

H-Tokens White Paper

Bridge the centralized market and the DeFi world

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Summary

H-Tokens are virtual assets issued on the ERC20 and TRC20 standards and minted at a collateralization ratio of 1:1. With their value pegged to mainstream cryptocurrencies, H-Tokens also features the flexibility endowed by Ethereum and Tron networks. As the bridge connecting the centralized and the DeFi markets, H-Tokens provide the DeFi market with quality assets and allow users to seamlessly access decentralized protocols. H-Tokens aims to contribute to the prosperity of the DeFi market.

Background

With the development of decentralized finance (DeFi), blockchain virtual assets have become an important asset class. Virtual assets' issuers, holders, transaction details, and contract execution results are transparent and easy to access. Standardization (e.g. ERC20 standard) brings composability to virtual assets, which enables the application of one DeFi protocol and its financial products in other protocols. DeFi imports a new business model of open market that breaks the geographical restriction for participants and service providers.

With these advantages, DeFi businesses have been expanding rapidly since 2020, especially in the fields of lending, trading, insurance, and funds. In September 2020, the total value locked in DeFi reached US\$8.6 billion, 10 times larger than US\$800 million in early January 2020. In February 2020, the H-Tokens project made its debut and launched HBTC, an Ethereum-based token minted by pegging with BTC at a 1:1 collateralization ratio. Subsequently, we extended the H-Tokens by rolling out HBCH, HDOT, HFIL, HBSV, HLTC, and HXTZ on the Ethereum chain, all pegging with corresponding tokens and fully collateralized as is the case with HBTC. Fast forward to December 2022, we created HLTC, pegging with LTC and 1:1 collateralized, on the Tron network. More H-Tokens will be minted on the Tron and Ethereum networks soon.

As of November 14, 2022, the total number of HBTC tokens reached 13,000. Not only as a bridge between the centralized and the DeFi markets, but also HBTC has connected users with the DeFi world. HBTC enables users to seamlessly access decentralized protocols such as Uniswap, Curve, Balancer, Nest, and ForTube. The growing use cases prove that HBTC's value has been

recognized by the market. Further issuance of H-Tokens will allow more users to benefit from DeFi, accelerate the development of the Ethereum and Tron DeFi ecosystems, and promote the growth of Ethereum- and Tron-based assets.

Introduction to H-Tokens

H-Tokens are created with a view to addressing the shortage of quality and mainstream crypto assets in the DeFi market. Issuing H-Tokens based on the ERC20 and TRC20 standards can transfer the value of quality mainstream assets to Ethereum and Tron networks, thus injecting liquidity and stability into the Ethereum and Tron ecosystems. H-Tokens are minted with a 1:1 collateralization ratio, thus enabling the value of H-Tokens to be consistent with their pegged assets and saving from some issues that are common with synthetic assets. As a medium connecting the centralized market and the DeFi market, H-Tokens make transactions between quality assets and ERC20 and TRC20 assets simple and convenient in DeFi market.

Features of H-Tokens

1. High speed and low cost

Trading H-Tokens as substitutes for native blockchain coins features high speed (five minutes or less) and lower handling fees. H-Tokens support two-way exchange as per relevant rules and only insignificant service fees are charged.

2. Transparent and auditable

H-Tokens' asset data remains transparent and open. All exchange details are published on H-Tokens' official website, thus everyone can freely initiate an audit of H-Tokens assets.

3. Agency service

Agent services are supported at H-Tokens with multiple agents available. Users can select their desired agent for making asset transfers.

Mint & Burn of H-Tokens

By complying with relevant rules, agents can apply for H-Token exclusive addresses on Ethereum, Tron, and the underlying asset's main chain for receiving and redeeming H-Token assets and the underlying coins. Meanwhile, agents also need to provide their private addresses on the underlying blockchain, Ethereum, and Tron for receiving the underlying coins and H-Tokens assets.

Asset Custody

We set aside 100% reserves for H-Tokens so that all H-Tokens are fully redeemable. Our team has years of experience in risk control and asset management in the blockchain industry, which can help ensure H-Token holders convert H-Tokens into corresponding underlying assets at any time.

Vision

The H-Tokens project will work with Ethereum and Tron communities to empower community projects and provide more quality assets to communities while embracing openness. We will strive to make DeFi more inclusive and make finance more accessible for the betterment and benefit of hundreds of millions of people.