

HKDT White Paper





Introduction

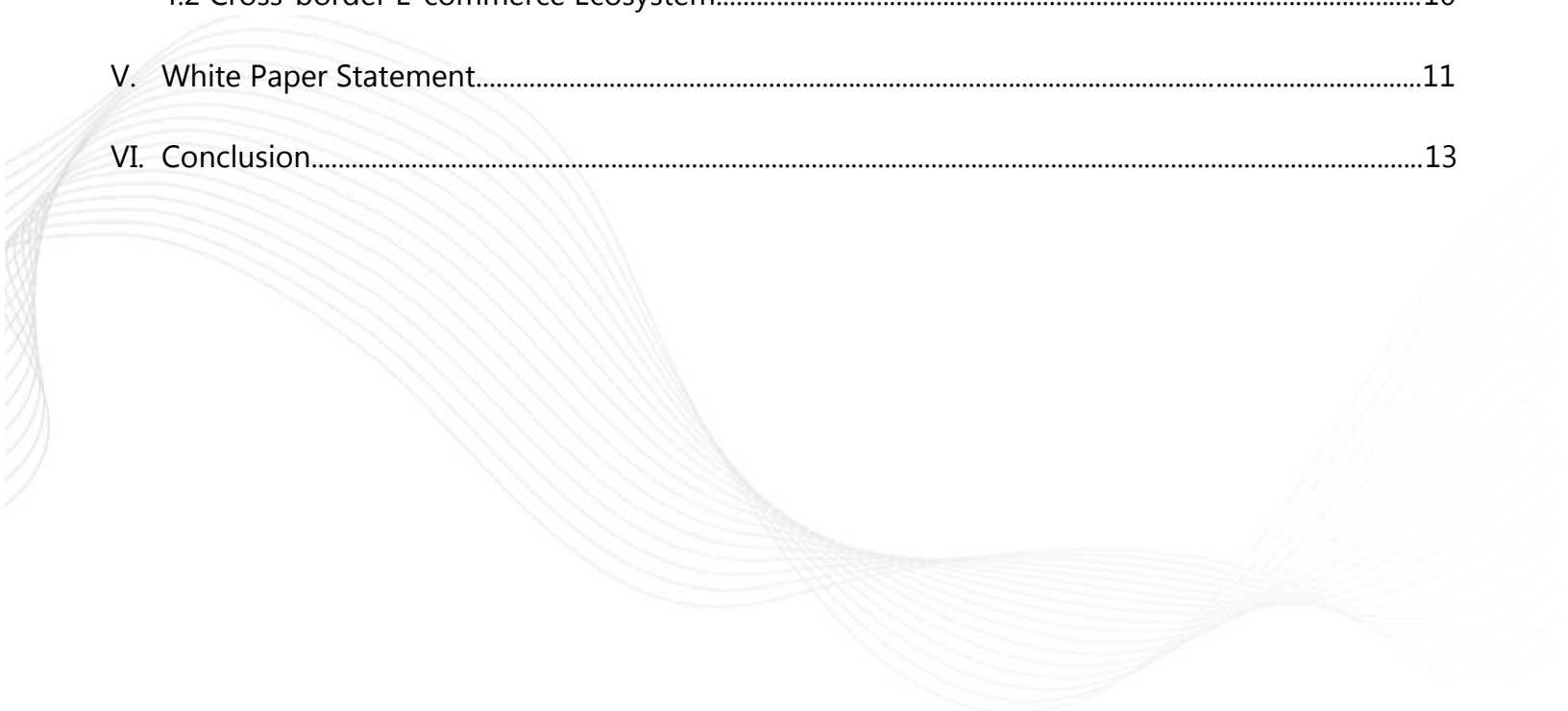
We hope to develop a stable, secure, convenient and reliable encrypted digital asset (stable currency), supported by sufficient cash assets, while relying on first-class blockchain technology. We are committed to building a sound cross-border payment settlement system, creating a brand new global and cross-border asset management system that can freely realize point-to-point seamless transaction of fiat currency and digital assets at any place and at any time, and to create diversified application scenarios of digital assets, allowing asset chains to connect to the world and link to the future.





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I. Background

Since the birth of the first Bitcoin on January 3, 2009, the blockchain digital token wave has swept through the world rapidly. With the influx of investment and speculators, the currency market shock has gone beyond people's imagination. The market urgently needs a stable token, whose price fluctuation resonates with the fluctuation of the fiat currency, in order to function as a storage of value, a medium of transaction, and a unit of accounting. Demand triggered supply, and a variety of stable tokens has since emerged in the market. At the same time, various problems followed, including the trust crisis of stable token reserves, the obscurity of theories, and the difficulty in assessing managerial capabilities.

