

## **Open Source Chain**

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  - (iv) units in a business trust;
  - (v) derivatives of units in a business trust; or
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## Open Source Chain

**A blockchain powered marketplace for electronic and IC industry,  
where engineers and creatives mingle and collaborate**

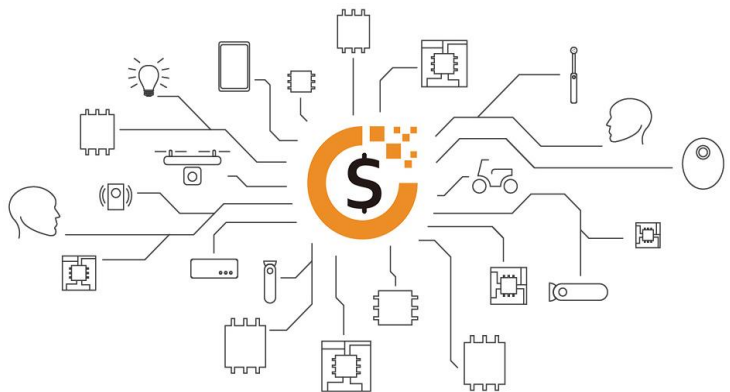
### Vision

When we as the co-founders of Open Source Chain got together to start this venture, it was our vision to enable every party in the electronic industry to have free exchange of ideas and thoughts, to gain more prosperity with collective wisdom, to ease the friction and unnecessary cost in the course of business and together move to a more intelligent world.

With the emergence of blockchain and token economy, we see a powerful mechanism to re-organize production and to foster a collaborative, fair and rewarding society. Open Source Chain is for everyone with a creative, adventurous mind.

### What is Open Source Chain

In essence, Open Source Chain is a blockchain-powered intellectual property marketplace designed to price “smart” ’s utility and a token mechanism set up to reward creation, refinement and embodiment of intellectual property, or “IP.” It comes with easy-to-use Smart Contract console and IP management tools.



In the marketplace, participants can share, trade, verify, critique, refine, incorporate, or derive crystalized IP such as schema and chip design, as well as pseudo-IP like test data or modeling result, or tacit IP such as experience, know-how, judgement and skills. Participants can also use smart contract to organize and develop new IP such as products or even production. The value of participants and IPs, or “influence” as we call it, are measured by reaction and behaviors in the ecosystem, powered by token, rule engine and smart contracts.

## Industry Overview

Electronic industry is huge and it's at the heart of every smart device/equipment. In 2017, global semiconductor sales reached \$404B U.S. dollars. Non-semi electronic market is about 5~10 times in sales in comparison to semiconductor market. With the progressive deployment of Internet of Things(IoT), Artificial Intelligence(AI), Autonomous Vehicles, Robotics, electronics and circuitry is expected to interweave into every aspect of life. In Asia alone, there are over 8 million freshly-minted graduates each year. Working professionals in Asia is estimated around 40 million. Worldwide, total direct employment is at least 100 million.

Since inception, the industry grew leaps and bounds. Innovative applications develop in previously unimaginable segments. Actual embodiments of these IP also grew in great variety.

## Pain Points and Friction

From supply-chain's perspective, the sales and adoption of any IC is a complicated matter. Every sale requires early engagement by professionally trained engineer, through practice call "design-in." The subsequent design-to-sample stage takes anywhere between 3 to 9 months, where numerous hand-holdings are needed, while fierce competition threatens to reset the stage. After the production commence, vendors need to continue with technical support to ensure smooth roll-out and consumer satisfaction.

Another key issue in the industry is the rapid depreciation of IC products, IP and personnel knowledge. Unsold inventory, unless quickly dispensed through creative applications or channels, eventually become worthless under Moore's Law and market competition. Professional skills and knowledge gained through hands-on tasks become less valuable as time progresses.

The value chain from design, manufacturing to sales is lengthy. Each linkage erects barrier in form of data, knowledge and trust. Also, there is great amount of repetitive work and data re-entry in every turn of the system, from design, through packaging, to downstream manufacturing.

The same drama replays in every niche of the industry. The knowledge-intensive, labor-intensive and capital-intensive nature leave all players on subsistence; let alone refine and progress. Today, there's no good way to get around this.

## Open Source Chain's Solution

Open Source Chain is founded by veterans in the industry. Open Source Chain solves industry's ailment through the following:

- ✧ Encourage IP holders to share and open-source new or outdated, unused, under-utilized, fragmented or imperfect IP with the ecosystem and be rewarded
- ✧ Community continues to update, refine, verify, critique, perfect, evolve, fork, incorporate these IP and be rewarded
- ✧ Vendors can buy, trade, pre-test, procure design, assemble, or outsource production to reduce risk and cost and be rewarded

Open Source Chain provides the community with decentralized, trustworthy public ledgers, valued and validated IP, talented community, behavior rewarding rule engine and token economy mechanism to monetize what is now locked-up in hard drive and in the brain. What was once inaccessible and therefore worthless now has value through exchange, and validation.

Open Source Chain is the world's first blockchain-powered platform to address the problem in full. The ultimate goal is to build an ecosystem composing design, packaging, manufacturing to sales & service.

## “Ripple-down” Opportunities

Given electronic and IC's strategic center in almost all electronic industries, innovation at the core creates rippling opportunities for downstream industries such as medical, aviation and transportation, etc. In addition, same methodology and mechanism can be applied in other design-centric and data-intensive industries.

## The Open Source Chain Team



David Lee - David is a seasoned veteran in high tech industry, having previously held senior roles in Microsoft, Oracle, Honeywell, IBM, NASA, DNV China, and internet startups in social network and ecommerce space.

David started his blockchain journey in 2014 where he met with Ripple team and bought his first batch of XRP on the street of San Francisco. He subsequently prototyped the first ripple gateway in Taiwan and has been an active community member since. He has also been an investor in various high profile Blockchain ICOs such as

Ethereum and EOS.

David built his early career in Silicon Valley and subsequently move to China in 2004. He is well-versed in both multinational management practices as well as street-smart startup culture. He has a well-balanced technology background, including semiconductor design, software development, product management, consulting and venture investment. In recently years, he has served in CTO capacity to build out startup team from scratch and drive user adoption.

David graduated from UCLA in 1992 with Computer Engineering and received MBA with scholarship from USC.



Will Zhang – Will graduated from South China University of Technology, He led in various leadership roles including Texas Instruments Greater China Marketing Director, President of Micrel Greater China, VP of Worldwide sales of Giantec Semi, and as Vice president of China Academy of Sciences Shanghai Institute.

He is also one of the co-founders of IC coffee, a venture incubator and funding organization focuses on emerging semiconductor opportunities in China. He offers great insights into frontier development of industry. With over 30 years practical experience, Will has an in-depth understanding of the semiconductor supply chain as well as extensive global contacts and management experience.

