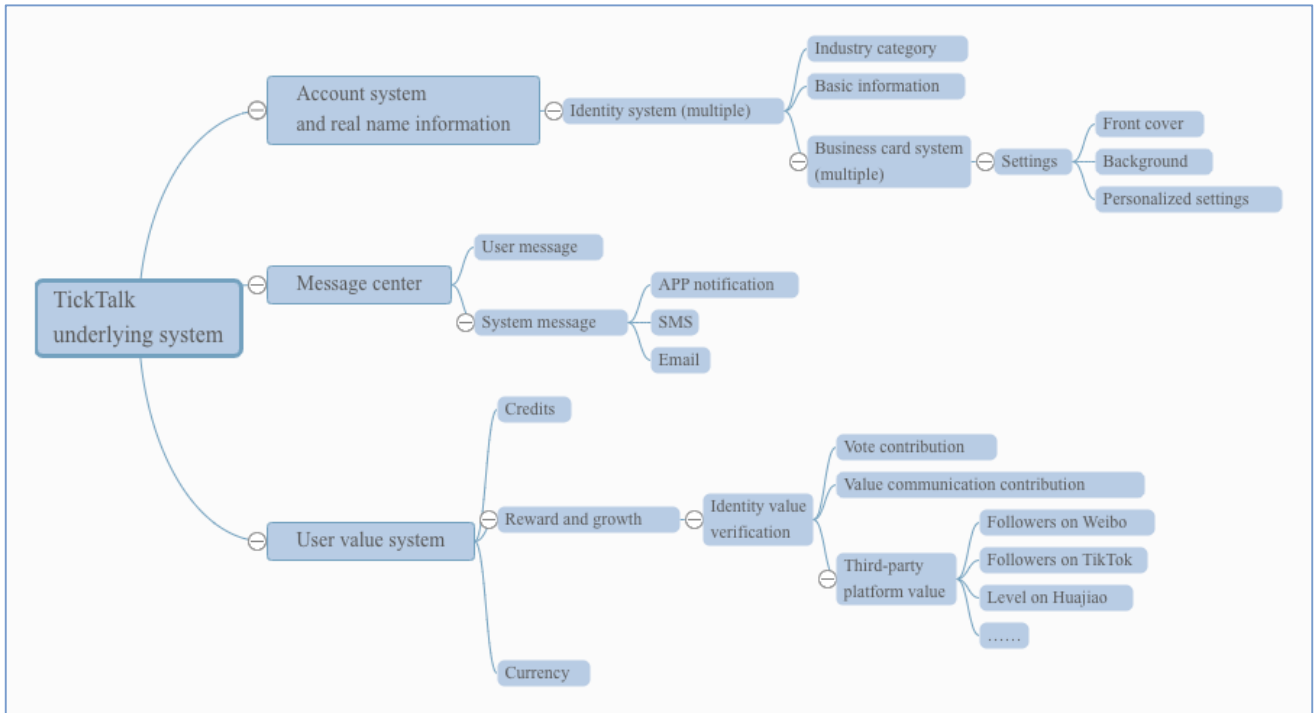
2. Platform Ecosystem

2.1 Product forms

Figure 1 TicTalk underlying system

TicTalk Foundation consists of three core underlying systems, namely an account system (VeChain-based VeVid identity verification system), a message center and a user value system. An account of TicTalk Foundation corresponds to a natural person by default. TicTalk Foundation assigns a unique digital identity (including profile photo, personal identity data, Face ID, etc.) and a digital wallet to each account.

2.1.1 Account system

TicTalk Foundation believes that a natural person will have one or more identity attributes that might be his/her occupation, hobby, virtual identity, etc. Therefore, in the ecosystem of TicTalk Foundation, one account will correspond to one or several identity attributes, and each attribute will be presented by an ID card. Users can maintain their cards in accordance with their attributes and achieve their value in the ecosystem.

2.1.2 Creating a card

The creation of a card implies that a certain identity attribute of a natural person is shown through the card. Users can personalize and maintain their cards based on their identity attributes, so as to align the cards with the identity attributes and show the styles and characteristics of their identity attributes efficiently when giving them to others.

2.1.3 Message center

For a social ecological platform, the message center is a large and complex system which contains information transmitted between users in texts, voices, pictures, emojis, locations, video telephones and video calls as well as system information such as APP notifications, short messages, private messages and emails.

2.1.4 Chat interface

TicTalk Foundation takes the privacy of users very seriously. Whether the sender is in a private chat or a group chat, the message will be translated and encrypted once it is sent. Then, it will be transmitted to and saved on the other terminal directly if the destination node address is known and online to ensure the message to be received. Otherwise, the message will be saved in encryption in P2P network temporarily, and any other nodes cannot view the forwarded message because it is encrypted in an end-to-end manner.

2.1.5 Contact list

The contact list of TicTalk Foundation will collect the ID cards of users. Therefore, users can add a contact to the list by scanning the QR code, sharing the contact, searching the nickname or performing face recognition.

2.1.6 Real name verification

Real name verification is to verify and review the authenticity of user data, which is conductive to laying a complete and reliable Internet credit foundation, ensuring the healthy development of interpersonal relationships in the ecosystem, and creating a pure and reliable Internet environment.

2.1.7 User value system

User value system is very unique in the TicTalk Foundation ecosystem and different from other centralized product systems. The TicTalk Foundation platform always believes that the contents generated by users on a third-party platform are valuable and should be rewarded with value returns. In this context, "a third-party platform" can be both online and offline. TicTalk Foundation can collect users' identity values on all platforms and present them through the blockchain technology in case of identity verification. This solves the common understanding problem of the value of cross-platform users. Some KOLs can also bring their followers to TicTalk Foundation to avoid the loss of followers when they move to other platforms.

Certainly, TicTalk Foundation has its own value system, so that users can gain their value growth by taking certain actions in the ecosystem.

2.2   Product structure

TicTalk Foundation has a product line including mini APPs, application clients, official websites, data center and management background.
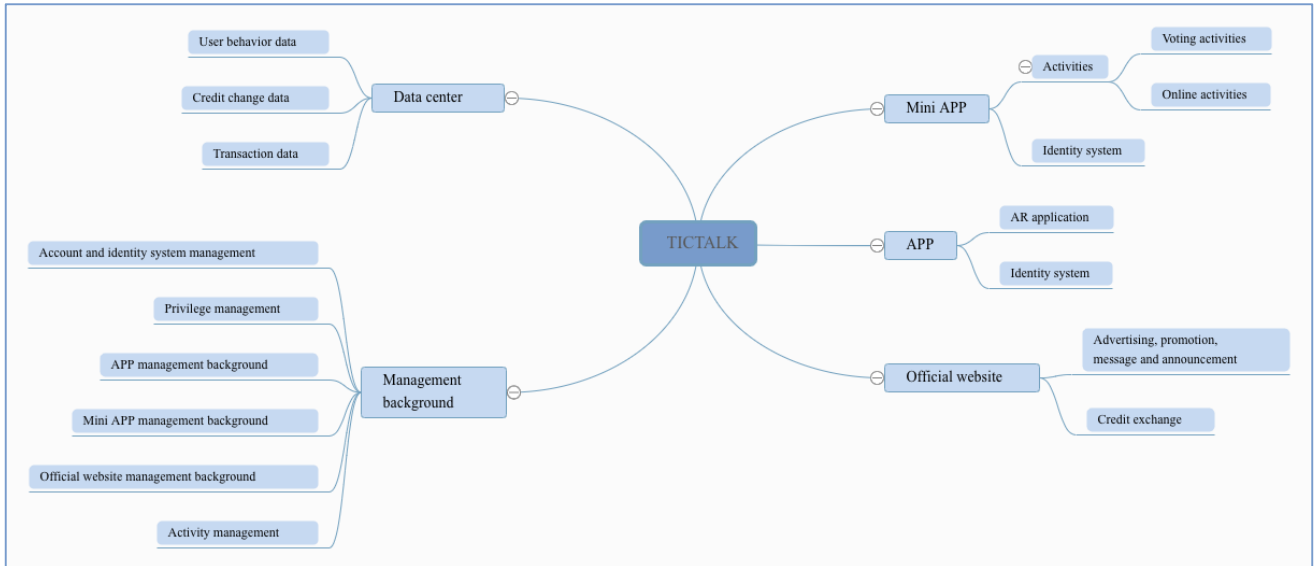

Figure 2   TicTalk underlying system

2.2.1   Mini APP

As mini APPs are lightweight and agile, TicTalk Foundation creates a series of applications and activities based on the underlying system (account system, message center and user value system) to attract more users, enable fission marketing, generate new contents and promote value flow.

