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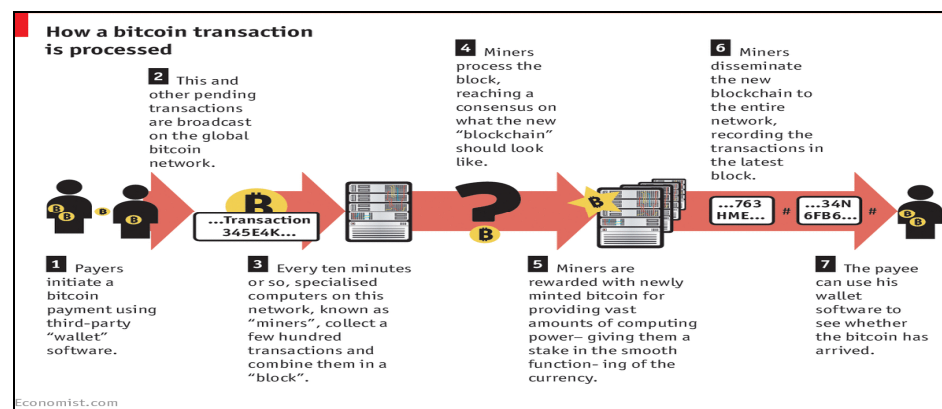
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Can blockchain technology reshape the world?

By Saro Capozzoli, Davide Zullo – Jesa

In recent months block chain, crypto currencies, bit coins have been discussed a lot. Differentiating between what is trendy and what represents a huge challenge for the financial system (and not only) is a hard task: let us make some clarifications.

Blockchain is a digital, decentralized ledger that tracks and records of all transactions taking place across a peer-to-peer network. The blockchain's huge innovation allows users to complete transactions across the Internet without a centralized third party (it is in fact decentralized). Blockchains also enable the usage of the so-called cryptocurrencies, a digital medium of exchange that uses encryption techniques to control the creation of monetary units and verify the transfer of funds. The first and most widely known cryptocurrency is the Bitcoin, which was created in 2009. Other relevant cryptocurrencies are Ethereum and Ripple. Nowadays, there are more than 900 different cryptocurrencies in the market and the spotlight is on them.



Source: Economist.com

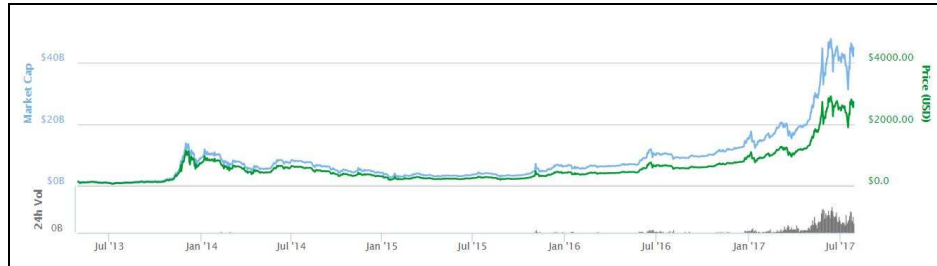
Cryptocurrencies are popular due to their many advantages. The top five advantages of these digital currencies are:

1. Everyone is able to get and send money from anywhere without worrying about a centralized authority and the limitations deriving from the existence of such authority, which produces an unprecedented freedom of payment;
2. Cryptocurrencies and blockchains protect against identity theft given that personal information is kept hidden from prying eyes.
3. Information is transparent. In fact, with the blockchain, all finalized transactions are available for everyone to see, however personal information is hidden;
4. Fees are very low. Generally, cryptocurrencies transactions do not have fees, but even when this is not the case, cryptocurrency's fees are still lower than credit card fees and give high priority to transactions;
5. Very low risks for merchants. Since these transactions cannot be reversed, they do not carry personal information, which means that merchants are protected from potential losses that might occur from fraud. With cryptocurrencies and blockchains, merchants can do business where crime and fraud rates may be high. This is because it is very hard to cheat anyone in Bitcoin due to the public ledger.

However, all that glitter is not gold. There are at least three disadvantages that are worth highlighting:

1. A general lack of awareness and understanding is noticeable. In fact, people are still unaware of cryptocurrencies and how they work, and very few businesses accept them as a medium to regulate contracts;
2. Cryptocurrencies are still developing; they still have incomplete features;
3. There is a huge component of risk in terms of volatility that is associated with cryptocurrencies, and even if volatility is expected to be

lower with further improvements, it still represents a non-negligible limit.



