

SRCOIN

Subscription Revenue Business on BlockChain Technology

VERSION 1.0

DEC 2017

SRCOIN TEAM

WWW.SRCOIN.INFO

Copyright 2017 SRCOIN Ltd. All Rights Reserved.

- 1. Abstract**
 - 1.1) What is a Subscription Business?
 - 1.2) Why it matters
 - 1.3) SRCOIN's Target Market
 - 1.4) Business Model
 - 1.5) Real Value of SRCOINS
- 2. The Health Platform**
- 3. Key Advantages of Subscription Business**
 - 3.1) Higher Margin
 - 3.2) Business Consistency
 - 3.3) Company Value
- 4. The Market**
 - 4.1) Growth Projection of the Malaysian Subscription Market
- 5. The 5 Advantages of SRCOIN**
- 6. Korea Rental (K Rental)**
 - 6.1) Business Teams
 - 6.2) Stores Opened in Malaysia
 - 6.3) Business Model
 - 6.4) K Rental Company Value
 - 6.5) Sales and Expense Analysis
 - 6.6) IPO (Initial Public Offering)
- 7. The Team**
 - 7.1) Fully Experience Management
- 8. Initial Coin Offering (ICO)**
- 9. SRCOIN Timeline**
- 10. Conclusion**
- 11. References**
- 12. Terms and Conditions**
- 13. Legal Disclaimer**

1. Abstract

1.1) What is a subscription business?

Subscription business is considered as one of the highest value business models on Wall Street to date. Well-known companies that use this model include **Netflix, Amazon's Prime Service, Apple Music, Spotify, Zipcar, IPSY, Dollar Shave Club**, and more. Notably, companies such as Amazon / Amazon Prime incorporate subscriptions into their pay-per-product business model.

The definition of a subscription based model is as follows: "A subscription-based pricing model is a payment structure that allows a customer or organization to purchase or subscribe to a vendor's services for a specific period of time for a set price. Subscribers typically commit to the services on a monthly or annual basis".

1.2) Why it matters

Goals of SRCOIN Project and Initial Coin Offering (ICO):

- 1) Acquire and "distribute" massage chairs through a subscription business model
- 2) Connect the distributed massage chairs to a central network via Blockchain technology and construct a health monitoring platform
- 3) Through this platform, personal health information will be accumulated in a time series format on a database, and the information can be used by the customers or shared to personal doctors, local drugstores, and research facilities as a preventative and diagnostic measure for the customers involved as well as for future development in healthcare analytics and machine learning technology

Value Proposition of SRCOIN Project and ICO:

First, we are targeting the US \$2.2 billion Singapore and Malaysian market for massage chairs with a subscription business model, which will act as a foundation to generating stable and long-term cash flow and increasing intrinsic value of SRCOINs.

- Over next 6 years, the expected return on SRCOIN project is ~800%
- SRCOIN's buyback and burn policy will be carried out via smart contracts using Blockchain technology, and over next 6 years, the amount of SRCOINs in circulation will decrease by ~81%. After 6 years, only ~19% of SRCOINs will be left in the market
- Therefore, increased profitability of our subscription business combined with decreased number of SRCOINs in circulation is expected to enhance SRCOINs intrinsic value by 147 times more than its original value
- SRCOIN project will utilize and benefit from extensive subscription network established by K Rental, allowing ICO contributors to immediately find real value in SRCOINs and see a robust path to profitability

Second, through collecting a time series database of personal health information, we can utilize data analytics and machine learning to discover early stage diseases, predict potential health risks, and significantly decrease medical expenses by making the data available for immediate use upon agreement from our customers. Moreover, with this extensive database, medical institutions will be able to actively search for patients who need check-ups, treatments, or other medical services and provide those services to patients. This is a powerful opportunity for medical communities and the public to build a long-term and sustainable care provider and patient relationship. In the US, the market for storing and distributing healthcare related data is a US \$10 billion industry and projected to be one of fastest growth area of data analytics and machine learning in years to come.

The collected time series health data will be secured through BlockChain technology for credibility, reliability, and safety and will be used efficiently to address many prevalent social health problems such as high blood pressure, obesity, and heart diseases in our world today.

To summarize:

- 1) Through our health platform app, customers will be able to closely monitor their own health and immediately send required information to medical institutions if needed. This will lead to a decreased medical expenses and an increased efficiency in maintaining ones' health
- 2) Through more effective adult preventive care using time series health data, government spending can be decreased by more than 30%
- 3) Medical institutions, such as drugstores, will be able to improve their business and accessibility through the use of the health database
- 4) Health-related research facilities will be able to decrease spending on searching for needed patients and information and focus on the research itself

1.3) SRCOIN's Target Market

From 2007 to 2016, SRCOIN's main target markets, Singapore and Malaysia, have shown explosive growth in the subscription business sector with a current market size of US \$6.8 billion.

K Rental, is a Korean-Malaysian corporation that currently has the third largest market share in the subscription business, closely behind Coway and Cuckoo. Headquartered in Kuala Lumpur, K Rental has 78 stores across the country with over 5,000 employees and is **planning on IPO in the Singapore Stock Exchange in 2020.**

We are issuing SRCOINs to tap into the US \$1.1 billion massage chair market using the subscription business model. The goal of this crowdsale is simple. After purchasing massage chairs with the ICO funding, we will use K Rental's existing sales network infrastructure to promote a subscription plan for these massage chairs and share the generated profit through BlockChain technology with the ICO contributors.

Currently, there are five main companies that are selling massage chairs, SRCOIN's main product. However, by entering the massage chair market with a subscription business model, K Rental will be able to take advantage of an untapped market opportunity.

The funds gathered through SRCOIN's ICO will be used to purchase necessary products for carrying out the subscription business and to create and maintain the database for personal health data. Also, the maintenance as well as the security of the database will be kept and monitored through BlockChain technology. Furthermore, once these assets incur profit based on the subscription plan, 50% of the profit will be reinvested in purchasing more assets, and we will initiate our buyback & burn policy on 30% of the profit to raise the value of remaining SRCOINs.



1.4) Business Model

Not only will SRCOINs be used for purchasing assets for the subscription business, the coins will become a great marketable product that holds high scarcity value on the cryptocurrency exchange.

- 1) **30%** of profit earned within the 6-year period (from the completion of the ICO to year 6) will be used in our buyback & burn program, which will effectively decrease the outstanding supply of SRCOINs, and will in turn raise the market price of SRCOINs and the value of SRCOINs held by our ICO contributors
- 2) **20%** of profits earned within the 3-year period (from the completion of the ICO to year 3) will be returned to our ICO contributors in the currency of Ethereum. Thus, our ICO contributors will be able to receive a significant amount of their initial contribution back via this smart contract structure without needing to sell any SRCOINs
- 3) The remaining **50%** of profits will be reinvested in the products that fuel our subscription business
- 4) The funds raised from SRCOIN's ICO and profit generated by the subscription business will be calculated by an independent third-party accounting firm to ensure credibility and transparency

SRCOIN is a token of ERC20, which incorporate BlockChain technology. Thus, the transparency of our trade, worldwide access, and ownership of SRCOINs will be verifiable by those holding SRCOINs. Through this project, we hope to merge the safety and reliability of the subscription business with the modern technology of BlockChain to reform and improve the subscription revenue industry.

