PUNK.NETWORK

PUNK. NETWORK

All In One Introduction

Contents

01 Summary

Punk.Network is a high-performance NFT-friendly mainnet developed based on Substrate architecture with NPoS (Nominated Proof-of-Stake) as consensus mechanism; NFTCastle.io，an NFT trading and financial platform developed on Punk.Network, integrates diversified financial services, such as NFT-type asset mortgage loans, StNFT (standardized NFT) and SynNFT (mortgage casting NFT) issuance and transactions;

Punk.Network also reached a strategic cooperation with CMGE Tech Group Ltd.,(00302.HK), and obtained the exclusive authorization of its flagship game "Red and Blue" as a leading product to expand the NFT game market;

Punk.Network's native token, PUNK，it can not only to be set as the currency token for the main net，but also the equity currency of NFTCastle.io. PUNK follows Polkadot's issuance logic to maintain the decentralization of the network.

The founding team members of Punk.Network have experience in blockchain technology development, investment incubation, game publishing and promotion, art collection, auction and curation, project operation management, etc. The team is well-configured and has sufficient experience and successful cases in their respective fields.

Nowadays, as NFT has become a hot concept in the blockchain area, in the face of a market environment where opportunities and risks coexist, Punk.Network is committed to building a long-lasting NFT value network.

02 Present Status

NFT—type assets will likely become the closest type of decentralized assets to the public in the history of the blockchain industry. As a result, they are widely considered to have unlimited potential.

This is because such assets are easier to understand and accept by the market than disruptive standardized tokens (especially circulating tokens). In essence, it is the technological upgrade of alternative assets (such as artworks and collection cards) defined by traditional finance, and new forms and vitality are released based on the innovation of the underlying technology.

For example, NBATOPSHOT is NBA trading card that issued in blockchain, and NBA trading card is a type of asset that is well—known in North America and has global influence; Encrypted art is not only the on—chain issuance of artworks, but also becomes an emerging art genre because of its special characteristics.

There is no doubt that the current NFT market is popular, however, it is still a capital—driven market currently. A large amount of hot money has poured into the NFT—type assets, the recent leading concept in the crypto world, making NFT a phenomenon—level investment hotspot.

It is also undeniable that the NFT industry is still in the infancy—stage. Regardless of the number of asset types, public awareness, types of business and related supporting facilities, various indicators need to be improved urgently.

We believe that the development of NFT assets still require more sustainable foundation, and we are looking forward to a NFT network ecology which has a long—term investment and application value, and it is capable of crossing bull market and bear market. Punk.Network was born for this purpose.

Punk.Network hopes to achieve the following goals:
• A better experience, such as faster transaction speed, lower transaction fees, and a more friendly asset generation and transaction process.
• Enhance public awareness and acceptance of NFT—type assets.
• Create a deeper connection with the traditional alternative assets (such as art and collective trading cards) industry and expand more possibilities.
• Expand more financial services of NFT—type assets.

Next, this article will introduce Punk.Network from multiple dimensions, including mainnet technology, DApp ecosystem construction, development team and partners, token logic, etc.

03 Introduction to Punk.Network

Punk.Network is a high-performance NFT-Friendly mainnet based on the Substrate architecture with NPoS (Nominated Proof of Stakes) as the consensus mechanism, which can accommodate a wide range of asset types, a large number of transactions and various type of smart contracts.

Punk is committed to provide comprehensive asset solutions for the virtual world, providing decentralized issuance, circulation and high-performance technical support for various types of contracts (legal, financial, contract, etc.) for diversified virtual assets (Fungible Token & None Fungible Token) to be applied to games, art and derivative mass scenarios, in combination with the highly autonomous DAO (Decentralized Autonomous Organization), it will become a diversified and futuristic electronic-cyber ecosystem.

Punk.Network is an active proponent of Polkadot ecology. It is the vision of Punk.Network to enable everyone to use Web3.0 blockchain technology efficiently and cost effective, and to enjoy the convenient services and cutting- edge ecological dividends it brings.

Artwork, gaming and IP(intellectual property) products are the three most important directions in NFT-type assets.

In the field of art, NFTCastle.io will be developed by Punk.Network founding team, aims to build the world's decentralized financial and trading platform for encrypt arts, including NFT transactions, mortgage loan and standardized issuance of NFT assets. NFTCastle.io has already integrated 100 Chinese artists and more than 30,000 works.

In the field of games, Punk.Network has also reached a strategic cooperation with CMGE(00302.HK). Its flagship trading card game "Red and Blue" will authorize Punk.Network to issue and sell assets exclusively.

In the future, Punk.Network will seek more cooperation, develops more high-quality assets and asset types, and organizes various exhibitions and events, and strives to expand its influence in the humanities fields such as art, games and IP products.

In order to create the highest quality utility and circulation ecology for NFT, Punk.Network has carried out creative designs, such as supporting the STNFT(Standardized NFT) at the bottom of the technology.

In addition, Punk.Network has also designed ecological governance and token mechanism that is suitable to NFT network ecology.

The native DApp developed by Punk.Network can achieve one-stop construction of NFT-type asset, DeFi smart contract products, DGAME smart contract game products and Prc-20 standard Token issuance.