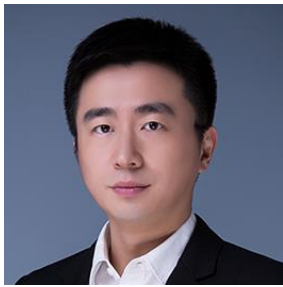


Raphael Li - Raphael holds the master degree of Zhejiang University and majored in power electronics and electric drives. During the past 15 years, he has worked for Huawei, International Rectifier (acquired by Infineon in 2014) as a global expert in Technical Assistance Center, Diodes as power and lighting marketing director of Greater China. Mr. Li is the co-founder of several domestic IC design house.

In Zhejiang University's National Laboratory, he focuses on FPGA-controlled sensor-less motor drive and PFC power management. He published more than 10 research papers in IEEE academic journals. He is proficient in hardware and software circuits and was the earliest founder of ZHEJIANG FOUNDER MOTOR CO LTD (Ticker No. 002196).

During his collaboration at the IR headquarters in Silicon Valley with a global team of technical experts, he focused on semiconductor power MOSFETs and IGBTs. Since, he returned to China to train and support over 1500 FAE team and engineers globally to resolve power and power management issues. Later he pioneered Chinese automotive electronics development in partnership with UAES, LEAR, DELPHI, BOSCH, from scratch to over 1 billion US dollars annual sales.

He co-founded several IC design houses, and participated in the core definition of more than 30 chips. The IC product was sold to more than 1000 companies including GE, Philip and Osram to light up more than 5 billion lights on all continents.



Roger Lu – Roger graduated from Shanghai Maritime University and served as a senior researcher at the key State Lab of Electric Drive during his tenure. His research won the second prize of Shanghai Science and Technology Progress Award. He was responsible for the distributed control of ship's overall communication system as well as the real-time and safety of the system. The system was implemented in Maersk, COSCO, China Shipping, Evergreen and other world-class shipping companies.

During this period, he published 8 research papers in the domestic academic journals.

In 2007, he developed and mass-produced the landscape lighting and video system of the building facade. The project customers include well-known enterprises as Capdeville, Hutchison Whampoa, ALLGREEN Evergreen Group, Vanke, Evergrande and Graff. Total revenue of reached more than 200 million US dollars.

In 2012, He developed the intelligent IoT lighting control system. The module was sold to more than 100 lighting companies in the world including GE, Philip and Osram. His company became GE's designated design house and module supplier.

In 2013, he participated in the research of blockchain technology and explored the combination of blockchain and IoT.



## Selected Open Source Chain Advisors



Mr. Ma Guolin – Mr. Ma is a general partner at Yueda Capital. Mr. Ma is an influential industry leader in opto-electronics and semiconductor industry worldwide. He has been an angel investor for over 20 years. His previous professional engagements include senior roles in Hughes, HP, Agilent, and Spreadtrum.



Alexis Sirkia – Alexis is the Co-Founder & CTO @ GSR. He is a very early blockchain adopter and community leader. He started his career at European Space Center developing computer systems for the Ariane 5 space rocket. In 2014, he started GSR markets, which currently make markets in over 40 crosses, 24/7, on Bitcoin exchanges and the Ripple Network.



Mr. Kong Huawei – Mr. Kong is the leader of Chinese Academy of Science, Shanghai center, and a general partner at iStart Venture. He is the founder of iTalk Salon which is a popular media hub of startup community; Mr. Kong is an avid investor in Blockchain, IoT, AI, VR, Cloud Computing and Big Data area with numerous investments; Mr. Kong graduated from Peking University.



Mr. Wang Yuehua – Richard Wang has over 20 years of experience joined DFJ Dragon Fund since 2011. Prior to DFJ, Richard served as CEO of QunZhong and successfully grew market and franchise. Prior to QunZhong, he founded OLEA Network with Silicon Valley partners. OLEA produced wireless intelligent ECG sensor using the Doppler Radar. He published several technical papers in IEEE. Mr. Wang holds MSEE from National Chiao Tung University since 1995. Mr. Richard Wang is keenly interested in AI and fintech; particularly in Blockchain. His portfolios including Yeepay, Senodia, NasoSic, Innodealing, Epticore, Vechain Metaversa, Redpulse, Alphacat, DAF, i-House, Chinapex, RED, Evermarket, OBEN, Primas, Bottos, MDT and YAN.



Mr. Qian Jinrong – Mr. Qian is the current Vice President at Texas Instruments USA. He holds over 30 U.S. patents in power management and has published more than 75 professional technical articles in power management areas. He was the Asian American Engineer of the Year (AAEOY) in 2011. Mr. Qian earned his Ph.D in 1997 at Virginia Tech.



Mr. Xie Zhifeng – Mr. Xie has over 20 years of semiconductor experience and was previously COO of SMIC, and Executive President at ASMC. He is a fellow from MIT and a visiting professor. He is also the founder, CEO of QST corporation in Shanghai.



Cristian Gil – Cristian is the CEO of GSR. He is an accomplished former Goldman Sachs alum in energy trading. He graduated from MIT specializing in economics. GSR is a major liquidity provider in the crypto currency space.



Mr. Kristof Kaiser – Mr. Kaiser is a seasoned ecommerce leader previously worked for Google EMEA. He is a well-connected community leader who has a rolodex of contacts in Europe. He will help us understand and grow the ecosystem in Europe. In addition, he brings a wealth of insights and technical expertise into areas of internet technology and architecture.



Mr. Noel Chao – Noel is a senior Director at Qualcomm and a leading technologist with broad business contacts. He brings wealth of knowledge and experience in device hardware and secure mobile technology.



Mr. Wang Dawei - Mr Wang is the founder of Data Chain and has significant knowledge in China's blockchain industry and held previous roles at Shenda, IBM and Ctrip. He held MBA from Shanghai Jiaotong University.



Mr. Mo Yang – Mr. Mo holds Ph.D. from University of Cambridge and, was involved in the first design of the world's first polysilicon-based DNA detection chip. After his returned to China, he founded Shanghai Media Inc. which developed set-top boxes with US Intel and Japan's OKI Corporation. Subsequently, he cooperated with Godson in China, to develop home-entertainment products using China's first general-purpose CPU.



Mr Hu Feifan – Mr. Hu had in-depth experience and knowledge in investment and corporate strategy. He specializes in emerging technology trends with special focus in Big Data and blockchain. Previously, he worked in Europe's leading investment banking institutions like BNP Paribas



Leon Li – Leon graduated from Xi'an Jiaotong University with a Ph.D in Electronic and Information Engineering. Leon has a 17-year career with Fujitsu as one of the core technical experts in the semiconductor sector. He possesses very deep understanding of customized IC design involving both hardware and software

His team pioneered many "First's" in China, including helping Haier, Hisense, Skyworth and other TV OEMs mass produce first PDP TV; helping ZTE, Meitu and other mobile OEMs to design the first batch of camera phone and production; helping Huawei first design ISDB RF module and successfully occupied over 80% Japan wireless walkie-talkie market. After Fujitsu, he founded Shanghai domain Internet Technology to focus on application of mobile technology in IoT and blockchain.



Mr. Hu Yunwang – IC Café Chairman and founder Since 2014, Mr. Hu is a community leader in IC and electronic industry and have built great ecosystem with research, investment, events, media and incubation services.



