

B2C BUSINESS PLAN

HongDa Information Technology B.V.



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1. Introduction

Hongda Information Technology B.V. is a company incorporated under the laws of Curacao and applying for a B2C license. Hong Da means success, and that's our aim.

Hongda's dedicated team including Anthony Sofocleous, the CEO drove operational direction with countless years of experience in Finance, and background in successful gaming business including online gaming, B2B business initiatives, resulting in numerous multi-year contracts/ Andreas also provided high level online gaming products marketing.

2. Strategy & Objectives

Currently, Hongda is seeking to adopt market strategies and business development strategies that enhance their market penetration, leading to growth and international presence within the online iGaming market. To be successful in the regulated market, Hongda has decided to take the first step in licensing in Curacao.

Overall strategy can be summarized as:

1. Creation, development and promotion of our own gaming platform to increase profit share, taking into account the market and cultural characteristics of the target market, as well as responding quickly to a changing market.
2. Development and implementation of games of popular design which will maximize the company's profits.
3. Use of Artificial Intelligence in Online Gambling. With the help of AI, personalization for each user is possible as the technology can analyze the preference of the user in terms of game selection and offer a customized welcome page accordingly. This helps the user to save the time they would have spent looking for the right game. AI also helps in providing customer support in the form of chat-bots for resolving queries.

Through AI, behavior patterns and gaming frauds can also be checked, which helps in preventing frauds and locks out scammers.

3. CURACAO and the iGaming Industry

3.1 The iGaming Industry

The global pandemic has affected the transition to online in such important areas of human life as work, study, art and even medicine. Therefore, most of our lives are online today. The online entertainment industry is no exception. Online games are the place where a person can relax, unwind and feel like in the best casino in the world from the comfort of their sofa. Among other things, the gaming industry is growing every day, more and more jurisdictions such as France, Spain, Denmark, Italy introduce gambling legislation to regulate their domestic markets. This

means that the global trend is shifting towards consistent legal regulation of the online gaming industry, which eliminates the illegal markets.

3.2 Why Curacao?

Our team has conducted a thorough analysis of the various jurisdictions that provide licenses for online games, during which we have chosen Curacao's jurisdiction as a leader in this area. We were looking for a jurisdiction with a stable political and economic climate that offers a specific license for online gaming.

The advantages are:

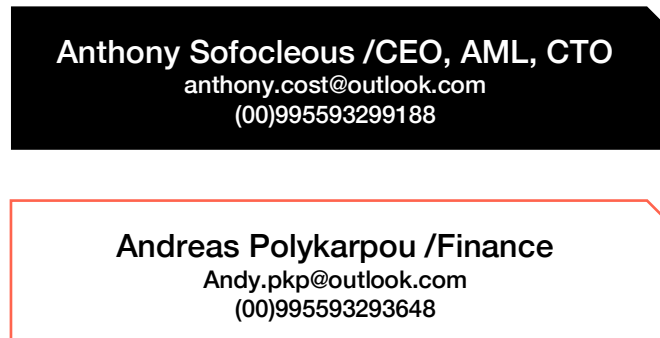
1. only one license is needed for all types of casino entertainment;
2. without dividing gambling into types and classes;
3. the provider receives permission to organize gambling from a country that it is part of the EU and legally operates in most regulated markets;
4. clear tax legislation.
5. clear and understandable application process and no need for personal presence.

3.3 Our advantages

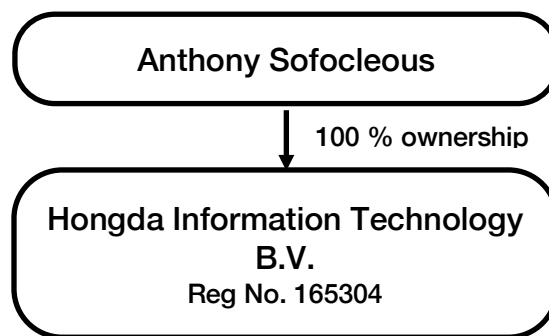
Taking into account the target audience and our potential client profile (his age, geography, gender, preferences), our team has selected a wide range of games that will satisfy a wide range of preferences.

The memorable and bright interface of the sites will not leave any visitor unattended. Our programmers, together with marketers, keep a close eye on the latest and trends in the field of online gaming and are ready to quickly respond to a changing market in order to keep our platform relevant and exclusive.

4. Company Control Structure / Ownership Structure



The figure above outlines the company control structure.



The figure above outlines the company ownership structure.

