

GLOBAL BLOCKCHAIN INSIGHTS

Data, Policy, and Industrial Applications

硅谷洞察

— SV Insight —

- SV Insight was founded in 2015 as a technology media company.
- In 2018, we upgraded our brand and focus on 3 business modules.

SV Insight Research

Providing industrial deep analysis and research, with a focus on the blockchain technology. Offering insights and guidance of blockchain industry development to industrial professionals.

SV Insight Media

Reporting on frontier technology development, such as artificial intelligence and blockchain, and their combination and collision with traditional industries.

Blockchain Connect Conference

One of North America's most influential blockchain summit. Attracting more than 3000 global blockchain professionals annually. Leading the strongest Sino-US dialogue in blockchain.

1. Global Mega Trends

2. Blockchain Applications in Traditional Industries

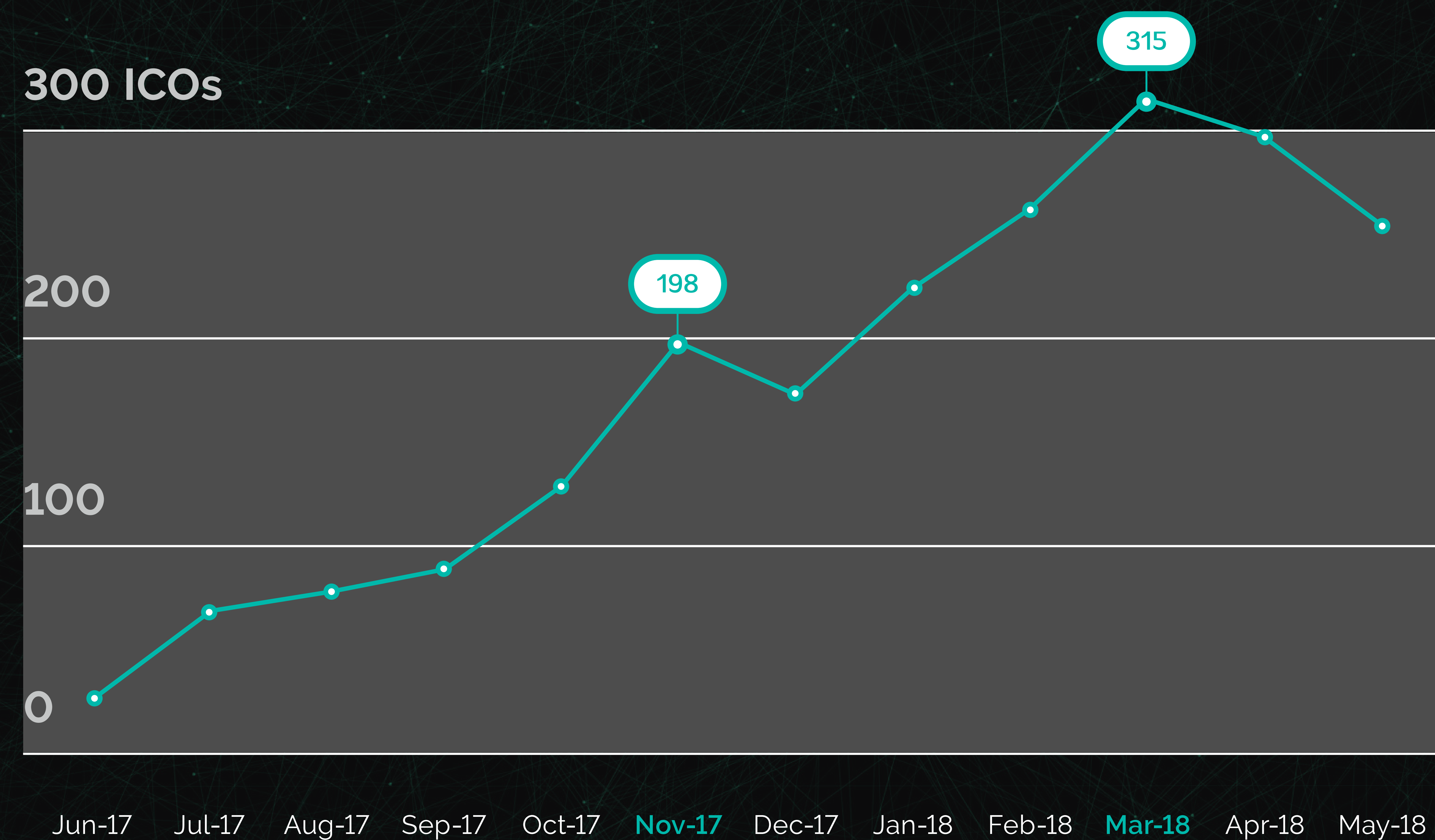
1. Global Mega Trends

* Data source: ICO bench, ICO rating and Crunchbase.

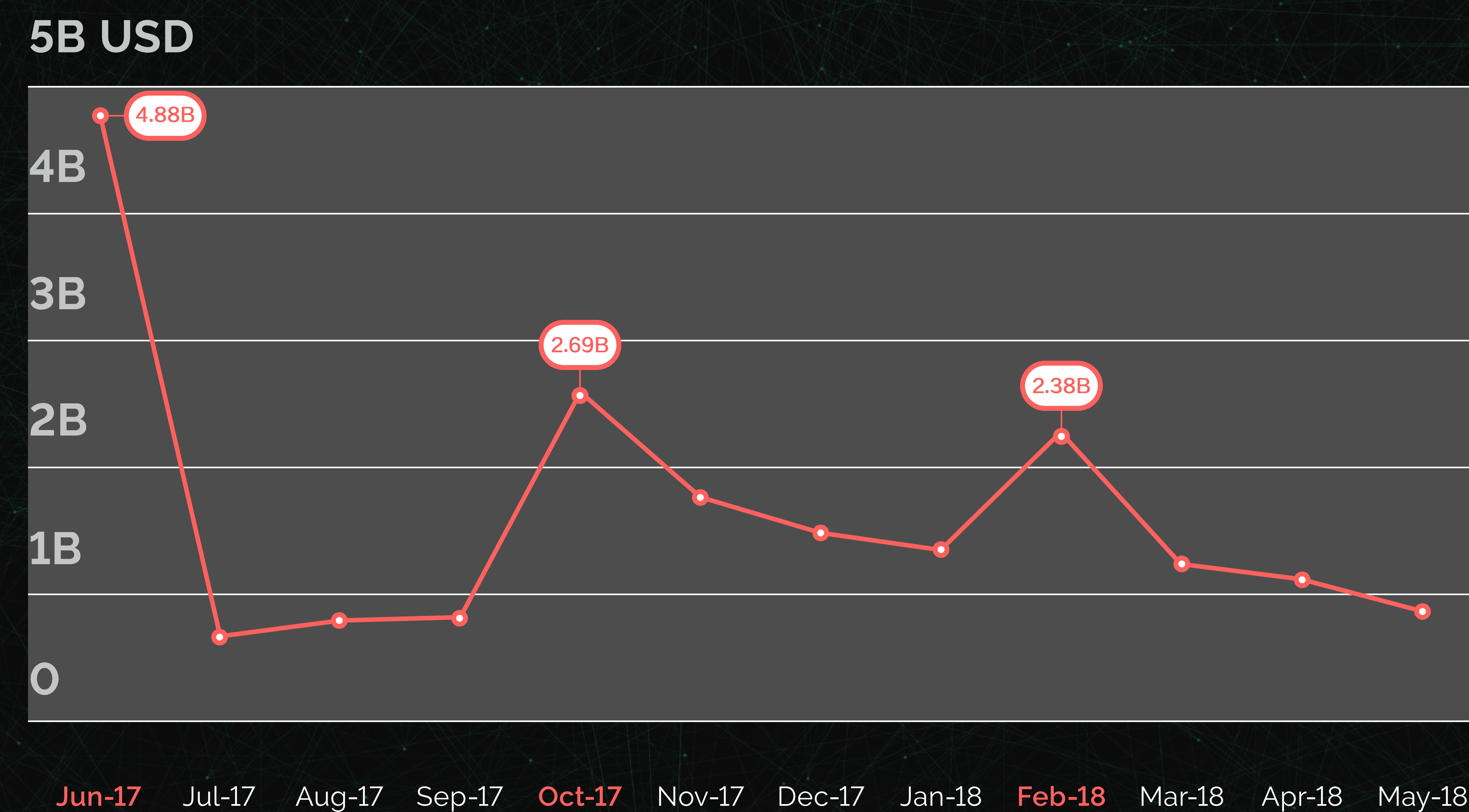
* Data dates from Jun 1st 2017 to May 31th 2018.

