

Hong Kong – 30 September 2019

The 300cubits has decided to suspend the operation of the Booking Deposit Module (“System”) effective on 1 October 2019.

The System has started accepting trial shipments in March 2018 and was launched into live production in July 2018 with varying responses. The positives are that the System has had participation from the largest shipping liners e.g. Sealand of Maersk Group, CMA CGM, MSC and Cosco while the 300cubits have gone the length in its discussions with the rest of the top 10 container liners about running trial shipments on the System. More than a dozen shippers e.g. Li&Fung Logistics, BASF, JF Hillebrand, Esprit, Mitsui Chemical, REWE etc have tried the System. In addition to those who have actually used the System, over 100 shippers have registered in the System to get their allocation of TEU tokens while many more shippers have contacted 300cubits and showed interests in 300cubits’ solutions. 300cubits is recognized as the one of the first to apply blockchain technologies in shipping. The TEU tokens created by 300cubits are still one of the more recognized digital assets in maritime space.

When using the System, both carriers and shippers were careful about their commitment. Nearly all except one shipment where booking deposits were placed were executed according to the booking.

However, the transaction volume through the System have been far from commercial. Only a couple hundred containers have gone through the System, which, although may seem plenty among the shipping blockchain projects, is not sufficient to keep the System going commercially.

The lack of clarity in regulatory regimes surrounding digital currencies has proved to be the greatest hurdle in the 300cubits’ marketing efforts. Many potential users simply shied away from trying, being not sure about what regulatory measures the authorities may take. A potential partnership with INTTRA, one of the largest shipment booking portals in the world, had to be stopped at the eleventh hour due to regulatory concerns. 300cubits has also learnt that shippers face bigger booking pain point than rolling, which is what the System is designed to solve. Instead, these shippers complain that they often could not get their bookings confirmed during peak season despite their booking volume are still within contract commitment. Moreover, the lack of liquidity for the TEU tokens and the volatility of all cryptocurrencies in general also cast a constant doubt among the users on whether the value of the tokens could be realized.

From 300cubits’ experience, many of the core blockchain features e.g. immutability and anonymity are either not intuitive or unappealing to the business users. And blockchain systems almost have to work interoperably with central server based systems in the commercial applications. After all, business users are comfortable with the server based systems. However, the equality imbedded in the system architecture of blockchain could be instrumental for delivering business alliance solutions, in the

view of 300cubits. Blockchain allows a user to participate not only as passive user but also as owner or administrator of the system and the data, which provide an equal footing for otherwise competing industry players to join forces in their service delivery.

With the System being suspended, 300cubits will burn at least 75% of the TEU tokens that have not been sold or picked up by the industry users. Going forward, 300cubits will burn even more TEU tokens as the ones currently being allocated to industry users circulate back to 300cubits.

300cubits will continue with its other projects. 300cubits have been engaged with a leading telecommunication company in the Middle East to promote the use of blockchain in the areas of transportation. 300cubits will also explore the use of other technologies in areas e.g. shipping and finance which are consistent with the competence of the founding team.

About the Company: Headquartered in Hong Kong and founded by a couple veterans from shipping and financial industry in July 2017, the 300cubits applies technologies to tackle pain points in shipping industry. The Booking Deposit Module is the first project of 300cubits. Having completed incubation at Plug&Play in the US and Dubai Future Accelerator, 300cubits is currently an incubatee at Hong Kong's Cyberport and Technology Start-up Support Scheme under Hong Kong University of Science and Technology.

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