2.2.2   Mobile applications

AR social interaction is a characteristic feature of TicTalk Foundation mobile applications, and the social interaction between users can achieve a perfect transition from offline to online by virtue of face recognition. This cool feature of applications is designed to encourage users to contact with other users face-to-face and establish social relationships directly. Different from traditional Internet social platforms, the AR social interaction of TicTalk is based on users from real life. With some interesting applications, it can avoid embarrassment and reduce recognition costs.

2.2.3   Official website

The official websites provided by TicTalk Foundation contain officially released news, announcements, cooperative information, reward activities, and download access of applications.

2.2.4   Data center

Data center contains almost all data information of TicTalk Foundation, such as server access log, user traffic and behavior data on a product line and user consumption data. The center can filter, process and analyze the above data with the data reporting system, panoramic data sand board, visitor analysis system, activity monitoring system, operation and maintenance monitoring system, operation warning system, public opinion system and personalized recommendation system to provide positive guidance and assistance in terms of technology, operation and product.

2.2.5   Management background

It is the background for configuration and management of accounts & identities, administrator privilege, application clients, mini APPs, official websites and activities.

2.3   Integration of TicTalk Foundation with blockchain

2.3.1   Recent development of TicTalk Foundation

TicTalk Foundation currently focuses on the implementation of two aspects of blockchain technology:

1. The development of TicTalk APP, an Internet-based IM program gathering talents around the world.
2. The unique value identity of T-DID, a globally unified public value identity infrastructure carrying all values produced by users in the value communication process. The unique value identity is an unshakable and inalienable carrier of the digital value identity of users, and the identity verification protocol is under cooperative development with VeChain.

2.3.2   Reshape content production relations of TicTalk Foundation

All users from online and offline scenes contribute to the contents such as calls, uploaded pictures and shared business cards, and these contributions are positive to the ecosystem of value communication with some successful cases such as Weibo, Facebook and Twitter. However, traditional Internet systems fail to provide users with sufficient feedback with respect to their contributions, while the contents are contributed by users to the websites for free and bring the websites with marketing benefits. TicTalk Foundation is willing to change the one-way value flow and reshape the content production relation.

TicTalk Foundation believes that the content contributions produced in APPs/websites or offline entities are measurable and will turn into value. The value can be consumed in the subordinate product systems and engaged with the real world. Meanwhile, the value must flow through a unified infrastructure with the following features:

1.   Transparency.

The value transfer and acquisition behavior of any person at any time shall be clear and distinct.

2.   Openness.

There are neither high thresholds for joining the value system nor excessive access threshold for using the system. Any natural person or business can access to the value system simply by connecting to the Internet and matching with an appropriate communication protocol to generate an account automatically.

3.   Trustworthiness.

The infrastructure of the value system must win the trust of the public to ensure that no value of any individuals will be blocked, tampered or revoked in a centralized manner.

4.   Uniqueness.

Any individual in the value system must be unique and definite, and the identity credential of an individual shall be completely controlled by the user. The identity credential of a value individual used in subordinate products shall be unified, regardless of the explicit account that the user uses to link the value identity in subordinate products. The value identity is called a unique value identity.

5.   Transferability.

When the value system is in service, value can be used in the subordinate products upon the authorization of users and transferred between users and users and between users and businesses based on transparency, openness and uniqueness features.

2.3.3 The relation between TicTalk Foundation's unique value identity and its subordinate products

It shall be stressed here that the unique value identity is a unique identity label and credential held by users. Users are free to restore their value identities on any products in the value communication system and link/delink their value identities with the accounts of the current communication product. When the product is used, users obtain/transfer corresponding value with the unique value identity.
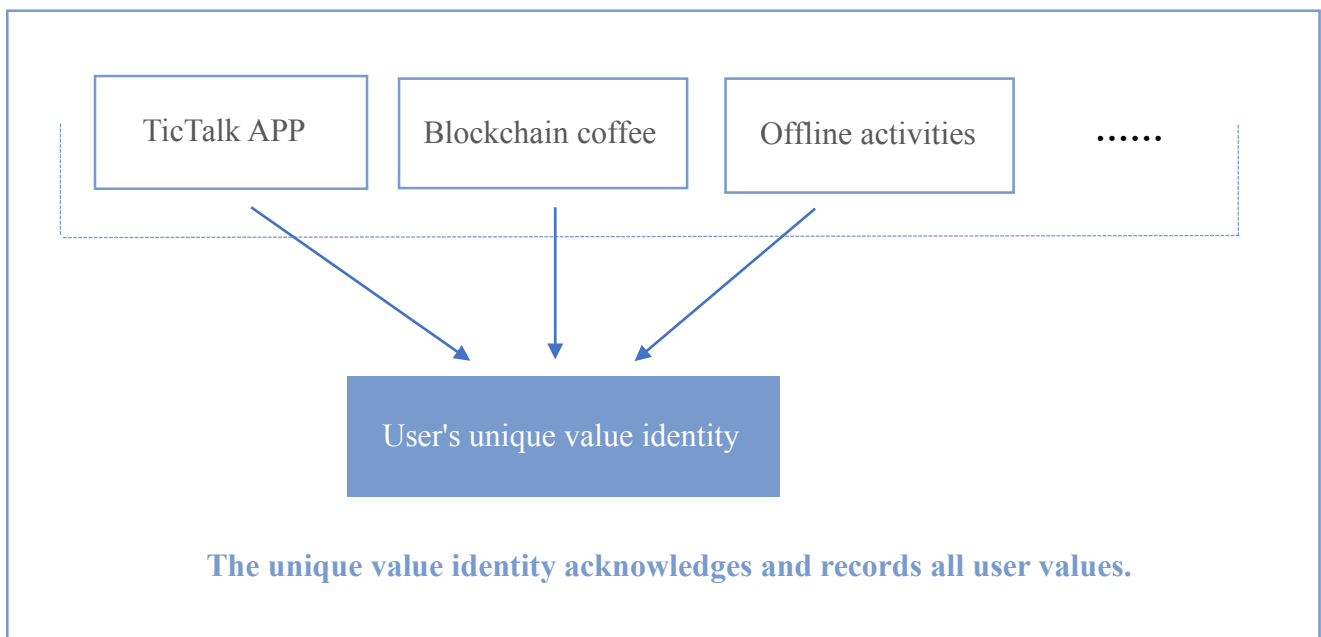

Figure 3   Unique value identity of user

2.3.4 Internet Oauth2.0 system of TicTalk Foundation

Oauth2.0 protocol is the only infrastructure that can partially meet the above requirements in the current state of the Internet. The protocol is semi-open and addresses the trustworthiness issue to some extent, but it is not transparent, unique and transferable. The identities of Oauth2.0 users are dispersed in multiple Internet oligarchs (Facebook, QQ and Twitter), so that users have to register several accounts, but value cannot be transferred or exchanged between the oligarchs. Moreover, the Internet oligarchs have the right to cancel a user account to deprive users of the control over the contributed value.

It is the above non-public and opaque features that make the Oauth2.0 protocol a face-saving project for large Internet companies in today's Internet world, and the dream of interconnection fails to be fully implemented.