ICO Events Keep Rising, Financing Amount Fluctuates Greatly Because of Mega Projects

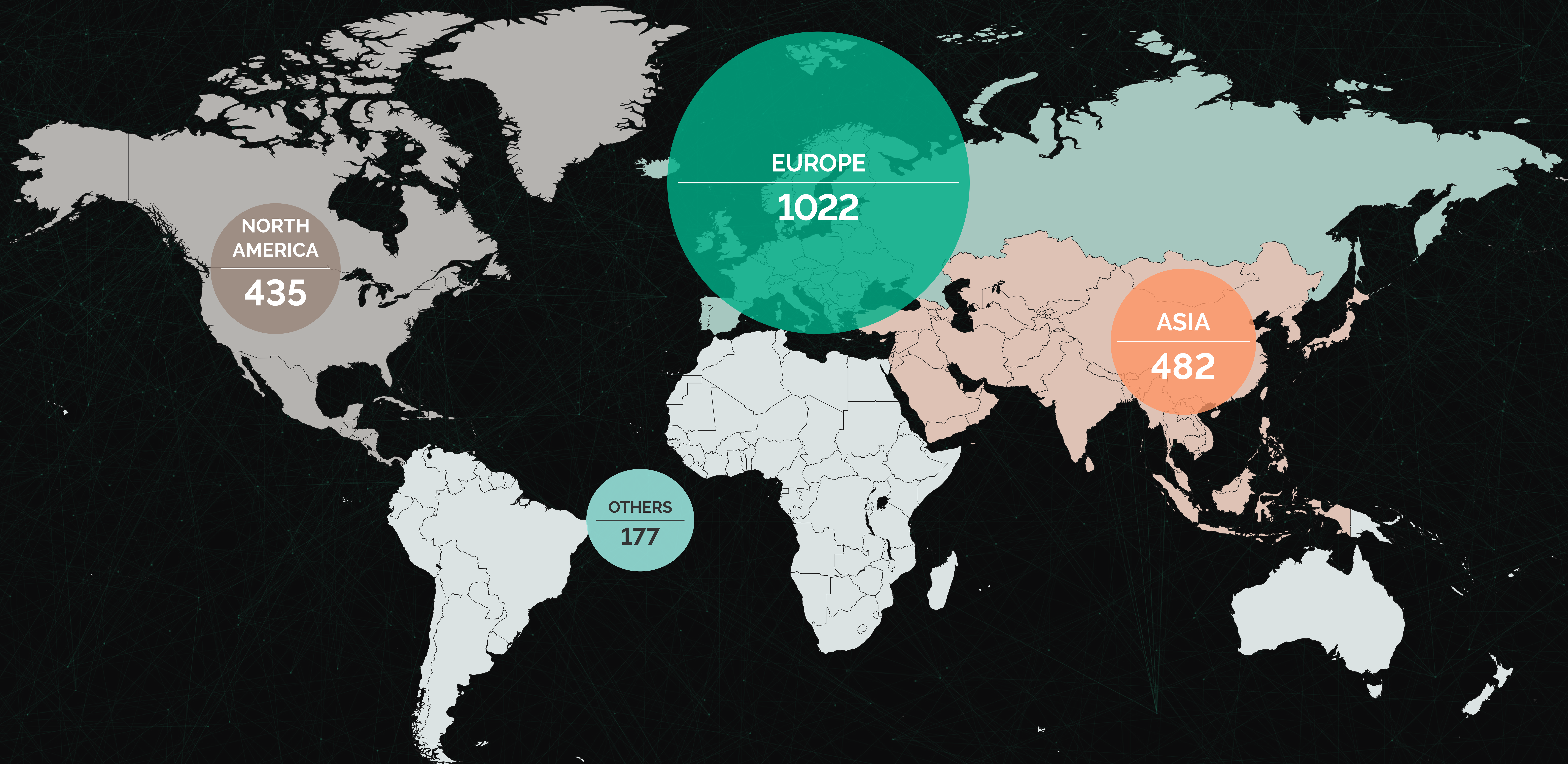
Global ICO Events



Global ICO Financing

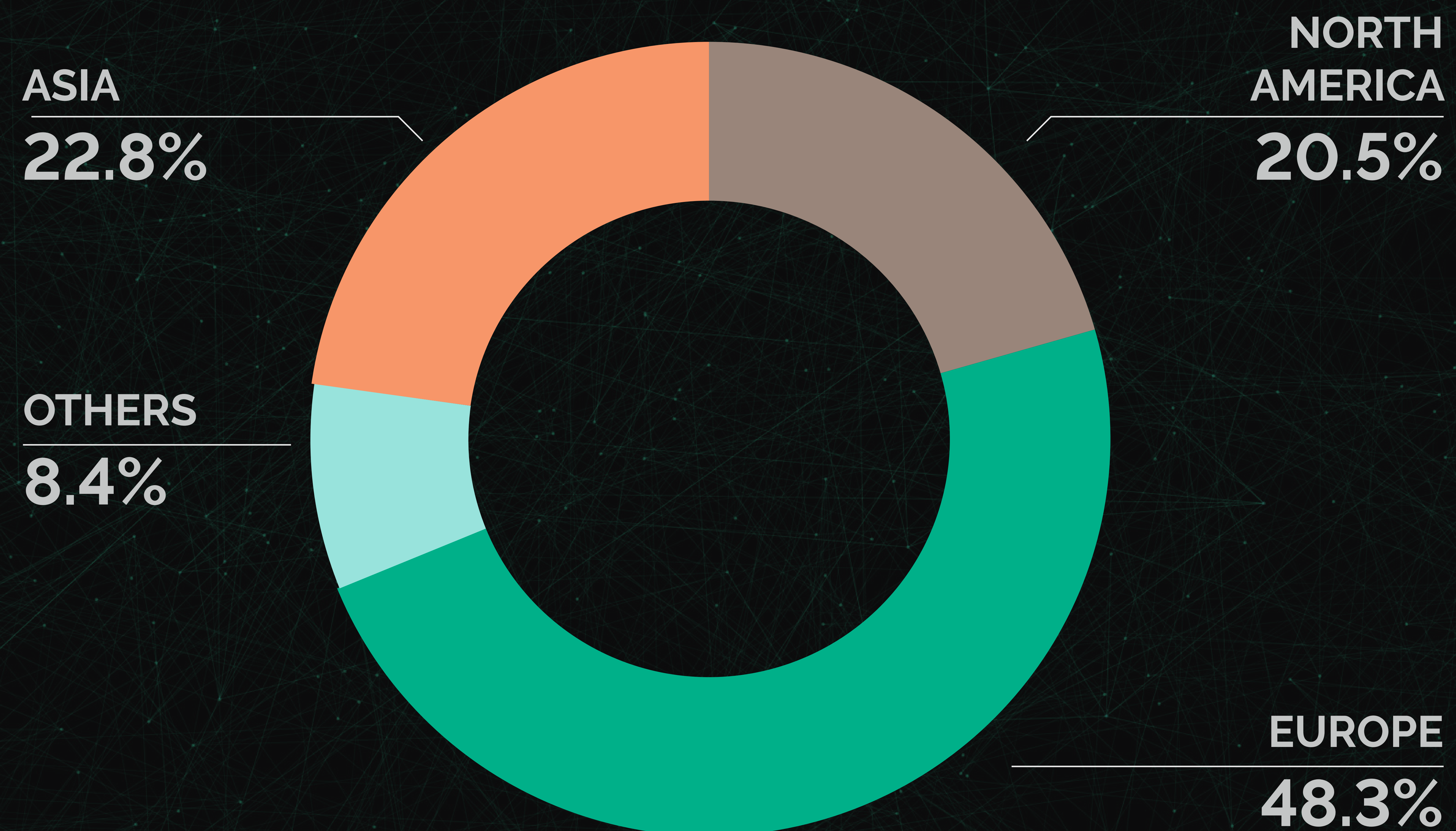


Europe Has the Most ICO Projects, Asia and North America Comparable in Number



*Based on 2116 projects with information on registration locations

North America Account for 40% of Global Financing Amount. Europe Accounts for 39%