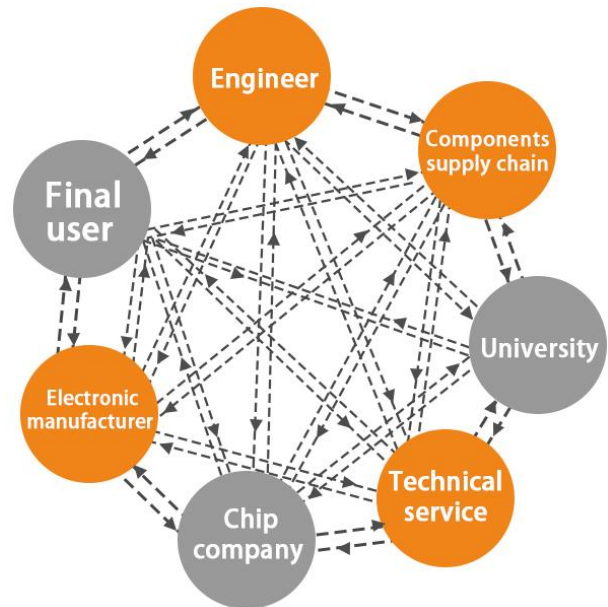
Mr. Chen Haifeng – Mr. Chen is the founder of INSPACE incubator, co-founder of influential media Tuoniao.fm, and AI blockchain Valley in Suzhou.

## 2. Open Source Chain Concepts

### Target Audiences

Open source chain has the following industry participants in mind:

Engineers – senior engineers can leverage the platform to monetize accumulated knowledge and insights, critique design or even organize and manage projects, utilizing career-long experiences. Young engineers can read and learn from shared design and discussions, and partake in easier tasks such as testing or validation and accumulate credibility. Raising stars can provide IP, designs to gain recognition and fortune.



Manufacturers – OEM vendors can selectively open source IPs that's non-critical to business. Manufacturers can leverage the platform to gain thought leadership and reputation, create adoption and save on sales & marketing, start project with ready public IP base to avoid costly mistake, save precious time and test out technology direction, gain validation and test from engineering community, and getting treasured brain power. Finally, all can use smart contract to enable impartial and efficient collaboration.

IC Suppliers– IC suppliers stand to benefit in multitude. They can leverage community power to support partners to reduce cost of technical support; leverage open source to directly market to profitable long-tail segments previous too costly to reach, leverage community's channel to dispense inventory at risk of obsolescence.

University – professors and lecturers can get precious insight into industry practices and leading-edge trends. At the same time, initiate or partake in interesting product concepts, or leverage community to validate or test out theories and technical solutions. Finally, gaining access to both vendors and engineers, all while being rewarded for participation.

Supply-chain and components companies: Suppliers can have access to the community for resources, information or execute smart contract collectively to reduce cost, frictions and enhance trust among supply chain participants, through public ledger, shared information, and transparent rules.

Technical service companies – traditionally, technical service companies are challenged by costly coordination and difficulty in pricing services. Using smart contract and leveraging community, both can be address in a fair and market-oriented manner.

Consumer or Prosumer – end users can come to an understanding on product and have a fair judgement and benchmark on purchase decision. Or get rewarded by providing valuable feedback.

There are endless good scenarios to be uncovered on Open Source Chain.

## **Open Source as a Trend**

Protection of intellectual property is a long-standing tradition. It takes effort, time and talent to create value so it's worthwhile to ensure those invested get rewarded. However, the emergence of information technology changed how IP is deployed, from private, selected few to many with information access and intellect.

In 1983, Richard Matthew Stallman, out of MIT's Artificial Intelligence Laboratory, started GNU project with the aim to create an Unix-like operating system consists of entirely free software. Subsequently, in 1991, a creative young student out of Finland, Linus Torvalds, published Linux kernel which became the kernel for operating systems such as the Linux operating system, Android, and Chrome OS under GNU General Public License (GPL). Today, Android powers about 90% of computing device worldwide.

Businesses and engineers alike start to discover that open sourcing IP is a more viable way to maintain and evolve intellectual properties. There are numerous examples in software where previously locked up source code are made available to the community to foster adoption, better quality and lower R&D cost.

Linux does not belong to anyone or any business. Not even its creator Linus Torvalds owns Linux. However, while these open Source IP are created for the public good, financial rewards for these inventors are limited. Sometimes, the very creators themselves are even pushed into financial hardship. In addition, open source inherently needs scale and community participants, as one or few creators' scope of knowledge is inevitably limited.

## **Blockchain as a Key Building Block**

Blockchain, “The Trust Machine” as the 2015 Economist article termed it, is a peer-to-peer, decentralized and distributed digital ledger that is used to record multi-party interaction so that historical records cannot be altered retroactively due to the collusion of others. In early 2017, the Harvard Business Review suggested that blockchain as a foundational technology and thus “has the potential to create new foundations for our economic and social systems.

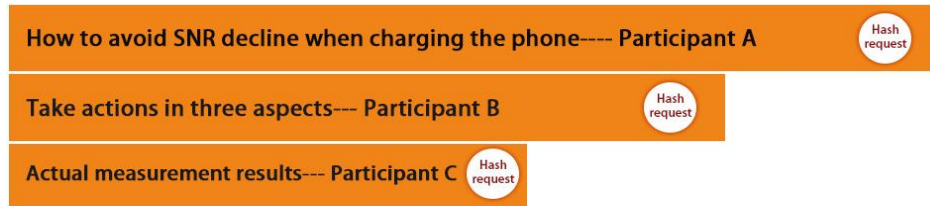
With blockchain, the above-mentioned constraining factors can be effectively managed. Rights, creatorship and ownership can be registered and validated on public ledger. Subsequent development, fork, validation, or consultancy can be factually and immutably recorded on shared ledgers. New ideas can be administered impartially using smart contracts as community projects. IP value can be priced through collective opinion, actual prior implementation or marketplace while value can be transmitted through token mechanism. Effectively, the ecosystem could go through a re-organization using blockchain

## **Mathematical Model of “Influence Mining”**

In typical knowledge sharing sites, such as Github or StackOverflow, it's difficult to pin point how much each individual contributes to the value. Contributors cannot be reward as a result. Different from current design, every contribution on Open Source Chain is not free but a “reputation stake”

on the Chain.

Let's take an exemplary Q&A scenario in 3 subsequent steps:



Here, participant A raise the question, which costs him 6 points; hashing and recording it on the chain costs another 6 points. These ensure postings have actual value and eliminates spamming.

Participant B posts answers with 3 actual attachments, which costs him 6 points. In order to download and make use of the answers and IPs, other participants need to pay 9 points each. Now, participant C conducts an actual test to validate B's answers to A's question and upload test result, which costs him 3 points. Download and utilize test data costs future participants 3 points each.

