“Six-Domain Model” is the first international Internet of Things Reference Architecture accepted by the ISO international standard (ISO / IEC 30141). Let’s talk about what the relationship between the six-domain model and the SDChain is.

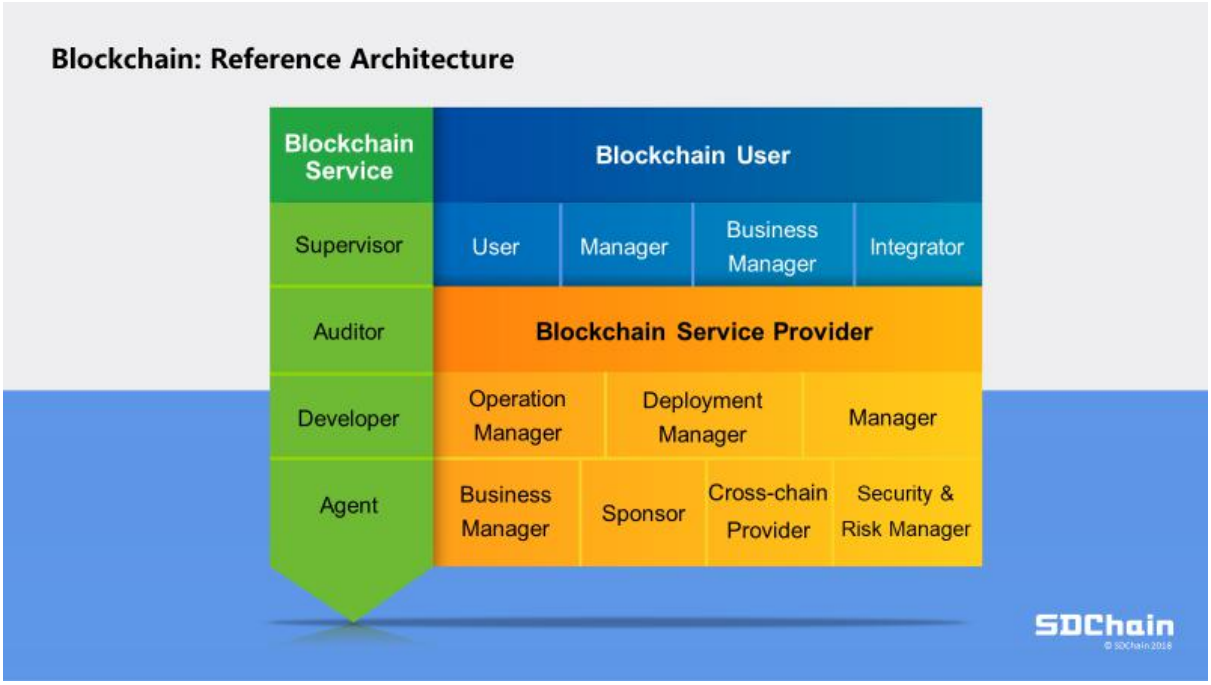
The SDChain represents some of our vision and our thinking process. What we want to create is a new blockchain ecosystem that is tightly fused with the IoT, but if we look at the entire IoT industry right now, we will see that it is still pretty messy. From the viewpoint on the IoT system structure, we’re constantly thinking about how to implement IoT in industries, what happens after it has been implemented. We realize that it should initially be in the form of a smart application that has a sustainable operation model and it should also be a good business model that can help industry solve a lot of the problems of society.

The vision is great, but no one knows how to really do this. The emphasis of the six-domain model is actually providing guidance from the top based on international standards on how to integrate the IoT as well as the industry ecosystem and actual economics, so the six-domain model has in fact solved these problems. With a foundation like the six-domain model, there is firstly a reference for integrating IoT in industries; secondly, there are now attachments to standards for the IoT-industry chain, and I can refine these standards. On some level, the six-domain model is not only a standard but also a methodology, a methodology for how to integrate the IoT with industries.

The feature of the SDChain as talked about just now is that it is practical with technical implementations, which offers more advantages compared to other blockchains. In one aspect, we’ll use the six-domain model, combining the resources of the entire community’s operation ecosystem to help to guide, or to promote the implementation of the IoT in different industries. Currently, we rely on the standard of the six-domain model we control to empower various industries and enterprises in the IoT industry chain to create a bigger ecosystem.