Punk.Network mainnet Technology Introduction

In order to be compatible with Polkadot, the development team used the Substrate framework to develop Punk.Network, which will become a deeply customized chain for various NFT assets. Its features include supporting high concurrency, customized asset standards and a Prosperous trading ecology.
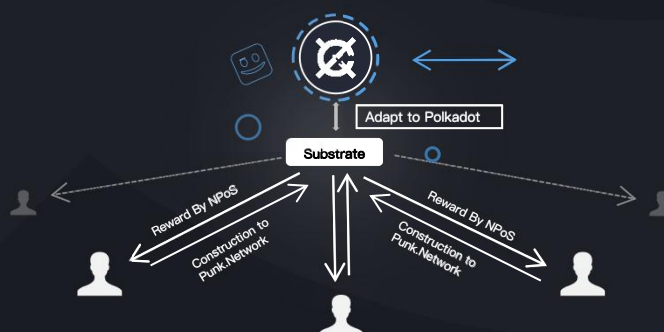
Based on Ethereum, NFT transactions, circulation, new standard proposal governance, and various business executions have absolute performance and cost limitations due to insufficient scalability. However, different Layer 2 solutions are not yet mature. The state channel of the cross-chain solution is difficult to solve the limitations of its framework in the short term, and the efficiency of proposal governance and execution is relatively low.

Punk.Network adopts Rust and builds the chain based on the Substrate framework. The isomorphism will benefit the assets of Punk.Network.
In the future, Punk.Network will achieve cross-chain level FT&NFT asset transfer through the Polkadot relay chain, starting from the Layer0 multi-chain network to achieve efficient governance, Rust can elegantly solve the problems of Punk.Network's high concurrency and high security system, and it can be operated with high efficiency in a multi-node and large-scale environment. The governance efficiency of the NFT protocol layer, application layer, and ecological-related proposals will be significantly higher than the Ethereum environment by several orders of magnitude.
Punk.Network uses the Rust macros in the underlying framework of Substrate during the construction process to make the code running more concise. In Rust, a macro is "a series of instructions that will be executed at compile time". The macro will be expanded into a more complex Rust code in the compiler and then implemented as Wasm. The further use of Procedure Macro will achieve more powerful command functions than ordinary macros.

Punk.Network will also use the NPoS consensus mechanism as the incentive model, which is an efficient and low-cost consensus mechanism with more reasonable benefit distribution – the incentive will be granted to all building participants instead of a small number of nodes.
The initial number of validator nodes in Punk.Network is 11, taking into account the degree of decentralization and performance, and will gradually increase with the community governance.

Punk.Network Token Format

⭐ PRC-20

the rules include 6 operation and 2 event functions.
PRC-20 is the format of fungible token, and all token units have the same value and can be divided.

👻 PRC-721

PRC-721 is a standard interface for Non-Fungible Token (NFT), which contains 11 operation and 2 event functions.
Each Token is different and has its own uniqueness and unique value, this also means that they are indivisible and traceable.

⊙ PRC-1255（St NFT）

PRC-1255 proposes to enable NFT assets to be issued as standardized assets in StNFT (standardized NFT) format based on the underlying technology. When an NFT asset is created, you can choose to split it into a specific number of StNFTs.

Current NFT DApps and the ecological planning of Punk.Network

🌐 NFT Creation

The creation of NFT asset such as artworks or game assets	Ecological planning of Punk.Network
1.Asset digitization or asset authentic right (if it is a real asset) 2.Store Information in a decentralized storage network (such as IPFS) 3.Identification of info by hash (or CID) 4.The identification is stored in NFT Format (such as ERC721) to generate a token that points to a unique decentralized asset.	In the early stage of Punk.Network, a large number of artworks from hundreds of artists will be exclusively authorized for issuance; Assets from trading card game "Red and Blue" will be exclusively authorized for issuance.
One-stop NFT creation platform NFT can be generated in a user-friendly interface, such as SpiderDex.	NFT assets can be generated in one-stop through native DApp of Punk.Network.

📈 NFT MarketPlace

NFT MarketPlace	Ecological planning of Punk.Network
Spiderstore：https://www.spider.store/ Superrare：https://superrare.co/	NFTCastle.io： • Trading and auction system • Artist access system and audit certification • Subdivided categories

Current NFT DApps and the ecological planning of Punk.Network

✖ NFT Standardization

NFT Standardization	Ecological planning of Punk.Network
An NFT asset can be issued and traded in standardized form through platform Such as ShardingDao.	The Punk.Network protocol layer supports the issuance of StNFT (standardized NFT)

📝 NFT DeFi

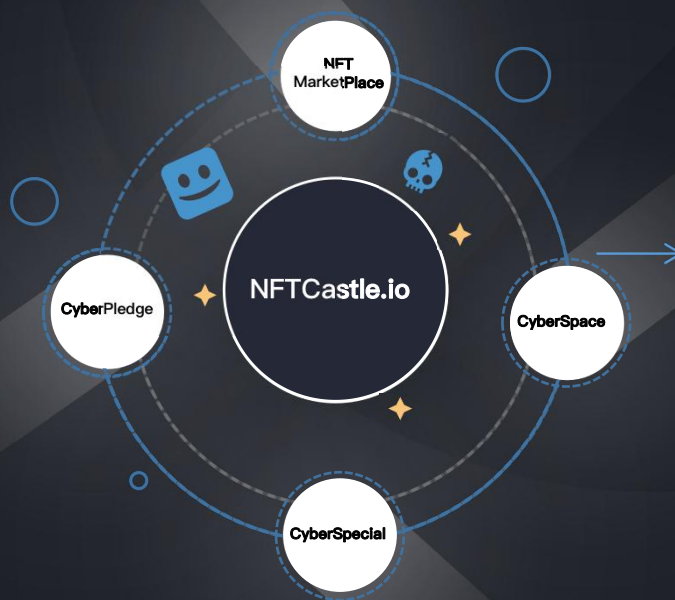| NFT DeFi	Ecological planning of Punk.Network
Liquidity pool,liquidity mining and DEX for StNFT. NFT mortgage loans. Synthesis of NFT.	NFTCastle.io supports the following businesses: NFT mortgage loan StNFT transaction Synthesis of NFT(SynNFT)