1.5) Real Value of SRCOINs

From the completion of ICO, SRCOINs will be usable in the real world as well. **Similar to how Bitcoin's worth was verified by how people were able to purchase pizza with it, you will also be able to witness SRCOIN's usage in the real world firsthand.**

- 1) SRCOIN holders will be able to purchase water purifiers, massage chairs, and other appliances from K Rental using SRCOINs

- 2) The current 140,000 customers (and those in the future) will have the option of paying their subscription fees with SRCOINs
- 3) K Rental will issue SRCOINs to its 5,000 employees in value equivalent to their salaries as compensation, which will present the immediate use case and real value of SRCOINs
- 4) If successfully executed, SRCOINs will have a high possibility of becoming a medium of exchange/ payment for industries related to K Rental

If SRCOIN begins to be used in the ways described above, the trade volume and value of SRCOINs will greatly benefit and increase.

Following SRCOIN's entrance as a useable cryptocurrency in the real world, SRCOIN will have a differentiated scarcity value that **cannot be found** in other ICO cryptocurrencies.

2. The Health Platform

There are several advantage of using message chairs as a platform for our subscription business.

- 1) Message chair is a shared device. With just one message chair, it can collect personal health data of all household members. We plan to collaborate with COMTEK to develop Wifi and Bluetooth incorporated massage chair that can measure health information such as heart rate, body temperature, and blood pressure. Thus, we will create a BlockChain based time series database for all members of the household.
- 2) These health information can be collected easily and repeatedly each time one uses the message chair, and this will yield in a robust time series database over time. Time series database will display various trends in each type of data collected. Therefore, it can be a very important source of information for early stage diagnosis, preventive care, and other medical treatments.
- 3) Message chair already has a structure to collect useful health information.
 - a. Arm massager will be able to vary in pressure to collect blood pressure level
 - b. Various chair positioning allows to measure more accurate health information. For example, to measure Ankle Brachial Index, one needs to lie down flat on the back and message chair can be positioned this way
 - c. Wifi and Bluetooth accessibility
 - d. Electrical base of message chair allows IoT
 - e. Can easily add devices to measure heart rate, blood oxygen level, sleep analysis, and various other types of health data

Example Personal Health Data Information from Massage Chair:

- Heart Rate
- Heart Rate Variability
- Resting Heart Rate
- Blood Pressure
- Blood Oxygen Level
- Ankle Brachial Index
- Weight
- Height
- Sleep Analysis
- Relaxation Data
- Body Mass Index
- Sleep Apnea Study

<http://medinstrum.com/finger-blood-pressure-monitor/>

https://dicentra.com/medical-devices/?qclid=EAlaIQobChMI0K3w9_Oq2AIvjsnjBx0VYA7jEAEYASAAEgJfAfD_BwE

Customers will be able to easily access their health information collected by message chair using mobile app or sending an email request the information.

Health information shared with government or medical institutions will be in database format.

- Time Series Heart Rate Data
- Time Series Blood Pressure Data
- Time Series Sleep Analysis Data
- Time series Relaxation data
- Body Mass Index Change Data
- Body Fat Percentage Change Data
- Elevated Heart Rate Notification
- Blood Pressure Notification
- Before and After Usage of Message Chair Data for Heart Rate
- Before and After Usage of Message Chair Data for Blood Pressure

All health information shared with government and medical institutions will require customers consent, and the customers can decide to consent with the information collection and usage when they enter into subscription contract for message chairs.



3. Key Advantages of Subscription Business

In a subscription business, the customer pays first to use the services provided, meaning the cashflow is stable and present.

3.1) Higher Margin

Generally, a higher margin implies that the consumer has to pay more, but under a subscription business model, the consumer is only required to pay relatively smaller monthly installments. This

means that the consumer is more willing to pay an overall larger sum of money because of the small financial burden in the short run, and the company can maintain their high margin.

3.2) Business Consistency

The subscription business is an attractive concept to the consumer, and therefore, there can be a fast increase in profits. Moreover, loyal customers will return time after time to purchase products, which creates recurring revenue, and this allows the company to sustain and grow over a long period of time.

3.3) Company Value

Subscription businesses have the evidence and ability to state, "Our revenue next month is \$x million". The reason is that there are recurring revenue payments from customers that come in month after month that convert this statement into fact. On the other hand, normal businesses can only state possible and sometimes inaccurate predictions for their revenue, for which they themselves cannot predict actually ascertain. For this reason, venture capitals and investment banks regard subscription businesses with high value and find them attractive.

4. The Market

Historically, Singapore is a state that declared independence from Malaysia, but because of their proximity and their cultural inheritance, their markets exhibit the same defining characteristics. The market for massage chairs in Singapore and Malaysia has a size close to US \$1.1 Billion, and due the recent spike in people's interest for health and products related to it, this market has been growing rapidly.

The world's massage chair market is concentrated in Asia, and in particular, demand for this product has been noticeably great in Singapore and Malaysia.

Reasons why the demand is growing:

- 1) The increase in PPP has raised the standard of living, and this has stimulated the public to become more cognizant of health and lifestyle.
- 2) Due to the high stress of working in these areas, healthy lifestyle products have become a way for people to flout their wealth – a goal many people see as being a symbol for success.

Currently, Singapore and Malaysia has five companies, OGAWA, PANASONIC, OSIM, GINTEL, and OTO, that are dominant in the massage chair market. However, until recently, these companies have only been present in the market for selling massage chairs. The subscription market for massage chairs has been non-existent. Starting in August 2017, GINTEL began subscriptions for massage chairs, and its overwhelming success shows immense possibility for profit.

Upon our entrance in the subscription market for massage chairs in Singapore and Malaysia, we plan to transition the sales market into a subscription market for massage chairs and increase our earnings.

We already have experience with this transition for water purifiers, and we are confident this change is a possible and profitable one. Moreover, due to the size of Singapore and Malaysia's market for massage chairs, we expect the change to a subscription market to be of proportional large scale.

Furthermore, the gross margin of current companies that sell massage chairs averages 58%, but our subscription business's gross margin will be 70%.

4.1) Malaysia Rental (Subscription) Market Growth Projection



5. Advantages of SRCOIN

1) The value of SRCOINs is supported by underlying assets

Historically and throughout modern times, viable currencies have satisfied 3 important functions: **method of exchange, unit of measure/calculation, and stability in value**. Similar to how the US dollar and euro circulate well, bitcoin also has holds two of the three qualities – method of exchange and unit of measure/calculation – but in regards to having a stability in value, it is showing uncertainty and frequent fluctuations.

In order to satisfy the requirement for stability in value, bitcoin has to prove that it can maintain its purchasing power in the future. However, as a new currency, bitcoin has shown volatile fluctuations in price, and while it raises questions as to if it can continue being a valid currency, it is slowly finding its place as a currency within this unpredictable change.