2.3.5 Why does TicTalk Foundation choose blockchain as the infrastructure?

TicTalk Foundation believes that the infrastructure that completely meets the above requirements is Public Blockchain (hereinafter referred to as PB), specifically an open and transparent PB system capable of intelligent contract programming to some extent. At present, the leader of the system is the blockchain 2.0 system based on workload certification represented by ETH with the features of being capable of intelligent contract programming, continuous updating and maintenance as well as being trusted by the public, and being open and transparent. The similar PB facility of ETH is the improved ETH facility represented by VeChain with lower usage cost and enhanced availability.

2.3.6 VeChain-based PB development of TicTalk Foundation in the early stage

The development of an independent PB is costly and does not meet the objectives of the Foundation in a short term. The VeChain ecological environment is capable of intelligent contract programming, has ETH-compatible address format and is technically matured, thus it is ideal for TicTalk Foundation to conduct token private placement, tool development, intelligent contract writing and value system construction. The VeChain of TicTalk Foundation represents the leading level of current technology facilities in the blockchain 2.0 era, and the unique value identity promoted by TicTalk Foundation can be created on VeChain and transferred to any ETH-compatible PBs conveniently for broader value communication features.

In the future when a more reliable, safer, cheaper and faster PB facility is required for the value system of TicTalk Foundation, it is still possible to develop an independent PB.

2.3.7 User's unique value identity of TicTalk Foundation

User's unique value identity is an unshakable and inalienable carrier of the digital value identity of users on the blockchain. The identity is employed universally in the subordinate product system of TicTalk Foundation, and conforms to cryptographic specifications and strength based on the asymmetric encryption on the blockchain. The unique value identity can be generated by an algorithm that meets the security conditions, while registration or verification is not necessary.

Users can use the mnemonics spanning tree to generate a group of 12-word mnemonics in accordance with the BIP-39 specification, so as to record their identities secretly and restore their value identities

in any product of TicTalk Foundation.

An example of mnemonics is as follows:
height other record frequent enhance input cream slim cable cement beyond pioneer

The above mnemonics have fully identified a unique value identity which is a public-private key system composed by a group of public address & private keys. Users can self-verify and control the identity uniquely with the public-private keys and utilize the identity at any time to link any account in the TicTalk system for value acquisition, delink the account or transfer the value to another unique value identity. The identity of the above mnemonics may consist of two lines of cryptographic public-private key pairs that can be recorded on paper. An example is as follows:

◼ Public address:
0x7971eb737b19c49c1ae8eccd15b30fba7e82e86f

◼ Private key:
0x0d1824b71b50e222fa500389a62acd4d7afcb1b1733b3fa45578da894b4c8449

2.3.8 Unique identity verification protocol of TicTalk Foundation

The blockchain department of TicTalk Foundation and the core protocol development team of VeChain are developing an identity verification protocol based on the asymmetrical encryption system, and the source code of users' unique value identity verification protocol is expected to be released in 2018 Q4.

Similar to the Internet Oauth2.0, users who hold a unique value identity can restore their identities in any compatible address format and TicTalk Foundation-owned applications. The protocol may be composed of the following parts:

1. A user discloses his/her public address identity (Identification).
2. The value system service provider poses challenges based on the address (Challenge).
3. The user encrypts and transforms the challenge plain text through the private key and sends the encrypted challenge value (Verification).
3. The value system service provider confirms the user's identity based on the challenge value and the public address and issues the right to use token, so as to link the current user to the application used (e.g. APP).
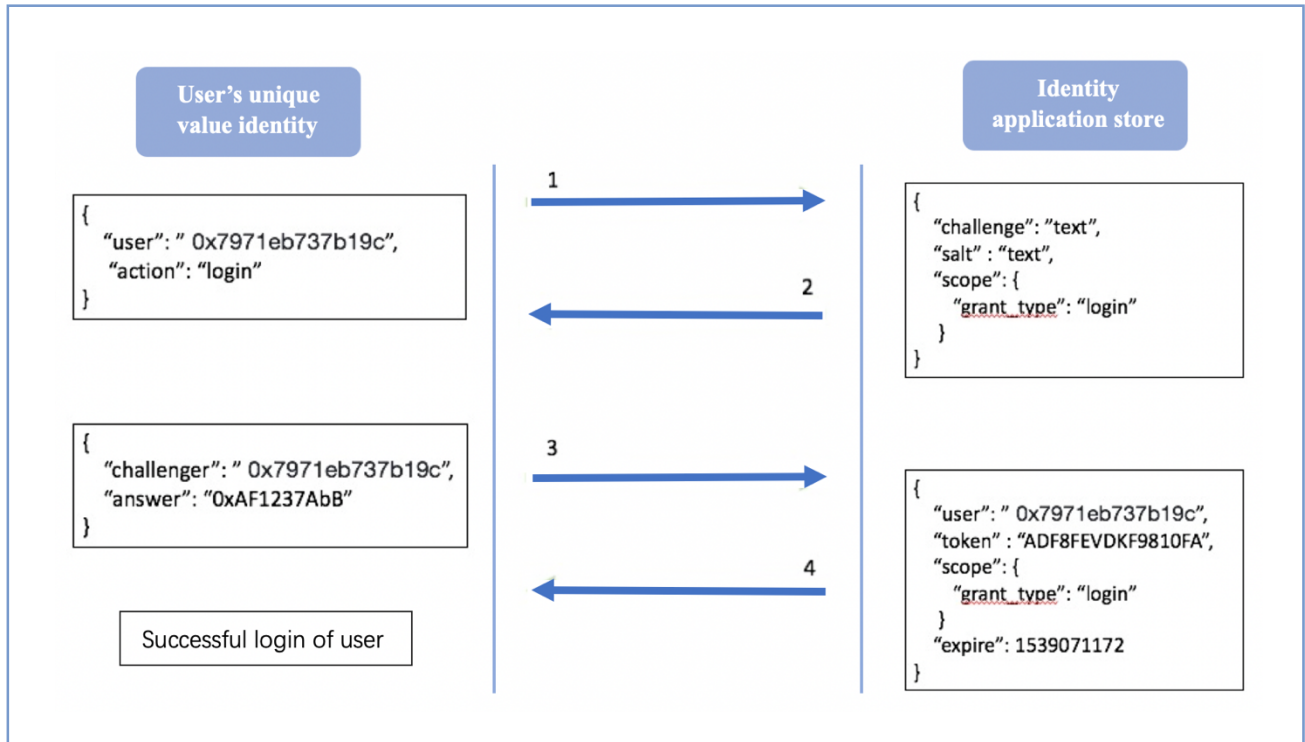
Figure 4 Unique identity verification protocol of TicTalk Foundation

2.3.9 Composition of user value system of TicTalk Foundation

The measured indicator of users' contributions is reflected in value.

The value is presented in two levels, namely credits and TIC tokens.

Credit is the core of the value system and is recorded in the blockchain intelligent contract.
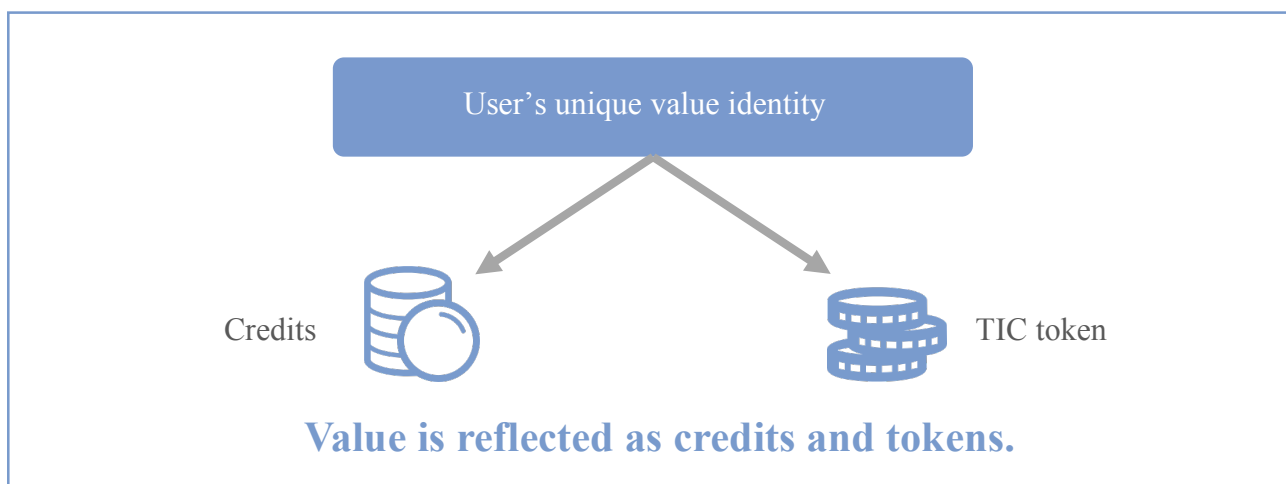

Figure 5   Value is reflected in credits and tokens.