🤖 NFT Utility scenarios(DApps)

NFT Utility scenarios(DApps)	Ecological planning of Punk.Network
Decentralized game such as "My Neighbourhood Alice"	"Red and Blue", a decentralized trading card game that exclusively issued in Punk.Network.

04 Introduction to NFTCastle.io

NFTCastle.io aims to build the world's largest, most ecologically rich and technologically powerful trading platform for NFT artworks and their financial derivatives.

NFTCastle.io will consist four main part: NFT marketplace, an on–chain museum and exchange center called CyberSpace, an NFT pledge platform called CyberPledge, and an specialized NFT issuance platform call CyberSpecial. In the future, the NFTCastle.io will be expanded according to market demand, to meet the needs of more collectors interested in NFT artworks.
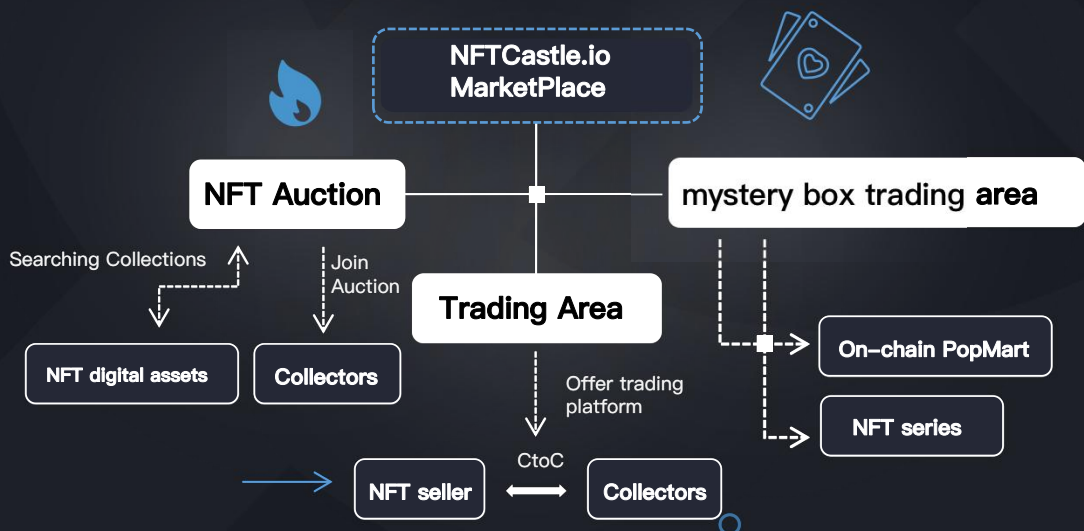
NFTCastle.io has integrated 100 Chinese artists and collected more than 30,000 contemporary works as a reserve library. NFTCastle will not only become a bridge between Eastern art and the Western world, but also the birthplace of world art movements and thoughts.

NFTCastle.io NFT MarketPlace

NFTCastle.io marketplace will take both BtoC and CtoC forms to sell or broker transactions for collectors. NFTCastle exchange will be divided into 3 main areas: the NFT bidding area, the collector trading area, and the mystery box game area.
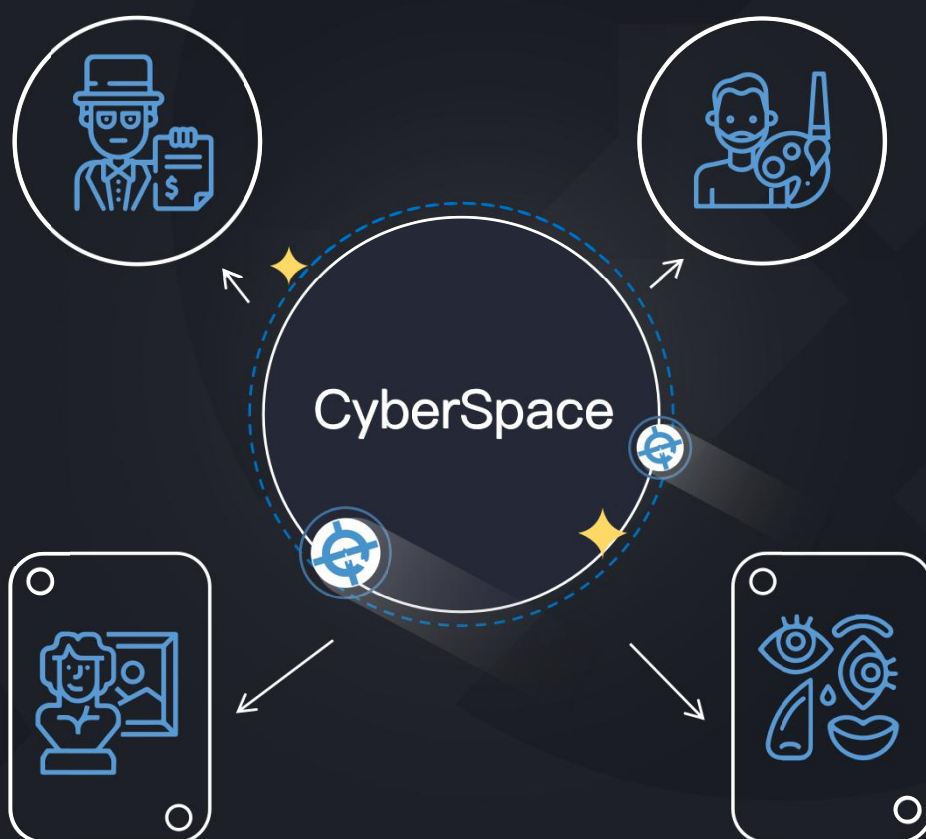
- **the NFT bidding area：** The NFT auction area is a trading platform for NFT–type digital assets, and the NFTCastle marketplace's NFT auction area will select high quality NFT–type digital assets with high collection and investment value. In addition to the ordinary auction model, NFTCastle.io will uses a unique German auction system, which will become the highlight.