Source: Elaboration from www.coinmarketcap.com

What are cryptocurrencies possible applications?

Among the many possible applications of cryptocurrencies and blockchains, it is worth to list the ones in the automotive, financial, and healthcare sectors.

In the automotive sector, users can take advantage of the blockchain to manage fractional ownership in autonomous cars. In the financial services sector, the technology could increase the number of fast and cheap transactions. It could consequently cause a revolution in the sector; thanks to the absence of a centralized and trustworthy third party that is able to finalize transactions, and possibly create huge savings. This is probably the reason why some banks, such as Goldman Sachs, are considered “too big to fail”, and are rushing to patent their own proprietary versions of blockchain technologies. From the point of view of the healthcare sector, patients could share encrypted health information with multiple providers without the risk of privacy breaches.

Eventually, the outstanding technology of the blockchain can find applications in many diverse fields. For example, if it was applied to the voting process, people could vote via smartphone, tablet or computer,

with immediately verified results while keeping high security standards.

A small focus on China

China has and continues to play a major role in promoting the use of cryptocurrencies since it has been one of the first countries to digitalize payments. In fact, China holds several exchange systems and it has supported many ICOs (Initial Coin Offerings) to take steps towards the payment system’s digitalization. In addition to this effort, cryptocurrencies found a breeding ground in China for many reasons. One of the most important is related to the government control over the Chinese yuan. There are strategies to devalue the currency to boost exports, and wealthy investors found cryptocurrencies to be a good alternative to their usual investments. Moreover, some of them also used cryptocurrencies to take money out of the country.

In recent times, there have been signals of a turnaround. In fact, two of the biggest Chinese exchange systems suspended Bitcoin and Litecoin withdrawals for one month. This kind of decisions could imply several things. Among the possible interpretations, it is worth to mention two hot reasons. The first one is that Chinese authorities likely wanted to understand who moved cryptocurrencies from and to China. The second one is that the government wants to put a limit to the use of these tools. In both cases, it is a bad signal for the development of cryptocurrencies.

However, blockchain and the related cryptocurrencies are still emerging technologies with many people and institutions working to develop them and looking for further applications every day. It has been a long time since the blockchain was launched, and there is probably an even longer way ahead. This is just the beginning, but the future looks bright.

How to take advantage of MiC 2025 opportunities?

Saro Capozzoli, Tristan Gonnord - JESA

Two years have already passed since the Chinese Government issued the Made in China 2025 ("MiC2025") plan, the comprehensive mid-long term industrial strategy defined to drive the country's transformation. MiC2025 was defined together with another plan that is more oriented to the Internet. MiC2025 is based on innovation, smart technology, the mobile Internet, cloud computing, big data and the Internet of Things.



As perhaps most of you know it already, MiC2025 has clear principles and goals, and it is oriented to defined sectors, which are summarized below. In addition, so far, eleven documents were issued explaining how to implement MiC2025's guidelines.

The program identifies nine priorities that represent its central point:

1. Improving manufacturing innovation;
2. Integrating technology and industry;
3. Strengthening the industrial base;

4. Fostering Chinese brands;
5. Enforcing green manufacturing;
6. Promoting breakthroughs in ten key sectors that are:
 - a. New information technology;
 - b. High-end numerically controlled machine tools and robots;
 - c. Aerospace equipment;
 - d. Ocean engineering equipment and high-end vessels;
 - e. High-end rail transportation equipment;
 - f. Energy-saving cars and new energy cars;
 - g. Electrical equipment;
 - h. Farming machines;
 - i. New materials, such as polymers;
 - j. Bio-medicine and high-end medical equipment.
7. Advancing restructuring of the manufacturing sector;
8. Promoting service-oriented manufacturing and manufacturing-related service industries;
9. Internationalizing manufacturing.

To see how MiC2025 can affect the Chinese market and how it can create opportunities as well as hurdles for foreign companies, we will discuss the HVAC (Heating, Ventilation and Air Conditioning) market case. HVAC market includes heating (heat pumps, furnaces, unitary heaters, boilers), air conditioning (cooler, etc.), and ventilation (air pumps, dehumidifier).

HVAC technologies seem to be very interesting since they match at least two of the guiding strategies (see point 5 and 6 in the above list), as well as many key sectors in which China wants to achieve break-

throughs. Moreover, HVAC represents a central sector for energy efficiency that is the heart of the MiC2025.

