



Whitepaper - Simplified version

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1. Executive Summary

HNB is a next-generation of block-chain based decentralized economic platform in which everyone and anyone can take part in to pursue profitable economic life. In HNB economic ecosystem, every participant is committed to the economic development of the community, its members are encouraged and rewarded to create wealth and pursue a prosperous life through hard work.

This next-generation decentralized HNB community is built on Block-chain 3.0 technology and is standing on the shoulders of two preceding trademarks of cryptocurrency BTC and ETH, but what differentiates HNB from the pack of block-chain projects is its dual-token architecture : “Asset Token” (HNB) that is the digital cryptocurrency asset representing the ownership of HNB economy and “Stable Token” (HGS) that is the payment medium pegged to fiat currency to avoid volatility in value so consumers have unshakeable confidence to use it for trade.



HNB was established in 2017 based in Singapore with the initial project investment and intensive research on decentralized business model and block-chain technologies. In April 2018 HNB the Core team was formed in Shanghai and Canada thereafter two milestone products were launched that was changing the block-chain landscapes – HNB wallet released on September 20, 2018 and HNB block-chain commerce platform went live on November 30, 2018.

HNB wallet provided user-friendly, self-intuitive customer experience for managing multiple digital assets and supporting all transactions without fees. Since its launch, there has been downloads. HNB block-chain commerce platform has drawn merchants and brought in large number of high-quality goods and services in HNB community to serve thousands of commerce transactions daily. In Chinese New Year 2019, HNB red packet was launched and gravitated numerous people to dispatch HNB red packets to each other for celebrating the tradition that gains HNB significant publicity. Since its inception, HNB has been taking the center stage in block-chain community.

To sustain the great momentum it has been, HNB is continuing to explore innovative ways to improve the business model and perfect our underlying block-chain infrastructures and technologies to uncompromisingly fulfill the commitment of making better life for everyone. With that, in Q2 2019, HNB is set to launch HNB main net, a public block-chain supporting dual-token structure, implementing HNB innovative consensus mechanism of Algorand + DPOS to enable a very dynamic DAO of HNB economic entity.

2. HNB Economic Ecosystem

HNB economic ecosystem is founded on HNB business model, powered by block-chain technologies that guarantee trust and security in economic activities, involving various economic participants through exchange of HNB dual tokens (HNB and HGS) for goods and services. It is an open system that anyone can participate in to trade, to grow its business, to share its valuables and fulfill the vision that everyone has an opportunity to create wealth, to live a better life through hard work. With The open and vigorous self-governance DAO mechanism, all participants in HNB community are unleashing their potentials to create wealth and value, then to invest them back to the ecosystem to further drive its growth and create even more wealth and value, forging a closed-loop economic virtuous cycle and resulting in self-sustained economic ecosystem to generate wealth and value in an ever-growing uptrend spiral way. HNB ecosystem has three pillars that are dual-token structure, DAO mechanism and closed-loop economy.

a. HNB dual-token structure



Most of today’s cryptocurrencies suffer problems of instability in their prices because of volatile macroeconomic environment and over speculation in currency trading. HNB provides an innovative solution to this problem through HNB

dual-token structure. The dual-token structure refers to “HNB token” that is the asset token of the digital crypto asset representing ownership of HNB economic entity and “HGS token” that is the circulation stable token used as the payment medium for transactions within HNB economy. The stability of HGS comes from being pegged to US dollar. The dual-token structure addresses the most painful issue pertain to asset and payment in day-to-day economic events to allow HNB successfully land in real economy and drive economic growth.

The number of HNB asset tokens is a constant 1 billion representing the entire assets of HNB economic entity. HNB asset token is traded publicly on the exchange. Its intrinsic value is determined by its scarcity and gross value that HNB economic entity creates. The number of HGS is not constant. It is pegged to fiat currency (USD) and its supply is determined by the size of HNB economic community. The issuance and reclaim of HNB tokens are regulated in a disciplined manner by HNB community governance body to ensure its stability in price and its liquidity in line with the scale of HNB economy.