The main reason bitcoin shows volatile price fluctuations can be attributed to its lack of underlying assets. For this reason, people find it difficult to place any real value on bitcoin, and the fluctuations in price are simply consequences of those uncertainties.

So, can we actually put a real value upon these cryptocurrencies that lack underlying assets?

In order to solve this problem inherent in cryptocurrencies, we introduce SRCOINs, which have our underlying assets as a foundation for providing real value.

SRCOIN is made so that the accounts receivable from subscription payments that customers pay for the products rented serve as the underlying assets. In essence, the cash flow from accounts receivable will be the underlying assets that support the value of SRCOINs.

Here, an account receivable (AR) refers to a subscription contract for at least 60 months and the monthly cash flow that results from it.

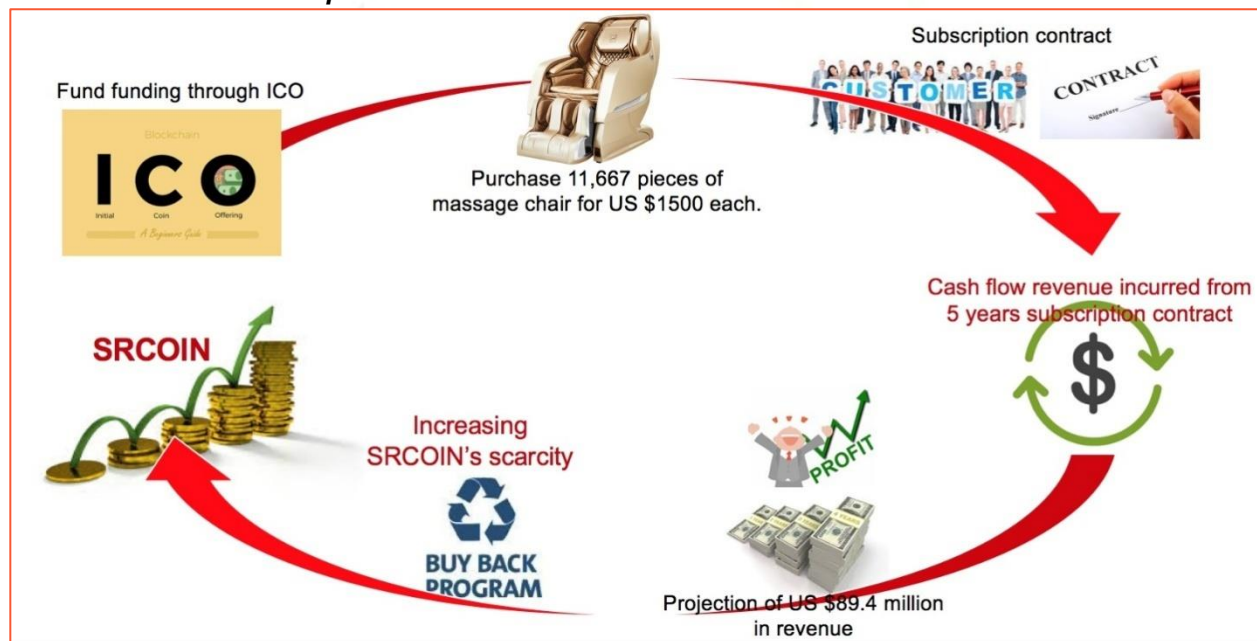
- $AR = (\text{Monthly Subscription Fee}) * (60 \text{ months})$
- AR from a subscription contract of 1 unit of Massage Chair = US \$4,967
- Hence, if there are new subscription contracts for 1500 units each month, the resulting increase in AR for 1 year is US \$89.4 million. $(1500 \text{ units} * \$4,967 * 12 \text{ months})$

Thus, SRCOINs are issued with accounts receivable from subscription contracts as a basis. The cash flow from subscription fees play an essential role for providing stability in value to SRCOINs.

In particular, the cash flow from subscription contracts for massage chairs, as follows from the contract itself, is guaranteed because the customers are legally responsible for paying the monthly subscription fees for the time period outlined in the contract. For this reason, SRCOIN differentiates itself from other cryptocurrencies by offering a stability in value that others lack.

Therefore, for those ICO contributors that want to prepare against the danger of cryptocurrencies lacking a stability in value, SRCOIN satisfies the 3 essential characteristics of viable and lasting currency and provides attractive profits for those involved.

Flow from ICO to Subscription Business to SRCOIN Price



2) Upon success of SRCOIN's ICO, there is no risk of business not proceeding or of business not being established.

The funds raised from the crowdsale of SRCOINs will be invested in K Rental, an already established company, and its project for starting the massage chair subscription business. Hence, there is fundamentally no risk of business not proceeding, meaning safety of investment and stability is guaranteed.

Also, we will commence a "visitation" program to Malaysia's K Rental every quarter for ICO contributors, and through this, they will be able to witness and verify the progress of SRCOIN's business. The method in which this will be carried out will be updated on the main website, SRCOIN.info. We plan on creating

this program in order to increase transparency, to ensure the ICO contributors' rights and to gain their trust, which will also be beneficial to carrying out our business in the future.

3) Through our "buyback & burn" policy, we will constantly maintain SRCOIN's scarcity and create a stimulus for SRCOIN's price to rise. This policy will continue for 6 years, and during this time, people holding SRCOINs will experience a helping hand in gaining profits.

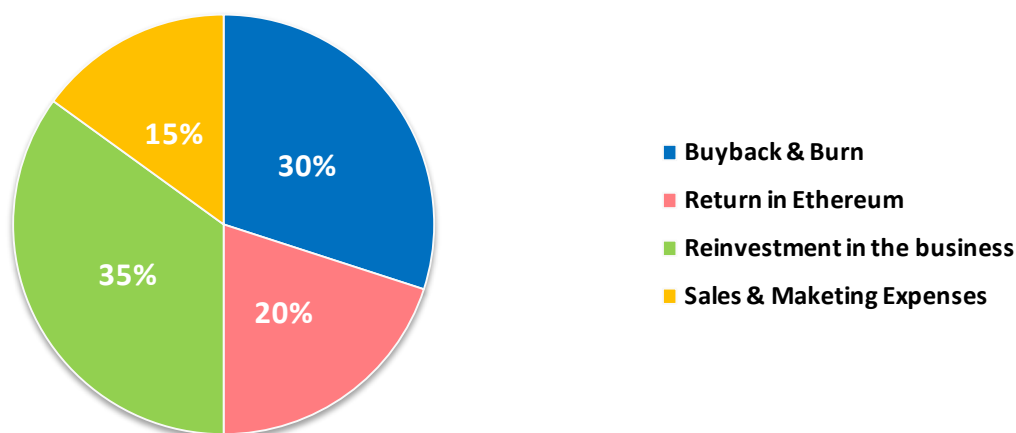
More specifically, 30% of profits that result from the massage chair subscription business will be used to repurchase SRCOINs from the cryptocurrency market and "burned" or taken out of supply (hence, "buy back & burn") in order to gradually decrease the outstanding supply of SRCOINs. Decreasing the supply will lead to a shift in equilibrium and increase the price of the SRCOINs. This method is widely adopted by successful companies, such as Samsung who uses a similar approach to maintain a strong price. The results of each "buy back & burn" session will be updated on the main website SRCOIN.info for contributors to verify.