Assuming within a month,

Participant A gets 747 views and 2 thumbs-up

Participant B gets 550 and 32 thumbs-up, 16 downloads and 1 objection

Participant A gets 310 views and 22thumbs-up and 7 downloads

Open Source Chain's Proof of Influence rule engine computes the following logic:

Void Influence (Struct\_post post)

{

If (reading/like < 100)

$$\text{Devotion} = \frac{\text{reading}}{\ln 100} + \text{like} * 6 + \text{stronglike} * 32 + \text{download} * 3 + \text{relies} *$$

6 – dislike \* 8;

else if ((reading/like<=400) && (reading/like>=100))

---

```

Devotion =  $\frac{\text{reading}}{\ln \frac{\text{reading}}{\text{like}}} + \text{like} * 6 + \text{stronglike} * 32 + \text{download} * 3 + \text{replies} * 6 - \text{dislike} * 8;$ 
else
    Devotion = Max(20, reading)+stronglike * 32+like*6+download * 3 + relies * 6 – dislike * 8;
}

```

Apply summation to the Influence function, we get individual contributor's value contribution in a period on this particular behavior:

$$\text{Devotion} = \int_0^T \text{Influence}(\text{post}) dt$$

Total Contribution of participant A on Open Source Chain during the same period can be calculated by adding up all behaviors:

$$\text{Devotion of Participant A} = \sum_{i=0}^n \text{Devotion}$$

Based on this, points are distributed to participant A, and forms the “mining” by influence. Based on IP's value, we can rank ideas, products, designs, etc.

Proof of Influence is Open Source's own creation. (rule engine algorithm will be adjusted according to evolution of the Chain and operating condition). Open Source Chain will devote 20% of tokens from initial mint to award participants over 10 years. After 10 years, each year will further increase 2.4% of token pool to accommodate and reward future innovation. After all, creativity has no bound and we want to foster innovation.

Base on Proof-of-Influence, Open Source Chain can successfully and fairly quantify participants' contribution and provide reward token accordingly.

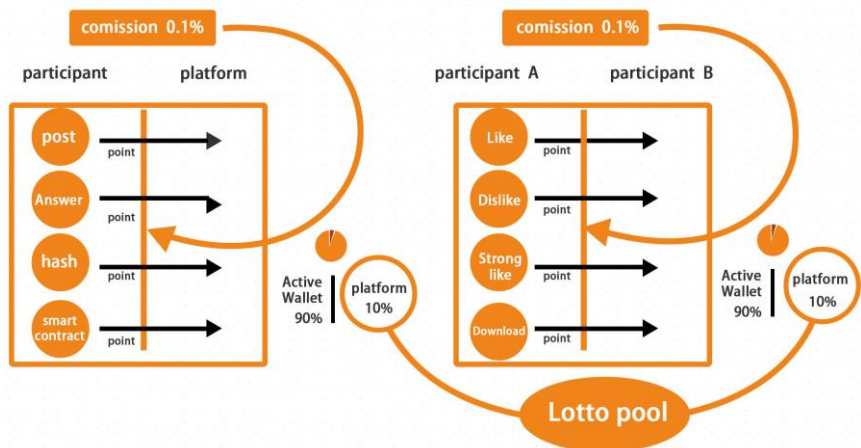
## Anti-Spam & Edge Mining



As always, offering rewards solicit spamming and other bad behaviors. Therefore, all actions on the Chain requires a staking “reputation” point to prevent these.

As an incentive for participation, initially Open Source Chain will provide lottery to randomly award active participants for their valuable effort, up to 600 times of average thumbs-up value and publicly publish activity ranking. Top 15% will receive additional reward. Open Source chain will also adjust rule engine to restrain unproductive behaviors to ensure fair and equitable communal culture.

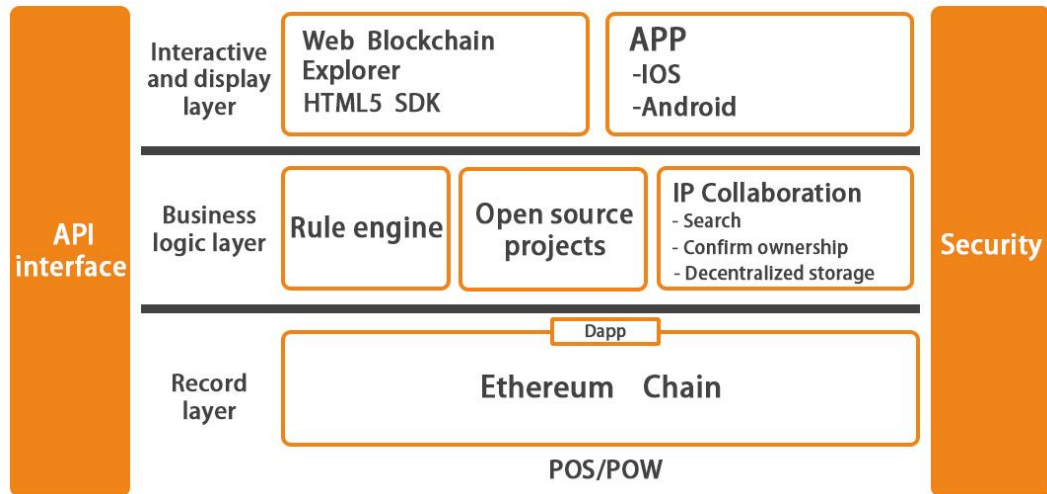
Open Source Chain foundation retain 0.1% on transaction to self-sustain and pay for administrative as well as network maintenance cost. Open Source Chain will initially re-distribute 90% of retained points to participants who actively uses the Chain within 12 hours’ time frame. This mechanism does not create new points.



### 3. Technology

#### General Architecture

Open Source Chain uses modular design principle and divide complexity into three different layers. They are record layer, business logic layer, and interactive & display layer. In addition, Open Source Chain has both security mechanism and API interface throughout the architecture.



The underlying fundamental record layer uses proven existing blockchain technology and further optimized according to IP-specific scenario. It leverages traditional core functions of blockchain technology such as irrevocable history and immutable recording. The OSCH token is issued through this blockchain layer. The main chain also stores each individual IP's attributes and distinct finger prints. Open Source Chain plans to use Ethereum or its derivative forks. The smart contract engine implemented on Ethereum can be used to support the participants' deployment of smart contracts in the logic layer. The points system calculated by the rule engine can be exchanged into token and recorded on public ledger.

The middle layer is where operating logic resides, including rule engine used to construct rewarding mechanism, POI influence mining computation, management of smart contracts, and administration of IP such as storing, tracking, hashing fingerprints, forking, distributed indexing and searching.

The top layer is where interaction and display are managed. It coordinates interaction among participants as well as with the platform, and respond with blockchain ledger information. Open Source Chain plan to use HTML5 web interface, SDK and APPs.

Also included in the architecture is RESTful API interface to ensure proper abstraction. These API sets will be made available to 3<sup>rd</sup> party collaborators in the future.

## 3.2 Design Highlights

Here are some highlights in consideration of Open Source Chain:

### Account based on label and asymmetric encryption

When one opens a bank account, the person is required to provide personal information (such as ID) to the bank. When account is open, bank effectively owns the account. The account label and the user's login credential are in fact independent. User need to apply both when access service through bank account. In blockchain's world, user owns the account which is essentially some derivation of the public key. Using public key alone in public unsecured network puts it at risk of "man in the middle" attack. Open Source Chain uses hash derivation of user's label and combining best practice in the financial world and blockchain's world.