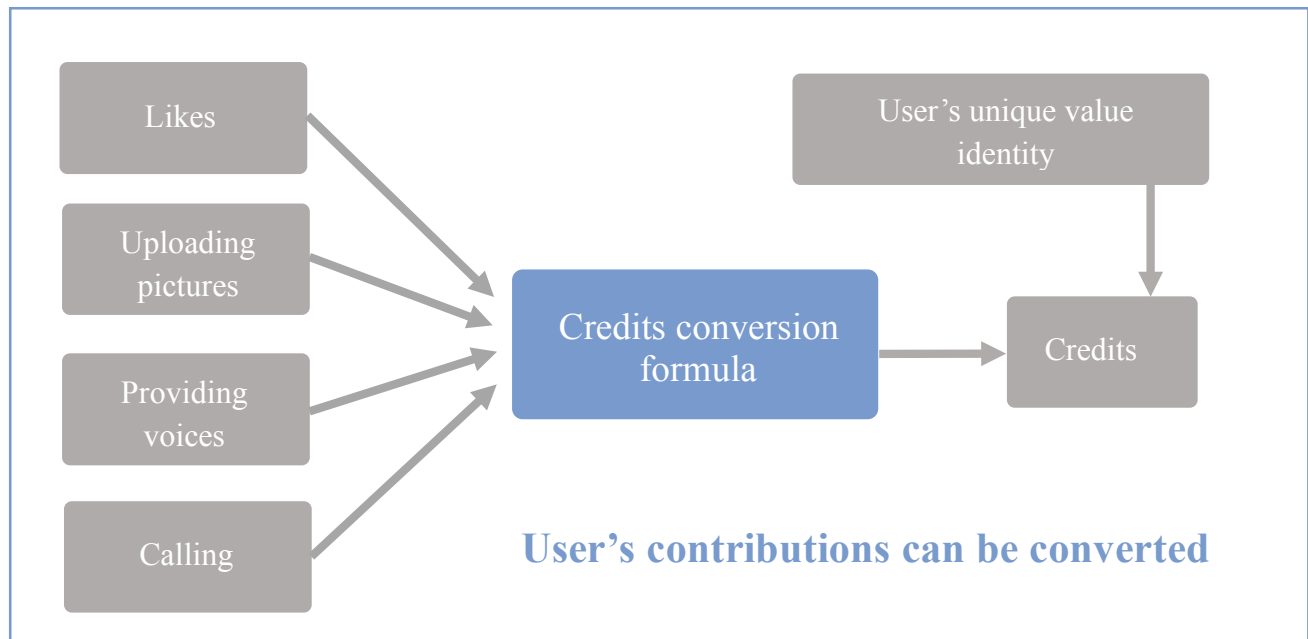## 2.3.10 Acquisition of user credits in TicTalk Foundation

Figure 6   Credit acquisition and conversion

The contributions of a user include calls, uploaded pictures, voices/videos, interaction with other users and likes and will be converted into corresponding credits by a formula. The formula for credit conversion is determined and dynamically maintained by the Foundation only. The credits are specifically expressed in an open intelligent contract that records the credits of each user's unique value identity in the TicTalk value system. Although the credits are generated in a centralized manner, they are recorded in a decentralized manner and the results are also decentralized. Moreover, the credits will be recorded permanently in the intelligent contract on the blockchain and will increase/decrease according to the contributions to the community content and consumption of the user.

2.3.11 Circulation of user credits in TicTalk Foundation

Once a user in the TicTalk system has obtained some credits of the system, he/she can transfer the credits to other users by invoking the intelligent contract. A business accessing to the value system can also obtain the credits as a receiver and provide corresponding voices, videos and physical services. Similarly, as a member of the ecosystem, the business can spend the credits for an advertising space or other services. Credits in the TicTalk system can connect both online and offline users with a unique value identity.
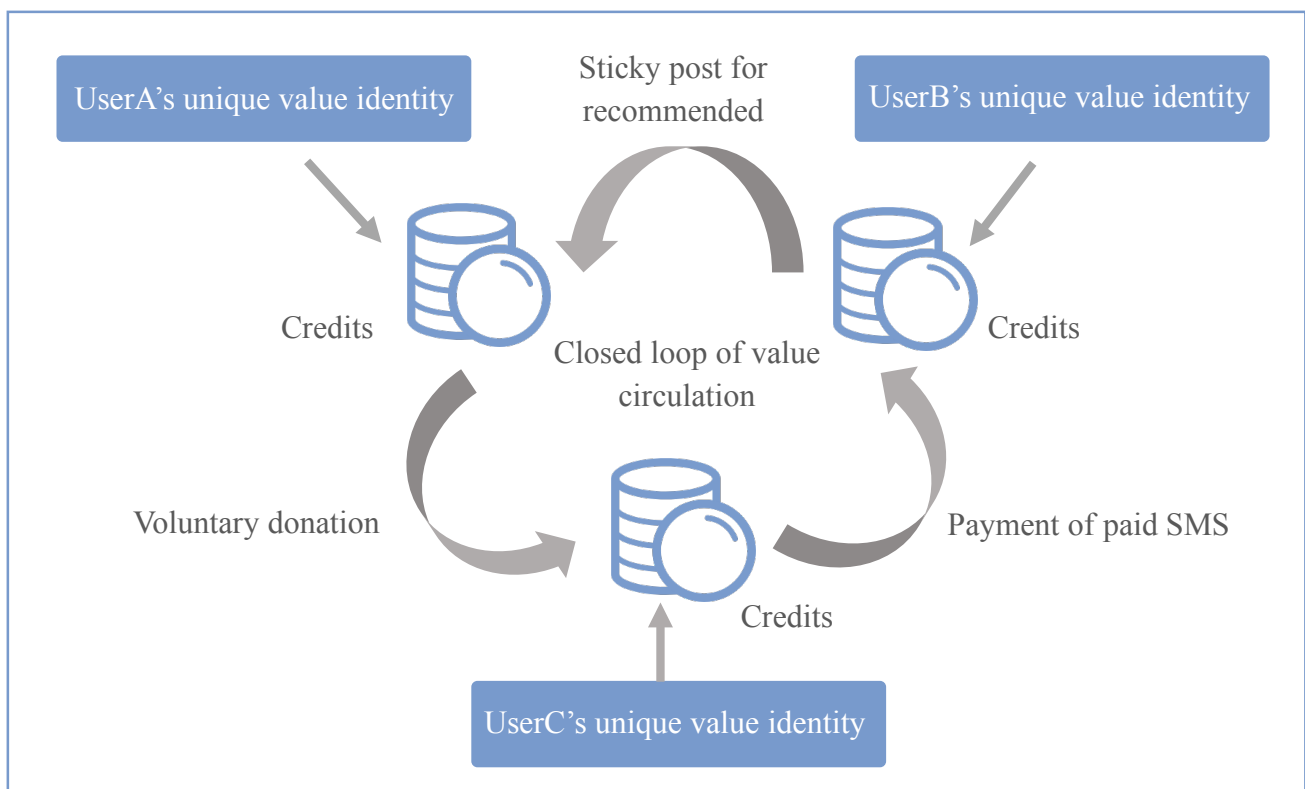
Figure 7   Closed loop circulation of credits

2.3.12 Exchange of user value in TicTalk Foundation

Users can convert the credits into physical rewards through two "bridges":

Credits exchange with TIC tokens: Credits are exchanged based on the monthly determined supply. The exchange formula is determined uniquely and maintained dynamically by the Foundation. In the credit exchange process, the credits are sent to the address specified by the Foundation and the corresponding TIC token rewards will be issued to the unique value identity account automatically after the Foundation detects changes in the credit intelligent contract.