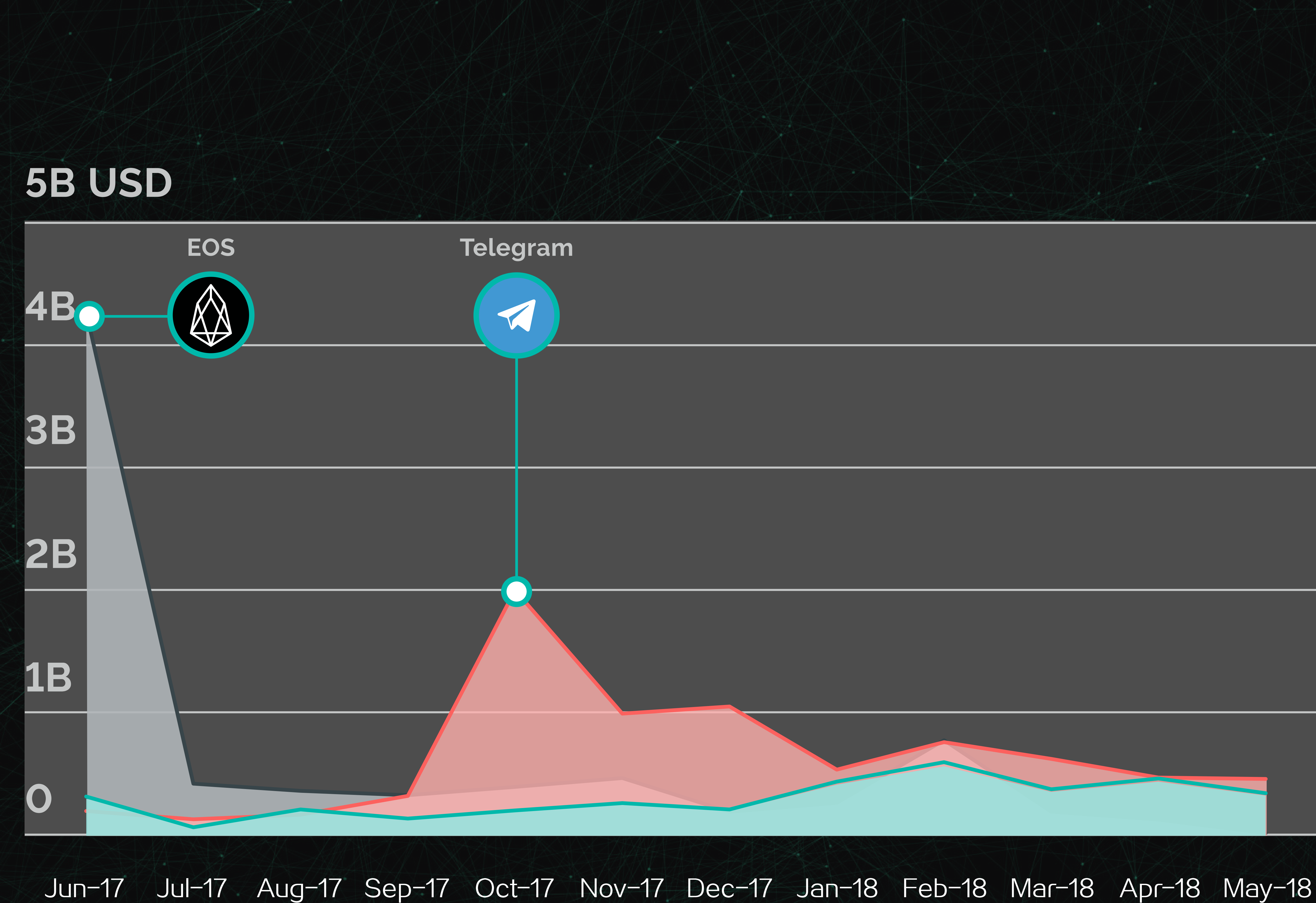


Global ICO Events

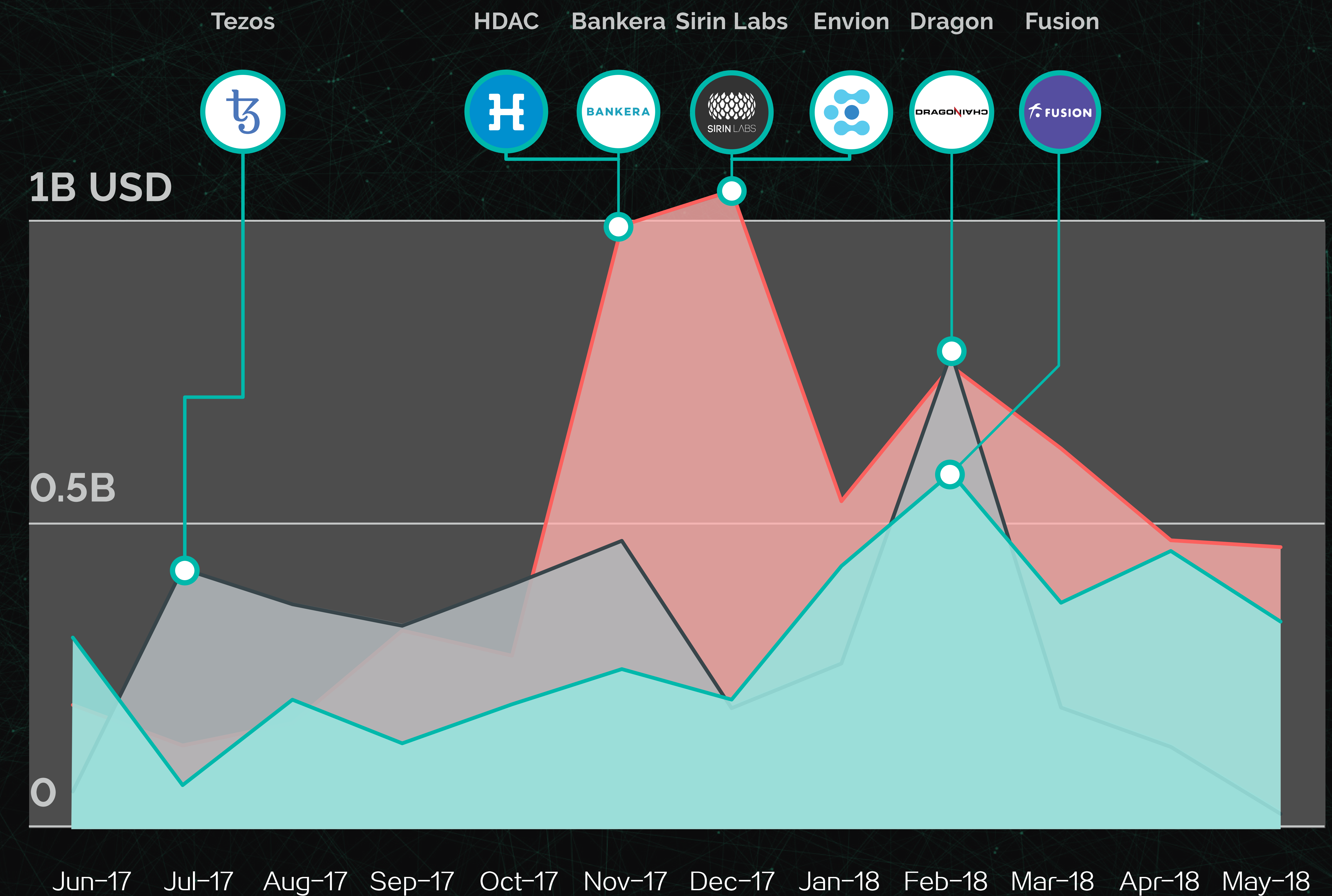


Global ICO Financing

North American Financing Amount Fluctuates Greatly, EOS Ranks NO. 1



ICO Financing Including EOS and Telegram

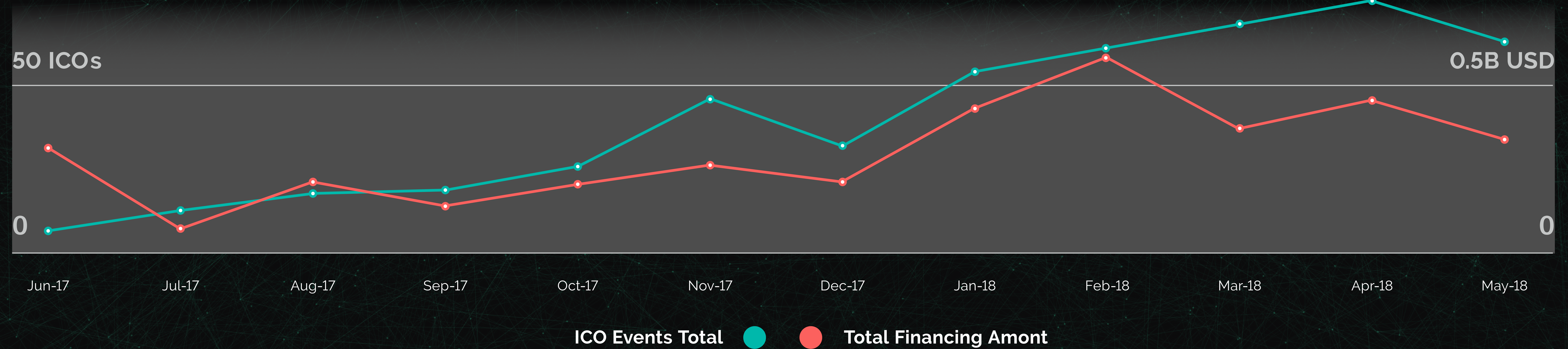


ICO Financing Excluding EOS and Telegram

● Europe ● North America ● Asia

Asia: Singapore's ICO Events Account for 37.6%. Financing Amount Accounts for 42.5%