To support HNB dual-token structure, HNB deploys dual-chain architecture with each token owning its chain and implements DPOS+Algorand consensus mechanism to allow HNB and HGS to become the lifeblood of HNB economy.

b. HNB closed-loop economy

HNB economic model is designed to create an economy, powered by best in class block-chain technologies, to integrate both virtual and real economic worlds to allow them mutually supportive and mutually complementing to drive sustainable economic growth and benefits all members - vendors, consumers, distributors and investors, in HNB community. In this trustless business environment and self-governance DAO structure supported by HNB block-chain infrastructures, vendors and distributors enjoy easy integration of their business into HNB platform, lower operation costs and competitive advantages in the marketplace. Partnership with HNB, they can win in the market and are snowballing in market share, revenue and profitability. Consumers enjoys better price of every purchase by receiving HGS cashback bonus. In HNB world, shopping is mining – the most environment friendly and energy friendly mining behavior. The consumers are creating wealth while shopping then they can use HGS to invest in HNB token to turn into HNB investors to enjoy receiving dividends and HNB asset appreciation. This wealth snowball effect created by HNB model will be inspiring ownership spirit among all HNB citizens, so they will re-invest more resources and capitals into HNB ecosystem to drive up even more wealth, forging a closed-up economy to scale up HNB economy to virtually unlimited magnitude.

c. HNB DAO Mechanism

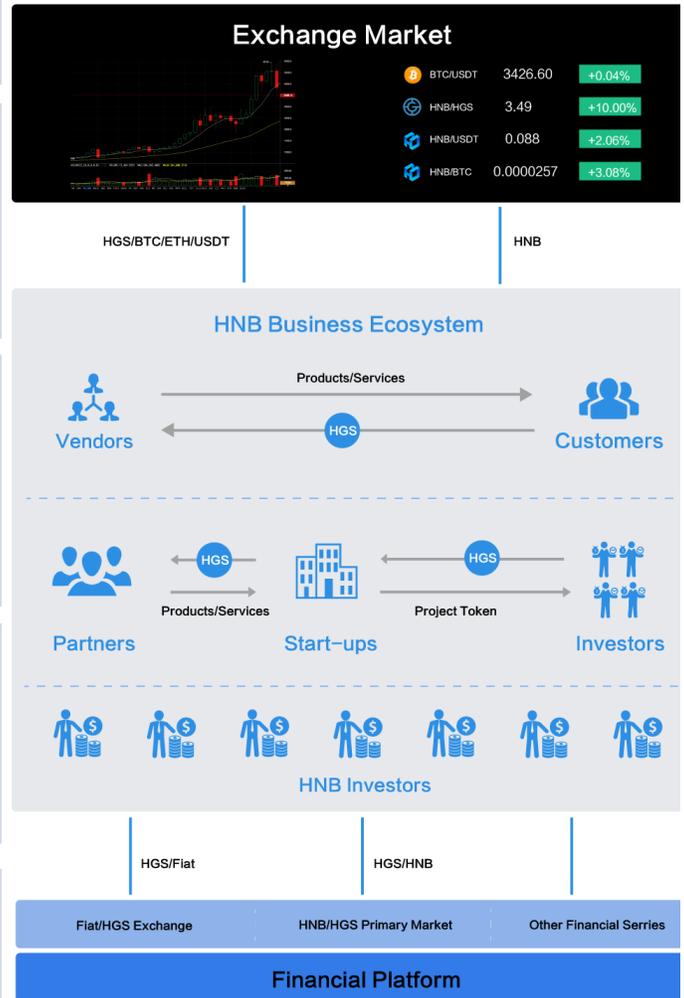
HNB DAO mechanism is the governance model in HNB ecosystem. Decisions and policies are made by decentralized HNB community members through consensus of voting. After consensus is reached, the decisions and policies are immutable and enforced by technology of smart contracts without any human intervention. The consensus approach HNB DAO implements are DPOS+Algorand that strikes good balance between transparency, fairness and speed, agility in the decision-making process.

HNB DAO structure is two layers of hierarchy. General Meeting of HNB-Citizen (GMH) is the highest consensus-making authority responsible for discussing and deciding the top significant affairs of HNB community. Under the authorization of GMH, there are a number of professional committees to oversee the specific matters such as monetary policy and make decisions and policies in the delegated scopes.

3. HNB Business Model

HNB aims to establish an economic community through block-chain technologies that supports the real economy and we are committed to building an economic ecosystem which serves all people.