### Mining value based on Influence

The first generation of blockchain uses proof-of-work (POW) as consensus algorithm. The signature of POW is that the result is difficult to generate but easy to validate. POW is relatively fair but requires significant amount of compute power. Miners who record transactions and generate blocks tends to drive toward compete in computing power and eventually lead to concentration.

The second generation of blockchain use proof-of-stake (POS). Emphasis of POS isn't about recording but validating transactions. Blocks are still generated in due time and due courses, but participating nodes need to provide value collateral as a priori. POS is faster and cheaper to implement, but essentially means processing power re-concentrated back in the hands of few.

Both POS and POW eventually lead to re-concentration, which defeat the very purpose blockchain is design against. Hence, Open Source Chain set to reconsider mining design, modeling after societal interactions.

### IP management supporting tracking, tracing, rollback and digest

Intellectual property is of particular type among assets. IP can be subsequently modified, further derived or composed, licensed and sub-licensed. In IP's design phase, it also needs to be track and traced.

Open Source Chain's IP management system takes a snapshot when new IP is registered while creating a root index entry. Whenever an update is submitted, it's compared among all current fingerprints for uniqueness. If it collides with existing fingerprints, a link to existing snapshot is created. All content is check-summed and hashed as unique identifier. The design can ensure fit to various IP scenario.

## **4. Applications of Open Source Chain**

### **IP Registration, Derivation, Refinement and Validation**

IP value protection begins with proper registration and tracking procedure. Open Source Chain can be used to register new and existing IP, to establish ownership or creatorship, to record forking and modification of IP, license and sub-license of IP, change in ownership and title of IP, as well as ranking and validation of IP. Industry participants can select among variety of license models as appropriate.

Furthermore, in the full scope of IP, data and pseudo-IP are often ignore but take great importance. Information like test data, simulation result, prior use or limitations are all valuable in full application and design. These data or tacit knowledge, are not part of the existing IP repository or methodology but, in Open Source Chain, are rewarded in accordance to its utility.

### **Exchange, Procure and Price Design and Competence**

One of the key value offered by Open Source Chain is its market-making, transaction recording and value pricing facility. Industry participants can search existing IPs with validating help from hands-on influencers or procure

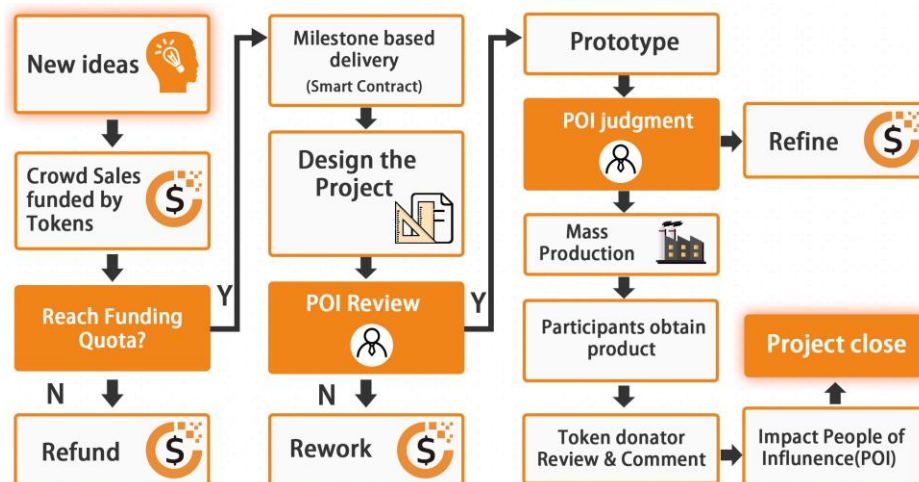


domain experts to refine existing public domain IP for own purpose. They can reference pricing from historical transactions or through voting. Existing experts or talents can showcase past engagements and open source works as proof of value. The transparent, irrevocable nature of blockchain records offers a fair, factual, and trustworthy assessment of price.

## Manage Projects via Smart Contract

Smart contract is software implementation of agreement among multiple parties on consented deliverables and reward conditions.

For example, take product crowd-sale and apply smart contract in this context. Product crowd-sales have increasingly become a viable alternative to traditional funding mechanism. It can be



applied in every part of commercial process. Some of the obvious risks include 1. Early brilliant ideas are too far away from downstream consumer and cannot get funded or prototyped. 2. Product ideas may lack fair, third party audit for viability or completeness. This leads to high failure rate.

Using Open Source Chain's Smart Contract management tool, it can be boiled down to the following steps:

1. Creative idea gets published in the Open Source Chain
2. Peers assist with idea refinement and / or decomposition
3. Community participants further break down the process using time, category, or influence model
4. Those interested partake with OSCH token, and POIs review both qualitative and quantitative constraints
5. Project outsourced to reputable producers after smart contract is triggered by OK judgement
6. Blockchain and smart contracts link various stages of production and provide immutable proof
7. In the end, participants receive product and funding distributed to producers
8. Influencers get rated according to result and positive impact in the smart contract cycle

In the process, the OSCH token serves as excellent lubricant to transmit value across industry supply chain while smart contract provides constraining mechanism to ensure quality and prior agreement.

## **Engage Supply Chain via Smart Contract**

In fact, industry participants can leverage Open Source Chain to manage supply chain, launch product from idea to brand management.

Electronic and semiconductor industry is different from other consumer products. Even with open source design, cost of customizing, validating, prototyping, coordinating and selling across the

entire value chain is nontrivial. Using the same public ledger, with token rewarding mechanism, using smart contract as discipline, Open Source Chain offers a trustworthy and transparent environment to collaborate across boundaries. The naturally forming credibility and revenue sharing becomes a self-reinforcing reality.

Here's a comparison with traditional approach:

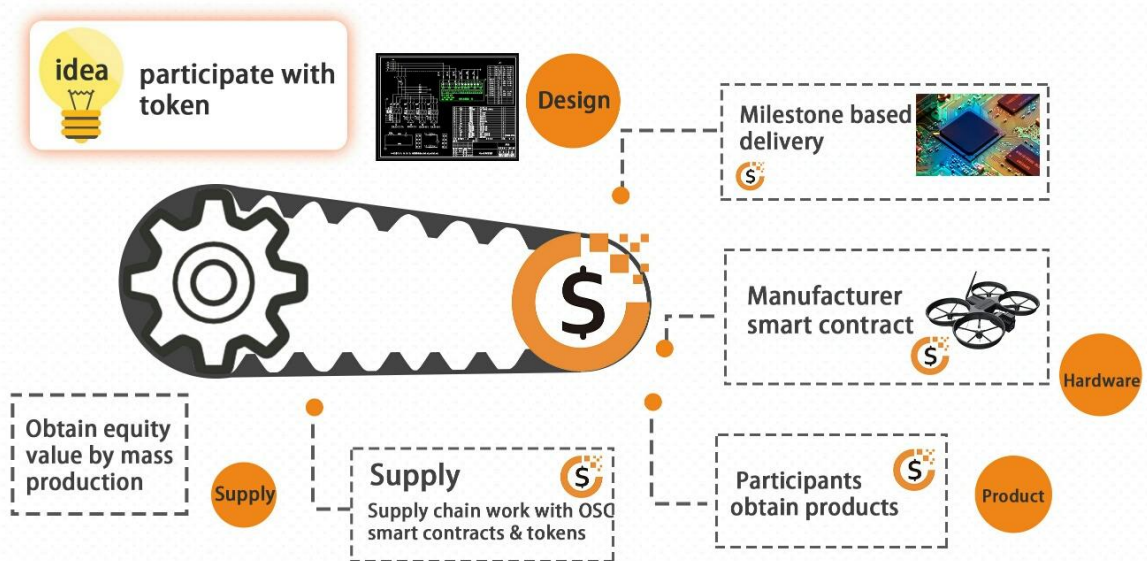
	Due Diligence	Production	Upfront Marketing Cost	Demand forecast	Supply Chain
<b>Traditional</b>	Complex	Conceptual	Large	Difficult	Assemble slowly
<b>Open Source Chain</b>	Review Blockchain	Tangible	Minimal	Guaranteed by pre-order	Proven or constrain with Smart Contract