Changes in Asia's ICO Events and Financing Amount



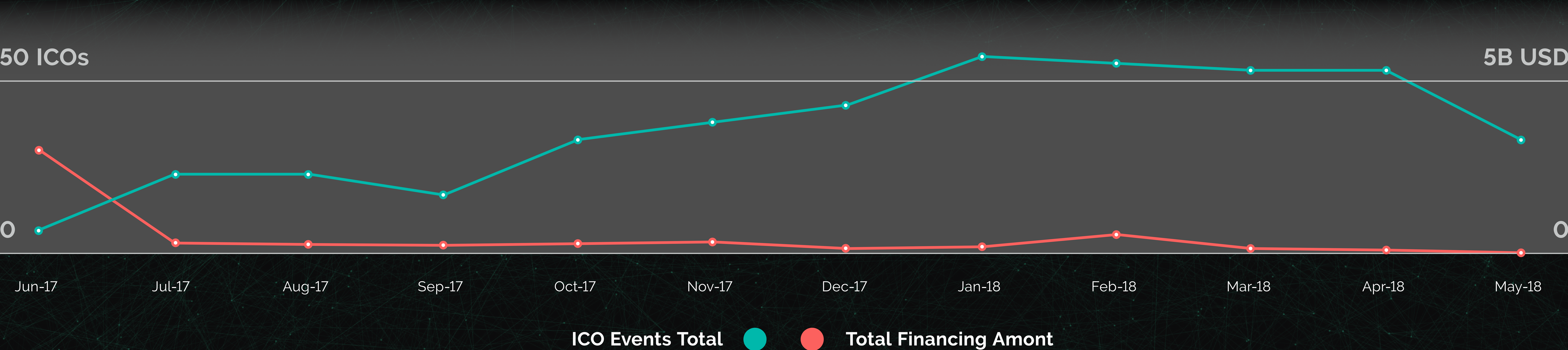
The Top 3 Asian Countries/Regions Hosting the Most ICO Events

ICO USD Raised in The Top 3 Asia Countries/Regions



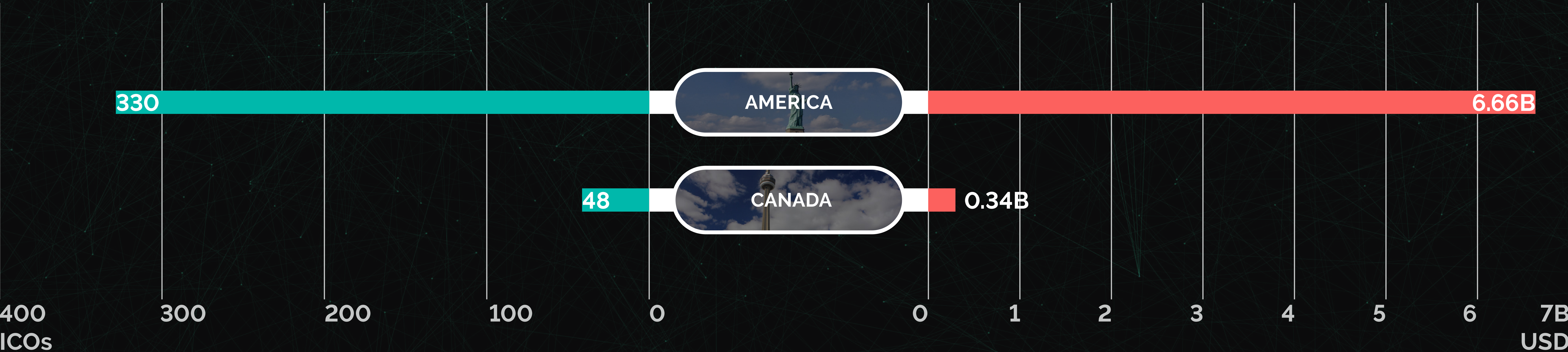
North America: the US's ICO Events Account for 75.9%. Financing Amount Accounts for 84.9%

Changes in North America's ICO Events and Financing Amount



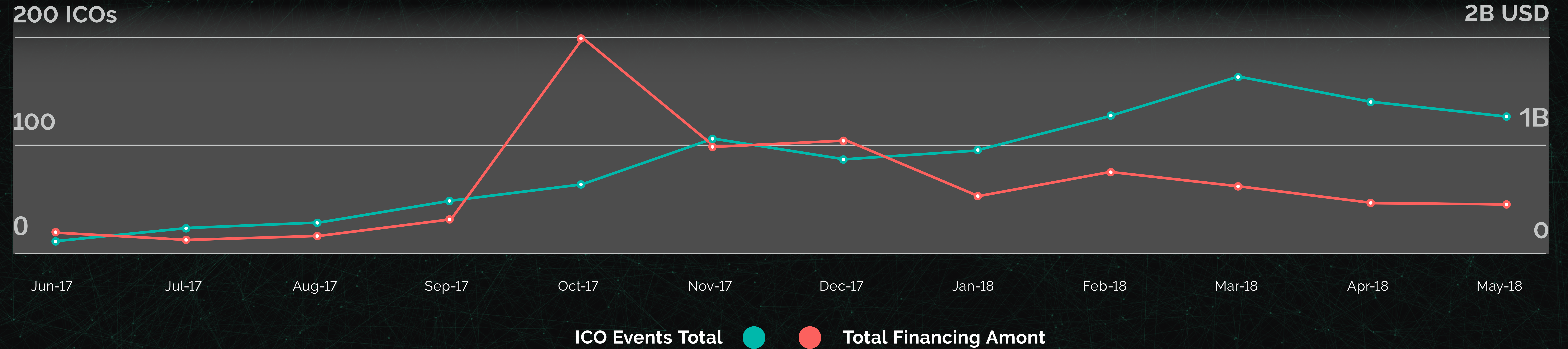
ICO Events in the US and Canada

ICO USD Raised in the US and Canada



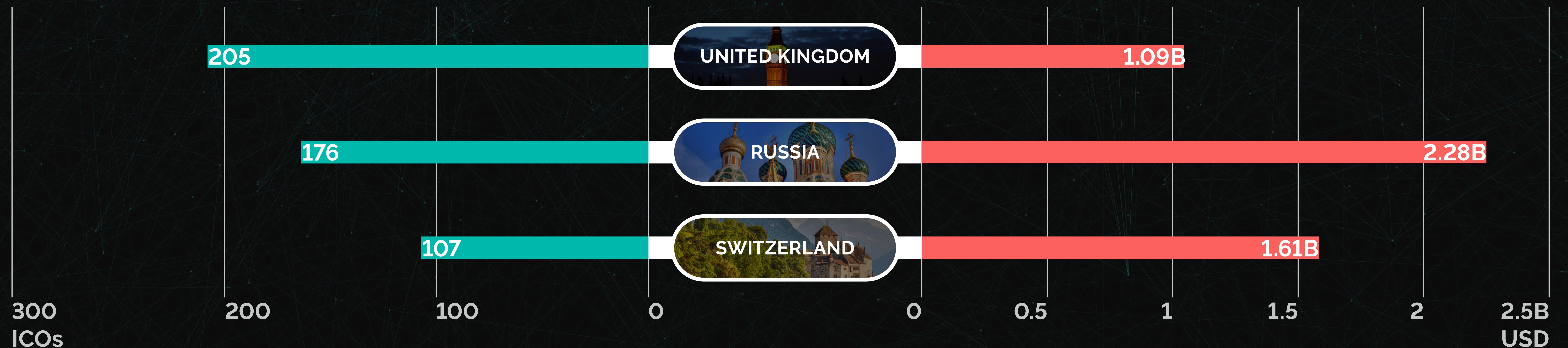
Europe: the UK, Russia, Switzerland Rank Top 3 in ICO Events