TIC token exchange with other currencies: Users can get any currency he/she wants by selling the TIC tokens in a legal country/exchange, including legal tenders and BitCoins. It is available to achieve value exchange by selling.
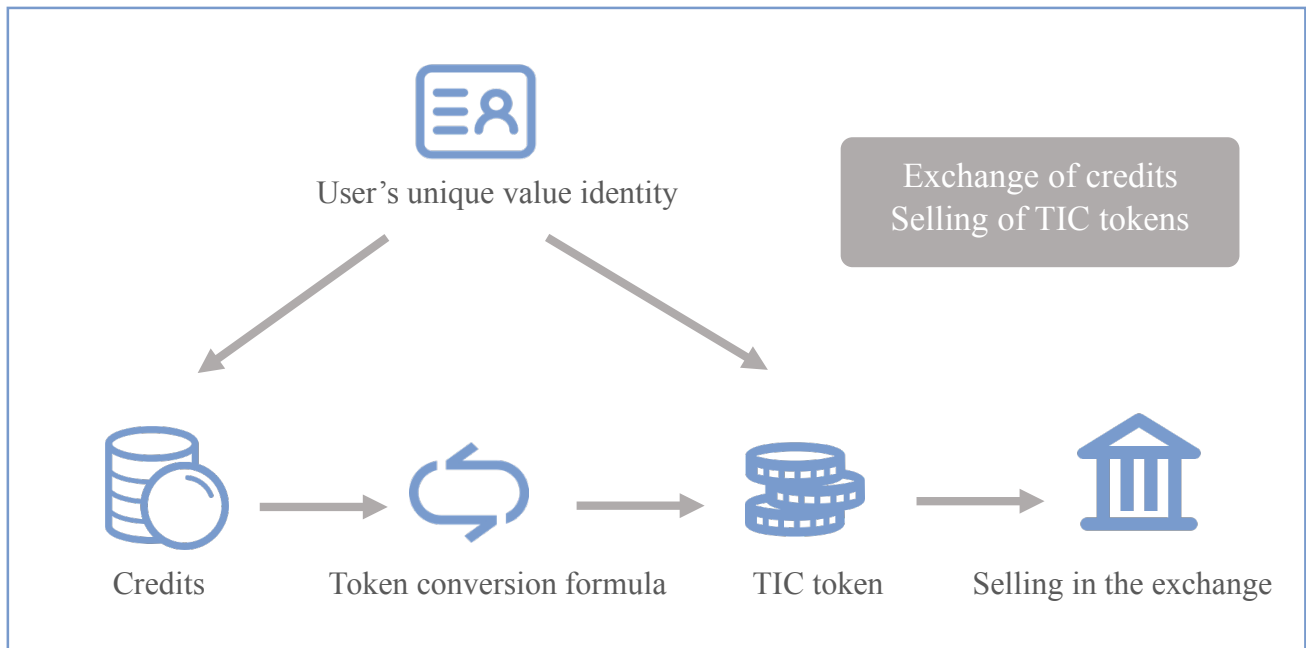
Figure 8　Credit exchange and TIC token selling

2.4　Ecological incentive mechanism

2.4.1　Ecological incentive pattern

In the blockchain value communication ecosystem constructed by TicTalk Foundation, any ecologically beneficial behavior of users will be rewarded with ecological feedback and recorded in a digital ID carrying the users' identity value in the unit of TIC tokens. In the design of products, user behavior that can produce rewards includes voting on a mini APP, creating a digital ID card, completing the user data, signing in on a daily basis, uploading high-quality content, getting followers, getting likes, forwarding and promoting, face recognition, AR interaction, answering the phone and consumption.

Any valuable behavior of users in the ecosystem will contribute to the expansion of the ecosystem. The value created by user behavior is normally ignored in the previous non-blockchain commercial ecosystems. However, in the blockchain-based value communication ecosystem of TicTalk Foundation, any valid user behavior will be recorded in user's digital IDs and user's identity value will grow with the ecosystem.

Users in the ecosystem are divided into three categories, namely participants, content producers and token holders. The three categories of users can be rewarded for their valid behaviors in the ecosystem,

where participants can be rewarded by likes, forwarding, signing in and interacting with other users, content producers can be rewarded by releasing high-quality contents, giving high-quality comments, creating high-quality digital IDs and providing high-quality services, and token holders can be rewarded ecologically by holding tokens for a long term, consumption and value transfer.

2.4.2   TicTalk Foundation community

Users in the communities of TicTalk Foundation ecosystem are both participants and ecological constructors. They obtain ecological rewards, hold TIC tokens, grow with the TIC token value and obtain benefits by creating value for the ecosystem.

In the previous non-blockchain commercial ecosystems, the value that users created for the ecosystems is not reflected visibly and effectively. The platforms are increasingly valuable and turn into unicorns due to the value created by users, but users cannot enjoy the benefits of the platform growth in most cases.

However, the blockchain communities are different. Any effective behavior of super users will be rewarded by the platform, and the users can hold TIC tokens and grow with the ecosystem. When the ecosystem is expanded, the contributions of users to the platform will increase accordingly.

2.4.3   Closed loop of ecological benefit

Ecological benefit refers to the reward that the internal self-circulation system provides for all ecological users, and it is from the benefits generated internally by the ecosystem. The more the benefits generated in the ecosystem, the more rewards for ecological users.

Ecological benefit covers three parts:

> **The first part is self-promotion of users.**
>
> Users have the needs for self-promotion. When User A prepays the fee for self-promotion, all users providing forwarding services for User A will be rewarded by User A.

The second part is business promotion. The platform will receive the promotion needs of a business, and all promotion costs of the business will be rewarded to users of the platform in the form of tasks.

The third part is value circulation benefit. When time value-based communication services and rewards exist in users of the platform, the platform will charge a certain percentage of fees which is far less than that of existing live broadcast platforms, and all incomes will be used to pay the rewards for users.

3. Circulation Mechanism of Token

3.1 Overview of token

Unlike many other blockchain projects that are still at empty talk and concept phase, TicTalk Foundation stands out for its biggest characteristic of being gradually implemented.

The system token TIC of TicTalk Foundation is also to be formally used. The "TicTalk" global version collectively launched by TicTalk Foundation and the first ecosystem builder namely Shanghai Yuku Network Technology Co., Ltd will first use TIC token for payment and settlement.

TIC is a common token in the new generation of blockchain communication ecosystem charging at the time value as created by TicTalk Foundation. It will be used in the ecosystem to reflect the time value and identity value of users and can circulate in the whole ecosystem. As a value credential, TIC is used as the only credential for value circulation among users in the whole network ecosystem, including the settlement of time value and the circulation of identity value.

In TicTalk APPs, TIC token will be used more and more frequently and the scenes to use them will become much more diverse as the communication scenes charged at the time value get more and more common.

More ecosystem builders will participate in the ecosystem camp of value communication of TicTalk Foundation, and as the application can be used in more and more scenes, TIC tokens will first complete its circulation transaction in all application services of TicTalk Foundation.

3.2 Allotment plan

TicTalk Foundation will issue totally constant 10 billion tokens (TIC) and the allotment plan is as follows:

Target	Proportion	Quantity	Note
MXC IEO	7%	0.7 billion	Log on to MXC Exchange and distribute 7% Token to MXC eco-users to build consensus.
Private equity investor	12%	1.2 billion	Private equity investors are big shots who have much influence inside and outside the industry or relevant persons or institutions that can offer help to TicTalk Foundation ecosystem in terms of technology or business expansion.