## Pilot Projects:

To make Open Source Chain tangible and practical, OSCH team will launch two open source pilot projects to serve as an example and template for the community to follow:

## Crypto Hardware Wallet

Hardware wallet is a basic gadget for the crypto community. It is the most secure way to store and

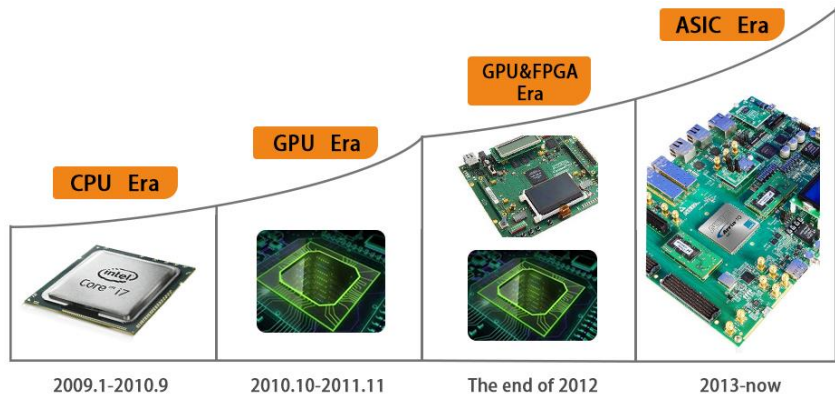


access digital assets. Today, hardware wallet ownership is still in the early adoption phase. Cost and distribution are two key barriers which community-based open source approach can easily address.

The design for hardware wallet isn't that complicated. In fact, all IPs, talents, and production capacity already exist. The challenge is the coordination and collaboration among participants in the same electronic industry. This is a typical scenario where Open Source Chain excel and OSCH team is happy to spearhead for the public good. Eventually, we at Open Source Chain envision 100% of ownership of hardware wallet.

## Crypto Mining Machine

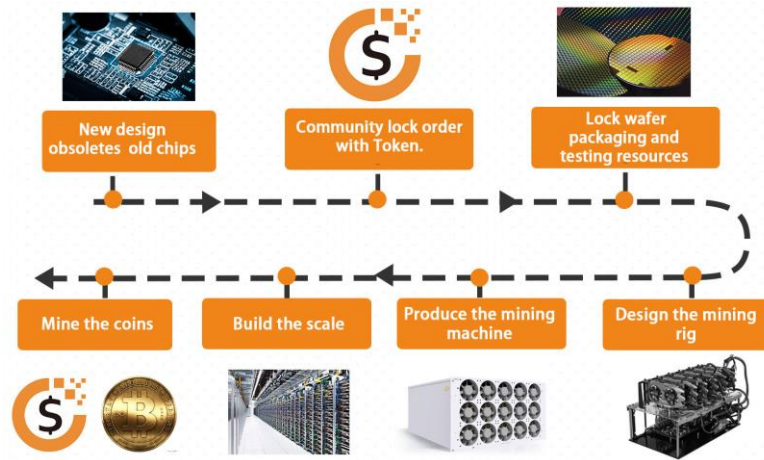
The development of PoW mining machine has come a long way since early days of bitcoin mining in 2009. Started with CPU mining, the mining machines have progress through GPU, FPGA and onto



specialized design using ASIC. As long as cryptocurrency exists, some of them will likely deploy Proof-of-Work as consensus algorithm which is the earliest and most stable algorithm. Hence, POW mining machines are a constant need.

Currently, general public are not able to participate in crypto-mining due to technical complexity and financial cost. An open Sourced design will reduce both technical and financial barrier while improving energy efficiency. The diagram below depict an exemplary smart contract for such purpose using Open Source Chain.





In addition, Open Source mining machines literally pays for itself. The deployment of open source mining machines will continually strength both open source and crypto community. In due course, Open Source Chain will initiate this project and use it as a learning template for others to follow.

## 5. OSCH Token

### Token Economy Empowers Monetization

For Open Source Chain it is important to be inclusive of as many communities as possible, as Open Source Chain strongly believes that the whole is greater than the sum of its parts.

The goal is to unite as many different communities in support of Open Source Chain as possible and provide them with a platform to utilize their skills, assets and values on Open Source Chain.

### What is OSCH Token?

The OSCH Token is the fuel used to power the Open Source Chain ecosystem and **has no inherent value and is not for investment purpose**. OSCH functions as a mean to lubricate the interaction among participants. Potential applications of OSCH token in the ecosystem include:

- ✧ Membership
- ✧ Access Rights
- ✧ Reward for providing data
- ✧ Reward for analyzing data

- ✧ Reward for providing services
- ✧ Reward for providing opinion
- ✧ Other use cases as mutually agreed by partaking participants

## OSCH Token Generation Event

An Token Generation Event (TGE) is an event in which a project sells part of its new tokens to early adopters, enthusiasts, community supporters in exchange for existing token variety. Token sales is philanthropic and high risk in nature. For the party offering the tokens for sale, this has become a well-documented and well-respected way to raise resource to ramp up a new project.

*The sale by the Distributor of OSCH tokens in connection with a Token Sale (the “Open Source Chain Initial Token Sale”) to you as a purchaser thereof, will be subject to and governed by the T&Cs - which is a separate document setting out the terms and conditions of the agreement as between the Distributor and you in relation to the Open Source Chain Initial Token Sale. In the event of any inconsistencies between the T&Cs and this Whitepaper, the former shall prevail.*

*The Distributor will be an affiliate of Open Source Chain, and will deploy all proceeds of sale of OSCH Tokens in connection with the Open Source Chain Token Sale to fund Open Source Chain’s project, businesses and operations.*

*Citizens or residents of United States of America, People’s Republic of China, and Singapore are prohibited to participate in the Token sales.*

*Unless the context requires otherwise, references to “we” or “us” in connection with the Open Source Chain Token Sale shall be construed as references to the Distributor.*

A total of 80 billion OSCH tokens will be generated. Among them, 20% will be issued through behavior mining. By correlating social behavior with value creating activities, OSCH strive to be as functional as possible.

