CrushCrypto

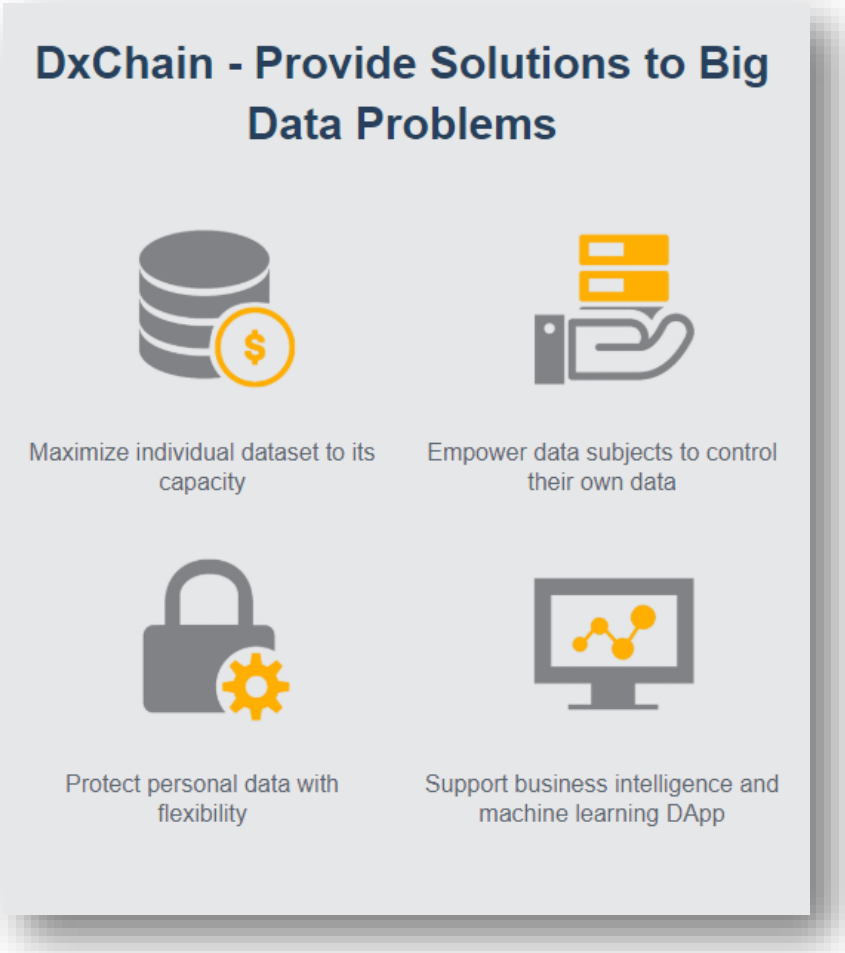
ICO Review: DxChain Network (DX)

