

H-Tokens White Paper

Bridge Between Centralized and DeFi Markets

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Abstract

H-Tokens are standard ERC20 tokens with a 1: 1 ratio of mainstream crypto assets. While maintaining the same value, H-series assets also have the flexibility of Ethereum. H-Tokens serve as a bridge between the centralized market and the DeFi market, enabling users to participate in DeFi market investment conveniently and seamlessly, providing high-quality assets to the DeFi market, and promoting the prosperity of the entire DeFi market.

Background

With the development of DeFi, digital assets in blockchain have become one of the important asset classes. Users can easily and transparently understand the issuers, holders, transaction details, and contract execution results of digital assets. The realization of standardization (such as ERC20) brings composability to digital assets. Financial products obtained from a decentralized financial application can easily participate in other financial applications. DeFi brings a new open market model that allows participants and providers of product services to move not only in a region.

With these advantages, DeFi's business expanded rapidly in 2020, with rapid development in the fields of lending, trading, insurance and fund. At present (September 2020), the lock value of the entire DeFi system is \$8.6 billion, which is more than 10 times of the \$800 million lock value in early January 2020. In February 2020, Huobi Global launched HBTC, an Ethereum-based token that can be 1:1 exchanged for BTC.

By September 18, 2020, approximately 5,000 HBTC has been minted. A design like HBTC, which aims to be the bridge between the centralized and decentralized finance, ensures that users do not lose the value of BTC while enjoying the flexibility of Ethereum. And these tokens enable users to seamlessly access decentralized protocols such as Uniswap, Curve, Balancer, Nest, and ForTube. HBTC's growing use cases prove that its value has been recognized by the market. The issuance of the H-series assets will allow more users in the crypto world to benefit from DeFi, accelerate the development of the Ethereum DeFi ecosystem, and promote the growth of Ethereum-based assets.

Introduction of H-Tokens

H-Tokens aims to solve the lack of mainstream crypto assets in DeFi market. By issuing H-series assets based on the ERC20 standard, the value of quality crypto assets is transferred to Ethereum, which injects liquidity and stability into the Ethereum ecosystem. H-Tokens adopt 1:1 ratio of assets as collateral to make their value consistent with those on the main chain, avoiding problems that may occur in synthetic assets. Through H-Tokens' bridge between the centralized market and the DeFi market, transactions between quality assets and ERC20 standard digital assets have become simple and convenient in DeFi market.

H-Tokens' Features

1. High Speed and Low Cost

With H-Tokens as the deposit and withdrawal channel, the transaction confirmation time will be reduced to five minutes or less, and the handling fee will be lower. H-Tokens will automatically conduct two-way exchange business in accordance with relevant rules, and only charge low service fees.

2. Transparent and Auditable

H-Tokens' asset data will remain transparent and open. All exchange details will be published on H-Tokens' official websites, and anyone can freely initiate an audit of H-Tokens.

3. Multi-Agency Service

H-Tokens support multi-agency services, so users can choose an agency to transfer in (out) their assets more conveniently.

Agency Get / Withdraw H-Tokens

Agencies who comply with relevant laws and regulations can apply to obtain independent chain address and Ethereum address in the H-Tokens project for the acquisition and redemption of H-Tokens. Correspondingly, agencies also need to provide chain address and Ethereum address to receive crypto currencies and H-Tokens.

Take HBTC as an example, when the agency needs to obtain HBTC, he only needs to transfer to the Bitcoin address of HBTC, and the HBTC asset management system will immediately notify the transfer and automatically mint the same number of HBTC to the corresponding HBTC address. The agency can

then control the use of HBTC, such as withdrawing Bitcoins for his users or use it on Ethereum network.

And when the agency needs to exchange HBTC for BTC, he only needs to transfer to the Bitcoin address of HBTC, and the HBTC asset management system will immediately notify the transfer and automatically mint the same number of HBTC to the corresponding HBTC address. The agency can then control the use of HBTC, such as withdrawing Bitcoins for his users or use it on Ethereum network. The same is true for other H-tokens.

Asset Custody

H-Tokens have 100% full margin, so users need not worry about the asset exchange of H-Tokens. The team has years of experience in risk control and asset management in the blockchain industry, ensuring that H-Token holders can timely convert H-Tokens into assets on the main chain at any time.

Development Vision

The H-Tokens project provides a more efficient financial service by injecting highly liquid bitcoin assets into Ethereum DeFi to connect the central market with the DeFi market, reducing the cost of DeFi users.