The second aspect is that during the establishment of the ecosystem, you cannot be without support from the underlying blockchain, and the key point of the SDChain is that in the process of help promoting the entire ecosystem, it provides everyone with a strong underlying blockchain, because the blockchain itself is public, it doesn’t belong only to our team, but to all people, and that’s how you establish the whole ecosystem.

The six-domain model is the standard for the IoT, a methodology of how IoT is implemented in industries and a procedural development for guiding IoT industries. The SDChain is to respond, to implement the six-domain model standard, and under the guidance of this standard and mutual development of the ecosystem, to provide a strong underlying blockchain.



Last but not least, let's talk about the problematic areas currently in the field of the IoT and how these problems can be solved by the blockchain technology of SDChain.

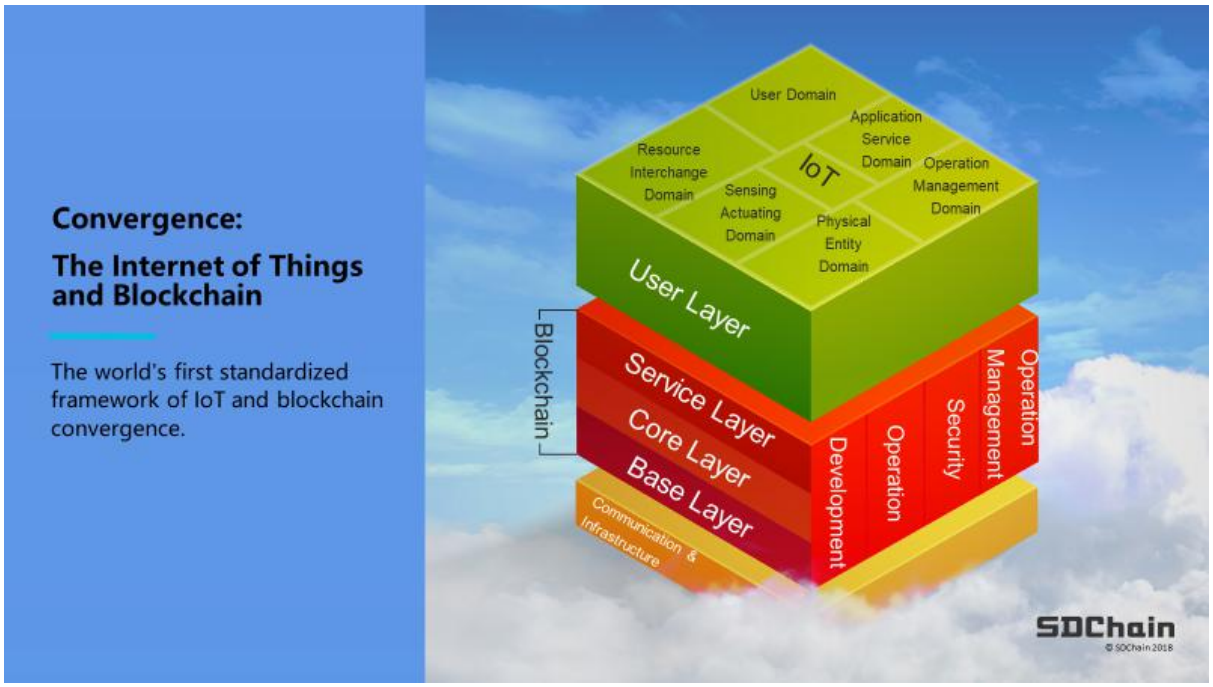
First, the most difficult part of implementing the IoT is the cross-field system integration problem, because the IoT is actually not just a technology, but an integration of things like sensors, RFID, the net, smart control, big data, AI and other series of technology. Secondly, the IoT does not exist in isolation, it has to be integrated with industries, and implementation in any field will be crossover, to implement the IoT in an industry ecosystem and then to create a sustainable ecosystem is actually very hard.

From the point of cross-field challenges, this is exactly where the strength of the six-domain model lies, while the strength of the blockchain is that it's able, from a underlying layer, to explain and establish an underlying connection of trust between all the complex elements of the IoT. This connection of trust can be established between different entities and form an orderly ecosystem for the various complex elements in order to provide support, as well as providing support for the underlying linkage of trust between various elements; this can resolve one of the problematic areas in IoT at this point.

The second problematic area is that after the IoT ecosystem is established, there is issue of trust between people and objects. In the process of transferring data between different entities, how do we ensure the use of data, confidentiality, degree of privacy, prevention of tampering and other issues that need to be resolved before IoT can be broadly used and applied?