Changes in Europe's ICO Events and Financing Amount

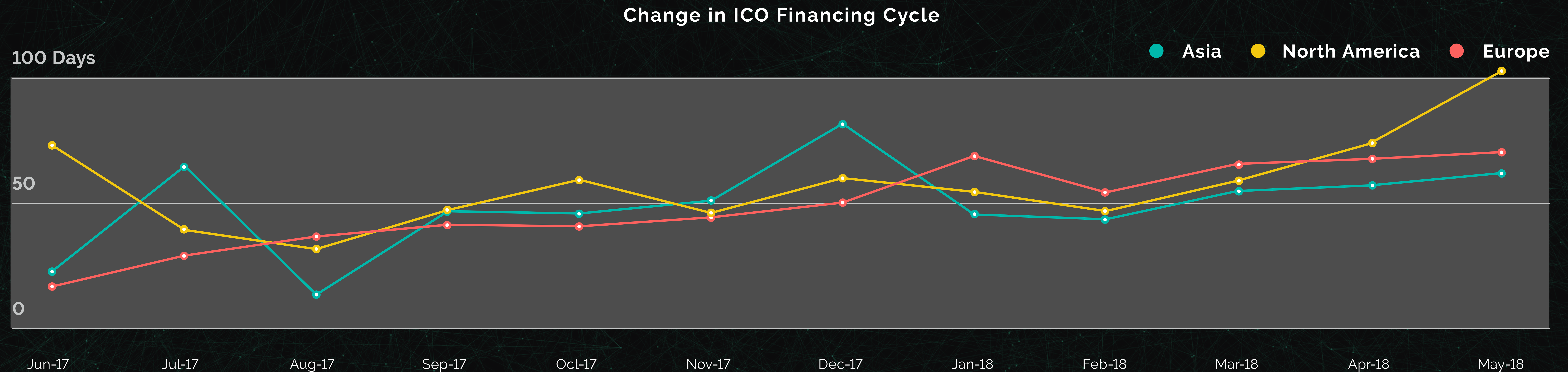


The Top 3 European Countries/Regions in ICO Events

ICO USD Raised in The Top 3 European Countries/Regions



Global ICO Financing Cycle Has Increased Over Time



ASIA

The 2nd Half Of 2017
Average
Financing Cycle

41 Days

The 1st Half Of 2018
Average
Financing Cycle

57 Days (+39%)

The average financing cycle in Asia is 49 days. From Jun 1st, 2017 to May 31th, 2018, the average cycle increased from 41 days to 57 days, or increased by 39%.

NORTH AMERICA

The 2nd Half Of 2017
Average
Financing Cycle

50 Days

The 1st Half Of 2018
Average
Financing Cycle

66 Days (+32%)

The average financing cycle of North American ICOs is 58 days and keeps rising. From Jun 1st, 2017 to May 31th, 2018, the average cycle increased from 50 to 66 days, or increased by 32%.

EUROPE

The 2nd Half Of 2017
Average
Financing Cycle

35 Days

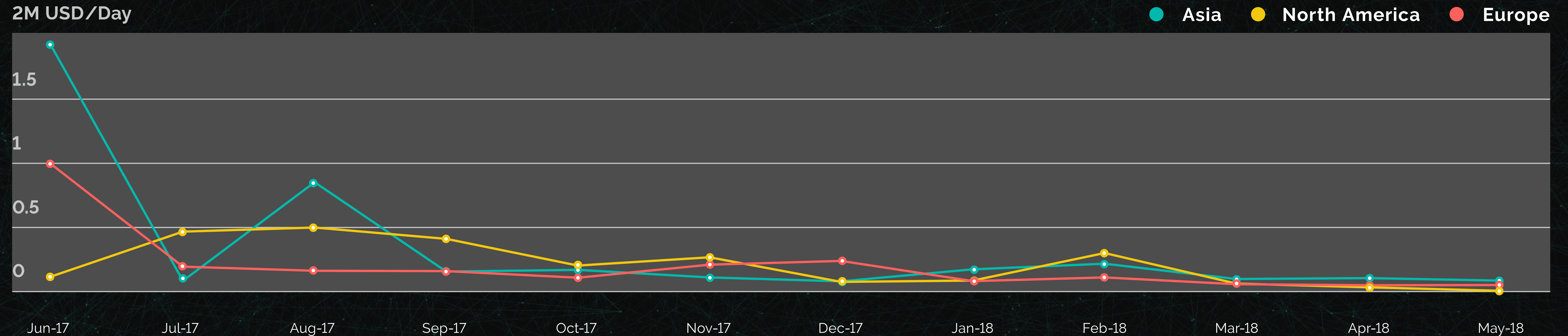
The 1st Half Of 2018
Average
Financing Cycle

63 Days (+80%)

The average financing cycle in Europe is 49 days. From Jun 1st, 2017 to May 31th, 2018, the average cycle increased from 35 days to 63 days, or increased by 80%.

Global ICO Financing: Hardest In Europe

Index Of Global ICO Financing Difficulty



ASIA

Average

337,808.5 USD/DAY

MIN

Dec, 2017

80,706.1 USD/DAY

Asia's average daily financing amount is 337,808.5 USD/day. Its lowest point was in December, 2017 at 80,706.1 USD/day.

NORTH AMERICA

Average

895,639.8 USD/DAY

MIN

May, 2018

7,057.2 USD/DAY

The North America average daily financing amount is the highest at 895,639.8 USD/day. It reached the lowest average daily financing amount of 7,057.2 USD/day in May, 2018.