Openness	<ul style="list-style-type: none"> The ecosystem of HNB is completely open for everyone to participate, which includes the production, distribution as well as the consumption with no barrier and no fees. HNB Dapp supports any external business App and small programs through the API interface
Social Circles	<ul style="list-style-type: none"> The community users of HNB take advantage of the social circle by inviting their friends to purchase products on HNB platform For prosperity of community's sustainable development, when making a purchase, you get rewards with the equivalent value of the product (issued as HGS), HGS can be used in the community to consume and invest in the asset appreciation income or other dividends
Market Mechanism with Free Competition	<ul style="list-style-type: none"> The economic operation of the HNB community is carried out in a fair, open and just environment. The entire economy runs with benefits in prices and the wealth effect, which is autonomous without human intervention. The producers will provide goods and services; consumers will get specific products at a preferential price; distributors will participate in the community building through the promotion
Incentive Policy for the Consumers, Distributors and Producers	<ul style="list-style-type: none"> HNB is a non-profit platform committed to the development principle that the community's income takes from people and gives to people to maximize the vitality of production, circulation and consumption. The main principle is to give the consumers the lowest price, giving added value of the goods fully fed back to the producers, two-level distributors and consumers with the largest sales.
Future Prospects	<ul style="list-style-type: none"> HNB platform processes more than 1,000 orders per day and the estimated number will reach 1 million by the end of 2019. In the future, HNB will continue to work hard to turn in a transformation of the ways of commercialize the food, clothing, housing and transportation in the real world to the ecosystem by the concept "co-construction and sharing".



The HNB platform is operated on a non-profit basis with the only mission to develop and grow HNB community economically. We believe in "what is from the people is for the people" and practice this belief religiously by leaving all the profits to HNB citizens.

With the servant leadership spirit in mind, HNB online marketplace is able to meet fast-changing needs of consumers, setting a direction to serve fast-moving consumer goods and fresh products such as fruit, beverages, cosmetics by taking advantage of HGS's role to facilitate the acceleration of economic cycle to drive the small ecological networks in the community.

The market result is the best testament of our business model. In a short period of time, the HNB ecosystem has already emerged to a sizable scale. The current registration volume has exceeded 200,000 among which the total number of members of the overseas community is 10,320. Over 10 domestic members have built their own node community.

4. HNB Token Price - the inherent logic why HNB token price keeps going up?

HNB token is an asset token traded publicly in the secondary market, representing the total value of HNB ecosystem. The total number of HNB token issued is fixed to 1 billion. Like any publicly traded equity, HNB token is determined by the market involving the interplay of many forces such as intrinsic value, macro-economy and market sentiment. In a long run, the price of HNB token is determined by its intrinsic value, the prospect of growing HNB ecosystem – the growth of HNB community members and magnitude of economic volumes. As previously described, HNB innovative economic model, propelled by block-chain technologies, with open and vigorous self-governance DAO mechanism, with dual-token structure

and wealth snowball effect, is bound to create a closed-loop economy entity that is ever-growing to virtually unlimited scale. The prospect of growing HNB ecosystem exponentially is an event of high probability.

With the rapid growth of HNB community members, the number of HNB holders increases so does the demand for holding HNB tokens. The value of HNB token will hence go up due to the force of supply and demand.

HNB is a non-profit platform. All the wealth created by HNB community are fully returned to HNB members without any reservation of intermediary profits. Therefore, HNB platform maximizes wealth generation and attracts more and more business partner and individuals to participate in HNB community. In addition, HNB community developed dividend incentive policy for members which is to reserve 20% of overall economic income of HNB community into a dividend pool and get back a proportion of HGS to members according to the amount of HNB held. This policy will incentivize HNB members to hold HNB tokens.