We believe that the digital asset market needs a stable digital currency that can be unimpededly connected with the fiat currency and maintain a stable exchange ratio with it. The distribution of the digital asset should be bolstered by asset reserves and its safety should be guaranteed by first-class blockchain technology. Clients' trust and confidence in the market should be gained by its open and transparent supervision, and its liquidity should be facilitated by the abundance of ecosystems and application scenarios. Thus, we launched HKDT.

II. Introduction to HKDT

Anchor Company has issued HKDT, a transparent and secure digital asset, based in Hong Kong and facing the world. It creates a strong exchange system by pegging to Hong Kong dollars (1 HKDT = 1 HKD), in order to freely and efficiently connecting fiat currencies with digital assets.

2.1 Advantages of HKDT

HKDT has a team of first-class talents who are proficient in blockchain, finance, law, and AI sectors. With abundant asset management experience and advanced blockchain development technology, HKDT has outstanding advantages in:



Reliability

We promise that at any time, the value of total cash assets will be no less than the value of HKDT in circulation, which will be independently audited by professional auditing institutions and published regularly on the official website and mainstream trading platforms in the market.



Stability

Tightly pegged to the 1:1 ratio with the Hong Kong dollar, HKDT is not affected by periodic or temporary fluctuations in the digital asset market.



Safety

Security is the top priority for digital asset stable tokens. HKDT adopts leading encryption technology to achieve the highest level of financial security, protecting our clients' wallets and exchange accounts.

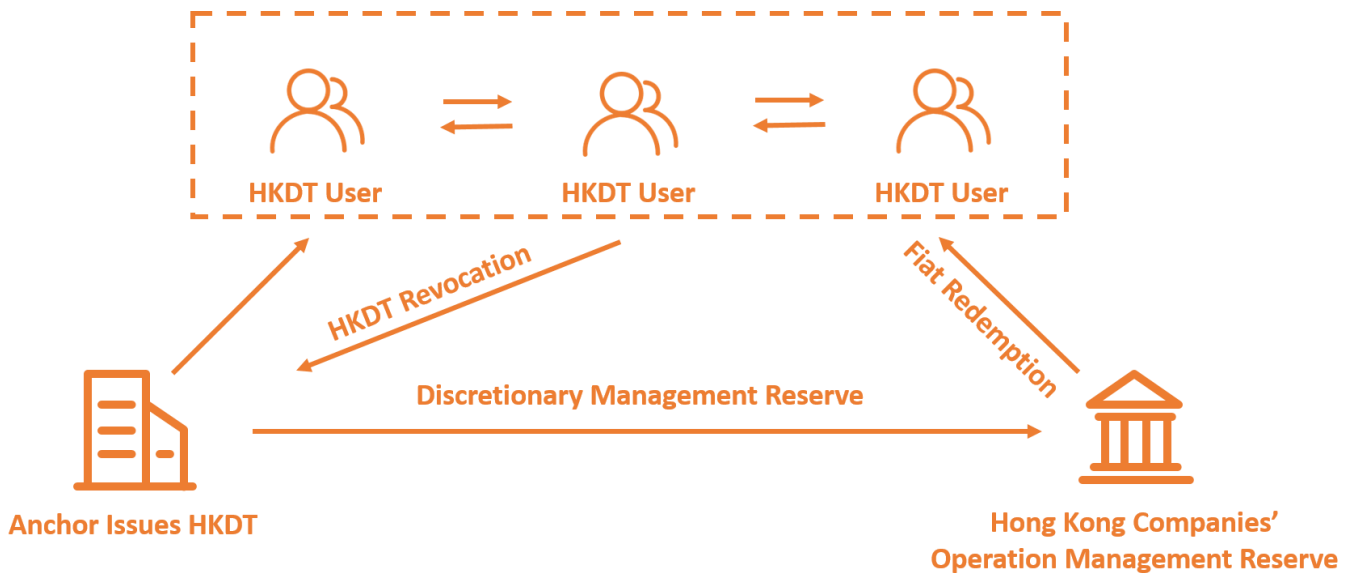


Convenience

Building its own exchange while simultaneously logging into other major exchanges, HKDT will become one of the mainstream platforms for trading not only between fiat currency and digital assets and but also among digital assets themselves. It can also be used in various business scenarios, such as reserves, transactions and remittances, anytime and anywhere. We strive to establish a cross-border e-commerce platform, to open up the exchange channel between HKDT and physical goods, to persistently expand the HKDT ecosystem, and to enrich the HKDT application scenarios.

