

DECODED X

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HOW KOREA BIT THE COIN



The Korean government has decided to take a no-nonsense attitude toward Bitcoin, the world's most popular and widely traded cryptocurrency.

Futures trading won't be allowed for Bitcoin, and the banks -- which have been watching the cryptocurrency craze with unease -- have decided to join forces and stop cooperating with cryptocurrency exchanges.

The concerns about overheating and scams, and also about minors are sound and well-founded.

But it seems like the government should have stepped in sooner to either tame the craze or taken a page from Japan to make the government become the driver behind cryptocurrency to keep things hot enough, but not too hot.

Sooner or later, however, it's inevitable that Korea will have to make room for cryptocurrency as part of the mainstream financial network.

Cryptocurrency and its base block-chain technology are fast becoming a critical part of financial security, and



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embracing them will be the only way the Korean financial sector can survive.

Think P2P lending, Kakao Bank and fintech. Trying to keep out what's already happening is not only impossible, but not worth it. Not to mention that cryptocurrency is a global phenomenon that can't be stopped by a single country.

We do agree that the government is doing what it should be doing, and the game it's playing is cliché, yet effective. A Beijing-style clampdown, which has banned all initial coin offerings, will do the trick in keeping at least some of the overheating in check and send the message that Big Brother is close by.

However, just like China is predicted to soon rejoin the race, so will Korea.

The bigger question that the government and banks alike should be asking is, how will Korea and Koreans benefit from cryptocurrency, since regulations seem to be doing very little to keep people away.

Read on for this week's edition of **DECODED X**.

THE HAND THAT FEEDS YOU



A recent tour of Samsung Strategic Innovation Center unveiled a lot of things.

The building was nothing short of majestic, with everything one could hope for in a workplace.

In every office, one could stand in the middle and have a clear, unhindered view of the opposite side that's a



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couple of hundred meters away.

So-called green floors filled with grass, plants and benches were inserted between every other floor, so that people could stroll outside whenever they want to get some fresh air.



There were also little cafes where coffee and dessert was served for that afternoon pickup we all crave for.

The gym, run by the company with freelance trainers, was well stocked and offers personal training at a fraction of market prices.

The cafeteria was a huge affair serving food for all kinds of palates and nationalities.

The trend at US companies -- including teeny, tiny startups -- these days is to serve free (or nearly free) meals, which actually makes for a pretty good incentive, given the price of everything.

The percentage of Koreans at SSIC is supposedly under 10 percent, and the company representatives say they don't keep count because racial demographics aren't a significant part of its operations.

For people working at the center, it seemed to be quite an experience. Just that, deep inside, it's also clear that the company is determined to keep employees satisfied enough to never want to leave.

During the hour The Investor team toured the center, we didn't see a single employee out for a break. It could be we were visiting at a busy time, and our hosts assured us we would have seen more people in the



mornings or late afternoon.

HOITY TOITY



Hallyu may have died down a bit, but when it comes to certain things, such as cosmetics, Korea is still the It-place.

A little too It, perhaps.

The Investor has picked up on several private equity funds based in the US that are looking to invest in Korean cosmetics companies. To cut a long story short, they weren't able to get their business sorted because the Korean companies couldn't decide, as they're swamped with these kinds of offers from all over the world.

One investor based in Southeast Asia reportedly was politely declined at the door.

STARTUP OF THE WEEK



For this week's startup of The Investor's choice, we



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want to introduce folks to a café in Manhattan that's a Korean startup of sorts.

Round K is the name, and it's actually already built up a reputation for itself with some "unique" menus like egg yolk Cappuccinos and wasabi Lattes.

Unlike most of its contemporaries such as Blue Bottle Coffee which is urban all the way, Round K has a campy retro design motif based on Korean cafes in the '80s and '90s.

It was asked to be on ABC's "The Chew," but there was a bit of anxiety because one of the co-hosts was recently made to leave on sexual misconduct allegations.

This is due to its previous nightmare when Round K was featured on a Korean TV program a month ago, but got buried in news about a rare earthquake in Korea.

It started out with just 130 million won (US\$119,600), and it has been getting more investments, sometimes from customers. It's aiming for up to 5 billion won in the next round of funding.

The beauty of Round K is that it's not just a café, but a place where the East meets West, according to fans.

Let The Investor know a theinvestor@heraldcorp.com if you need contacts for Round K.

DECODED X

Here are some things you need to know about DECODED X.

1. DECODED X is a weekly brief prepared by The Investor (www.theinvestor.co.kr)
2. We want to hear from you. Email the editor-in-chief Jemmie Kim at jemmie@heraldcorp.com for feedback and more.
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