5. Partners

5.1. MLRO

The MLRO of the company will:

- Receive reports of knowledge or suspicion of Money Laundering (ML) and Terrorism Funding (TF);
- Consider such reports to determine whether a suspicion of ML/TF subsists;
- Report knowledge or suspicion of ML/TF to the FIAU; and
- Respond promptly to any request for information made by the FIAU.

5.2. Payment Service Provider

In today's globalized and digital business landscape, the selection of a reliable Payment Service Provider (PSP) is crucial for the success of any online venture. The choice of a PSP significantly influences the ease of conducting financial transactions, ensures security for both the business and its customers, and directly impacts customer satisfaction. In this section, we will outline our plan to integrate Payoneer or SoftSwiss as our preferred PSPs.

5.2.1 Selection Rationale

We have carefully evaluated various Payment Service Providers and have chosen Payoneer and SoftSwiss as our primary options due to several compelling reasons:

Payoneer:

1. **Global Reach:** Payoneer offers a vast global network of payment solutions, making it suitable for businesses aiming to operate on a worldwide scale. This aligns with our international growth strategy.
2. **Diverse Payment Methods:** Payoneer supports multiple payment methods, including bank transfers, e-wallets, and prepaid cards, catering to the diverse preferences of our customers.
3. **Compliance and Security:** Payoneer places a strong emphasis on compliance and security measures, ensuring that our transactions meet industry standards and remain secure.

SoftSwiss:

1. **Expertise in iGaming:** SoftSwiss specializes in providing payment solutions for the iGaming industry. This expertise is crucial for our online gaming platform, as it ensures that we meet all regulatory requirements specific to our sector.
2. **Seamless Integration:** SoftSwiss offers a user-friendly, API-based integration that streamlines payment processing within our platform, creating a seamless experience for our customers.
3. **Cryptocurrency Support:** With SoftSwiss, we can leverage their cryptocurrency payment processing capabilities, allowing us to tap into the growing crypto market in the future.

5.2 Integration Strategy

Our strategy for integrating Payoneer and SoftSwiss into our payment infrastructure involves the following steps:

5.2.2 Security and Compliance

Both Payoneer and SoftSwiss adhere to industry-standard security protocols and compliance requirements. Our business will implement additional security measures, such as encryption and two-factor authentication, to further safeguard customer data and transactions.

To maintain compliance with regulations, we will conduct regular audits and stay informed about any changes in financial and gaming industry regulations, adjusting our processes accordingly.

5.2.3 Cost Analysis

We will evaluate the cost structures and fee schedules of both Payoneer and SoftSwiss to determine the most cost-effective solution for our business. This analysis will include transaction fees, currency conversion costs, and any other associated expenses.

5.2.4 Contingency Planning

While we are confident in our choice of Payoneer and SoftSwiss as our PSPs, we will also identify backup PSP options in case of unforeseen issues or changes in the market landscape.

6. Games Provider

We use games from a major and trusted gaming software provider, Pragmatic Play.

7. Human Resources

Growth and market share are Company's main strategies and as a consequence Company already have a strong Commercial team, which would work to expand the game's brand awareness. The fantastic team will be in a strong position to identify any opportunities to come out of the target market. During the initial phases of the operation different roles will be collated into main roles and employees will have more than one single responsibility. The drive and experience of the team will allow the satisfaction of the short term objectives.

After obtaining a license the company, will have scope for up to 45 employees in the first year and that number would be expected to increase depending on volumes of business.

8. Organization chart

Anthony Sofocleous /CEO, AML, CTO

Andreas Polykarpou /Finance

9. Overview of Market Locations & Game audience

9.1. Market Locations

The geographic/target market is:

Europe 60% Asia 40%

Selecting both Europe and Asia as our primary target markets for our gambling business represents a well-balanced approach that capitalizes on the unique opportunities each region offers. Europe, with a projected client share of 60%, is a prime choice due to its economic strength, diverse population, and established gambling culture. Europe's robust economy and high disposable income levels make it an attractive market for our gambling services, as customers are more likely to engage in betting and gaming activities. Additionally, Europe's cultural diversity allows us to offer a wide range of gambling products and cater to various preferences, ensuring that our offerings resonate with a broad audience. Moreover, Europe's regulatory environment provides a level of legitimacy and oversight that can enhance our business's reputation, fostering trust among customers and authorities.