2.2 Business Model / Operational Process

HKDT is established by the Cayman company Anchor, and its reserves are fully authorized to be operated and managed by Anchor's partnering companies in Hong Kong ("Hong Kong Companies").



Step 1: Anchor deposits the full amount of cash assets into the bank account owned by the Hong Kong Companies, and authorizes the latter to operate the reserve fund.

Step 2: Based on the 1:1 HKDT-HKD exchange rate, Anchor will issue the equivalent HKDT that is pegged to Hong Kong dollars. Users may exchange fiat currencies of their possession to Anchor for HKDT, and Anchor will continue on by depositing the equivalent fiat currency into the bank accounts of the Hong Kong Companies.

Step 3: Once HKDT enters into circulation, Anchor users could use HKDT to freely trade with any digital encrypted assets on major exchanges. Users can also trade HKDT among themselves anytime and anywhere.

Step 4: When HKDT is withdrawn from circulation, Anchor customers return their HKDT back to Anchor, and Anchor revokes these HKDT.

Step 5: Hong Kong Companies will pay the equivalent fiat currencies when clients redeem them.

2.3 Reserve System

The Reserve System is an extremely important part of the issuance of HKDT as it will determine the overall amount of HKDT that will be issued. Utilizing blockchain technology, the technical team introduces third-party institutions such as commercial banks, accounting firms, and law firms to conduct effective supervision and management of the reserves. The technical team will work with independent third-party agencies to develop interfaces in order to access blockchain at any time, thus ensuring the reliability of the reserve account. The procedure of use the reserve is as follows: After clients exchange their fiat currencies for HKDT at the exchange, the exchange will deposit the money into the bank account of the Hong Kong Companies and send the HKDT digital currency to the clients' e-wallet addresses. Hong Kong Companies are responsible for the operation and management of all reserves, and the value of fiat currencies paid by the client = the value of HKDT that will be sent to the client.

The principles for issuing HKDT are as follows:

I. The HKDT team creates the equivalent HKDT of the reserve based on the blockchain ERC20 smart contract system. All HKDTs during issuance, redemption and circulation, as well as all historical transaction records, can be requested through relevant tools.

II. Total reserves of cash assets = total cash assets deposited by users - total cash assets collected by users.

III. Total amount of HKDT issued = Total amount of HKDT in circulation + Total amount of HKDT that has been redeemed for exchange.

IV. According to the exchange rate of 1HKDT = 1 HKD, the total amount of HKDT in circulation = the total amount of cash assets in the reserve.

III. Design Concept of HKDT

HKDT is a digital cryptocurrency based on the blockchain smart contract system, pegged to HKD by the rate of 1:1, so that the price of digital currency assets could be stabilized. We will introduce highly-reliable external institutions including banks, accounting firms and law firms, etc. to conduct strict and open third-party custody, auditing and supervision. We will also disclose supervisory reports on a regular basis.

3.1 Technology Architecture

HKDT is a stable digital currency system that is based on the ERC20 standard of Ethereum platform. It is also compatible with the standard ERC20 token interface. By implementing standard API, it may be immediately transferred with not only the exclusive wallet storage transfer we developed but also all standard Ethereum wallets.

HKDT's smart contracts are rigorously audited and continuously monitored for security. Therefore, they are guaranteed with lower online transaction costs, faster confirmation, and more secured technical support, providing users with a convenient and instant experience.

HKDT can seamlessly interact with other smart contracts and decentralized applications on the Ethereum blockchain. In the near future, it will become the base currency for decentralized exchange trading, providing a more convenient medium for the vast enthusiasts of decentralized trading.

Through smart contracts, the system will generate the corresponding HKDT after the confirmation of the receipt of Hong Kong dollars into the accounts, and it will automatically revoke the corresponding HKDT when clients redeem their Hong Kong dollars. By doing so, the system dynamically maintains the 1:1 exchange rate between HKDT and Hong Kong Dollar.

HKDT can be exchanged when users charge their accounts with fiat currencies. It may also be transferred, saved, traded and paid to all electronic wallets supported by ERC20 standard. Besides, it could also be used as the base currency of pricing and trading for other digital encrypted assets in the centralized exchange.

The issuance, redemption, reserve auditing and risk management of HKDT are complete, open, transparent, traceable and trustworthy. The auditing agency will regularly publish audit reports of the number of HKDTs that are issued and circulated, supervising the functioning status of the entire HKDT system.