4) For the first 3 years, 20% of the profits that result from the massage chair subscription business will be returned to ICO contributors in the form of Ethereum currency.

In this way, ICO contributors will be able to retrieve a significant value of their Ethereum contribution without having to sell any SRCOINs. We will send the Ethereum through utilizing BlockChain's smart contract.

SRCOIN's ICO contributors, regardless of whether they choose to sell or keep the SRCOINs, will continue to receive Ethereum at the aforementioned amount for 3 years. There is high possibility that Ethereum's price will rise, so there could be at least 2 possible benefits from contributing in SRCOIN. Ethereum will be sent via BlockChain to each ICO contributor's coin wallet.

Distribution of Subscription Profit



6. Korea Rental (K Rental)



K Rental, the company which funding from SRCOINs will be invested in, is a Korean-Malaysian corporation with water purifiers as its main product. It recorded sales of US \$10 million in 2017. The company has the third largest share in the subscription business market in Malaysia after Coway and Cuckoo.

K Rental's subscription plan is the integration of Coway's business model (subscription business) and BodyFriends business model (massage chair manufacturer). We provide subscription plans on home appliances such as water purifiers, air purifiers, and massage chairs.

Headquartered in Kuala Lumpur, Malaysia, K Rental has 78 stores and over 5000 employees throughout Singapore and Malaysia. K Rental is preparing to IPO on the Singapore Stock Exchange in 2020.

The growth of market for the subscription business of water purifiers in Malaysia can be attributed to three reasons:

1) The urbanization of the nation and growing distrust in water quality

Malaysia is the most urbanized country among the ASEAN countries. 74.5% of the population lives in the cities, and infrastructure as well as the living conditions have continued to develop.

2) High income levels and purchasing power

When adjusted for purchasing power parity (PPP), GDP per capita in Malaysia was last recorded at US \$25,000 in 2016. This puts Malaysia in the ranks of the wealthy nations in Asia, such as South Korea and Japan. In the late 90s, South Korea experienced growth in the subscription business, and the trend we are seeing in Malaysia in the subscription business is very similar to the development of South Korea's subscription business in the 90s.

3) The influx of an outstanding sales force that supports the growth of the subscription business

The average salary of a salesperson is 200-500% higher than the average salary of a college graduate working in a financial institution. Thus, many young and talented youths are entering the sales market in subscription business.

Currently, there are three companies, K Rental, Coway, Cuckoo, that dominate the water purifier subscription business in Malaysia. In other words, most of the companies in the water purifier market are sales-oriented, while only three companies are in the subscription business market. In 2017, it is reported that there are more than 600,000 customers using the water and air purifiers through subscription plans. This shows that the market for subscription business has entered into an explosive growth spurt.

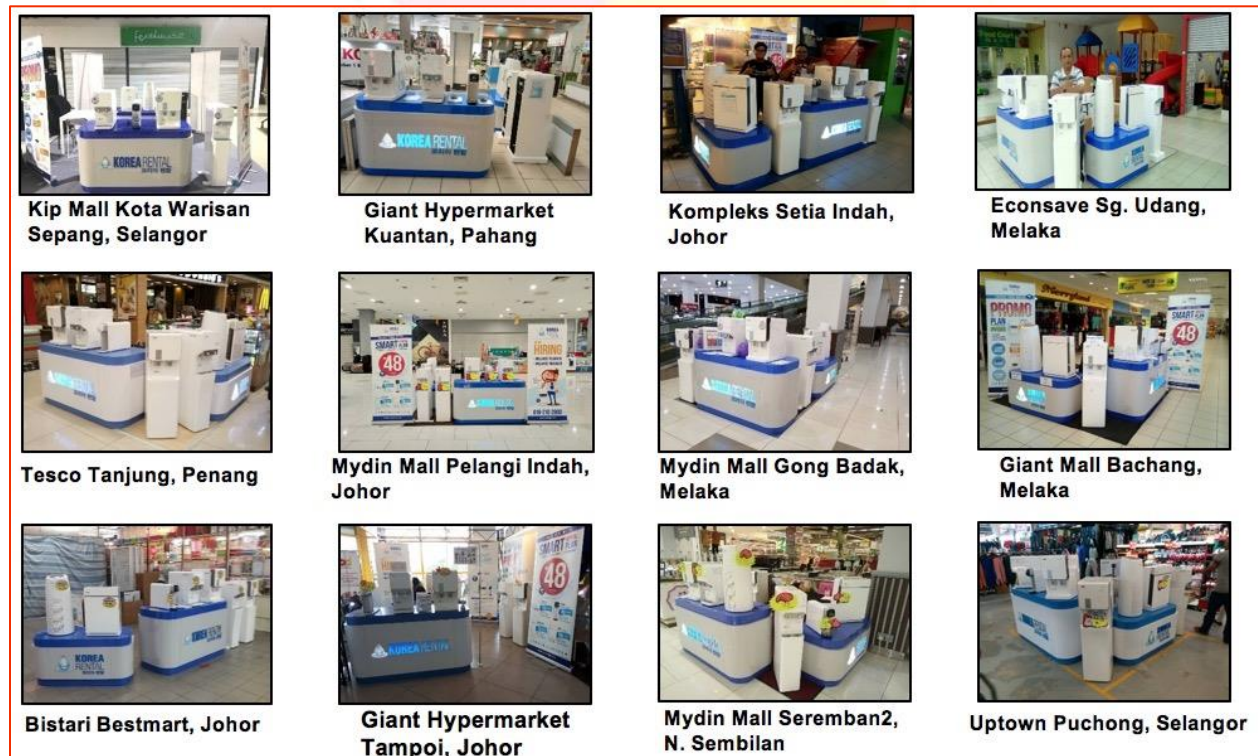
Despite the growth in the subscription business, massage chairs have not been used as an item for subscription plans until recently. GINTER entered the massage chair subscription business in August 2017.

Despite the recent entrance of this product into the subscription market, the fact that BodyFriend was able to achieve a company valuation of US \$1.7 billion in just a few years proves that the massage chair subscription business has tremendous, untapped possibility. Moreover, the cultures of Singapore and Malaysia place much higher preference for the massage chairs compared to that of Korea, resulting in a bigger market.