Open Source Chain will accept a maximum of 35,000 ETH (Hard Cap) and minimum of 10,000 (Soft Cap), for purchase of OSCH tokens in the Open Source Chain Token Sale. The OSCH tokens created for such maximum amount contributed will in turn represent 35% of all OSCH tokens.

All payments received for OSCH tokens in connection with the Open Source Chain Token Sale will be held in escrow in a multi-signature address, with a multi key structure.

## OSCH Token Exchange and Distribution

Open Source Chain feels that it is essential that the interests of Open Source Chain be aligned with those of the ecosystem in the long-term and having as many members as possible to hold the OSCH token.

### **I) 83% of all tokens will be distributed to the public in the long run (through Token Sale, Mining, Ecosystem engagement, community initiatives, etc.)**

This will align long term growth of the Open Source Chain and the community, and will support development of the ecosystem as a whole. It will encourage the use of OSCH token in the electronic hardware industry and the supply chain.

### **I.I) 35% of all tokens will be distributed to community during the Open Source Chain Initial Token Sale**

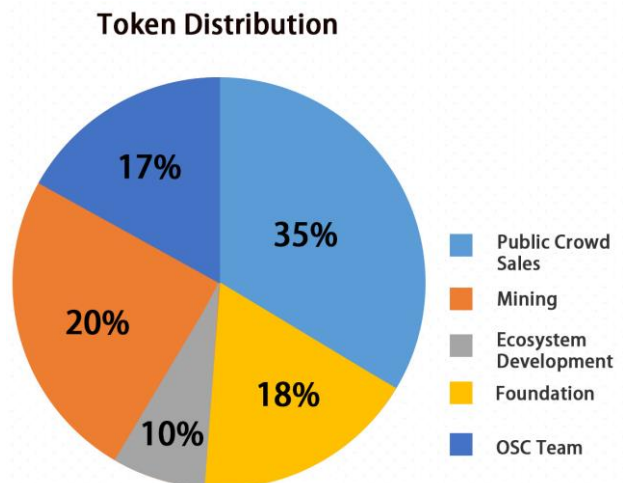
The funds raised will be used to finance the operations of Open Source Chain for the next 4 years, which include expense for R&D, business development, administration, financial and legal costs.

### **I.II) 20% of all tokens will be dedicated to influence mining**

During the next 10 years, 20% of all tokens will be distributed through value-adding influence mining to encourage positive interaction and behavior. Unsold tokens during the Token Sales will also be reallocated to influence mining as well so the community benefit the most.

### **I.III) 18% of all tokens will be reserved for Foundation**

A total of 18% will be reserved for future development and to be governed by foundation represented by initial team and community leaders. The focus area, budget and policy will be reviewed annually and publish in public for community to review. Please see governance section below.



### **I.III) 17% of all tokens will create incentive for OSCH team**

Developing, operating, continuously maintaining live blockchain and R&D activity requires a professional team. 17% of total token ensures leaders, members, and staff are all rewarded for the labor and intellect for the long run.

### **I.V) 10% of all tokens will be allocated to ecosystem**

In order to be able to support long term growth in a sustainable way, Open Source Chain will devote to channel partners, exchanges, and regional Key Opinion Leaders(KOL) with the remaining 6% of tokens in exchange for their efforts.

The Distribution of tokens are summarized as below:

<b>Fund Use</b>	<b>Ratio</b>	<b>Amount,100M OSCH</b>	<b>Comment</b>
Token Exchange	35%	280	Exchange with existing tokens
Influence Mining	20%	160	Release uniformly through mining in first 10 years and inflate annually at 2.4% to accommodate future innovation
Ecosystem	10%	80	Ecosystem Engagement
Foundation	18%	144	Reserve for future development and unlock 10% in the first year, and 8% every subsequent year
Founding Team	17%	136	Release 12% monthly after exchange listing, and release remaining portion in subsequent 8 years.
Total	100%	800	

## **OSCH Exchange Ratio and Bonus Model**

At different stages, the token exchange ratio varies. The base exchange ratio is 1 ETH to 800,000 new OSCH tokens. The new token will be distributed 2 weeks after being listed on exchanges. Please note that citizen and residents of United States, People of Republic of China, and Singapore

are prohibited to participate in the exchange.

## **Budget Allocation**

### **55% of Budget will spend on R&D**

The estimated 55% of budget will be spent on making the technology a reality. This include hiring key talents, organizing world-class team, building the engineering processes, procure technology infrastructure, and operating the test net and main net. It also includes maintaining quality online documentation, developer community out-reach program, and establishing partnership with leading university and research institutions.

### **25% of Budget will spend on Marketing**

The Open Source Chain team is driven by some of the best marketing experts in the field. The estimated 25% of budget will be spent on market awareness, brand building, regional marketing funding as well as targeted business development with revenue generating potential. It includes advertising, trade events, customer and client visits, online training and product marketing.

### **10% of Budget will spend on Operations**

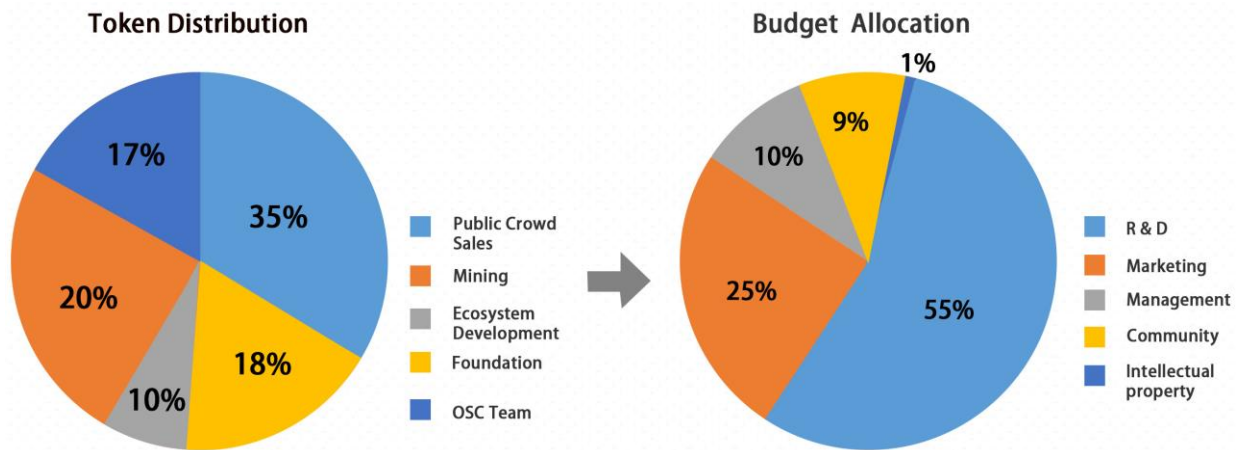
Open Source Chain is run as a very lean, cost-effective start-up and will continue to do so in the future. Open Source chain will adhere to the highest standards. As Open Source Chain makes its facility for global users, there are some operational costs and processes associated with geographic expansion and growing an international presence. Also included are office rental, T&E, office equipment, and hosting events.