IV. Application Scenarios of HKDT

So far, although other encrypted digital assets have already achieved a high degree of attention and transaction volume, investors' returns on digital assets are mainly from price differences, revealing a more prominent opportunistic nature in digital asset investments. Based on the research and analysis of the environment of encrypted digital assets, we disagree with the existing limitations on digital assets and wish to continue exploring other values and application scenarios for digital assets, especially stable digital assets, which we can apply to HKDT.

4.1 Globalized and Cross-Border Asset Management

We will tailor and develop various asset management packages for the HKDT trading platform and construct the HKDT ecosystem, in order to fulfill the need of globalized and cross-border asset management.

In the field of digital asset investment, users may exchange any amount of fiat currency into HKDT anytime and anywhere, and use HKDT to invest in various digital encrypted assets in major mainstream exchanges. Users who hold HKDT can also use their own HKDT as their investment assets and pricing currency. Based on their own investment risk preferences and approval of the managerial capabilities of professional digital asset managers, customers can invest HKDT of their possession in asset management products that are issued by the managers and receive their principal and corresponding returns on maturity.



4.2 Cross-border E-commerce Ecosystem

We will build a special platform to integrate HKDT in cross-border e-commerce, so HKDT users can fully enjoy its convenience and use HKDT to purchase goods in retail shops. We will also continue to develop other HKDT payment channels, create access to exchange channels between physical goods and HKDT, and constantly expand the HKDT application scenarios.



V. White Paper Statement

Important: Be sure to read the following statement in its entirety:

Risk of Losing Encrypted Digital Currency Due to Loss of Certificate

The purchaser's encrypted digital currency is likely to be associated with an account before being assigned to the purchaser. The only way to login into the account is by using the relevant login credentials selected by the purchaser. Loss of these credentials will result in the loss of the encrypted digital currency. For the purchaser, the best way to securely keep login credentials is to separate them into one or several secure storages, and preferably not to keep or expose them in public places (e.g. at work, on shared computers, in public zones, remote access storages, online etc.)

Relevant Policy Risks

Blockchain-based digital assets have become a target of regulation in all major countries around the world. HKDT will not allow purchase from nationals of countries where the regulations prohibit them from doing so.

The Risk of Attacks on Digital Assets and Cryptocurrencies

Like other decentralized cryptocurrencies, blockchain applications are also vulnerable to various kinds of attacks, such as mining attacks, including but not limited to: so-called majority attacks, 51% attacks, big mining pool attacks, high hash rate attacks, excessive competition attacks, double-spending attacks, cancelling transactions, selfish mining attacks, withholding blocks attacks, proof of work takeover attacks, briber attacks, spam transactions attacks, blacklisting, random forks, and other

known and unknown kinds of attacks. Any kind of successful attacks create a big risk to the application of encrypted digital currency, although the industry is working very hard to improve the security, still, the above mentioned attacks risk is real.

Other Unpredictable Risks

Encrypted digital assets (cryptocurrency) is a new and untested technology. In addition to the risks mentioned in this White Paper, there are other risks that our team have not mentioned or expected. These may include but not limited to: ETH smart contract system bugs, security or access breaches to wallets, exchanges, or user accounts, unauthorized accesses, invalid accesses, etc. Other unpredictable risks may occur suddenly or in combination with a variety of risks already mentioned.

Disclaimer:

The content of this White Paper has not been reviewed by any regulatory authority in Hong Kong. The content of this White Paper has not been reviewed by any authority in Hong Kong. If you have any questions about any of the contents of this White Paper, you are suggested to seek independent professional advice.

This White Paper should not constitute or be construed as any operational advice for trading securities, nor is it a contract or commitment of any kind. Relevant intent users must have a clear understanding of the risks related to the project. Once the investor participates in the investment, he or she understands and accepts all potential risks related to the project and is willing to personally bear all the corresponding results or consequences. The team is not responsible for any direct or indirect losses caused by participation in the project.

VI. Conclusion

People are willing to accept fiat currency because the government can guarantee the verifiability of the currency and the stability of its price. The natural irrevocability and non-repudiation of the blockchain can guarantee the verifiability of the currency, while the stability of the currency price needs to be solved. Anchor Company supports the HKDT with stable cash assets as a reserve fund and relies on first-class blockchain technology to provide stable, reliable, secure and convenient HKDT. Through the introduction of third-party institutions for fair and equitable custody, supervision and audit, the value of HKDT is ensured. The value of the Hong Kong dollar is anchored at 1:1. We will build our own exchanges, cooperate with major exchanges, build a cross-border e-commerce platform, and continuously expand the HKDT ecosystem and application scenarios to create a new global and cross-border asset management approach. Use HKDT to connect your asset chain to the world and to the future.

References:

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- [2] Understanding the role of debt in the financial system by Bengt Holmstrom, Jan 2015.