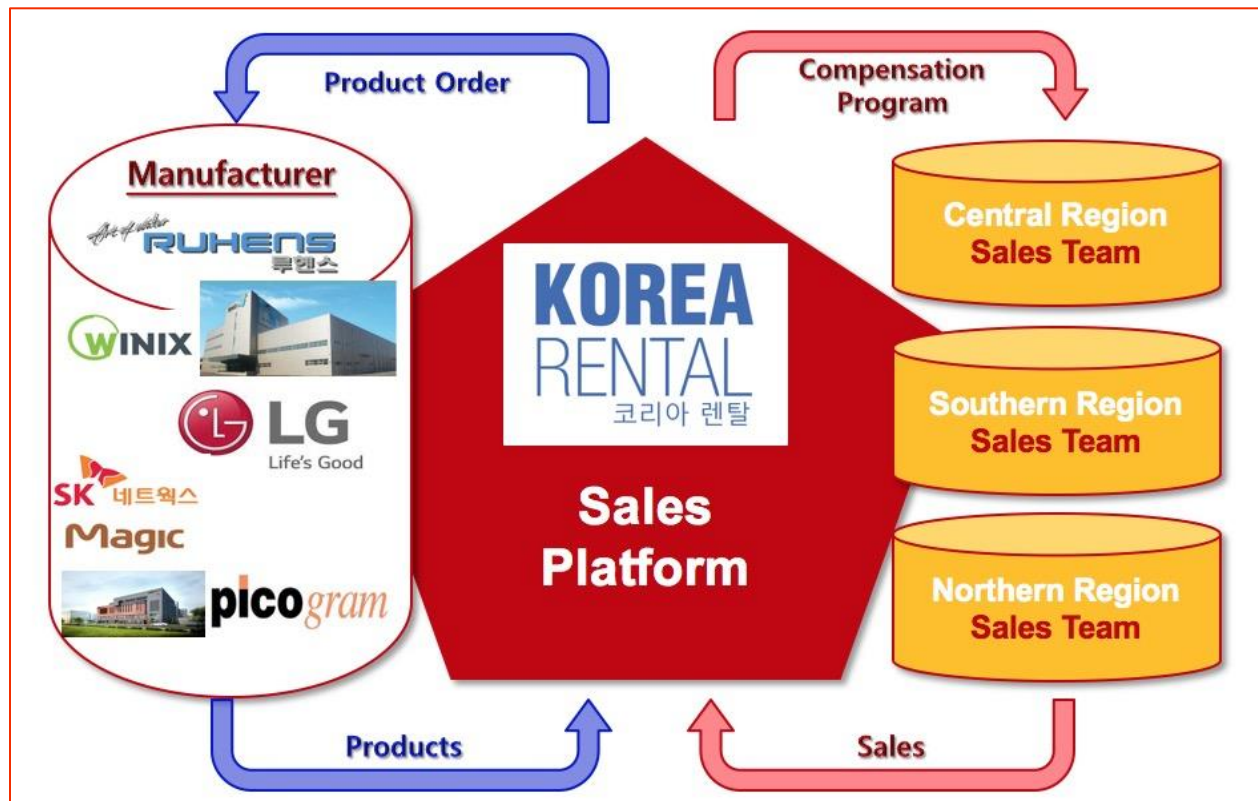
6.1) Business Teams



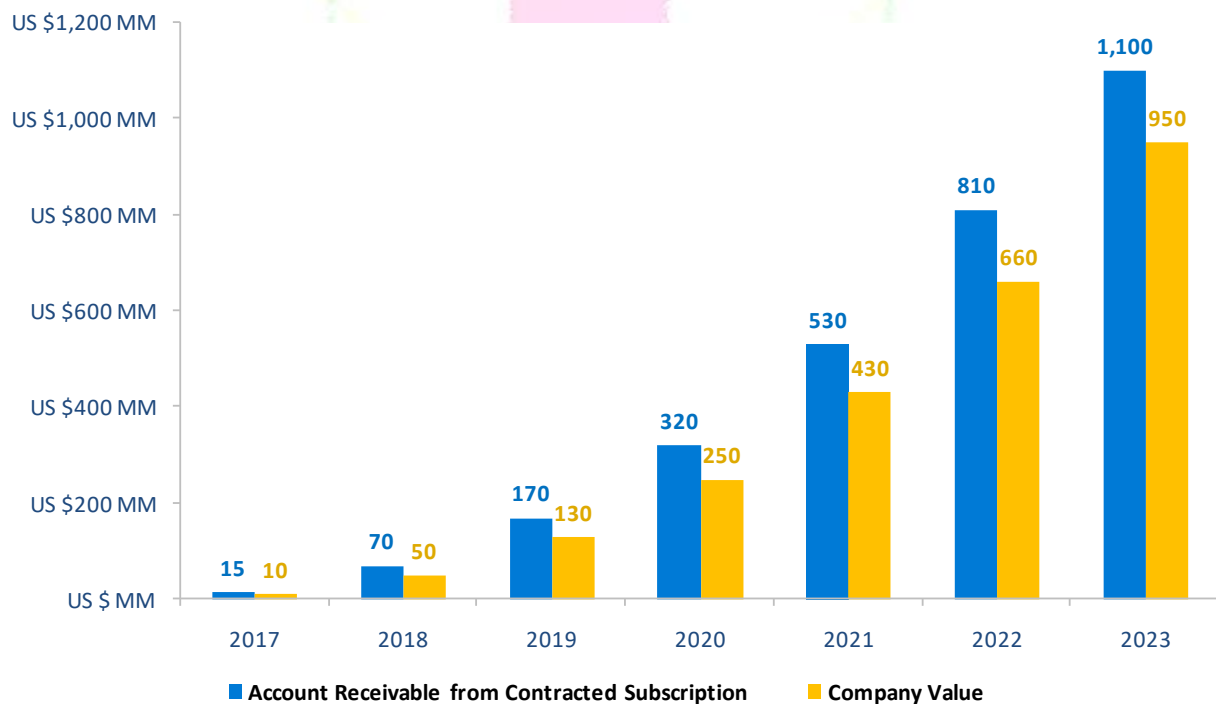
6.2) Stores Opened in Malaysia



6.3) Business Model



6.4) K Rental Company Value (USD)