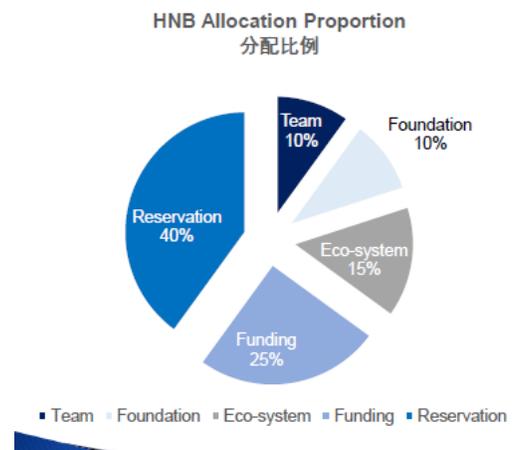
5. The technology Overview of HNB Block-chain

HNB believes that the major transformation block-chain technology brings to the business world is to reshape the social trust system and to seamlessly unify the individual and collective interests. HNB block-chain technology is the engine to HNB economic platform and powers decentralized self-governance DAO mechanism in supportive of trustless business environment. The highlights of HNB block-chain technology are its dual-chain architecture along with side chain and cross chain, innovative consensus mechanism through DPoS+Algorand, smart contract implementation and security.

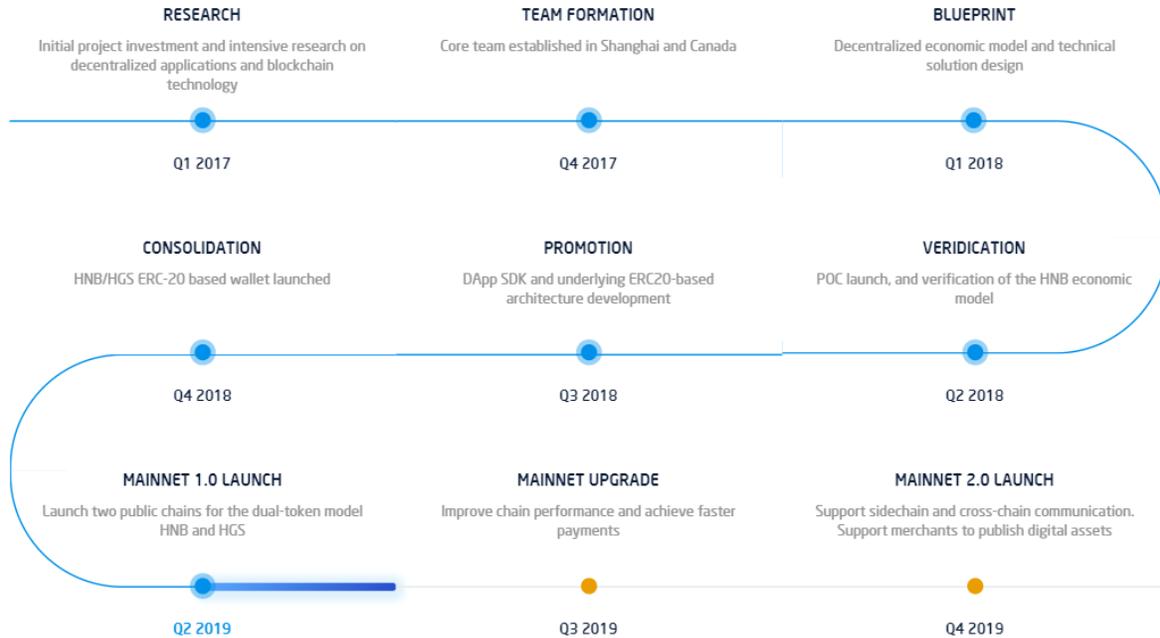
- ✓ **Consensus Mechanism:** HNB consensus algorithm is designed to meet the business requirements of security, efficiency and fair participation. Its implementation is focused on three core characteristics of Security, Decentralization, and Efficiency. Thus HNB adopts DPoS(Proof of Stake) combined with Algorand algorithm as the consensus mechanism to perform block administration and guarantee no fork. DPoS can speed up reaching consensus yet is less secure. By laying Algorand on DPoS, the security can be strengthened without sacrificing efficiency. So HNB consensus mechanism strikes the perfect balance of decentralization, security and efficiency. The high level HNB consensus mechanism is as this: Firstly, 99 delegates will be elected based on DPoS with the right to propose the block. Then the 99 delegates are divided evenly into 3 groups: consumers, merchants and contributors. The consensus algorithm will elect the proposers from these three major interest groups based on VRF (Verifiable Random Functions) Cryptographic Sortition, to ensure that no single interest group continues to hold the block proposal right. The Cryptographic Sortition selects the proposer each time based on the previous block data information, ensuring the absolute randomness of the proposer's choice. The attacker cannot predict and modify the next proposer so to improve system's fault tolerance. After a proposer is selected, HNB Byzantine Agreement algorithm is kicked in to ensure absolute consistency of the final proposed block among accounting nodes. BA two rounds of voting must be more than 2/3 in agreement to enter the next process, which ensures that there will never be consensus partitions or block forks.
- ✓ **Dual-Chain:** HNB abandons the traditional design scheme of “one chain fits all” and adopts the “one chain one contract” scheme to ensure that each contract can operate independently. This innovation greatly simplifies the architecture, reduces the computing pressure on data processing, and ensures business operation segregation among chains. HNB adopts the “dual-chain and dual-token” architecture approach.
- ✓ **Smart Contract:** DApp is one of the core features of HNB’s decentralized economic community. The DApp is composed of user APIs and smart contract. DApp’s backend coding is realized by smart contracts. The frontend can be any end user applications such as HTML5, mobile app, Wechat etc to interact with backend smart contracts via API. HNB smart contract supports Javascript and Golang programming languages. Its execution environment is HNB self-developed HNB-VM virtual machine. The unique features of HNB-VM include high speed cache access, instant code compilation and storage structure optimization which can optimize code parsing, improve efficiency of execution and strength security control. HNB smart contract is implemented a comprehensive security measures to ensure its safety and enforced audit requirement by formal verification.
- ✓ **Side Chain/Cross Chain:** HNB block-chain system adopts dual-token and dual-chain architecture to enable and support the business transactions and operations backed by two digital assets — HNB and HGS. Sidechain is developed to address this deficiency of main chain. HNB block-chain architecture supports side chain technology so to effectively ease up resource pressures on the main chain, improve performance and meet high concurrent computing requirement, resulting in extensible support to broad business scenarios. HNB ecosystem participants can build their own side chains that can seamlessly communicate with main chain and issue their self-defined digital assets through mortgaging their assets in main chain. HNB block-chain adopts three types of cross chain interaction methods - notary schemes, side chains/relays and extensible 3rd party protocol to address different business scenarios.