Simultaneously, Asia, with a client share of 40%, presents a compelling growth opportunity. The Asian market is vast and dynamic, with a rapidly expanding middle class and a growing interest in gambling and entertainment. There are large populations with a burgeoning appetite for online gambling and sports betting. By tapping into the Asian market, we can access a substantial customer base that is eager to engage in various forms of gambling. However, it is essential to navigate the diverse regulatory landscapes across different Asian countries carefully. Adapting our offerings and strategies to comply with local regulations and cultural sensitivities will be crucial to our success in this region. In sum, by targeting both Europe and Asia with the specified client share split, we can capitalize on the strengths of each market while diversifying our geographical presence for sustainable growth.

9.2. Age and Gender

The gaming audience is aimed mainly at men (85%) but the growth in the number of female players (15%) is also taken into account. By age the main percentage of players (50-75%) are people from 21 to 45 years old with an average income who already have a constant source of income and who consider online games not as a means of earning but as a pleasant pastime as well as a way to test their theories and knowledge, for example, on bets. This age is also due to the fact that such people are well versed in mobile electronic devices and computers to install appropriate programs and replenish funds. For the same reason it is assumed that there will be few people over the age of 45. Also a small number of players (15- 20%) will be people with lower than average income who with little free money will try to "break" a big win. The overwhelming majority of players play through mobile devices while more than half of the players play constantly spending a certain amount of money every month and preferring the same games they are used to. Another part of the players prefers to try different games in different genres and can play from

time to time. Due to the wide variety of online games many players choose games based on the recommendation of friends or gaming communities.

9.3 Interests

Knowing what other subjects of iGaming users are generally interested in can also help our business target new customers. According to a Google Analytics report of a popular iGaming website, visitors of the website tended to be most interested in a combination of financial services and software-related websites.

The top five interests of users browsing the website and the percentages of users interested in them were as follows:

Financial Services / Investment Services: 8.14%

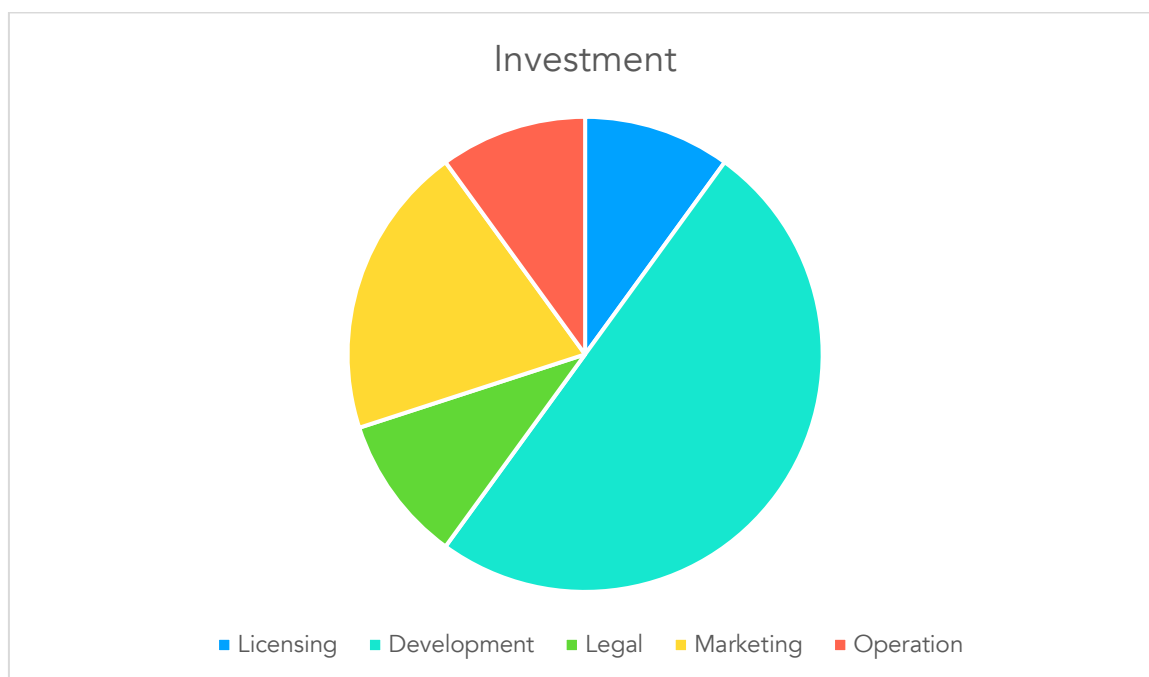
Software / Design Software / Drawing & Animation Software: 3.72% Financial Services / Banking Services: 3.3%

iGaming / Sport Betting: 3.26%

Consumer Electronics / Mobile Phones: 2.7%

10. Sources of investment

The initial source of funding will come from UBO's private fund. To launch the project the investment amount is 50,000 Euro which will go to:



11. Games/Technologies

11.1. Casino Games

1) Jump high jump high

English:

243 Line : more then three identical icons appear in a row from left to right on the reels , you can get the score reward for that icon!

