

Block Assorted Operation

BAO COIN WHITE PAPER



Financial Payment Cryptocurrency
Based On Blockchain

01 Project Abstract

'BAO' is a project designed to solve the limitations of trading industries and current cryptocurrency financial services. With BAO, we are opted to provide users blockchain's data transparency, integrity and trade brokerage, actual cryptocurrency trading through smart contract.

02 Problem

Existing financial derivative trading has a characteristic of closed traditional financial industry and trading is made only in one specific platform. This single platform has an exclusive access to data, trade approvals etc. occurring on trade market. As time goes by, it tried to free itself from monopoly and separated its power by adding trusted third party but adding additional party eventually raised trading fee of the user.

Such structures of platform's monopoly and oligopoly of third party do not guarantee transparency and integrity of data occurred on trading. All data are kept by single institution and this created greater risk of data manipulation by hacking. Moreover, data accessibility during derivative trading was very limited.

Absence of data transparency and integrity led to trust issue of the platform. Investors had to consider platform's reliability before considering profit rate of financial item they are about to trade. Not all investors were able to execute trading on same conditions with others.

03 Solution

To overcome the centralized process, technology called blockchain appeared.

Blockchain is fundamentally created to solve the problems of the centralized financial industry. Initial blockchain project was executed to enhance the difficulties of financial trading platform. Nevertheless, majority of cryptocurrencies were not able to be implemented on financial trading and its value eventually faded.

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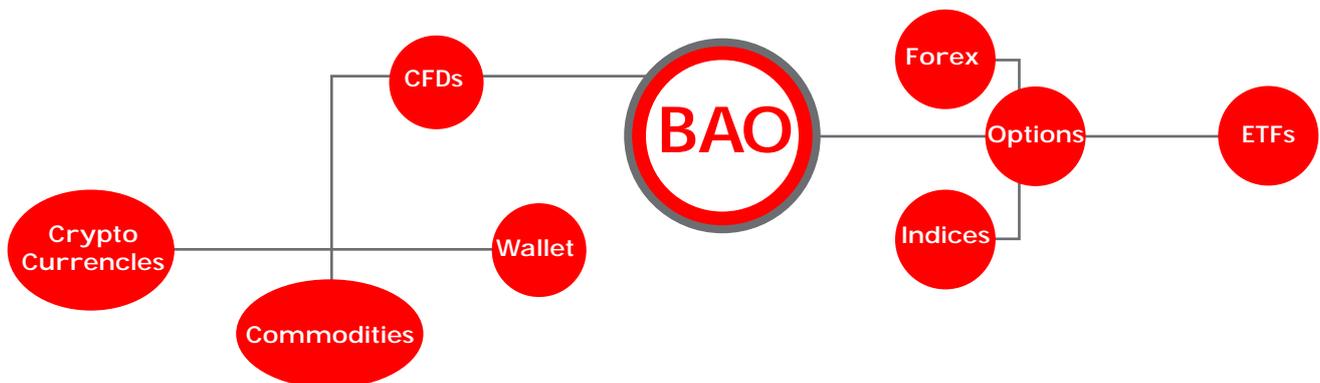
04 BAO Coin

BAO coin is a blockchain-based payment coin for derivative trading. BAO coin becomes the broker of financial derivatives through smart contract of the blockchain and reduces trading fees which took great portion of existing trading. In addition, since all the trading processes made with BAO coin are recorded on the blockchain, data transparency and integrity are guaranteed.

Users of BAO-partnered platform are granted with access to their trading data all the time. Unlike the existing financial trading platforms, it is free from risk of data forging so all users are guaranteed with same trading conditions.