6. HNB Token Allocation Structure

- HNB Foundation issues 1 Billion (10⁹) of HNB tokens. The quantities of HNB token are capped at 1 billion.
- 60% of the HNB tokens are pre-mined and distributed among the HNB Foundation (10%), HNB team(10%), fund-raising and ecosystem building (40%).
- The remaining 40% is reserved to support the development of the HNB economy and will be released gradually over the next 40 years in supportive of HNB community.
- The number of HNB tokens is constant. , As community members grow, the overall value of HNB economy will increase and drive up HNB token price in secondary market.



7. Project Roadmap



8. Team

HNB team is based in Singapore, with international teams in Shanghai and Canada. HNB international team members are from United States, Australia, Canada, China, Italy, and Ecuador. HNB Team came from remarkable Universities like York University in Canada, Tsinghua University, Fudan University, University of Maryland, Tongji University and Xiamen University. HNB team is made up of many field experts in IT, block-chain specialists, finance and economics researchers, e-commerce entrepreneurs and advisors.



Like other star projects in the industry, HNB has attracted many well-known investment institutions as advisors since its early development, such as BN Capital, TimeLine Capital, MyTech Fund, Probing VC, Atlas Capital, E-Fund, Creative Manager Ventures, etc.

9. Partners

HNB has been working vigorously towards the expansion of the community as one of our 7 guiding principles. It is an essential part of the economic model we are striving towards that the community members, users and partners experience the prosperity of a thriving decentralized economy. In order to achieve this, a strong and growing assembly of partners offering their goods and services to the HNB community is fundamental. As of November 2018 HNB began with few partners, however quickly grew to 17 by the end of December and at least 10 more by close of January 2019. Currently, HNB's business partners stands proudly at over 60. This positive growth in active business partners in the ecosystem is something we have worked very hard to attain, but has the community excited and extremely positive for what may be instore



for the future. The feedback received from each of these businesses has been overwhelmingly positive, from their user experience to sales activity. HNB is expecting continued growth, which in turn will drive more active users through diversity of consumption and further the demand and profit for the businesses.