Big Data & Machine Learning Network

July 3, 2018

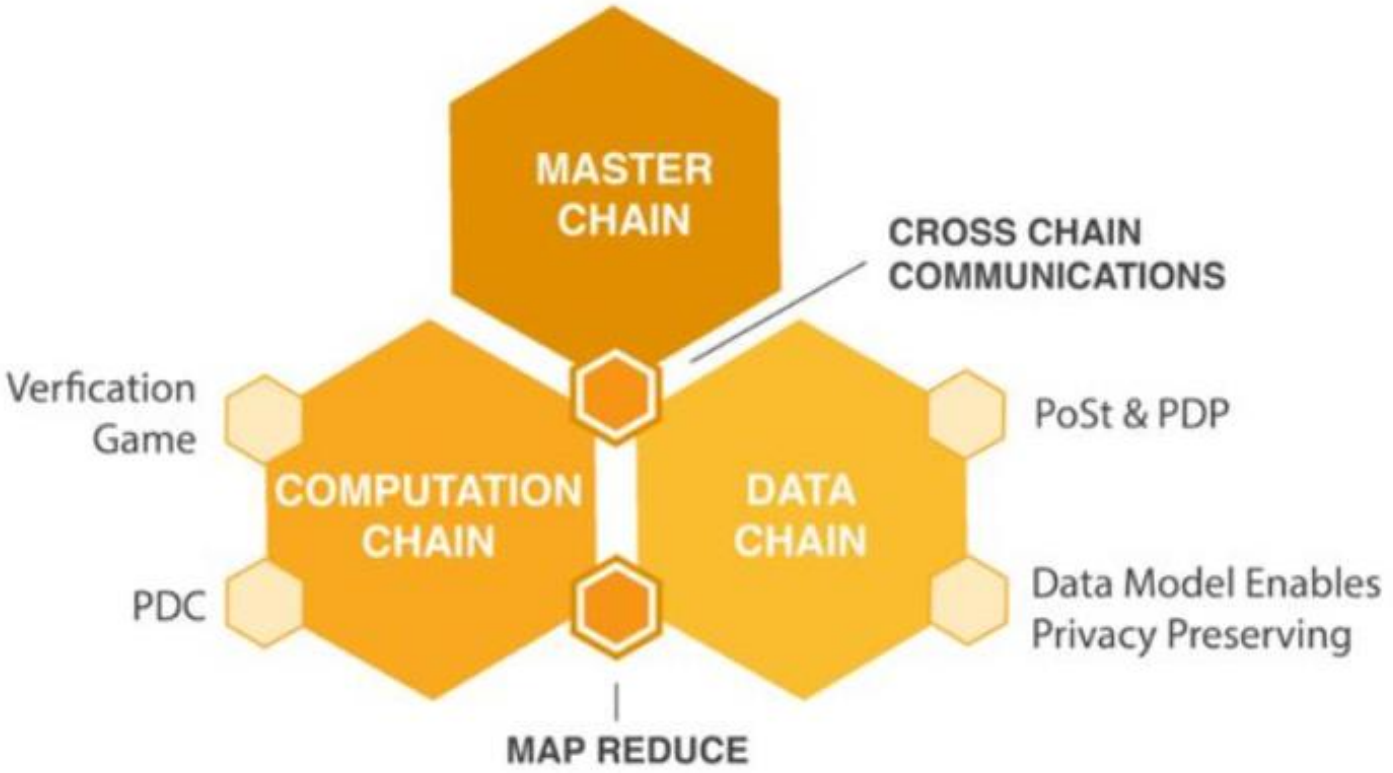
What is DxChain?

- DxChain is developing a decentralized big data and machine learning network.
- Based on the premise that data is valuable and data creators should be able to own and benefit from their own data. The team aims to tackle major big data issues such as privacy, ownership, and security while supporting business intelligence and machine learning applications.
- With DxChain, users would be able to own and control their own data, and securely trade and analyze data. The costs of data retrieval and storage would also be reduced significantly.



Chains-on-chain architecture

- DxChain is based on a chains-on-chain architecture which includes one master chain and two side chains. The structure was designed as such in order to solve multiple issues related to data computation, storage, and privacy issues; this would otherwise be difficult to do simultaneously with only one chain.



Master chain + 2 side chains

- **Master Chain**: Stores asset information and events such as states, transactions, receipts, and contracts. The master chain uses proof-of-work (PoW) to provide the highest level of security and stability.
- **Data Side Chain (DSC)**: Stores non-asset information, or metadata, which is a set of data that provides information on other data and serves as a method of storage retrieval.
- **Computation Side Chain (CSC)**: Stores specific computing tasks performed on the DxChain platform and is responsible for recording matching processes of computation, such as whether a certain task can be completed or not.