EUROPE

Average

256,035.4 USD/DAY

MIN

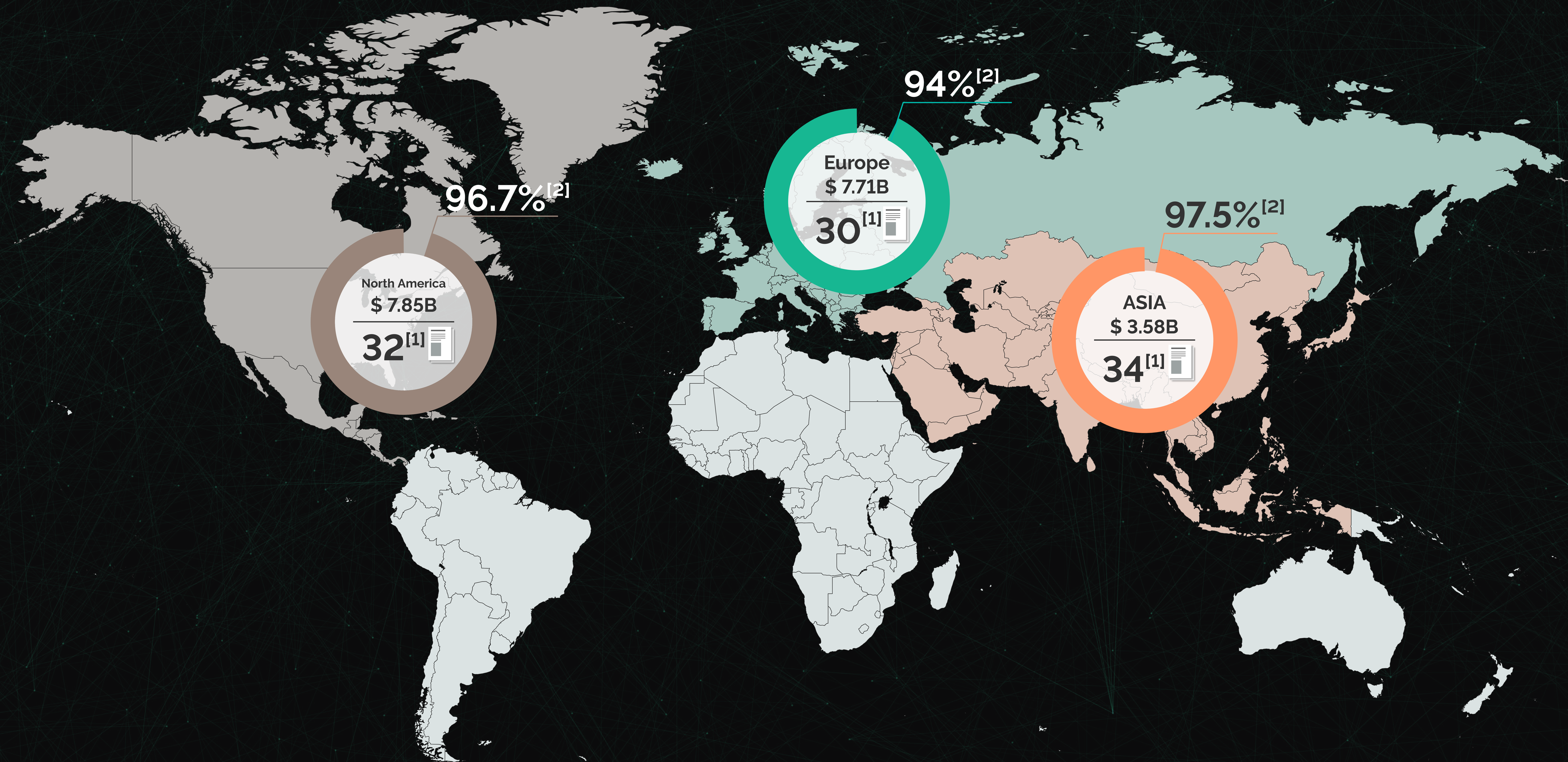
Apr, 2018

50,077.7 USD/DAY

Europe has the lowest daily financing amount of 256,035.4 USD/day. It reached the lowest average daily financing amount of 50,077.7 USD/day in April, 2018.

Index of Global ICO Whitepaper Sufficiency: Asian Projects Most Sufficient

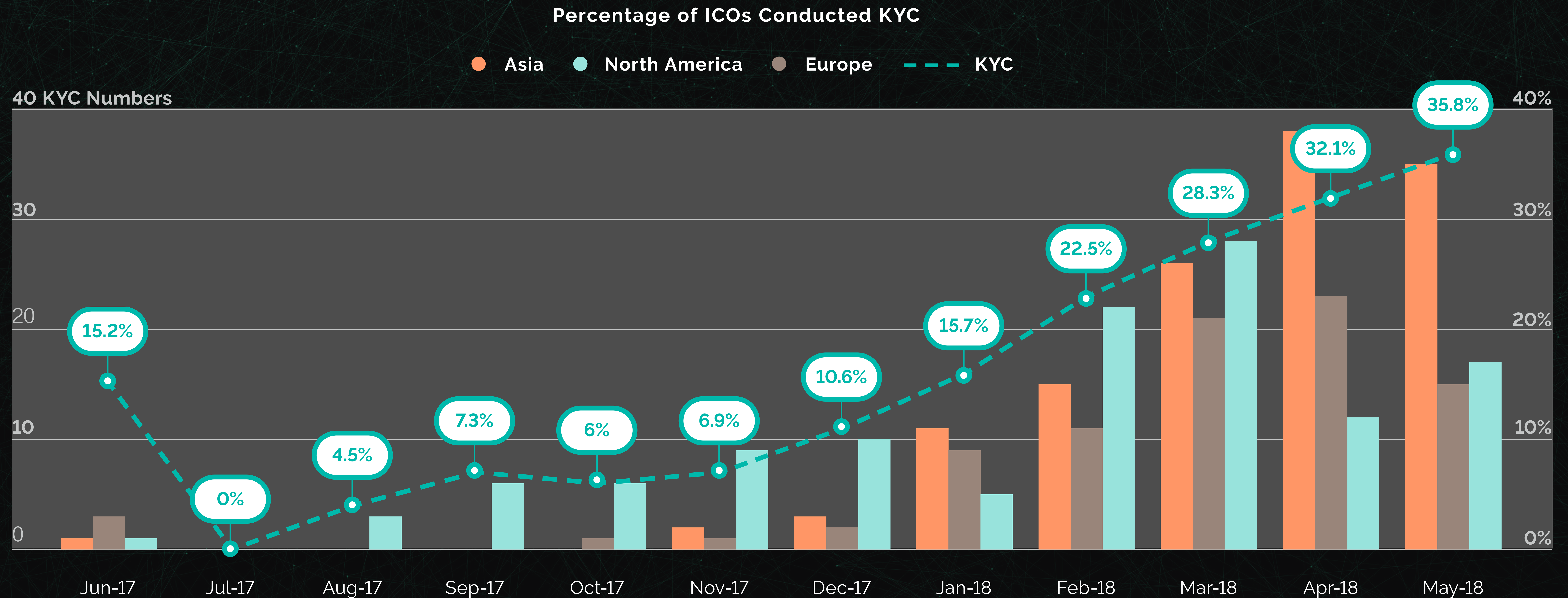
Financing amount is not proportional to the sufficiency of whitepaper.



[1] Average Pages of Whitepaper [2] Percentage of Projects with Whitepaper

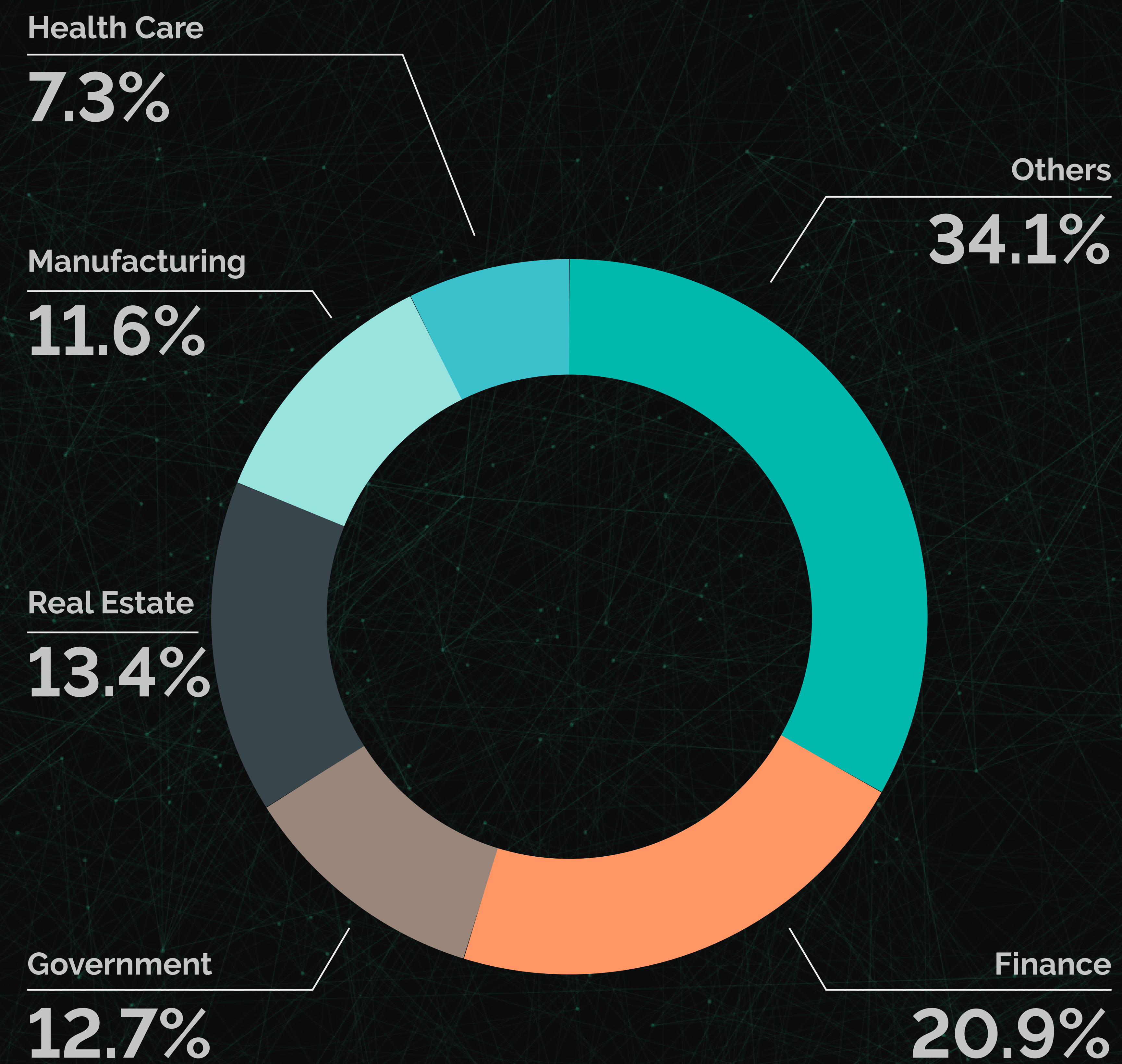
Index of Global ICO Compliance Level: Percentage of KYC Projects Continues to Rise

- In terms of compliance to KYC, Asia is ahead of Europe and North America.
- While Europe and North America had obvious decline in KYC after Mar 2018, Asia projects still had high KYC percentage.
- The trend is closely related to local policies.