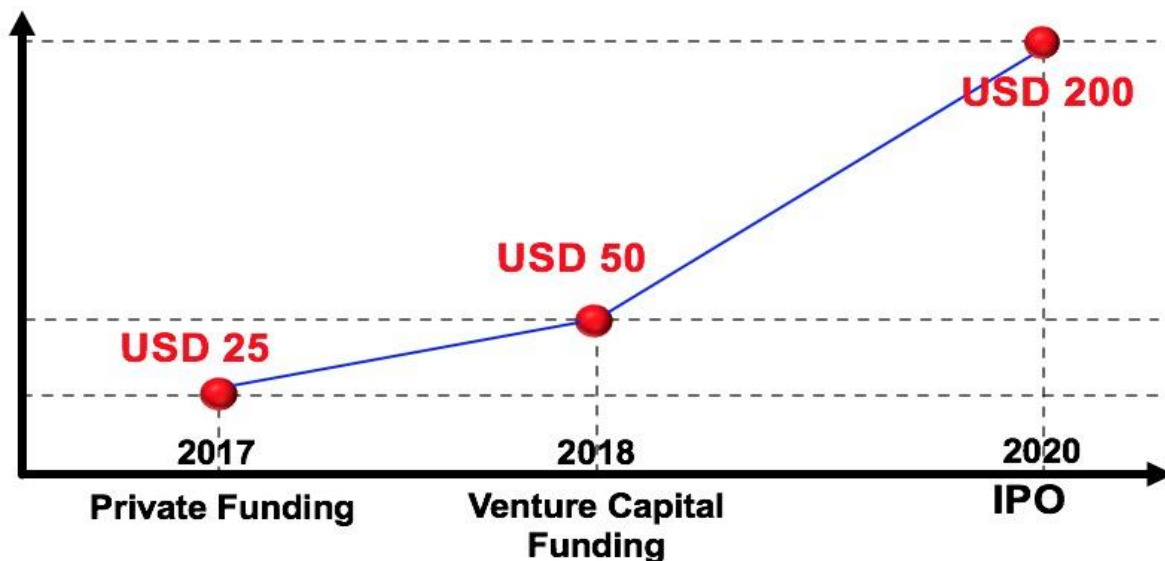
6.5) Sales & Expense Analysis

(Currency : USD)				
YEAR	2017	2018	2019	2023
Sales Amount	10,498,605	38,176,744	75,558,140	932,944,186
Expenses	6,299,163	22,906,047	45,334,884	559,766,512
Net Income	4,199,442	15,270,698	30,223,256	373,177,674

(Currency : Malaysia RM)				
YEAR	2017	2018	2019	2023
Sales Amount	45,144,000	164,160,000	324,900,000	4,011,660,000
Expenses	27,086,400	98,496,000	194,940,000	2,406,996,000
Net Income	18,057,600	65,664,000	129,960,000	1,604,664,000

6.6) IPO (Initial Public Offering)

- **IPO at Singapore Exchange (SGX)**
- **Time frame : 2020.1st Q**
- **Target Price : USD 200 per share**



7. The Team

7.1) Leaders and Advisors

Dr.Jae M.Yoo, Leader of the Health Database



1. Certification

- Diplomate of American Board of Physical Medicine and Rehabilitation
- subspecialty certified in Neuromuscular Medicine, Pain Medicine And Sports Medicine
- Diplomate of American Board of Electrodiagnostic Medicine
- Diplomate of American Board of Pain Medicine

2. Work Experience

- Catholic Medical College, Department of Neurology
- Albert Einstein College of Medicine, Department of Physical Medicine and Rehabilitation
- Medical College of Georgia, Department of Anesthesiology and Perioperative Medicine, Subdivision of Pain Medicine
- Avera St. Luke's Hospital, Department of Physical Medicine and Rehabilitation, Medical Director
- Virginia Tech Medical College, Carilion Clinic, Department of Pain Medicine

3. Current Position

- North of Atlanta Pain Clinic USA, Medical Director

Dr. SHAWN KIM, Advisor of Health Database



1. Certification

- Graduated Seoul National University, Seoul, South Korea
- Graduated from Wayne state university school of medicine, Detroit, MI
- Diplomate of American Board of Medicine

2. Current Position

- President at GA internal medicine

Dr. YD KIM, Advisor of Health Database



1. Certification

- Doctor of Doctor of pharmacy, USA
- Nova Southeastern University, College of pharmacy
- Chung-Ang university, College of pharmacy, USA
- Registered pharmacist in GA, FL

2. Current Position

- President of Corner pharmacy

Legal, Accounting, and Audit Advisors



SHAWN S. KIM

- ATTORNEY, LAWYER OF USA
- PRESIDENT OF KIM & IM
- MEMBER OF THE STATE BAR OF GEORGIA
- MEMBER OF THE STATE BAR OF NEW YORK
- VANDERBILT UNIVERSITY LAW SCHOOL



STEPHEN J. WASLEY

- ATTORNEY, LAWYER OF USA
- MEMBER OF THE STATE BAR OF GEORGIA
- PRESIDENT OF STEPHEN W. PC
- JOHN MARSHALL LAW SCHOOL
- UNIVERSITY OF COPENHAGEN LAW SCHOOL



MICHEAL K. LEE

- USA LICENSED CPA
- PRESIDENT OF MICHAEL K. LEE CPA & COMPANY
- GEORGIA STATE UNIVERSITY MPA,
- SAMSUNG ELECTRONICS
- UGA, MPA, ACCOUNTING
- SOGANG UNIVERSITY, BA, BUSINESS



ANDREW S. LEE

- USA LICENSED CPA
- PRESIDENT, SH TAX & FINANCIAL, LLC
- GSU, MASTER OF ACCOUNTANCY
- KOREA EXCHANGE BANK
- YON SEI UNIVERSITY BACHELOR OF SCIENCE

7.2) K RENTAL STAFFS



Kyle K. Lee

Owner of K Rental Networks

Education: Sogang University MA.

Mr. Kyle Lee is a certified public accountant in the United States of America and has experience from working for Seonjin Accounting Co., Fine Management Accounting Co., and CRC Analysis.



Logan Seo, CTO

Education: Georgia Institute of Technology, BS in software engineering

Logan has a background in software engineering and experience deploying scalable solutions in large-scale backend systems with new technologies. He's been in the software engineering industry since 2010.



MAH YUNG YEW, COO

CHIEF OPERATING OFFICER OF K RENTAL NETWORKS

UNIVERSITY TUNKU ABDUL RAHMAN, BA

BACHELOR OF BUSINESS ADMINISTRATIVE ENTREPRENEURSHIP

WORK EXPERIENCE IN MALAYSIA RENTAL INDUSTRY FROM 2007



MUHAMMAD DANIAL DINIE BIN NOOR ZAMRI

ACCOUNTING MANAGER OF K RENTAL NETWORKS

UNIVERSITI TEKNOLOGI MARA SHAH ALAM GSU, MASTER OF ACCOUNTANCY, MA

BUSINESS MANAGEMENT WITH MAJOR IN ACCOUNT

Massage chairs and water purifiers require special door-to-door sales efforts, and in order to organize such a large sales operation, it is necessary to have not only experience and knowledge, but also to be aware of the local situations in Malaysia and Singapore.

The CEO, Mr. Joshua Lee, is an outstanding executive who lived in Malaysia for 23 years with 11 years of experience in the subscription business. Our executives build customized sales strategies based on a rich understanding of the Singapore and Malaysia subscription business and strongly leads the sales and sales support teams.

Other sales team leaders and management teams exist of professionals with experience and young talents. In this regard, K Rental's management has the best expertise and experience in the Singapore and Malaysian subscription business.

8. Initial Coin Offering (ICO)

SRCOIN is an ERC20 token on the Ethereum BlockChain and, through crowdfunding, will be distributed to ICO contributors as a cryptocurrency token.