Wild: Jump can replace any icon except [Golden Ball] to get connection points!

Scattered Prize Chart: [Golden Ball] appear on all 5 reels can get 12 free games.



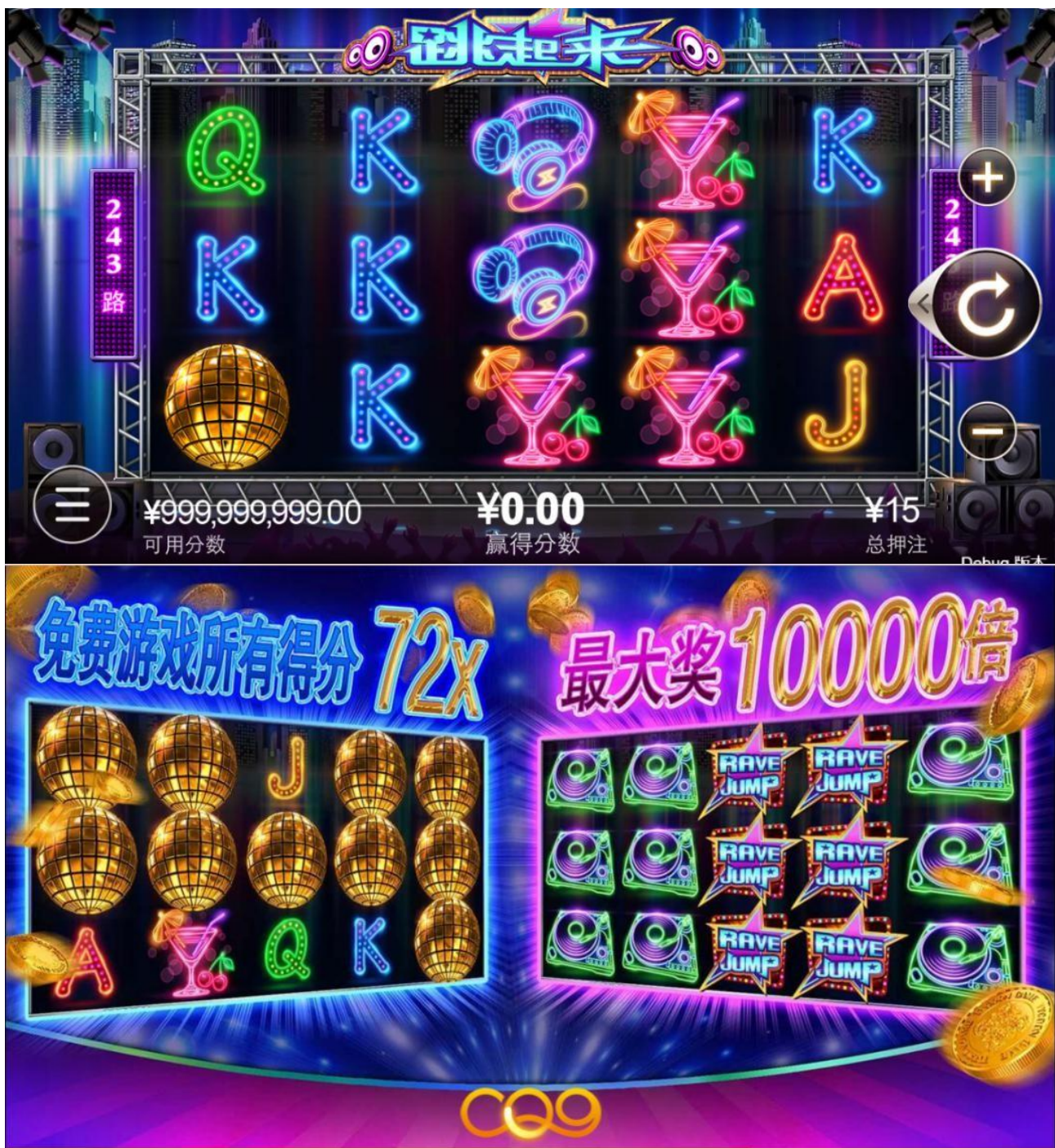
2) Rave Jump up

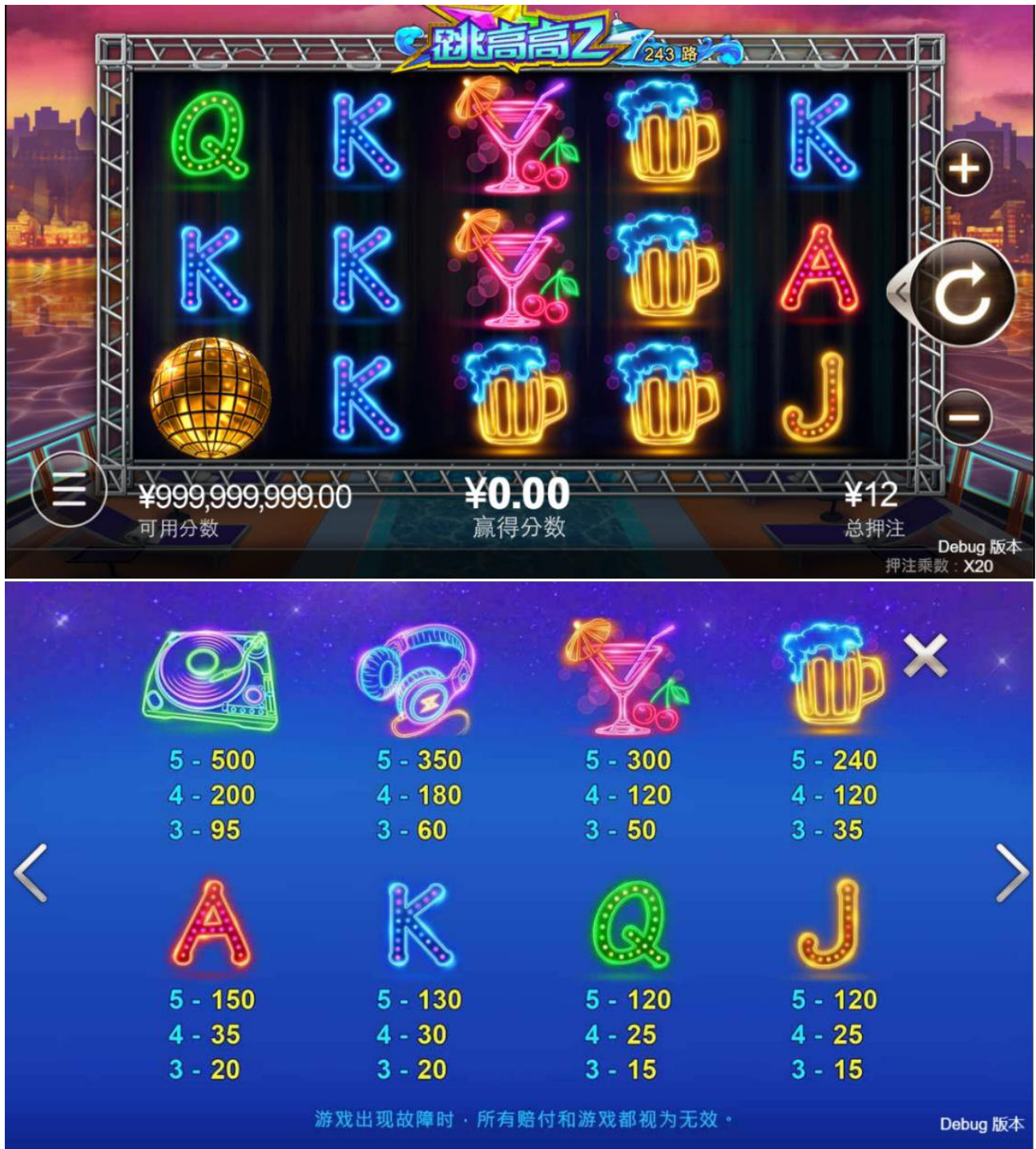
Free Game Features: All score combinations will be multiplied by an additional multiplier, from a minimum of 3x to a maximum of 72x! [Golden Ball] appear on all five reels can get 13 free games! The maximum number of free games is 100. In Free Games, the bet multiplier is the same as the triggering Free Games bonus.

3) Jump High 2 High Jump High 2

Free Games: All points in free games will be multiplied by a bonus multiplier.

The featured options are 5 different free games, the fewer free games, the higher initial reward multiplier. The more [Golden Ball] that trigger of free game, the higher reward multiplier!