Institutional investor	15%	1.5 billion	Strategic investment institutions that offer important resources for the construction of TicTalk Foundation ecosystem.
Ecosystem implementation	20%	2.0 billion	To achieve the implementation of TicTalk Foundation ecosystem, strategic cooperation will be reached with many ecosystem builders to constantly promote the healthy development of ecosystem.
Business topology	16%	1.6 billion	Screen appropriate industries and enterprises to conduct strategic investment, cooperation, project support and token exchange.
Daily operation	10%	1.0 billion	Maintain the sustainable operation and development of TicTalk Foundation team.
Team expansion	5%	500 million	TicTalk Foundation team will continue to expand in a fast way and the efforts and sharing of the upcoming team partners shall be rewarded.
Legal and financial affairs	5%	500 million	Pay expenses of legal and financial affairs, business consulting and other fees to maintain the sustained and sound development of TicTalk Foundation ecosystem.
Founding team	10%	1.0 billion	The founding team and development team make contributions of labor, resources, materials and technology in the development process of TicTalk Foundation.

3.3   Sales plan

Private placement period (already finished)	June 15 to June 29, 2018
10000Ven	6000000 Tic
Token quantity	1.2 billion Tic
Proportion	12%
Placement scale	1.5 million (soft cap)-2 million VEN (hard cap)
Participation channel	Application for qualification on the official website

Institutional investor	June 15 to January 30, 2018
1Vet	6 Tic
Token quantity	2.2 billion Tic
Proportion	22%

Minimum purchase	10,000,000Vet
Participation channel	Application for qualification on the official website

3.4   Plan of lifting the ban

Lifting the ban on the founding team

The tokens held by the founding team will be locked and will be released by 8 times step by step within 2 years (lifting the ban quarterly according to the proportion, accounting for 12.5% held by the founding team).

3.5   Purpose of funds

As mentioned above, TicTalk Foundation will use funds to perform daily operation, technical development, business expansion and reinvestment.

The main classification is as follows:

Usage classification	Proportion	Details
Technical development	35%	A series of activities including expert and developer recruitment, and protection of technical patents and intellectual property rights
Operation promotion	35%	Including the daily operation, PR promotion, daily logistics management, traffic and office business, financial affairs and reporting needs of TicTalk Foundation
Reinvestment	10%	Investment in or integration of new technology and new team of blockchain
Ecosystem building	20%	Provide effective support for partners within TicTalk Foundation ecosystem

4.   Development Timeline

| Time	Milestone
November 2017	Build the team and establish the project
April 2018	Reach strategic cooperation with Shanghai Yuku Network Technology Co., Ltd
June 2018	Complete financing of PE round
June 2018	Digital ID project-internal test of TicTalk
November 2018	Listing of Tic in the exchange
2019 Q2	Face recognition + launch of AR interaction function

5. Core Team & Consultative Body

5.1

Shen Bo —— Founder of Fenbushi Capital

Lu Yang — VeChain Co–founder & CEO

5.2Management Team
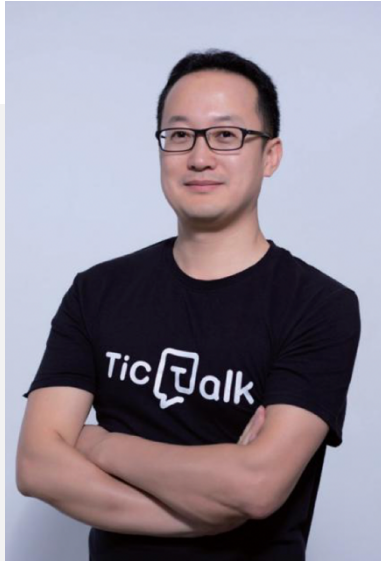
Shi Lei — Co-founder of TicTalk Foundation

Graduated from Shanghai Jiao Tong University (majoring in Automotive Engineering), with more than 10 years of experience in finance and capital market, once worked in China Merchants Securities. In 2016, as a co-founder, he founded Airbike (Mobike Energy Core Project). He has rich experience and resources in financial industry, capital operation, intelligent hardware and other fields, has participated in early-stage investment in block-chains projects (e.g. VeChain etc.), and now has devoted to active exploration of new generation of communication solutions.

Tao Ran — Co-founder of TicTalk Foundation

Graduated from Renmin University of China (majoring in Finance), with rich experience in Internet company operation and venture capital. Responsible for operation of the northeastern market of Wo Wo Tuan during competition period of thousands of group-buying websites. Later, served as interview chief of ASK VC high-end investor at VENTURE CAPITAL DREAMWORKS; led a team and participated in a number of early start-up projects and block chain projects in emerging industries, having owned many years of experience in Internet operation, new media marketing, venture capital etc.

5.3 Core Team

Lv Yuan — Parterner of TicTalk Foundation

Former senior iOS engineer in UU Paotui, project leader, participated in the design and development of clients, flying man end, commercial end and other projects of UU Paotui, with 5 years of experience in software development, conducting long-term research on technologies relating to front/back end. Participated in publishing books such as Swift from Beginning to Proficiency and Modern JavaScript Programming: Classic Examples and Practical Techniques.

Participated in the proofreading of Swift3.1 Basic Course and Actual Practical Exercise.

Chen Da — Parterner of TicTalk Foundation

Senior Front-end Development Engineer, who has worked in Ho'an Science and Technology, Bitcoin China, proficient in Javascript underlying principles, network security, performance optimization, good at front-end architecture, project engineering, and rich experience in multi-end development. He has participated in the development of a real-time digital currency trading system with high performance and concurrency.

Dong Zhengfang — Parterner of TicTalk Foundation

He has served as Vanke, New Media Housekeeper and former Director of New Media Operations. He is responsible for the off-line activities, new media and product user growth of New Media Housekeeper products. ToB products have more than 3 million users. He has abundant new media industry resources and block chain media resources. Now he is mainly responsible for the operation of App, Forest Procedures and community operation of TicTalk Foundation project.

The university has won the National Gold Prize for Young College Students'Entrepreneurship.

Shen Zeming — Parterner of TicTalk Foundation

He was a senior front-end engineer and head of the front-end team of the brief book. He led the research and development of the global DDOS attack situation map of the cloud shield, and made in-depth research on the front-end XSS attack, CSRF attack and WAF defense.

Participate in the front-end architecture design, instantaneous large traffic front-end page optimization, no perceptual deployment update, Wechat small program development and so on.

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Chen Kaiming — Parterner of TicTalk Foundation

Producer/Director: Chen Kaiming, resident in Shanghai.

MSU studied abroad, graduated from Shanghai Theatre Academy, has rich experience in film production and advertising. She has cooperated with many well-known artists, and her works have been included in the European International Film Festival and Vancouver Chinese Film Festival. The documentary series of China on the fingertips is broadcast along the countries along the belt. In 2018, he participated in the production of Youku Phenomenon Super-Net Drama "Town Soul", with a total broadcast volume of 3.6 billion. At present, he is the partner of the exploring Cafe team, responsible for the business of exploring Cafe film and television sector, which is divided into exploring Cafe film industry content platform, exploring Cafe film and television production platform, short video track IPvlog alliance.

Wu Pan — Parterner of   TicTalk Foundation

UU runner senior UI designer, Xiang Fang is in charge of Mu, with the background of industrial design, human-computer interaction, design psychology and other disciplines, rich experience in software interaction design, focusing on product and user research. Five years experience in UI design. Leading participation in e-commerce, fitness, real estate, city distribution, social and other related items.

5.4   Consultative Body

Vechain is committed to building a trustworthy distributed business environment with transparent information, collaboration and efficiency, value high-speed transmission. Over the past two years, VeChain has undergone technological upgrading, strategic adjustments, and customer expansion, and hence has accumulated rich experience in block chain applications in various businesses.

VeChain intends to use these successful collaboration cases as templates for rapid expansion and extension with the financial support of ICO, so as to let more enterprises and business activities can run on VeChain platform, promote the improvement of the distributed business format and expand VeChain team and VeChain block chains to run for two years on the way.