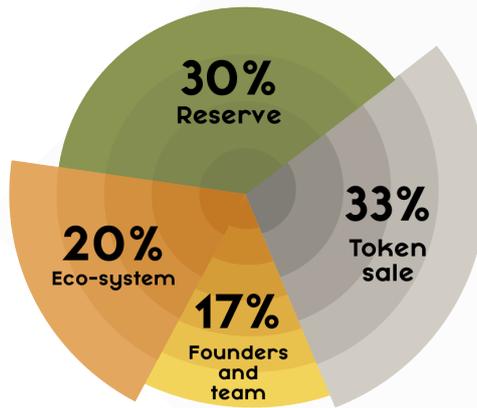
The biggest difference between the existing cryptocurrency financial service is that BAO coin users will be able to trade not just cryptocurrency but any financial trading that uses underlying assets as a medium such as security, future, option, and even FX. BAO has actually secured utility by recruiting service providers who have completed development of preexisting trading platforms. Which is to mean that through BAO coin, platform to trade financial derivatives exists.

BAO plans to constantly partner with various trading platform where investment of underlying asset is possible. In order to expand BAO-partnered platform, the BAO foundation uses BAO chain to provide blockchain technical supports such as wallet etc. to potential partners who are willing to provide financial services.



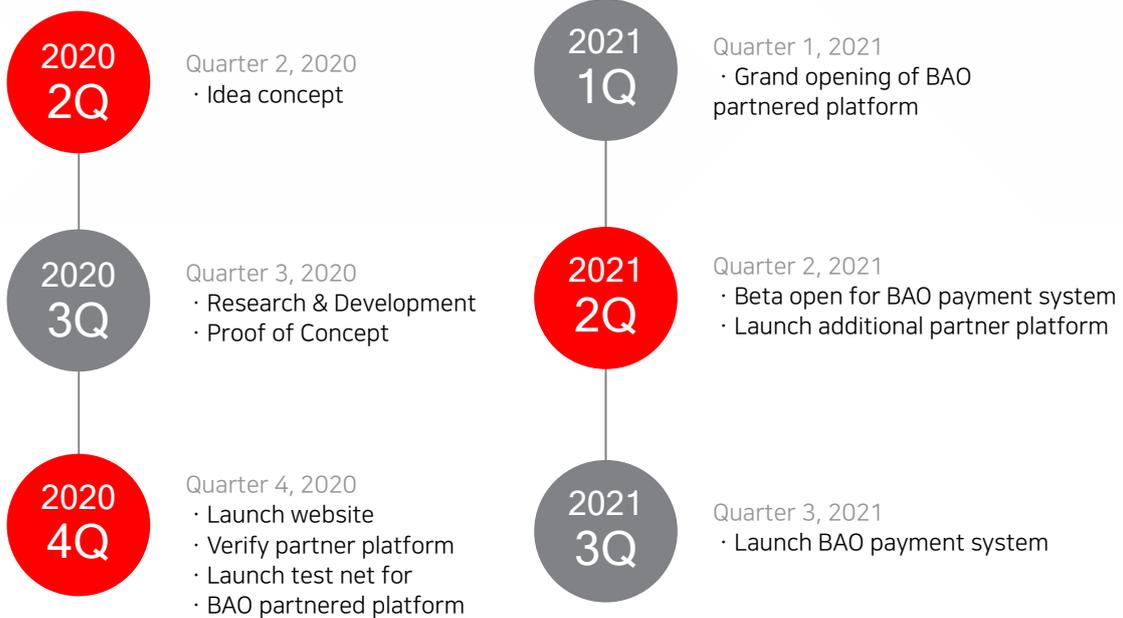
05 Coin Information

BAO coin is issued based on Ethereum network. Total of 1.5 billion BAO coin will be allotted and distribution is as shown in the illustration.



< Illustration 1 > BAO Coin Allocation

06 Roadmap



< Illustration 2 > Roadmap

07 BAO partnership Platform : BUYQ

BUYQ is BAO's first partner platform and BAO coin is traded on BUYQ platform. BUYQ is a broker platform for binary option trading that implemented blockchain and solved problems underlying existing binary option platforms.

Binary option is a type of trading where you have to predict an outcome between two choices with fixed payout. For instance, at this very moment, the price of 1 USD is 1169.20 KRW and you will now determine whether the price of 1169.20 KRW will go up or go down at set time. Therefore, in binary option, the commodity itself does not have an underlying asset but it is a financial derivative that uses other underlying asset as a reference. If user trades with binary option, the user only has to predict whether the price will go up or down from current time. Since you can only choose two possible results, it is called Binary Option.