4) Zeus Zeus

Wild: [WILD] can replace any icon except [SCATTER] to get connection points.

Free Games: 3, 4 or 5 [SCATTER] appear in a row from left to the right on the reels, you can get 8 free games and 5, 10 or 50 multiple of total bet score.



5) Lucky Bats Five Blessings

Wild: [Fu] can replace any icon except [Kirin] to get connection points.

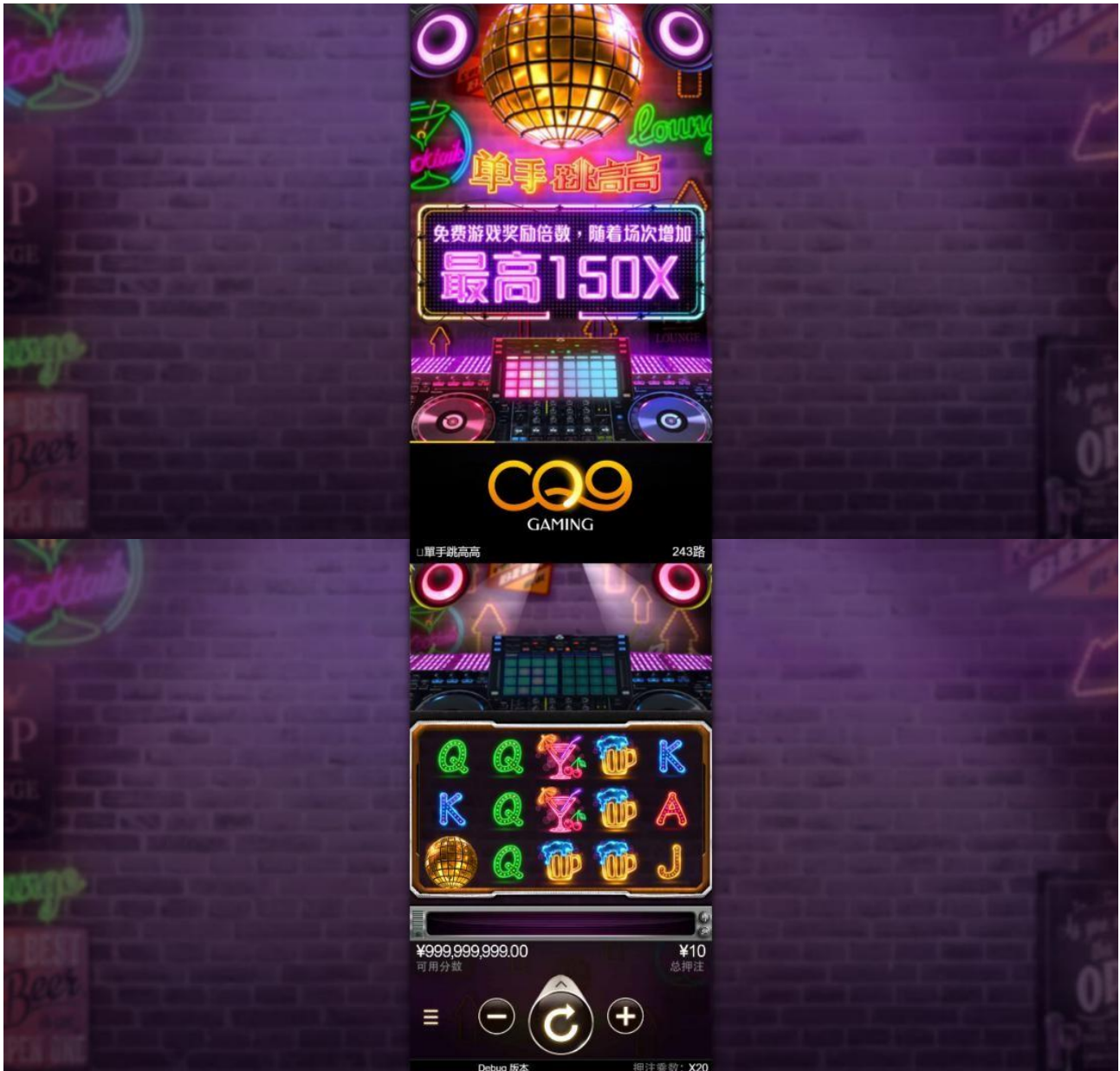
Free Games: 3, 4 or 5 [Kirin] appear in a row from left to right on the reels, you can get 10 free games and 5, 10 or 50 multiple of total bet score.