Fortunately, on this seemingly promising way of Block Chain, VeChain has met many like-minded friends, brave corporate customers, enthusiastic partners and faith-affirming colleagues, hence VeChain has accumulated many business applications in various industries, and has adjusted its posture properly, seeking for the right solution to black technology for changing the world. The original intention keeps unchanged, the dream is still the same as the original, VeChain will establish a trustworthy distributed business environment with transparent information, collaboration and efficiency, and value high-speed transmission.

6. Governance Structure and Management Philosophy

The TicTalk Foundation team is composed of young people with dreams. We get together with our dreams, and then our small dreams become a big one.

Although the starting point of blockchain technology is to decentralize and build an efficient and collaborative community platform, the experiences of corporate governance structure can be used for reference to improve the collaboration efficiency of blockchain communities and normalize the operation activities of the community. Of course, the experiences cannot be used without adjustments, and a dynamic equilibrium shall be sought between the community culture and traditional corporate management culture. The governance method we advocate herein is just a composition of our experiences in the tradition enterprises and the blockchain industry. It is not perfect and also needs to be improved in the following development.

6.1   Establishment of TicTalk Foundation

Officially established in Singapore in April 2018, TicTalk Foundation is an important part of the ecochain of Vechain. Common blockchain communities have the objective of high degree of autonomy or decentralization, indulge community participants in putting forward diverse suggestions and make decisions on important issues by voting. However, this method of discussing issues results in inefficiency and pending questions, which is not good for the continual iteration and evolution of blockchain technology. Moreover, the serious discrepancy leads to forking of blockchain. The handling method of using hard fork for multiple times even makes people question the decentralization concept of Ethereum and even blockchain. Such governance mode is more "anarchic" than "democratic".

TicTalk Foundation team has a high recognition for the essence of "decentralization" construction of blockchain, and absorbs the quintessence of the traditional corporate governance structure to improve the efficient preparation and implementation of development and promotion strategies. It also avoids the potential serious discrepancy on the blockchain design concept and the resurrection of irreconcilable situations.

TicTalk Foundation team entrusts a credible third-party institution to assist the team in setting up a Foundation entity in Singapore, and to maintain the daily operation and reporting affairs of the entity structure on behalf of TicTalk Foundation team. After the Foundation is set up, appropriate community participants will be elected to join in the functional committees of the Foundation for actual collective

management and decision-making.

6.2 Governance principle of TicTalk Foundation

The design objective of TicTalk Foundation governance structure has main considerations for sustainability of its open platform, effectiveness of strategy preparation, management effectiveness, risk control and management and effective operation of platform economy. TicTalk Foundation puts forward the following principles for the governance structure:

Combination of centralized governance and distributed architecture

Although some people advocate that blockchain is an autonomous community system with "decentralization" or "distributivity" as its core, we believe that full decentralization is likely to result in absolute "fairness" or more "inefficiency". Therefore, TimePhone Foundation will still adopt some thoughts featuring decentralized governance in its management architecture, including the supreme decision-making privilege of the Strategic Decision-making Committee and the collective discussion competence on major matters to improve the operation efficiency of the total community.

Coexistence of functional committees and functional units

The Foundation will establish permanent functional units for its daily affairs, such as R&D Department, Market Development Department, Operation Department and Finance and HR Department to deal with its routine affairs. Meanwhile, professional functional committees will be set up to make decisions about the major functional matters of the Foundation. Unlike the functional units, the functional committees exist in the form of virtual architecture with members coming across the world with no full-time office. However, the members must be qualified for a committee specialist and promise to attend the meeting for discussing matters and give opinions. Functional committees will establish their regular meeting systems to ensure the effective advancement of major decision-making matters.

Principle of risk-oriented governance

In the process of studying and determining the strategic development and decision-making of TicTalk Foundation, risk management will be the top priority. As a computer technology with major transformation significance, the development of blockchain is now in its infancy, so its development direction becomes very crucial. The risk management principle ensures that the risk factors, risk matters and potential possibilities and effects are taken into account when the Foundation makes

important decisions and corresponding countermeasures are developed through decision-making, thus bringing the development of TicTalk Foundation to the right path.

Transparency and supervision

Referring to the governance experience of the traditional business world, TicTalk Foundation also plans to establish a professional supervision and reporting channel (Whistle-Blower). With designated personnel of the Strategic Decision-making Committee being regarded as the window, community participants are encouraged to participate in the management and supervise the operation; thus, quick and undisclosed reporting of "the matters found" can be conducted. These matters include but not limited to new breakthrough or suggestion having significant effect on the Foundation or blockchain technology, community operation, crisis information, reporting of cheating or fraud.

The Foundation will release a unified information collection window and ensure the information privacy protection of reporters. Meanwhile, the Foundation will disclose and report the operation and development dynamics of the Foundation to community participants in the form of regular reports and irregular news releases. The contact information of major management personnel of the Foundation will be fully available for supervision and liaison by all interested parties.

6.3   Organizational structure of TicTalk Foundation

Combination of professional committees and functional departments are put forward for the organizational structure of TicTalk Foundation to deal with the daily affairs and special matters. This section will detail the responsibilities of all functional committees and major functional departments of the Foundation. Different functional committees will be established with reference to the operation of traditional entities in terms of the establishment of the Foundation, including strategic decision-making committee, technical review committee, remuneration and nomination committee and PR committee.
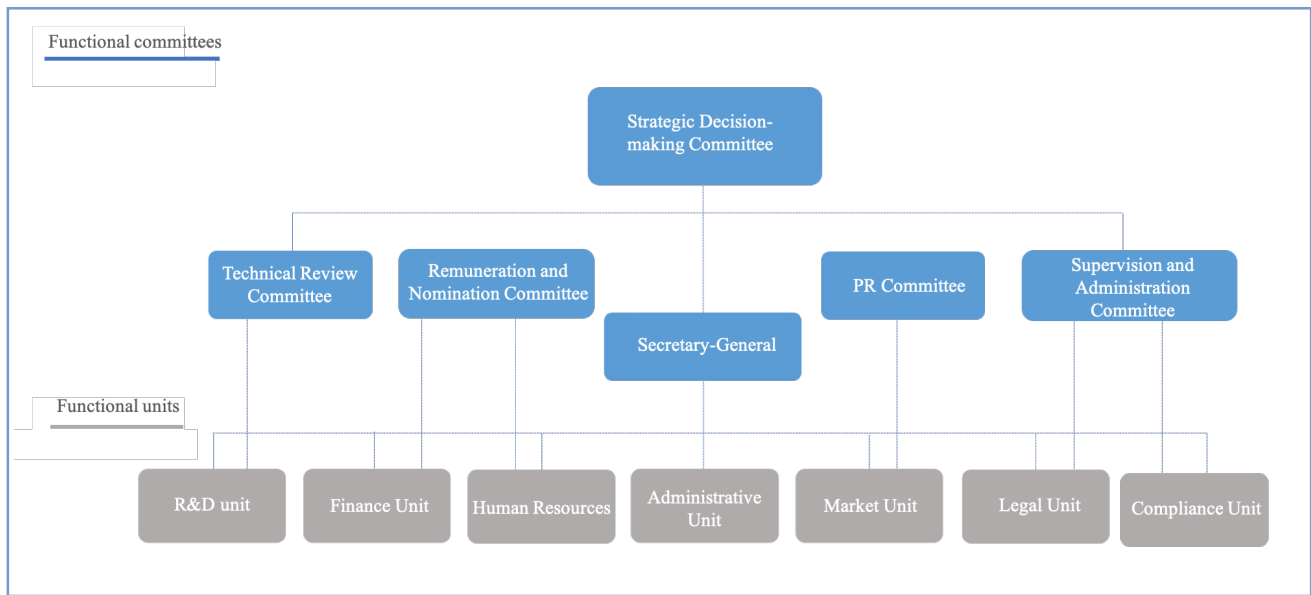
Figure 9 Organizational structure of TicTalk Foundation

6.3.1 Strategic Decision-making Committee

The Strategic Decision-making Committee, the supreme decision-making body of TicTalk Foundation, is designed to discuss and solve the major decision-making matters in the development of the community, including but not limited to:

1) Modifications of the governance structure of the Foundation;

2) Decisions on the establishment and rotation of the Decision-making Committee;

3) Decisions on the appointment and rotation of Secretary-General of the Foundation;

4) Appointment and removal of the executive director and head of each functional committee;

5) Review and revision of the Foundation Charter;

6) Decisions on the development strategy of TicTalk Foundation;

7) Changes and updates of the core technology of TicTalk Foundation;

8) Procedures on emergency decision-making and crisis management.