### **9% of Budget will spend on Community Initiatives**

Open Source Chain is about community and ecosystem. We will sponsor Open Source community projects and initiatives to further the philosophy and cause. This also means to have a globe network of community, and collecting and communicating with community members. Making Open Source Chain an effective, representative, and inclusive forum to engage meaningful agenda.

### 1% of Budget will spend on legal and compliance

One of our primary focuses of Open Source Chain is making IP accessible and valuable. As such, Open Source Chain must do this right in every step of the way. To ensure such standard, we will have a dedicated fund to recruit proper domain expert in IP practices.



Below is the summary of budget allocation. Each year, foundation will make adjustment according to needs and will publish the result in public. The goal is to build Open Source Chain as bedrock foundation to the industry, to last forever, and to make OSCH token more valuable over time.

	%	Purpose
R&D	55%	Recruit talents, organize team, develop technology, build infrastructure and processes, partner with leading institutions, maintain world-class developer program and outreach, launch pilot programs.
Marketing	25%	Ad projection, brand awareness, global marketing, targeted promotion, co-marketing, regional marketing fund.
Operation	10%	Office rental, T&E, Office equipment and PC, and Hosting events.
Community	9%	Support international & regional community as well as sponsor open source initiatives to advance the philosophy and cause. Collect voice of the community and foster development of Open Source Chain as practice, productive forum
Legal	1%	Hiring IP experts. Maintain best practices in IP protection.

## OSCH Token Offer Summary

Project Description	Open Source Chain is a blockchain powered marketplace for electronic and IC industry where community, ecosystem mingle and collaborate
Ticker Symbol	OSCH
Token Specification	built as an ERC20 token on the Ethereum blockchain
Percentage of all OSCH tokens for public,	35%
Percentage of all OSCH tokens for mining	20%
Percentage of all OSCH tokens for ecosystem	10%
Percentage of all OSCH tokens for Foundation	18%
Percentage of all OSCH tokens reserve for team	17%
Escrow of funds	Funds secured in multi-signature escrow account
Project Status	Active Project, with angel investment funding
Accepted tokens for exchange	Ethereum (ETH)
Use of Fund, Budget Allocation	
R&D	55%
Business Development	25%
Operations	10%
Reward for Platform	9%
IP related	1%
	100%

## Next Steps

Jan. 19<sup>th</sup> – 25<sup>th</sup>, Early Birds  
 Jan. 25<sup>th</sup> – 15<sup>th</sup>, Roadshow and global tour  
 Feb. 15<sup>th</sup> – March 18<sup>th</sup>, Private placement  
 March 31<sup>st</sup>, Target date for exchange listing

## 6 Milestone and Plans

### Historical Milestones

- 2016.Dec all4lib team was established to develop world' s first forum that reward open source effort
- 2016.Apr Rule Engine & influence algorithm v.1 was published, first in the world to solve IP pricing
- 2017.Jul Rule Engine & influence algorithm v.2 was completed, incorporating Big Data techniques
- 2017.Nov Rule Engine & influence algorithm v.3 was published, describing integration with blockchain
- 2017.Dec Open Source Chain(OSCH) whitepaper was published

### Future Roadmap

2018.Q1

- Recruit the best talent from the world to build world-class team
- Assemble experienced and international minded operations team
- Drive Open Source Chain awareness and build global community

2018.Q2

- Test net goes live
- Alpha version of IP management tools goes online
- Alpha version of Influence Rule Engine implemented
- Integrating underlying Blockchain, Alpha version
- Sign up over 50 semiconductor vendors to join Open Source Chain
- Partner with over 100 universities and colleges to welcome young professional into Open Source

2018.Q3

- Main net goes live
- Beta version of IP management tools goes online
- Alpha version of Influence Rule Engine implemented
- Test run integration with IP blockchain, Beta



Soft launch POI based Chain

Sign up over 100 semiconductor vendors to join Open Source Chain

Partner with over 200 universities and colleges to welcome young professional into Open Source

2018.Q4

Official launch of Open Source Chain, based on POI

Release alpha version of API set

Release alpha version of Smart Contract Console

Develop first open source pilot project

2019.Q1

Develop second open source pilot project

Establish U.S. operating entity in Silicon Valley

Establish European operating entity

Establish Japanese operating entity

## **7. Foundation Governance**

The operating and governance entity of Open Source Chain is OSChain foundation, a non-profit foundation formed and domiciled in Singapore. The mission of OSChain foundation is to maintain a transparent, fair, and public mechanism in order to support the long-term sustainability and community benefit of Open Source Chain. The “profit” gained through the activity under foundation administration will be retained for future development and will not be distributed. If retained assets appreciate in any particular year, 20% will be given back to the ecosystem as reward for positive behavior, 5% will be given to foundation management team as bonus, and the remaining allocated back to promotion of the Open Source Chain as a meaningful public forum.

### **Voting and Decision-making**

To ensure OSChain Foundation operates in a transparent, fair, and public manner so that Open Source Chain grows in industry acceptance, public member adoption, useful in practical scenario,

OS Foundation will form one policy committee and the policy committee will vote and decide on major matters.

#### **Executive Director**

Executive Director are decided by voting of policy committee members. Executive director is responsible for implementing all decisions made by policy committee, and organizing the execution of daily activities and report results periodically to the policy committee.

Based on actual needs, Executive director is responsible for establishing Product & Technology subcommittee, Data Subcommittee, Ecosystem subcommittee, Marketing subcommittee, and Financial & HR subcommittee.

#### **Technology Subcommittee**

Technology subcommittee is responsible for fundamental technology development and support. It is the coordination body among other departments to ensure direction and process are in lockstep.

#### **Product Design subcommittee**

Product Design subcommittee is responsible for collect, process, crystalize and publish product requirement from various users of Open Source Chain in a form that is clear and high value.

#### **Ecosystem Committee**

Ecosystem subcommittee is responsible for establishing and strengthening international and regional community mechanism and support infrastructure, managing tightening relationship with other stakeholders such as exchange, OEM/University/IC Suppliers and community opinion leaders.

#### **Marketing Committee**

Marketing subcommittee is responsible for promoting Open Source Chain or its derived products and services. It includes but not limited to media collaboration, advertising, and work closely with ecosystem subcommittee on demand assessment.

#### **Financial and HR committee**

Financial and HR subcommittee oversee foundation's financial and human capital matter, include treasury, bookkeeping & audit, cost control, and recruiting. In addition, due to high risk nature of

crypto assets, it also oversees risk assessment in projects. It may procure auditor or hire domain experts to ensure transparent and fair deployment of foundation resource.

## **Acknowledgements**

We want to thank the many forerunner in the Open Source movement and blockchain community. Without the effort of these unsung heroes, today we, as community participants, will not be as far along. We would also like to thank anyone not directly mentioned in this Whitepaper in supporting and assisting us over all this time. We also wish to thank the entire blockchain community for laying the foundation over the past few years.

Finally, be part of our success story and join the Open Source Chain. We are looking forward to welcoming you on-board our journey into the blockchain future.