- **the collector trading area：** NFT Trading Area is for an online repository of NFT treasures. Whether you are a novice collector or a seasoned collector, you can trade CtoC here. Similar to the EBAY platform, everyone can buy and sell NFT–type assets in the free market. In the future, NFTCastle.io will also inject liquidity into the collectors' trading area, enabling NFT collections to continue to show their value.

- **the mystery box game area：** an NFT version of Pop Mart. There will be various designs of the NFT–type series products, as well as a surprising number of hidden models. After opening the hidden models, the assets can be traded on NFT Trading area.

NFTCastle.io CyberSpace

CyberSpace is an on–chain museum that will take on the two main functions including NFT artwork display and collector exchange.In CyberSpace, we will continue to display NFT works by emerging artists and new works by artists contracted with NFTCastle.io, making it the largest online gallery and museum in the online world.

CyberSpace also has the function of crypto community. In here collectors can share their experiences and exchange resources of quality NFT collections, creating a social world dedicated to Punk.Networker.

CyberSpace

CyberPledge An NFT pledge platform

NFTCastle.io is committed to vigorously develop NFT–type asset finance and derivatives, and maximize its financial potential.

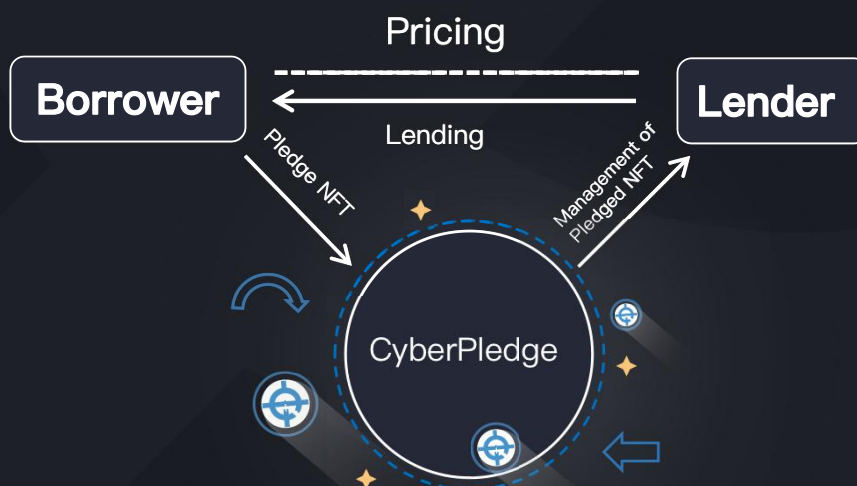Art pledges are very sophisticated financial instruments in the real world.

Because NFT cannot be split and their circulation properties are relatively low, mortgage loan has become a real demand.

Artwork can be pledged and matched with intended borrowers to complete the pledge loan process. Pricing will be determined jointly by the lender and the borrower.

Through the CyberPledge module in NFTCastle, the borrower and the lender can agree on the loan amount, interest rate and repayment mode, and will be confirmed as the form of smart contract. The NFT asset will be pledged at the beginning of the contract.

The state of the contract includes "in contract", that is, when the contract includes a continuation and non–default state, the NFT asset remains pledged at this time; "default", that is, cannot be repaid on time, at this time the ownership of the NFT asset will belong to the lender; "completed", That is, all payments have been completed on time, and the ownership of the NFT asset belongs to the borrower at this time. Once repaid, the smart contract will update the current status and determine the ownership of the NFT asset.

Outside of this basic framework, borrowing functions such as early repayment, default consensus and fines will be gradually developed and improved in the future.