The term of members of the Strategic Decision-making Committee and chairman of the Foundation is two years, and chairman of the foundation shall not serve more than two terms consecutively.

When the term of the Decision-making Committee comes to an end, the community will vote for 50 community representatives according to the next generation consensus mechanism of TicTalk Foundation and then 7 core individuals of the Decision-making Committee, who will make important and emergency decisions on behalf of TicTalk Foundation and have themselves exposed to credit survey and disclose their salaries while serving on the committee.

The above important matters will be determined by the Decision-making Committee through disclosed ballot. Each member of the Decision-making Committee has one vote and chairman of the Foundation has two votes. The decision of the committee shall be adopted by a simple majority of all serving members.

Moreover, the executive director shall convene an interim meeting of the Decision-making Committee within 5 business days when one of the following situations occurs:

√   Whenever the Secretary-General thinks necessary;

√   One third and more members of the Decision-making Committee put forward a joint proposal;

The meetings of the Decision-making Committee shall be attended in person. Those unable to attend the meetings for any reason can entrust in writing other members to attend the meetings and those without authorized representative will be deemed to have waived the right to vote at that meeting.

6.3.2 Secretary-General

Elected by the Strategic Decision-making Committee, the Secretary-General is responsible for the daily operation and management of the Foundation, the work coordination among all subordinate committees and holding of meetings of the Decision-making Committee.

The Secretary-General is the top executive director of TicTalk Foundation, and responsible for unified guidance and coordination for the daily operation, technical development, community maintenance and PR relationship of the Foundation, and connecting all business units with the functional committees in the governance structure.

The Secretary-General shall regularly report to the Strategic Decision-making Committee on the performance of the Foundation.

6.3.3 Technical Review Committee

Composed of core developers in the R&D team of TicTalk Foundation, the Technical Review Committee is responsible for making decisions on the R&D direction of blockchain technology, developing underlying technologies and developing and reviewing open port and technical patents.

Moreover, the committee shall regularly learn about the dynamics and hot issues of the community and the industry, communicate and exchange with participants in the community and hold irregular technical exchange meetings.

6.3.4 Remuneration and Nomination Committee

The Remuneration and Nomination Committee is established for making decisions on the election and appointment of major management personnel of the Foundation. The committee sets rules of procedure, assesses the competence of management personnel and is authorized to appoint such personnel. Meanwhile, it sets up a remuneration system to encourage those making great contributions to the Foundation.

The Remuneration and Nomination Committee shall regularly assess the performance of all members of the Foundation. It shall also give suggestions on adjustment of the human resources structure, put forward different incentives, as well as attract and keep talented specialists.

6.3.5 PR Committee

Designed to serve the community, the PR Committee is responsible for the technical promotion of TicTalk Foundation, the establishment and maintenance of TicTalk Foundation and business alliances, TicTalk Foundation's involvement in the cooperation and resource exchange with each alliance party, the business promotion and publicity of TicTalk Foundation and the crisis PR and social responsibilities of the community. The committee will hold regular news conferences to notify important matters to the public and answer questions. In case of any event influencing the reputation of the Foundation, the PR Committee will release authorized response as the unified communication channel.

6.3.6 Supervision and Administration Committee

As an organization with high independence and autonomy, the Supervision and Administration Committee is set up inside the Foundation to conduct independent supervision and risk control management on the overall operation of the Foundation.

It gives daily guidance to the Legal and Compliance Department of the Foundation. Meanwhile, the Foundation will set up a transparent and open reporting mechanism, with which reporting matters from inside and outside of the Foundation will be governed by the Committee and corresponding investigations and improvement will be implemented to ensure that the operation of the whole foundation complies with improved regulations and laws and keeps moving forward within the acceptable risk level.

The Supervision and Administration Committee directly reports to the Strategic Decision-making Committee and will not conflict and overlap with other functions of the Foundation.

6.3.7 Other functional departments

The Foundation sets up daily operation departments with reference to the corporate system structure, such as HR, administrative, finance, market and R&D (or laboratory) Units.

The functional departments are designed to maintain the normal operation of TicTalk Foundation and directly deal with the relevant parties of commercial community, such as enterprise customers, suppliers, regulatory institutions and third-party service providers.

6.4 HR management of TicTalk Foundation

TicTalk Foundation aims to create the globally most influential open source community ecosystem. To ensure the smooth development at the technology level and continue its effective operation, the Foundation will be committed to recruiting outstanding technical developers and management talents who have a deep understanding of business.

Personnel recruitment

Based on the borderless characteristic of blockchain, the Foundation shall first get rid of the geographical restriction in its recruitment requirements and welcome outstanding talents across the globe to join the Foundation. Except for some posts that must be recruited locally (e.g. logistics management personnel), there are in principle no restrictions for working locations and forms.

TicTalk Foundation will develop appropriate human resources plans, recruitment procedures and review procedures in accordance with the best practices of human resources management to ensure that appropriate talents can be attracted.

As an open source community, TicTalk Foundation recruits not only full-time developers but also notable technical advisers in the industry. The relevant recruitments and salary payments shall be subject to the discussion and decision of the Remuneration and Nomination Committee and cooperation clauses shall be signed.

Performance appraisal

Referring to the best practices of business companies, the Remuneration and Nomination Committee will conduct annual performance appraisal, mainly including the development and advancement of TicTalk Foundation technologies, the business expansion effects, the economic operation of the Foundation and the risk control management of the Foundation. The performance appraisal shall be reviewed by the Remuneration and Nomination Committee and the Strategic Decision-making Committee and improvement plans shall be formulated.

6.5 Risk assessment and decision-making mechanism of TicTalk Foundation

As an innovative technology, blockchain not only represents a disruptive breakthrough in core computer technologies, but also poses a challenge to the ecosystem formed in the traditional Internet age. Therefore, the importance of a risk management system is self-evident.

TicTalk Foundation upholds the establishment of a risk-oriented blockchain community with sustainable operation capability. TicTalk Foundation will conduct persistent risk management on its operation, including establishment of the risk system, risk assessment, risk response and other activities.

All major risks will be discussed and decided by the Strategic Decision-making Committee of the Foundation. TicTalk Foundation will classify events based on their characteristics, such as degree and range of influence, quantity of tokens affected and possibility, and make decisions according to priority, and events with high priority will be decided as quickly as possible by convening relevant committees of the Foundation.

7. Risk Tips and Disclaimer

The above contents are used only for information transmission and do not constitute any opinion on the purchase and sale of shares or securities of TicTalk Foundation. The above information or analysis does not constitute any investment decision or specific recommendation.

The above contents do not constitute any investment suggestion, intent or abetment in relation to the security form.

The above contents can neither be regarded nor understood as the offering of any act of purchase and sale, nor any invitation of trading any form of securities nor any form of agreement or promise.

TicTalk Foundation has clearly expressed its relevant intent to make users have a clear understanding of the risk of TicTalk Foundation. Once an investor makes any investment, it means that the investor understands and accepts the risk of the project and is willing to bear all results or consequences.

TicTalk Foundation has clearly expressed that it will not bear any direct or indirect loss caused by participating in the project of TicTalk Foundation, including:

- Economic loss caused by user's transaction operation;
- Economic loss caused by any mistake and negligence resulting from improper personal understanding or incorrect information;
- Loss caused by any kind of personal blockchain transaction and any resulting behavior.

TicTalk Foundation token or "TIC" token is an encrypted credential used in the TicTalk Foundation ecosystem. We cannot ensure that TIC token is bound to appreciate and it is likely to depreciate in some cases, so please think carefully before you act.