HVAC sector can have a great impact on the industries China is focusing on. This is the reason why companies operating in HVAC should cooperate with complementary sectors. When we look at the industries that are mentioned in MiC2025, most of them are focused on efficiency and innovation.

But, how can HVAC be part of the MiC2025?

Here below we'd like to share some examples to show how HVAC can actively participate in MiC2025:

Heating:

The heating sector will probably take action in almost all the above mentioned sectors. There is a need for heating in the majority of the manufacturing processes, and the fact that MiC2025 aims at making factories connected and efficient is a huge opportunity.

For instance, in the aerospace industry, heating equipment has great potential. Aerospace equipment is part of the National Strategic needs defined in MiC2025, which means that foreign companies investing and innovating in this sector in China can be supported from the Central Government.

Also in the Power Equipment industry heating plays an important role. If we take the example of today's CHP (Combined Heat and Power) or CSP (Concentrated Solar Power), the efficiency and smartness of heating equipments (furnace, heat exchanger, etc.) are key factors of the power equipments' productivity.

Concerning the new materials industry, in which China wants to achieve worldwide leadership, once these are on their way to be commercialized they need to be manufactured in big quantities with high quality standards: this is when heating can be essential. Most of the materials are required to be heated in order to take a particular form.

Air conditioning:

The Air Conditioning in low consumption and new energy cars is a strategic element. In today's electric vehicles (EV) AC can be considered as accessory that wastes the largest quantity of power when is operating. However, it is vital to the user. If China wants to achieve leadership in the field of low consumption and new energy cars, it should also use efficient and smart AC systems.

Ventilation:

Ventilation is indirectly linked to MiC2025. All the new factories that are going to be built for smart manufacturing, the laboratories that will be at the cutting edge of the bio-pharmaceutical industry will need ventilation systems. But these premises will need a good and efficient ventilation system that is able to adapt to the environment in a smart way and, if possible, that takes the least room.

Indeed, the examples provided are a glimpse into all the possibilities offered by the MiC2025 plan to the HVAC market.

Opportunities offered by the plan should be considered by foreign countries and their companies. A deep study and understanding are essential to define a proper "Made in China 2025 action plan", espe-

cially for those countries and companies working on efficiency, research and technology solutions.

Updated Regulations on Renewing Your Chinese Work Permit

On December 7, China's State Administration of Foreign Experts Affairs made an important announcement that applies to all foreigners working in China. This regulation stated that from February 28, 2018, and beyond, all foreign workers will be required to submit the renewal application for their Chinese work permit at least 30 days prior to its expiration.

Neglecting to renew the permit with proper time will result in having to re-apply for an entirely new work permit, which will require you to go back to your home country and obtain another criminal record from your government. It is extremely advantageous to avoid re-applying, so giving yourself 2+ months is highly recommended.



Jesa CHINESE NATIONAL WORKING CALENDAR - 2018



January							February							March							April						
M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
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15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18	9	10	11	12	13	14	15
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																					30						

May							June							July							August						
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	1	2	3	4	5	6					1	2	3							1			1	2	3	4	5
7	8	9	10	11	12	13	4	5	6	7	8	9	10	2	3	4	5	6	7	8	6	7	8	9	10	11	12
14	15	16	17	18	19	20	11	12	13	14	15	16	17	9	10	11	12	13	14	15	13	14	15	16	17	18	19
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28	29	30	31				25	26	27	28	29	30		23	24	25	26	27	28	29	27	28	29	30	31		
														30	31												

September							October							November							December						
M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S
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24	25	26	27	28	29	30	29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
																					31						

Chinese Public Holidays -2018-	
New Year's Day	Jan 1st is Public Holiday
Spring Festival (Chinese New Year)	Feb 15 – 17 are Public Holidays Feb 18-21 are Weekends Feb 11 and 24 are Work Day for make-up
Qing Ming Festival (Tomb Sweeping)	April 5 is Public Holiday Apr 6-7 are Weekends
Labor Day	May 1st is Public holiday Apr 28 is Work Day for make-up Apr 29-30 are Weekend
Duan Wu Festival (Dragon Boat)	Jun 18 is Public Holiday Jun 16-17 are Weekend
Mid-Autumn Festival (Mood Day)	Sept 22 -23 are Weekends Sept 24 is Public Holiday
National Day (Golden Week)	Oct 1 -3 Public Holidays Oct 4-7 are Weekends Sept 29-30 are Work Day for make-up
2018-THE YEAR OF THE DOG	
	Public Holiday Must pay 300% salary
	Weekends Can pay 200% salary or shiftrest
	Work Day For make-up

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