- Number of available coins: 10.5 Billion
- SRCOIN Price
 - 1st Pre ICO: 1 ETH = 700,000 SRCOIN + Bonus 100,000 SRCOIN
 - Until 31st January 2018 (UTC)
 - 2nd Pre ICO: 1 ETH = 700,000 SRCOIN + Bonus 50,000 SRCOIN
 - 1st February 2018 ~ 28th February 2018 (UTC)
 - Main ICO: 1 ETH = 700,000 SRCOIN
 - 1st March 2018 ~ 31st March 2018 (UTC)
- Payment: 1 ETH = 700,000 SRCOIN
- Distribution:
 - Participants (70%)
 - Founding Team (15%)
 - Advisors & Early contributors (10%)
 - Sales Team (5%)
- ICO Fund utilization:
 - Asset Investment and App Development (95%)
 - Project Operations (5%)

Through selling massage chair subscription plans to our customers on a large scale through K Rental's network, we will use 30% of the profits generated to implement our buy back & burn policy every quarter. Hence, SRCOIN's outstanding supply will decrease, and the possibility of SRCOIN's price increasing will be higher.

Through 6 years of continually implementing our buy back & burn policy, SRCOIN holders will benefit from owning a cryptocurrency token that is constantly increasing in scarcity value. If all ICO contributors do not want to sell SRCOINs during a buy back, the funds designated for the buy back will be retained and will be added to the next buy back.

The funds for the buyback will be thoroughly managed separately and will go through an audit by a third party accounting firm.

The buyback & burn policy results will be posted on SRCOIN.INFO.

20% of the profits made over 3 years will be returned to ICO contributors in the form of Ethereum. ICO contributors do not have to sell any SRCOINs in order to receive their share of Ethereum through the smart contracts on the BlockChain.

9. SRCOIN Timeline



10. Conclusion

SRCOIN is the product of utilizing state-of-the-art BlockChain technology with a foundation in the profitable subscription business.

- 1) Funds raised through the SRCOIN ICO and crowdfunding will be invested in the highly profitable subscription business that has guaranteed stability and profitability.
- 2) 30% of the profit made over 6 years will be used to implement the buyback& burn policy in order increase SRCOIN's scarcity and raise its price on the market.
- 3) 20% of the profit made over 3 years will be returned to our ICO contributors in the form of Ethereum. Thus, ICO contributors are guaranteed to receive a significant portion of their contribution back via the smart contracts on the BlockChain, without having to sell any of their SRCOINs.
- 4) 50% of the profit made will be invested in purchasing assets and result in compounded profit, as the investment will result in more profit. Hence, the value of SRCOINs will rise and will cause its price on the market to rise as well.
- 5) SRCOIN is a cryptocurrency supported by the accounts receivable gained from investing in assets. Thus, it has a unique advantage over other cryptocurrencies in that it has underlying assets to give it real value.

Our vision is to build a new network of funds through the BlockChain and allow everyone in the world to contribute with any amount, whether small or large, to join us in our mission to create a comprehensible system for managing your health. SRCOIN will be used to develop our health platform, generate revenue through the subscription business, redistribute profits made to the ICO contributors by distributing coins that will be of greater value in the future to come.

Take a part in making our world a healthier place. Health first.

Thank You.

11. References

<http://digitalmarketingmagazine.co.uk/e-commerce-digital-marketing/top-5-advantages-of-a-subscription-business-model/1940>

<https://blog.kissmetrics.com/excel-at-subscription-economy/>

<https://www.forbes.com/sites/richardkestenbaum/2017/08/10/subscription-businesses-are-exploding-with-growth/>

<http://www.newstomato.com/ReadNews.aspx?no=754823>

<http://bizn.donga.com/3/all/20171122/87395597/2>

<https://www.krental.org/>

<http://news.mt.co.kr/mtview.php?no=2017110215224775073&outlink=1&ref=https%3A%2F%2Fsearch.naver.com>

http://www.thebell.co.kr/free/content/ArticleView.asp?key=201711070100012400000778&svccode=00&page=1&sort=thebell_check_time

<http://www.marketingprofs.com/chirp/2014/25414/six-benefits-of-using-a-subscription-model-for-your-business-infographic>

http://www.thebell.co.kr/free/content/ArticleView.asp?key=201711070100012400000778&svccode=00&page=1&sort=thebell_check_time

<https://tradingeconomics.com/singapore/gdp-per-capita-ppp>

<https://tradingeconomics.com/malaysia/gdp-per-capita-ppp>

<http://www.gintell.com/home/>

<http://bizn.donga.com/3/all/20171122/87395597/2>

<https://tradingeconomics.com/malaysia/gdp-per-capita-ppp>

<http://www.newstomato.com/ReadNews.aspx?no=754823>

http://www.thebell.co.kr/free/content/ArticleView.asp?key=201711070100012400000778&svccode=00&page=1&sort=thebell_check_time

<http://news.mt.co.kr/mtview.php?no=2017110215224775073&outlink=1&ref=https%3A%2F%2Fsearch.naver.com>

12. Terms and Conditions

The Initial Coin Offering (ICO) and sale of SRCoin are subject to the following Terms and Conditions ("Terms").

Definitions

"Blockchain" means a digital ledger in which transactions made in Bitcoin or another cryptocurrency are recorded chronologically and publicly.

"Burning" means the destroying of SRCoin to remove them from existence.

"Cryptocurrency" means a digital currency in which encryption techniques are used to regulate the generation of units of currency and to verify the transfer of funds, operating independently from a central bank.

"ICO" means Initial Coin Offering, which is a method of crowdfunding whereby a new cryptocurrency is sold in order to raise funds.

"SRCoin" is the new cryptocurrency being sold under the terms and conditions of this initial coin offering.

"SRCoin Limited" is the company with ownership of SRCoin and the beneficiary of the ICO.

"Participant" means a legal entity (such as an individual, a company, or partnership) actively participating in this initial coin offering.

"Terms" means these terms and conditions.

"Website" means <https://www.srcoin.info/>

"White Paper" means the white paper setting out the concept of SRCoin which can be found at <https://www.srcoin.info/whitepapers>

SRCoin Introduction

SRCoin is a new cryptocurrency that is being offered by SRCoin Limited under these terms and conditions.

SRCoin is being offered by SRCoin Limited. Participants are advised to read the SRCoin White Paper which provides an explanation of the concept of SRCoin, its purpose and its unique benefits.

The Terms and the White Paper are not a solicitation for investment. This ICO is a token sale which enables participants to potentially profit only from the sale of SRCoin at a later date.

Purchasing SRCoin does not provide the purchaser with any rights, either express or implied, in relation to SRCoin Limited. This ICO is to provide SRCoin Limited with immediately accessible funds to develop SRCoin. This is further explained in the White Paper.

1. Participants

1.1 It is assumed by SRCoin Limited that participants are of a sophisticated nature with expertise, fully understanding the workings of cryptocurrencies, Blockchain, and ICOs.