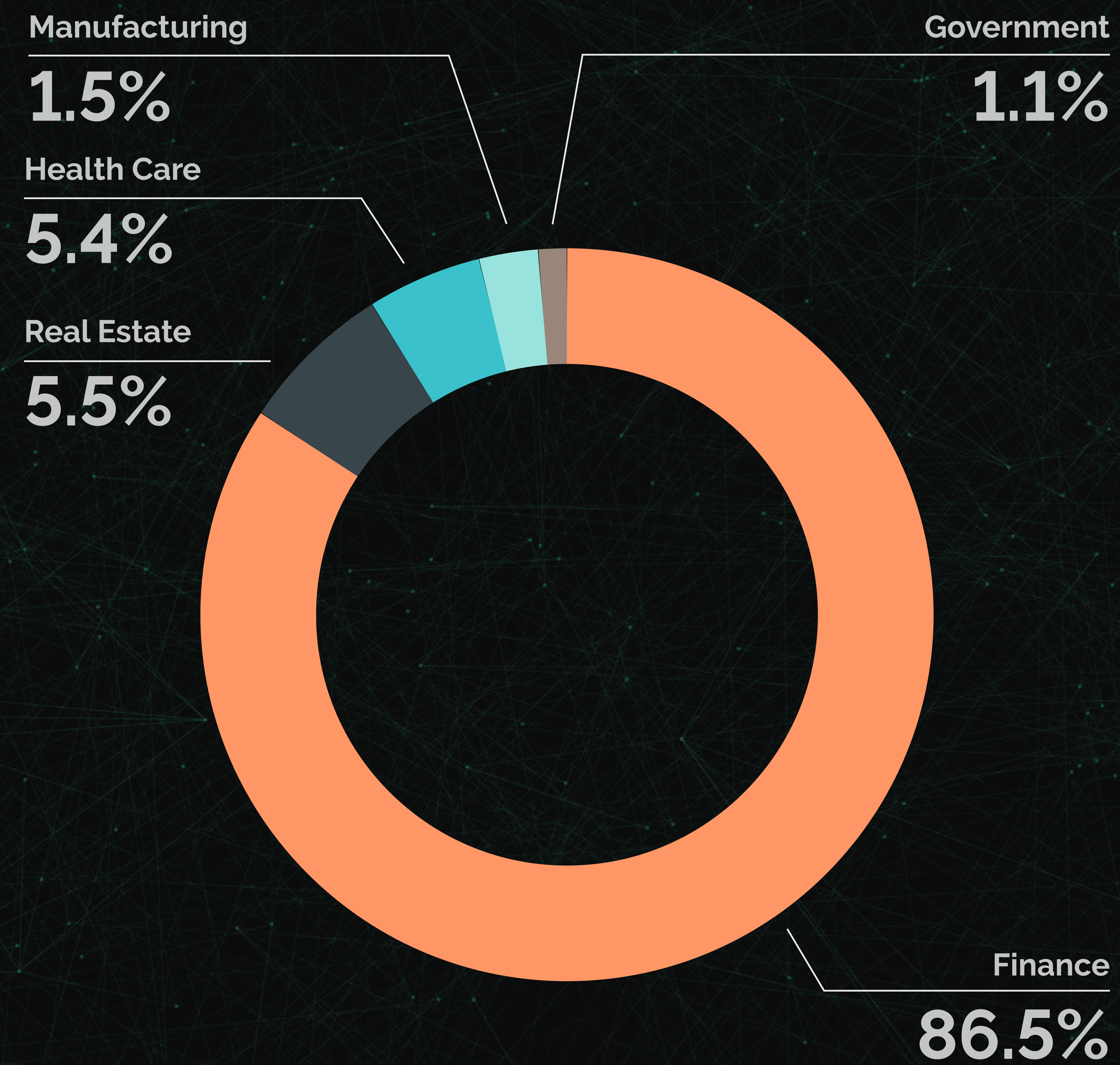


2. Blockchain Applications in Traditional Industries

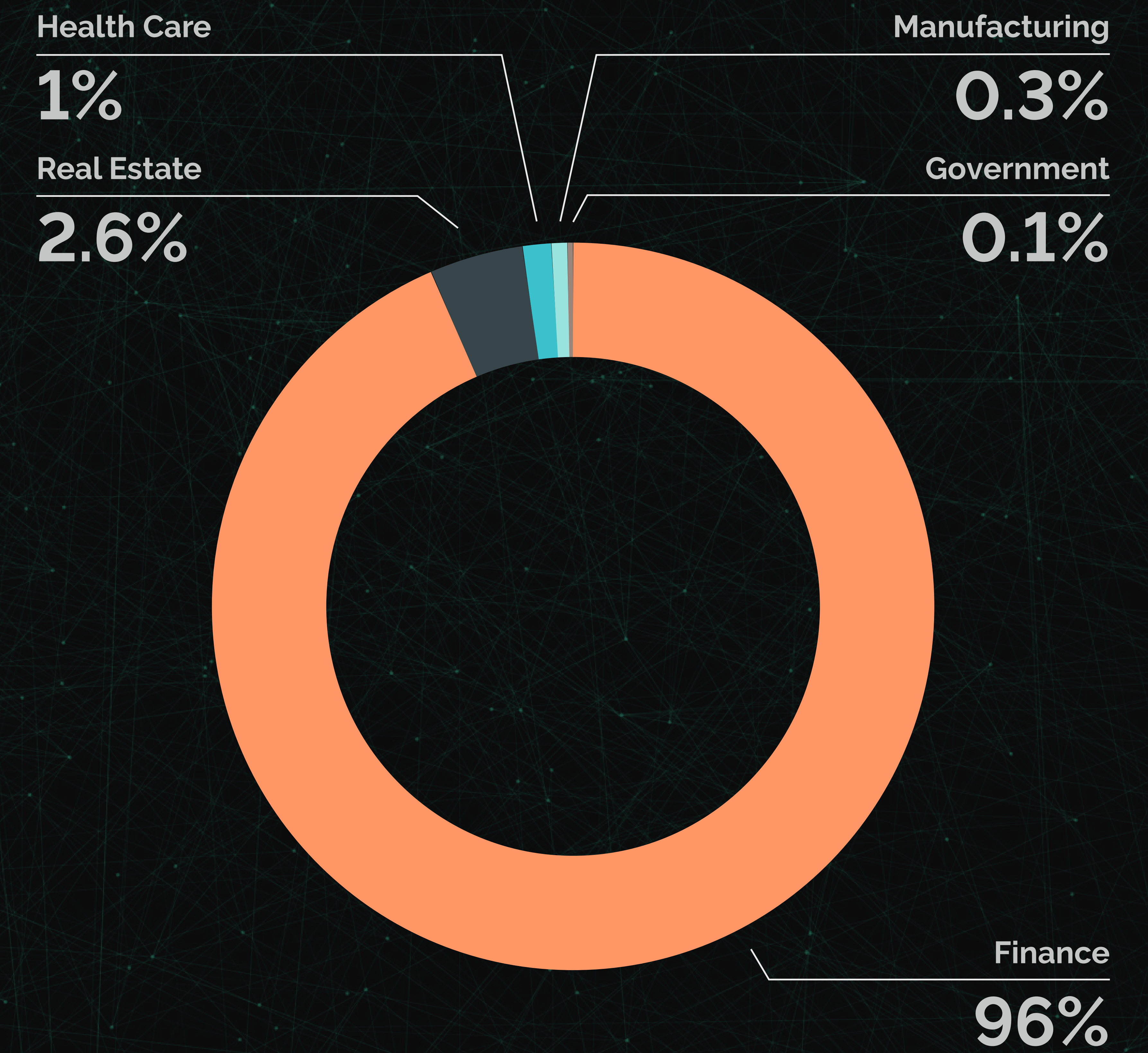
Blockchain in Five Traditional Industries: Financial Projects Account for 86%



Top 5 Contributors to
the US Economy



Blockchain for Finance Projects
are Far More Numerous Than
Other Industries



Blockchain for Finance Projects
Account for 96% of Total Financing

*Based on relevant data from Crunchbase database

Finance: Both Led by Banks & Tech-Giants, and Active in Development

Trends

1. In the US, major commercial banks move quickly, while US technology companies such as IBM also started blockchain projects and provided technical platforms. In China, the People's Bank of China drives the trend, while other state-owned banks are also moving quickly. China's head Internet companies such as BATJ are also pioneers.
2. Both China and the US are applying blockchain to payment platforms. However, the US is more concerned about the security and privacy of transactions and data, while China is more concerned with the efficiency of transactions, such as transmission time.