Key features

- **Verification game**: Enables any computational task to be performed securely while minimizing the number of network node computations required.
- **Provable Data Computation (PDC)**: Allows the network to verify the accuracy of computation results. This is used by the computation chain to verify the authenticity of results and reduces the prevalence of false information.
- **Proof of Spacetime (PoSt) & Provable Data Possession (PDP)**: Used as the consensus protocol of storage. The data chain uses PoSt and PDP to verify processes and to prevent various types of attacks that might bring down the network.
- **Data Model Enables Privacy Preserving**: Enables flexibility in retrieving files at a more granular scale.

Development roadmap

2017

- Identified key techniques and components
- Researched on big data storage and computation
- Consensus techniques for blockchain

1H 2018

- Released white paper
- Finished the design and prototype of key technologies

2H 2018

- MVP network launch
- Master/DSC test network beta launch
- Master/DSC test network launch
- API/SDK/library beta launch
- Wallet alpha preview

1H 2019

- Master/Data main network launch
- API/SDK/library publish
- Wallet launch
- Data model for DSC launch
- DVM preview launch

2H 2019

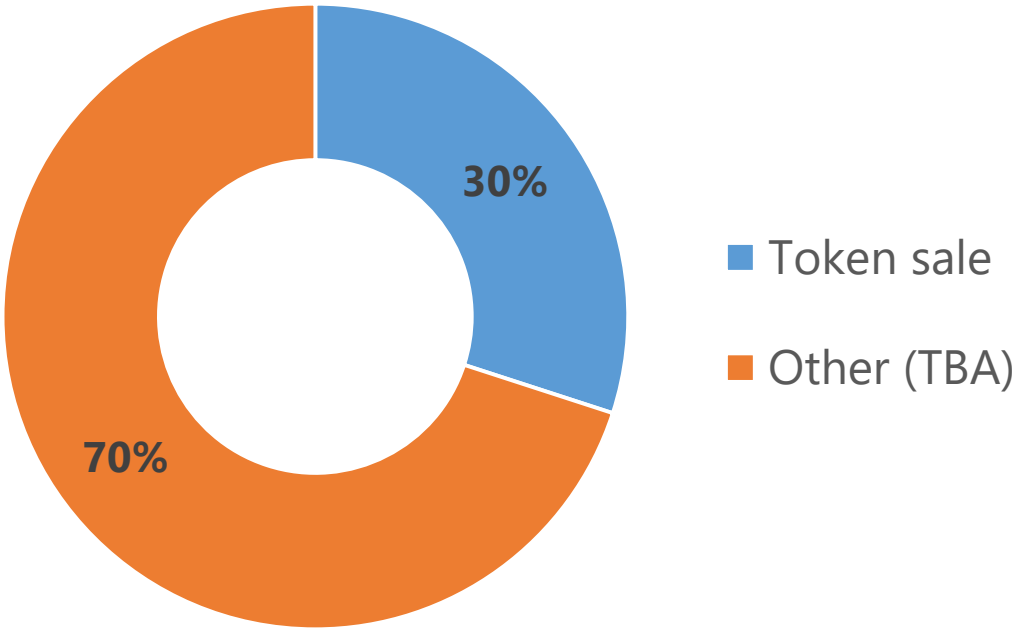
- DVM beta
- CSC preview launch
- Master/CSC/DSC main network launch

DX token sale summary

ICO SUMMARY

- **Project name**: DxChain Network
- **Token symbol**: DX
- **Website**: https://www.dxchain.com
- **White paper**: https://docsend.com/view/8w3fman
- **Hard cap**: 36,000 ETH (token sale contributors will own 30% of the total token supply)
- **Maximum market cap at ICO on a fully diluted basis**: US$56 million assuming current ETH price of US$470
- **Private sale / white list**: Private sale is over. Details on the public sale will be provided by the team soon.
- **ERC20 token**: Yes
- **Countries excluded**: TBA
- **Timeline**: TBA (please visit DxChain's website and join their Telegram channels for the most up-to-date information on their upcoming token sale)
- **Token distribution date**: TBA

TOKEN ALLOCATION



Use of DX tokens

- The DX token is the network's native protocol token. The token will initially be issued as ERC-20 tokens after the crowdsale and will be migrated to the DxChain mainnet after it is launched.
- There are several uses for the tokens:
    - A secure and primary method of payment between participants in the network.
    - Providers of computational and storage resources that are required for running various apps and transactions will be rewarded with DX tokens.
    - Miners will be rewarded with DX tokens based on the usefulness of work that they provide.
- DX tokens should appreciate in value as more users join and use the network. This is driven by numerous factors, including the number and type of applications available on the platform, user experience, data storage capacity and processing speed, etc.