1.2 Participants participating in this ICO agree that: -

i) They are over the age of 18 years (if domiciled in the United Kingdom) or over the age of consent to legally enter contracts (if outside the jurisdiction of the United Kingdom)

ii) That they have sought relevant legal, tax, and regulatory advice from a suitable qualified professional as to the legality of ICOs in their respective jurisdictions.

iii) That they understand that this ICO is not being offered to Participants residing in jurisdictions that are regulated by laws which restrict transactions with cryptocurrencies. Participants are solely responsible for understanding and complying with any and all relevant laws in the respective jurisdictions in which they reside. SRCoin Limited cannot be held liable for any legal risks and disputes arising from the respective jurisdictions of the Participants.

iv) That they are responsible to determine which, if any, taxes apply to any profits made and to report and remit the correct tax to the appropriate tax authority. SRCoin Limited is not obligated to determine which, if any, taxes apply and are not responsible to collect, report or remit any such taxes arising from profits earned by Participants.

v) That they will not participate in the ICO for any purposes relating to organised crime, fraud, tax evasion, money laundering, and financial terrorism. Participants also agree that SRCoin Limited will be co-operating with any police, criminal or relevant authorities at all times on investigations relating to a Participant's breach of these Terms.

vi) That they are deemed to have the requisite knowledge to understand cryptocurrencies, cryptocurrencies and Blockchain technology.

vii) That they understand and agree that nothing in these Terms, White Paper and Website is intended to provide the Participant with investment, tax, accounting or legal advice or is to be interpreted as a recommendation, endorsement or enticement to participate with regards to SRCoin. Any decision by a Participant to participate is at their sole discretion and SRCoin Limited will not be liable for any loss suffered.

viii) That any purchase of SRCoin is non-refundable and is final.

ix) That when the ICO launches, a public supply of 11.5 Billion SRCoin will be listed for sale.

x) That by accepting these terms and conditions that they certify and commit to any future participant identification which may be legally required under money laundering regulations.

It is currently impossible to verify with any certainty, the individual purchasers of SRCoin by the nature of their purchase online via Ethereum. The directors of SRCoin working with their specialist solicitors will endeavour to find a solution to this in due course. SRCoin Limited is committed to ensuring best cryptocurrency practice and working in accordance with any future regulatory body.

I also accept that: - That I certify and commit to any future participant identification which may be legally required under money laundering regulations;

That I am not a national or resident of the United States of America, or that I am an "accredited investor" as defined in Section 501 of Regulation D under the United States Securities Act of 1933; and

That I am not a national or resident of the People's Republic of China, Singapore, Hong Kong or South Africa.

xi) That they have undergone anti money laundering processes via an exchange.

xii) That they will adhere to these Terms and agree to be bound by them.

2. Timetable for ICO

2.1 The schedule of the ICO is as follows: -

1st Pre-ICO: ~ 31st Jan. 2018 (UTC)

2nd Pre-ICO: 1st Feb. 2018 ~ 28th Feb. 2018 (UTC)

Main ICO: 1st March. 2018 ~ 31st March. 2018 (UTC)

2.2 SRCoin Limited reserves the right to extend the ICO for any reason, including, but not limited to, any unforeseen technical difficulties hampering the original ICO timetable. If all SRCoin are sold prior to 23.59.59 GMT, 31st January 2018, the ICO will then end at the point the last SRCoin was sold.

3. Burning of SRCoin

3.1 A unique aspect of SRCoin is that each quarter, 50% of the net profits earned by SRCoin Limited from investing the ICO funds will be used to buyback SRCoin directly from the market. Whilst there is no obligation on any Participant to sell their SRCoin, the purpose of the buyback is to immediately burn all SRCoin that has been bought back. This will result in a continuous reduction of the remaining supply of SRCoin which would result in an increase in its value.

3.2 Proof of SRCoin burning will be publicly visible on the Ethereum Scan

3.3 Buyback dates will be announced on the Website, well in advance of the buyback date so that Participants have the opportunity to list their SRCoin for sale.

3.4 Participants wishing to sell their SRCoin may list their SRCoin for sale on the market at their desired sale price (which will of course be subject to market conditions).

3.5 The buyback process will last for 6 years. This means that after 1st Feb 2024, SRCoin Limited will permanently cease the process of buying back and burning SRCoin.

3.5 In the event that a purchased investment is sold for the specific refining of the portfolio prior to the end date, all net of sales costs and tax proceeds will be used to immediately purchase more income producing property. Full information outlining the reasons for disposal will be made public via the Website and specifically to coin holders if the means to do so is available.

4. Whole agreement

This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all prior oral communications and other written agreements between them.

5. Jurisdiction and Applicable Law

These terms and any dispute or claim arising out of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales. English courts will have exclusive jurisdiction over any claim or dispute.

6. Rights of third parties

For the purposes of the Contracts (Rights of Third Parties) Act 1999 and notwithstanding any other provision of this agreement, this agreement is not intended to, and does not, give any person who is not a party to it any right to enforce any of its provisions.

7. Force Majeure

A party shall not be liable for any failure of or delay in the performance of this agreement for the period that such failure or delay is: -

- i) beyond the reasonable control of a party;
 - ii) materially affects the performance of any of its obligations under this agreement; and
 - iii) could not reasonably have been foreseen or provided against; but
- shall not be excused for any failure or delay resulting from general economic conditions or other general market effects.

8. Severability

If any part of these Terms is declared unenforceable or invalid, the remaining Terms will continue to be valid and enforceable.

9. Updates to Terms

SRCoin Limited reserves the right to amend these Terms at any time and a Participant is advised to periodically check these Terms by visiting the Website.

10. For further information relating to this ICO, please visit the Website.

13. Legal Disclaimer

1) Prospective ICO Participants should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile, and place of business with respect to the acquisition, holding or disposal of the Tokens, and any foreign exchange restrictions that may be relevant thereto. The distribution of this White Paper and the offer and sale of the Tokens in certain jurisdictions may be restricted by law. This White Paper does not constitute an offer to sell or the solicitation of an offer to buy to any person for whom it is unlawful to make such offer or solicitation.

2) SRCOIN is not providing you legal, business, financial or tax advice about any matter. You may not legally be able to participate in this private, unregistered offering. You should consult with your own attorney, accountant and other advisors about those matters (including determining whether you may legally participate in this ICO). You should contact us with any questions about this ICO or the Tokens.

3) It is the responsibility of any persons wishing to acquire the Tokens to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdictions. Prospective ICO Participants should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of the Tokens, and any restrictions that may be relevant thereto.

4) This White Paper constitutes an offer of Tokens only in those jurisdictions and to those persons where and to whom they lawfully may be offered for sale. This White Paper does not constitute an offer to subscribe for securities except to the extent permitted by the laws of each applicable jurisdiction.

5) Nothing in this White Paper is intended to create a contract for investment into SRCOIN, and each potential ICO Participant acknowledges that SRCOIN will rely on this assertion of an ICO Participants statements with respect to compliance with the laws of the jurisdiction in which the ICO Participant is legally domiciled.

AN IMPORTANT NOTE FROM OUR LAWYERS:

This document should not be construed as an offer or solicitation of an offer for the sale of tokens. The individuals listed in this document are not and will not be selling tokens and have drafted this document on behalf of the legal entity that will be conducting the relevant token sale. Consider the English language version of all SRCOIN communications, media and documentation to be the only official version.