The advantages of binary option are as follows.

● Simple Trading Method

Binary option, unlike any other trading, has only two possible choices. For users who wish to trade simply, they can easily execute trading by clicking few buttons and choose if the commodity of the underlying asset will go up or down. This is so much simpler and easier than other trading commodities.

● Flexible Commodity Market Trading

Binary option does not have its own underlying asset and it uses underlying assets that are being traded right now to make trading. Security, commodity, indices, FX and fast growing cryptocurrency can be references for binary option trading.

● Trade Anytime, Anywhere

Majority of the binary option is processed through web platform so you don't need to go under in stallation, trade 365 days, 24 hours easily. You can also set trading period short term (10 seconds) up to long term (365 days) and it has no limitation on setting the period. Best part is that you can set desired trading volume and have risk controlled.

● Dynamic Profit Rate

Compared to other existing financial trading, binary option trading is easier to execute and you can make higher profit, gain profit within just a minute. Even your prediction is wrong, you will only lose your initial stake and no more.

07-1 BUYQ Solution

Most of the existing binary option trading is operated by one centralized platform which is very likely to financial industry. User needs to pay deposit in order to use service for such platform and through brokerage of the platform, trading between individual to individual or corporate to individual is executed. Nevertheless, it does not guarantee transparency and integrity as a binary option trading

Binary option trading process was not disclosed transparently and numerous issues have rose as the platform participated the trading. Even if predicted result of the platform is wrong and user predicted right, user did not receive the reward. This was caused by unguaranteed data transparency and integrity.

As a result, blockchain can be a key to the problem of current binary option market. Blockchain's greatest advantage is that it guarantees transparency and integrity which can purify the binary option market. So, BUYQ's goal is to use blockchain technology to eliminate distrust toward the platform existing in binary option market. BUYQ is a financial derivative trading platform guaranteeing data transparency and integrity and has following characteristics.

- **Transparency** All data generated by the activities of the users in BUYQ can be accessed with the help of blockchain technology. All types trading is processed transparently through smart contract, guarantees equal trading condition to all users based on accurate records.
- **Fairness** BUYQ aims to solve the problem where platform directly participates in the trading. BUYQ will not participate the trading directly. BUYQ will only act as a platform providing binary option trading functionality and will only receive service charge as an income.
- **Instant Payout** All trading occurring in BUYQ is processed through smart contract. Existing binary option platform had one controlling central body and payouts were delayed or not distributed to the user properly even trading is completed. BUYQ uses smart contract and its instancy to make transactions immediate.

07-2 BUYQ Business Model

BUYQ aims to reform existing financial derivative market. BUYQ will eliminate existing trust issues of the current market fundamentally with blockchain's reliability and establish incorruptible business logic. BUYQ will maximize the advantages of existing binary option and offers new business model where users don't have to be concerned about reliability of platform provider and focus only on their profits.

On top of all, unlike other binary option trading platform, you can immediately use all functions and options without any deposits in BUYQ. Previous platforms have overcharged deposits to the users and telling them it is for platform management. Such condition does not exist on other binary option market but only on BUYQ.

BUYQ does not intend to eliminate broker in binary option trading but to reduce registration fee and installation fee of the broker based on white label model. This will support brokers to execute BUYQ platform business promptly and provide various services. Participation of large number of brokers will play a major role in integrating each trading assets scattered in various markets.

08 Disclaimer

This white paper is a document written and distributed from BAO team, with an objective to provide information regarding Project BAO.

The technical and legal contents described in this white paper might be changed at any time according to decisions made during the development process. BAO team guarantees nothing regarding this plan for the project development and its development schedule. In order to clarify uncertainties and ambiguities concerning technical, legal, and financial problems that are directly or indirectly related to the contents of this white paper and to avoid unnecessary conflicts in the future, you need to be thoroughly aware of the contents of this page.

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