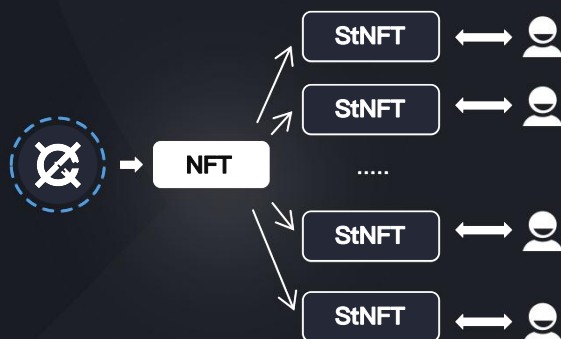# CyberSpecial A Specialized NFT issuance Platform

Standardized NFT

In terms of the underlying technology, Punk.Network has been customized so that NFT assets can be issued as assets in StNFT (Standardized NFT) format.

When an NFT asset is created, you can choose to split it into a specific number of SNFTs. NFT can only have one owner, while SNFT can be distributed to multiple owners. Anyone can create SNFT assets and transfer assets.

Holding an SNFT represents the ownership percentage of a specific NFT target, lowering the investment threshold, and also a new structure for traditional art assets in the era of encrypted assets.

In NFTCastle.io, StNFT can be one-stop issued.
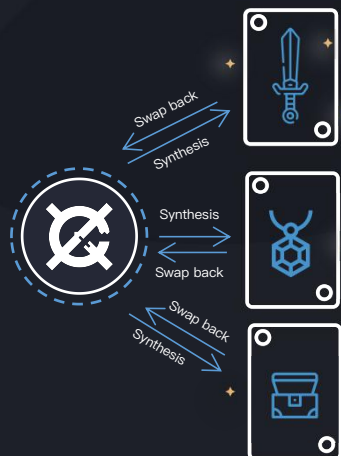
Synthetic NFT

A new NFT can be synthesized by the underlying asset PUNK through smart contract. The holder of this NFT can choose to swap back the pledged PUNK.

This type of NFT asset enables its holders to have the lowest value guarantee ——— when its market fair value (such as utility value) is lower than the pledged PUNK, the holder can choose to swap it back.

At the same time, the value of this NFT is deeply tied to PUNK. When the price of PUNK rises, the endogenous value of NFT also rises.

This type of NFT can be widely used in games or IP-derived assets with a variable number.

In the future, with the realization of cross-chain, assets such as BTC/ETH/DOT can be used to synthesis NFT on Punk.Network.

05 Ecological construction and DAO

In order to build a decentralized network with wide influence and high retention, ecological construction will be the core of Punk.Network, and a fair and efficient ecological construction framework will be established with the help of DAO structure.

Token-weighted voting

Voting in the Polka ecosystem is Token-weighted, i.e., the final tally of votes will be based on the number of Tokens held rather than the number of nodes.

The structure of Ecology Committee

The committee has between 11 and 21 members, with an odd number of members, depending on the community election. The Eco-Committee has different functions, including implementation, monitoring and auditing, financial management, and operational coordination. Committee members are required to pledge a certain amount of tokens to cover the cost of disciplinary action for possible misdeeds.

Planning and Proposals

PUNK holders (holding amount larger than 10) can publish their PUNK-related proposals including but not limited to financial or technical support for ecological applications, technical upgrade of the main network, and planning of online and offline marketing activities, involving all aspects of the operation of a decentralized project.

Release and Voting

The proposals can be passed the release and proceed to the voting stage if total support tokens is over 1000, and the stage feasibility analysis can be entered if the support votes are more than 50% .

Feasibility analysis

The committee and the profession will analyze the feasibility from all angles (including financial, legal, implementation difficulty, short-medium and long-term value, etc.) and vote on the feasibility, the implementation stage will be entered if the support votes are more than 50%. The feasibility analysis report will be subject to public announcement.

Execution

The Ecological Construction Committee will be responsible for the operation, control and docking of partners and other implementation work on the ground, PUNK and Polkadot ecological supporters will be given priority for cooperation.

Monitoring and auditing

All PUNK holding nodes can participate in the ecological construction, and the eco-building committee is responsible for publicizing the proposal implementation process and results.

06 Team

Ken Yang
Founder

Partner of AlphaCoin Fund, Visiting Scholar of University of Missouri School of Journalism.

Expert in the field of art appraisal, cultural scholar, KOL of film and television industry.

5 years of blockchain consulting and investment experience. He has managed Grade A auction houses, founded film and animation related production and distribution companies and MCN agencies, and has rich experience in the field of entertainment.
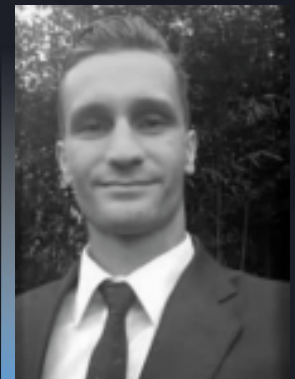
Marco
European Business Development Manager

Graduated from Debrecen University , major in medical laboratory technologies and clinical research.

5 years ofexperience in film industry.

Landscape architecture, interior design consultant and corporate image developer.

Enthusiast of Emerging Art, Cryptography and web3.0.