THE TEAM

Team and advisors

Allan Zhang

Co-founder

10+ years of experience in mobile security, network application protocol detection and network based vulnerability detection assessment. Founder & CEO of Trustlook, which develops AI-based cybersecurity products. Previously worked at Palo Alto Networks, TELUS Security Solution, nCircle, and Lucent Technology.

Wei Wang

Co-founder & Chief Scientist

Experience in various fields including blockchain research and development, big data, and distributed systems. Previously the principal scientist of blockchain research at AT&T and the principal scientist of big data & parallel computing at Hortonworks.

James Li

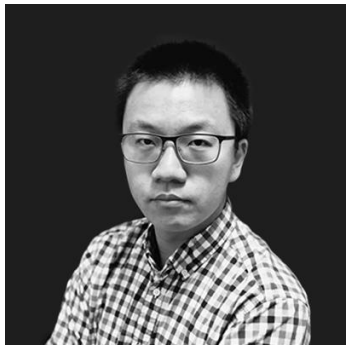
Co-founder

Experienced in blockchain systems design and architecture. 10+ years of working experience in network security. Previously the manager of the mobile department at Trustlook, the principal security engineer at nCircle Network Security, and a senior software developer at Lucent Technologies.

Taosheng Shi

Blockchain Engineer

10+ years of experience in distributed system research and development. Previously worked at NOKIA as innovation manager for 5 years conducting R&D in data warehousing and radio cloud platforms providing expertise in big data integration, data warehouse architecture, etc.



Li Lu

Blockchain Researcher

10+ years of experience in distributed systems and big data. Previously the Director of Engineering at LaiOffer, an Internet-based education platform. Previously worked at The Apache Software Foundation, Hortonworks, Google, and Microsoft. Obtained his Ph.D. in Computer Science at the University of Rochester.

The opportunities

- Concerns over data ownership and privacy is becoming more and more prevalent around the world. The recent enactment of the GDPR in the European Union shows how serious the issue has become for both individuals and governments on legitimate collection and use of personal data.
- If the team is successful in decentralizing Hadoop, a distributed file storage and computation solution, we believe it provides a substantial potential.
- The team has a strong technical background and relevant working experience in the fields of big data, distributed systems, blockchain research, network security, and so on.

Our concerns

- Proof of Spacetime is a new concept and no established blockchain is currently using it. It is unclear whether this concept will ultimately work.
    - While PoST doesn't require expensive mining hardware, there is still the concern that a rich player, such as a nation state or a manufacturer that enjoys cost advantage, could employ a large amount of storage and get to sign most blocks.
- Multiple key members of the team are still working at Trustlook. We are unsure how they will allocate their time between the two ventures.

Our views

For flipping: **Positive**.

- The project has average market awareness but with strong team, good idea and token metrics. With the backing of the numerous investors, we believe the project will be able to get listed on a decent exchange.
- Note that the project is allocating 44% of the hard cap to crowdsale, which is relatively high among recent ICOs. It is refreshing to see that the public can have a wider participation of the project.

Our views

For long-term holding: **Neutral**.

- The project is very ambitious that focuses on both data storage and computation, as well as the migration of Hadoop to a decentralized environment. It also aims to provide the world's largest storage space.
- If the project can achieve its vision, the potential can be massive and lots of dApps can benefit from DxChain.
- On the other hand, while the team is impressive, there is not much work that is released publicly yet. We will look closely to the MVP that is set to launch in the near future.

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