6) Jumping mobile one-handed high jump

Wild: Jump can replace any icon except [Golden Ball] to get connection points!

Scattered Prize Chart: [Golden Ball] appear on all 5 reels can get 12 free games.



7) God of War Wu Sheng

Main game features: [WILD] can replace any icon to get the connection point , and it only appears on the 2, 3 and 4 reels.

If more than 3 [Bonus] appear in a row from left to right on the reels, you can get a total bet score of 5, 10 or 50, and choose a free game reward.



8) Good Fortune Hongfu Qitian

Wild: [Fu] can replace any icon except [Spring] to get connection points, which will appear on the 2nd, 3rd and 4th reels.

Free Games: 3, 4 or 5 [chun] appear in a row from left to right on the reels, you can get 10 free games and 5, 10 or 50 multiple of total bet score.



9) Jump Higher jump higher

Wild: Jump can replace any icon except [Golden Ball] to get connection points!

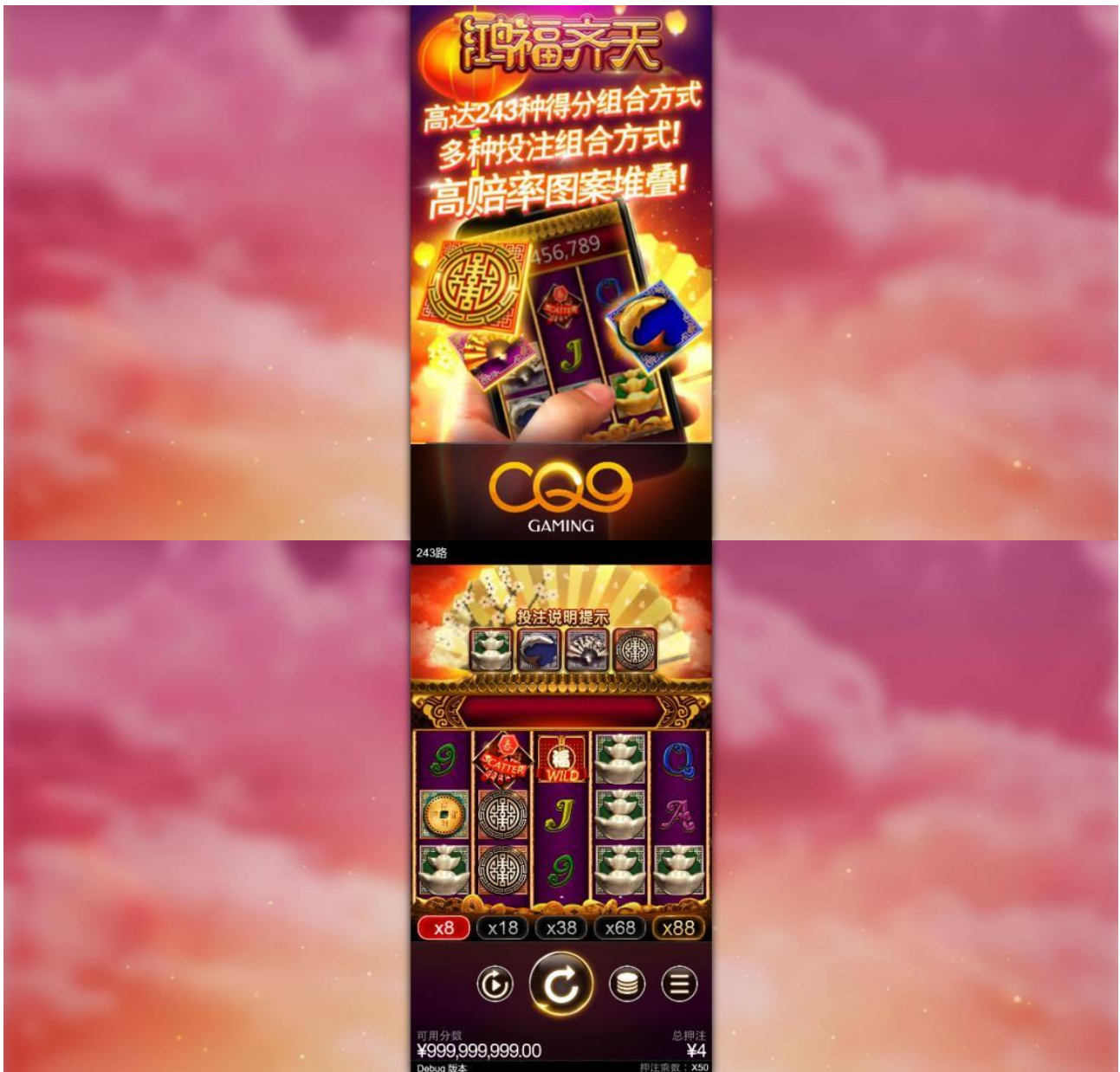
Scattered Prize Chart: [Golden Ball] appear on all 5 reels can get 12 free games.