Advisor

Thomas Gao
General Art Advisor
A cross-disciplinary artist and writer who has exhibited works of art around the world, has held solo art exhibitions in Los Angeles, Beijing and Shanghai. The exploration runs through many fields such as painting, performance, installation, music and literature. Whether it is through reading, listening, or the form of painting exhibitions, you can feel Gao Wei's subversion of artistic boundaries. Gao Wei authored an English short story selection "Long term spiritual food and some real bread".
Current Media VP of Faraday Future

Dr. Basabe
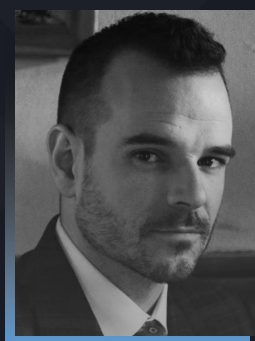### Advisor
Founder of 2ØYFund,
PhD in Pure Mathematics, UF
Master of Music, UF
Master of Pure Mathematics, UF
Since founding Crypto Investment, he has been an analyst and investor in the blockchain industry. During 2015-2016, Crypto Investment traded 5-10% of the world's cryptocurrency trading volume, mainly BTC and ETH.
Dr. Basabe designed a new structure called a block tree to improve the design of existing cryptocurrencies, thereby solving problems such as scalability and portability.

Desmo
Advisor
Deeply participated in the field of blockchain technology for 5 years. Master of Science in Computer Science, conducted a number of cryptographic research in Wanxiang Blockchain Labs. During participated in Parity, as a developer, contributed to the construction of the underlying framework. Active in the DeFi field as a miner since 2018. He is also an early investor in projects such as Kyber, Enjin, and Polkadot.

There are currently 30 people in the team, including 21 people in technical team, 5 core leaders, 2 designers, 1 community leader, and 1 accounting and administration

07 Punk.Network Road map

🕐 2020

Q3

- Punk.Network is officially approved.
- A strategic cooperation with Brilliant Games is reached.
- The architecture design of Punk.Network is completed

🕐 2021

Q1

- NFTCastle.io is officially approved.
- Reached cooperation agreements with a number of artists.

Q2

- Start private financing.
- Deploy the Punk.Network test network
- Completed Punk.Network token standard design
- Complete the Punk.Network mainnet launch
- Release NFTCastle.io Alpha version
- Release NFTCastle.io Beta version
- Start the development of GamePunkDEX based on Rust and apply for Web3.0 Grant
- Organize Coserpunk events and Cyber Spring up NFT art exhibition

Q3

- Release of NFTCastle official version
- Completed GamePunkDEX V1 based on Rust
- Building copyright confirmation and empowerment applications for artworks and game assets
- Complete the DAO governance module, such as: authority classification, voting system, upper limit and lower limit of points

Q4

- Expand Punk.Network mainnet performance, participate in Polkadot slot auction
- Improve the function of NFTCastle.io and officially launch the CyberPledge
- Launch 'Project Massive Attack' and seek cooperation with more high-quality NFT assets
- GamePunkDEX V2 based on Rust format

🕐 2022

- Start the global competition of DApp developer for NFT
- Publish Punk.Network V2
- Release NFTCastle.io V2 and GamePunkDEX V3

08 Introduction to PUNK

PUNK is not only the native token of Punk.Network, which is used to maintain the decentralization of the network, with the function of staking, circulation governance and utility; But also the rights&governance Token of NFTCastle.io, holding PUNK means owning the governance rights and dividend rights of the platform.

Token Functions

Punk.Network

Staking: Staking tokens to become a contributing node to the Punk.Network and receive PUNK as incentive.

Circulation: PUNK is the most important payment, transaction and transfer token in NFTCastle.io and other possible DApps, and it is also the settlement token for NFT pledged loans.

Utility: PUNK can be used to synthesize NFT, or can be used in some scenes such as DApps deployed in Punk.Network

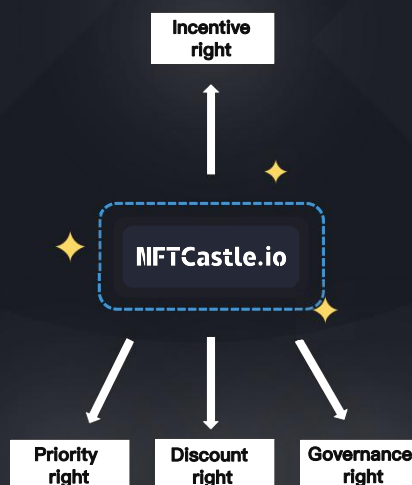**Governance:** Participate in community voting.

NFTCastle.io

Incentive right: Dividends of transaction fee and other income.

Priority right: The right of first refusal to purchase high–quality assets.

Discount rights: discount purchase rights for certain assets.

Governance: Based on the logic of currency rights, currency holders can participate in the public governance of NFTCastle.io.