CHINA

- The cryptocurrency research institute under The People's Bank of China has 44 patents, which ranks fifth in the world.
- Bank of China has applied for 11 blockchain patents, which ranks first among Chinese banks.
- Bank of China has deployed a cross-border payment system based on blockchain to allow international USD remittance between Xiong'an, Hebei and Seoul in Korea.
- Alibaba has 90 blockchain patents, which ranks first among BATJ. AlipayHK and Gcash has created the world's first digital wallet which uses blockchain in entire chain of cross-border remittance.

UNITED STATES

- Bank of America has applied for more than 53 blockchain and cryptocurrency-related patents, which ranks first in US banks. Patents are related to cryptocurrency exchange, risk assessment, trade verification, and others.
- Morgan Chase is patenting a payment system based on distributed ledgers, the system will use blockchain technology to record trades and store data.
- IBM and 5 banks formed an alliance and developed trading financing platform Batavia based on blockchain technology. IBM also launched a blockchain cross-border payment project Blockchain World Wire.

Healthcare: Gov't & Tech-Giants Lead the Way in China, Innovation Goes Bottom-Up in US

Trends

1. In China, government and large enterprises drive major trends. In the U.S, start-ups drive major trends, but both are interested in applying blockchain technology to medical data.
2. China's genetic industry is highly developed, but there are rarely application of blockchain. The US has some genetic blockchain concept companies.
3. Due to drug safety issues, blockchain technology applied in drug traceability are emerging in China, with huge market demand.

CHINA

- AliHealth (Alibaba) is collaborating with Chang Zhou city to deploy blockchain + healthcare pilot projects.
- SF Technology has developed a medical traceability platform based on blockchain technology.
- Tencent and Guangxi province explore China's first prescription flow service based on blockchain technology

UNITED STATES

- Many startups are using decentralized blockchain structure to achieve storage, encryption, and management of genomic data, allowing individuals to manage their own genomic data.
- Some startups are trying to put medical data, data generated by medical equipment, and patient data on to blockchain, hoping to solve a series of problems in healthcare sector.

Gov't Services: China and the US Have Different Pioneer Fields

Trends

1. Both Chinese and US governments started paying attention to blockchain technology early
2. Public-private partnerships (PPP) is a very common model when governments deploy blockchain-related applications.
3. The US and China have little overlap in the area of government blockchain applications.

CHINA

- In 2016, the State Council has incorporated blockchain technology into "the Thirteenth Five-Year Plan for National Informatization", and 24 provinces or regions across the country have issued blockchain policies.
- Ministry of Industry and Information Technology's "2018 China's Blockchain Industry Whitepaper" indicates that there are 18 national-level policies related to blockchain and 96 relevant policies at the local level, of which Jiangsu Province has the most.
- The Chinese government supports the development of blockchain through grants and favorable policies, but lacks actually deployed projects.
- The Chinese government blockchain applications are emerging in the areas of rental properties, poverty alleviation, invoicing, notarization, and other services.

UNITED STATES

- From federal government to state government, all offices are actively researching blockchain application in government and even setting up specialized office. For example, the US General Services Administration's Emerging Citizen Technology Office (ECTO) is exploring how blockchain technology can be implemented within the US government, and providing guidance to the US government.
- The top five areas in which the US government applies blockchain technology are: financial payments, land registration, electronic voting, identity management, and supply chain tracking..

Manufacturing: China and the US Are Actively Seeking Industrial Partnerships

Trends

1. In the US, large companies are pioneers. They form alliances to explore applying blockchain. In China, the government drives major trend through releasing policies.
2. Both China and the US have recognized blockchain's potential to bring value to improve supply chain efficiency, transparency, and mutual trust.
3. China and the US are actively seeking industrial partnership. US company Cisco formed partnership with HCM Capital, Bosch and others to launch internet of things alliance, hoping to promote open source blockchain protocol standard supporting internet of things.

CHINA

- China's Ministry of Industry and Information Technology's "2018 China's Blockchain Industry Whitepaper" stresses the combination of blockchain and industry 4.0.
- Tianjing, Guangdong, Anhui, Hangzhou, Fujian and other provinces and cities have released policies regarding manufacturing industry, with a stress on "internet + advanced manufacturing industry" which includes blockchain technology.
- Nine Guangdong manufacturing companies like Midea and GREE have joined "China's Quality Chain" which uses blockchain to verify the products' quality.

UNITED STATES

- GE uses blockchain technology to verify the authenticity of 3D printed parts to ensure product authenticity.
- Boeing has applied blockchain technology to design, manufacturing and other production processes. It uses blockchain to track supply chain information, process order release, and manage procurement through smart contracts, to respond more quickly to production needs.

Real Estate: Power and Speed Are Both Low for Blockchain Application in China and the US

Trends

1. In China, government and large enterprise have cooperated to implement blockchain projects. Some small startups have innovative blockchain real estate platforms as well. However, all of them are still in the initial stage of experimentation and the number is relatively small.
2. The US has more real estate blockchain projects. Specifically, there are more examples of government applying blockchain to property management.
3. In the US, the most popular areas are property management, property transactions and property registration. In China, using blockchain in the verification of the authenticity of property sources is in the early stage of application.
4. In the US, small companies are more in favor of embracing blockchain technology than big companies. Overall the industry has been poorly motivated and slow in embracing the technology.

CHINA

- Xiong'an New District has built a blockchain rental application platform. China Construction Bank, Lian Jia, Ant Financial and other institutions participated in the development of this rental platform.
- IHT Platform (Hong Kong) has developed smart contract technology and distributed ledger technology specifically for splitting property rights for sale.
- Real estate transaction platform FangZhangGui and IBM cooperated to build a digital real estate service platform based on blockchain.

UNITED STATES

- In July 2016, a startup conducted the first property ownership transfer using blockchain technology
- Some startups are creating transparent rental applications using smart contracts for landlords and tenants to make deals.
- The South Burlington city government has completed the first fully block-based real estate transaction in March 2018.
- The Cook County government is the nation's first to experiment with blockchain technology for transferring and tracking property titles.

- **Moving data on chain is the most mainstream application:**

Traceability of data on blockchain

Immutability of data on blockchain

- **In some of the application scenarios, the ownership of data is changed from organization to individuals; data is more secure.**

- **Application of smart contracts:**

Automate Processes

Improve Efficiency

Improve Accuracy

- **Private chains and consortium chains are more popular in industry applications.**

Technical

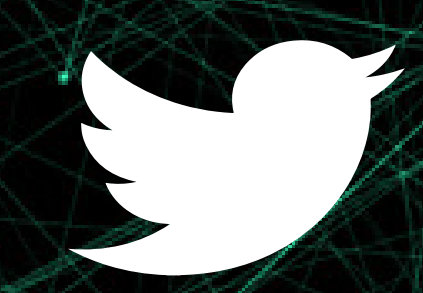
- Blockchain technology is not mature enough. The **scalability** of major platforms for cryptocurrency application is not strong.
- The underlying infrastructure of blockchain is far from perfect. Decentralized storage and computing are not effective in dealing with massive data or in meeting the timely requirements of many business scenarios.
- The use of **PoW** blockchain may result in a **waste of resources**, so governments and industries have to be very cautious in making decisions.

Non-Technical

- The application of blockchain technology in strictly regulated industries such as finance and real estate will bring new challenges to existing **regulatory frameworks**, and thus slow down the application pace.
- The **fluctuation** in cryptocurrency prices would make people take more risks when using blockchain platform for payment.
- Decentralized blockchain application may involve multiple stakeholders, which may lead to challenges in responsibility distribution.
- **"immutability"** could be a double-edged sword?
- Resistance from within the industry: many industries are currently centralized systems, a long process is required for them to understand and accept blockchain, which has decentralization as the core concept.

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