In fact, the application of the IoT in many fields is no longer a technical problem, it's more about the worrying issue of confidentiality with opening access to information. If these problems are not resolved, no matter how good the IoT is, no one will accept it if personal

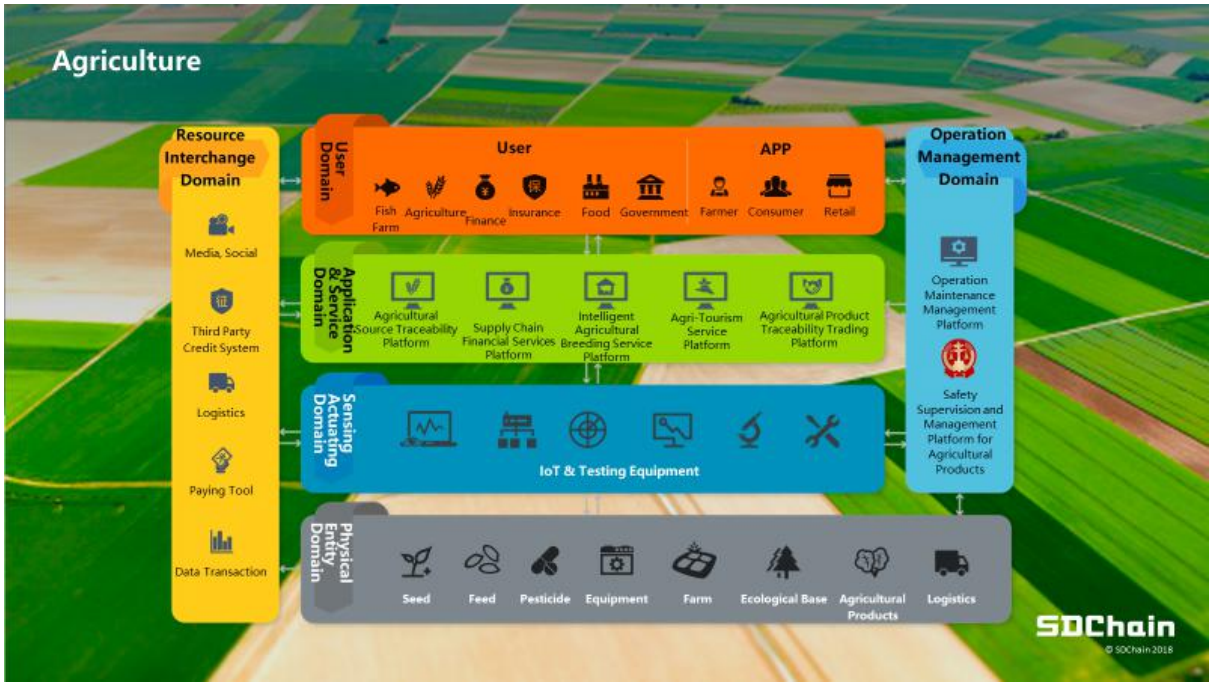
information may be leaked. This is where blockchain can help the IoT revamp this vulnerability on the trust issue because it resolves the second problem area.



We can see from the earliest primitive society that progressed into an agriculture-based one, the improvement of technology brought changes to social formation, as people had farming to provide stable food sources. Then the industrial revolution, with the invention and creation of machines, pushed society further forward, to where our ability and efficiency of interacting with the physical world became stronger.

Now the development of communication technologies has removed the time and space limitations in communication among people, making it very convenient in this digital age. We think the biggest trend in development in social formation is people returning to harmonious co-existence with the whole physical world. Even though we have very advanced technology, there are still lots of problems, and these will require the IoT and blockchain to resolve them.

In terms of future prospects, the IoT is a bridge that connects people with digital space and the physical world, while blockchain infuses the system with a system of trust, so that the whole ecosystem is more abundant. We believe that in the next 10 years, it will truly be everywhere and change every little facet in our society.



From a historical viewpoint, after the OSI model was established in the 1980s, came the birth of global giants like Apple and Cisco, and the mass adoption of the Internet in these 3 decades that we like to call the “Era of Communication Automation”. Now that the six-domain model is here to be implemented from this year onward, we may come to call the next 3 decades, the “Era of Execution Automation”. This is because the sensing and actuation among machines, guided by human rules, can start to be automated through the IoT. SDChain will play a key role, in terms of promoting the whole community and the establishment of the ecosystem.