Utility   Governance   Circulation   Dividend   Staking

Incentive right

NFTCastle.io

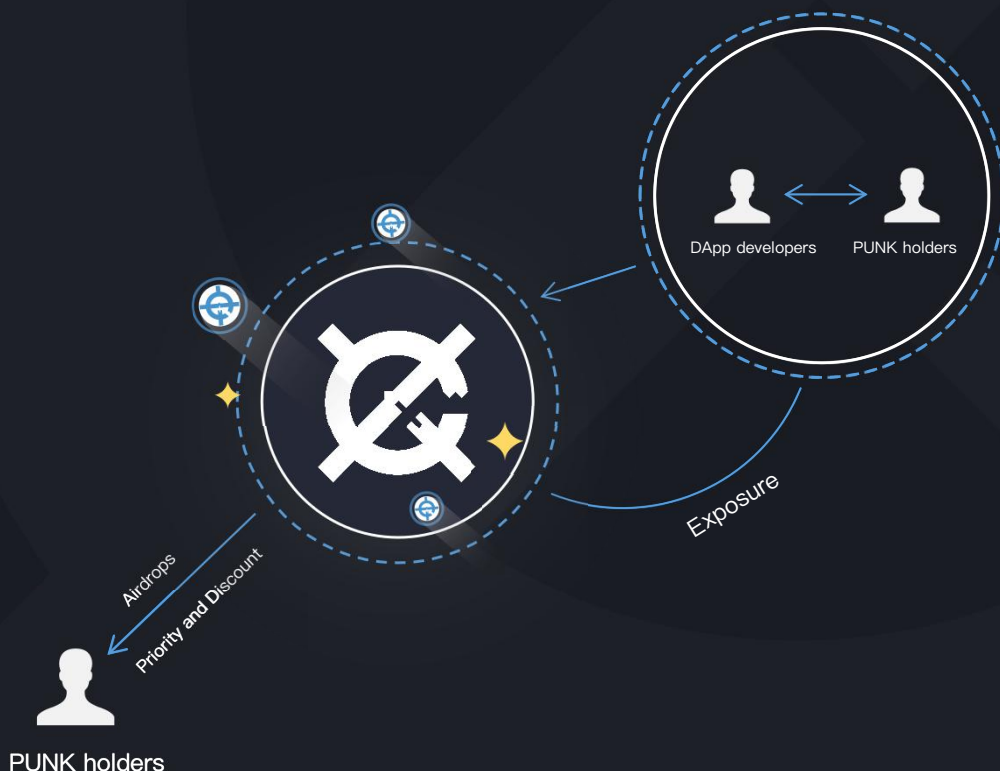Priority right   Discount right   Governance right

Rights empowerment mechanism of PUNK

From hard empowerment to soft empowerment, from strong intervention to ecological construction.

Hard empowerment: For each DApp issued by the founding team or coordinate team(such as Brilliant Games), the NFTs produced will give PUNK holders a certain amount of token airdrops, priority or discounts. The founding team will Strongly intervene in the DApp operation strategy to ensure the strong correlation between PUNK (the native token) and the token generated by the DApps.

Soft empowerment: On the basis of hard empowerment, PUNK will guide and encourage developers to empower PUNK holders to form a win–win situation ———PUNK holders will earn incentives, and DApp(or NFT) developers will have a large amount of users(or holders) and preliminary secondary market liquidity. This is the solution to enable PUNK to link the DApps (or NFTs) in the Punk.Network network to form a benign community ecology.

DApp developers   PUNK holders

Exposure

Airdrops

Priority and Discount

PUNK holders

Distribution of PUNK

Initial amount: 800 million
Private financing: 20% (Seed:4%, Private round1:7%, Private round 2:9%)
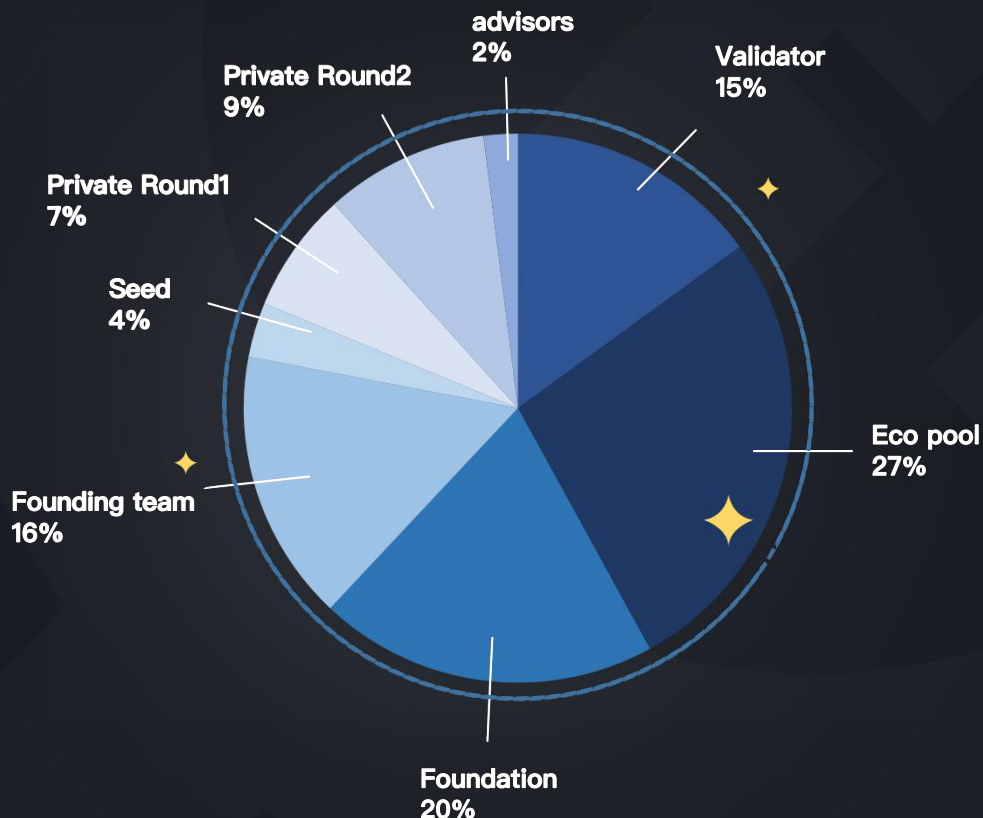**Ecological construction pool:** 27%
Public financing for Validator: 15% (13% for public financing, 2% for IDO)
Foundation: 20%
Team: 18% (Founding team:16%, advisors:2%)
Rate of additional issuance: NPoS staking mining within the Punk.Network will be using a non-linear issuance strategy, depending on the staking rate, which is expected to be around 5%–10%.
Role of additional issuance: provide incentives for contributing nodes.