10) Good Fortune M Straight Hongfu Qitian

Wild: [Fu] can replace any icon except [Spring] to get connection points, which will appear on the 2nd, 3rd and 4th reels.

Free Games: 3, 4 or 5 [chun] appear in a row from left to right on the reels, you can get 10 free games and 5, 10 or 50 multiple of total bet score.



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11) fa cai shen 2 God of Fortune 2

Wild: [Treasure Pot] only appears on the 2nd, 3rd and 4th reels, and can replace any icon except [Fortune and Treasure] to get connection points. Free Games: 3, 4 or 5 [Fortune and Treasures] appear anywhere on the reels, and you can get 8, 15 or 20 free games and 5, 10 or 50 multiple of total bet score.

And other casino games described in more detail in the Game Description

12. Marketing Plan

After analyzing the market and our potential target audience, our specialists have determined that the main player on our site would be men 21-45 years old. Therefore, we will advertise on the Internet using advanced methods of website promotion, taking into account our main target audience. However, one of our main marketing goals will be to reach all possible potential players and site visitors. So after we get the license, we will advertise in our target countries on all online channels like SEM, FB, etc.

13. Financial Projections

Gaming industry is moving towards a 24/7 online services. Over the last two years, the gaming industry has a growth faster than ever before, and it is expected to continue during next ten years. Easier access to the gamblers and gamers has brought online casino services to homes with desktops and laptops to the hands of "every man." Now we are challenging the gaming world by bringing it also to mobile users equipped with smart phones or tablets.

Hongda's business is based on the following facts of the markets: fast growing rate of mobile users, rapidly spreading 3G and 4G networks and growth of the mobile gaming industry. We have also noticed that the investors on the markets are investing directly in mobile device gaming industry. This is a fact of the fast-developing gaming industry. We are on the verge of an explosion of the market. Hongda does not have competitors on the market of the global mobile lotto.

When investment on sales structuring is done, there is no company, which can be competed with us. The growth estimations are great. As an assumption, based on the forecasted figures, we are anticipating an immense prospect to take over 2-3 % of the global lottery market during the next ten years.

13.1 Sensitivity Analysis

In the event of a severe economic decline, the demand for specialty online based advertising and online gaming services may decrease significantly, which may cause the advertising/gaming revenue generated by the business to level off or decline. However, the high margins associated with the Hongda gaming platform will ensure that the business will be able to always remain profitable and cash flow positive.

13.2 Source of Funds

Funds have been used to develop the software, creating the basic structure of operations, websites, staff training, international business travels, training etc. Hongda has work teams in places all over the world. Now the products are developed both backend and frontend. Hardware is acquired and on operational status. It is time to take the 3rd step of the operational level and move to sales.

14. SWOT Analysis

Strengths

- The company boasts very experienced management team with extensive knowledge of the industry following over 15 years in the business of online and offline gaming services;
- In house competence and development skills;
- The company boasts a good employment reputation;

Weaknesses

- The market in which we will be operating is a very competitive market.
- The company needs to grow its personnel capacity.

Opportunities

- Today's customer is looking for more content and engagement;
- Today's customer is interested in having more functionality in the services provided, including more promotional offerings;
- As a player in the market we can boast a reputable brand, thus ensuring that our services are not treated as a commodity but rather as a product unique to our company;

Threats

- Today's gaming landscape has changed across multiple jurisdictions, with various jurisdictions regulating.

15. Conclusions

Concluding our business plan, the strategic approach outlined herein is aimed at establishing a robust and competitive iGaming operation under a Curacao license. Our business model is designed to maximize user engagement through a wide range of gaming options, state-of-the-art technology, and a strong focus on customer service. We have established comprehensive measures to ensure compliance with regulatory requirements, responsible gaming practices, and data protection. With a clear operational roadmap, detailed financial projections, and a commitment to ethical practices, we are poised to become a noteworthy presence in the iGaming industry. Our pursuit of the Curacao license is the first step toward launching a platform that is secure, fair, and enjoyable for our clientele, and we are confident in our ability to deliver a superior gaming experience.