advisors
2%

Validator
15%

Private Round2
9%

Private Round1
7%

Seed
4%

Eco pool
27%

Founding team
16%

Foundation
20%

Function of PUNK's additional issuance

Expected rate of staking: x_ideal = 50%

Expected rate of annual return: i_ideal = 20%

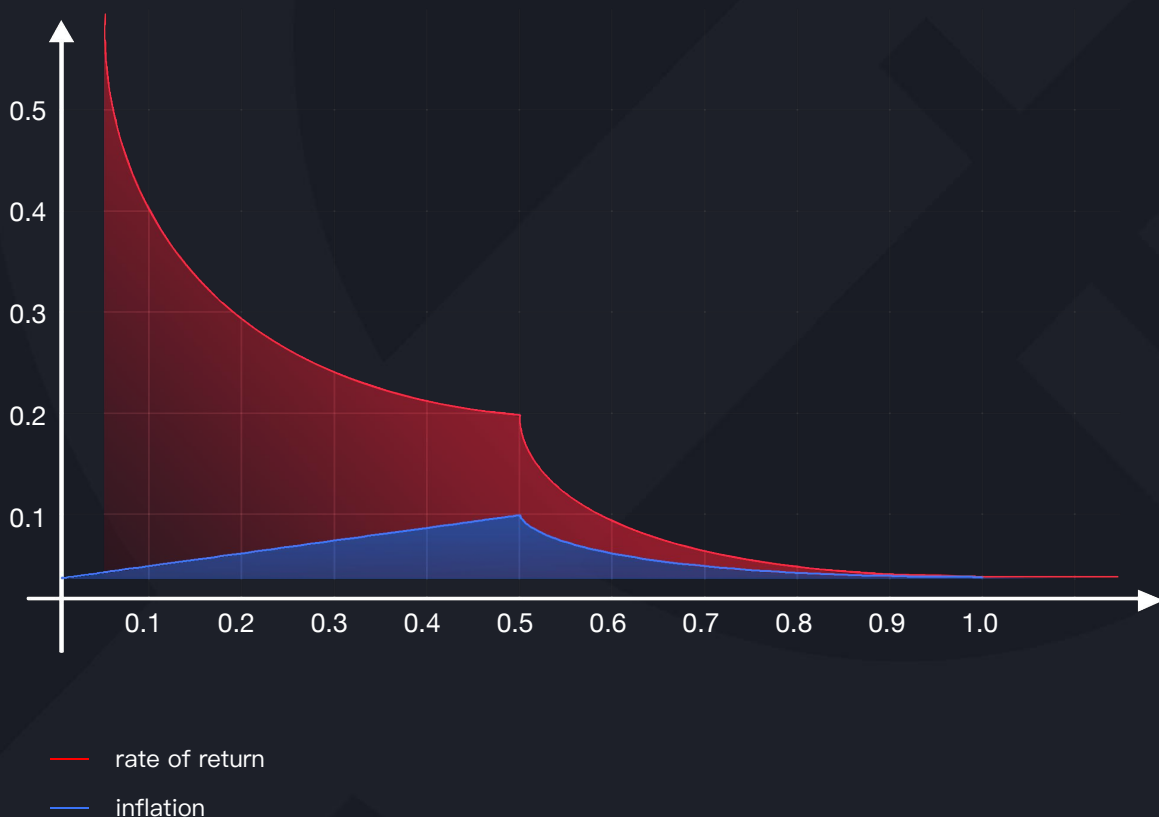**Additional issuance rate when rate of Staking is 0:** R0 = 0.025

R1 = R0 + x * (i_ideal − R0 / x_ideal)

R2 = R0 + (i_ideal * x_ideal − R0) * 2 ^ ((x_ideal − x) / d)

Actual issuance rate: R = min(R1, R2)

Actual rate of annual return: i = R / x

Within a reasonable range,the community has the right to adjust the expected rate of annual return and expected rate of staking through governance voting.

rate of return

inflation

Lock-up Mechanism

Lock-up Mechanism	
Seed	The lock-up period is 5 months from the end of all fundraising, and 10% will be released monthly in the next 10 months. (2.75% monthly interest rate for locked-up tokens)
Private Round 1	The lock-up period is 4 months from the end of all fundraising, and 10% will be released monthly in the next 10 months. (2.75% monthly interest rate for locked-up tokens)
Private Round 2	The lock-up period is 3 months from the end of all fundraising, and 10% will be released monthly in the next 10 months. (2.75% monthly interest rate for locked-up tokens)
Team	One-year Lock-up period since all the fund raising closed, and 2.5% will be released every month after.
Foundation	The lock-up period is 6 months from the end of all fundraising, and 10% will be released monthly in the next 10 months.

Note:

all interest are calculated by the first round releas

ed Interest:i

Interest:r=2.75%

Amount of punk purchased:n

Rate of release at the first round:f=10%

$i=n*r*f$

Thank you

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