



HDCoin

WHITEPAPER

—— HD GROUP ——

ICOEX



VER 1.3

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HDCOIN OVERVIEW

HD Coin Limited in collaboration with HD Group will establish and issue HDCoin for the purpose of this ICO.

HDCoin is a unique crypto opportunity with a linked interest in HD Group, one of New Zealand's privately owned and operated information and communication services providers, providing broadband, cloud, datacentre and technical infrastructure support to businesses and consumers.



HD Group represents the following registered entities:

- Unlimited Internet Limited (Internet Service Provider)
- HD Net Limited (Holding company for brands and commercial property within the HD Group)
- ICOEx Limited (newly established)

Brands and property within HD Net Limited are:

- ICOEx ®
- HD Cloud
- Robotic Accounting
- Hardware Hub
- HDDC - datacentre which is the underlying technology infrastructure for the group
- Commercial property housing the datacentre assets

HD Net Ltd and Unlimited Internet Ltd have made year-on-year profits and are established players in the billion-dollar telecommunication industry in New Zealand.

Funds from this ICO will enable HD Coin Ltd to complete its purchase of a shareholding in HD Group and in turn enable HD Group to accelerate their business plan for rapid growth. Among other projects is ICOEx, a digital asset trading platform and ICO incubator. ICOEx will help businesses enter the ICO market and build an ecosystem of services around ICOs and crypto trading. A SaaS-based accounting software and OpenStack Cloud hosting platform are also in the pipeline. Additionally, we intend expanding our existing businesses and foraying into the power and mobile sectors.

As part of this ICO, one billion HDCoin tokens are being issued in three phases - each token is offered at a price equivalent to US \$0.02 at launch. 500 million tokens will be issued in the presale phase and 250 million in the second and third phases respectively. Investors will receive their tokens within 30 days of payment confirmation and successful completion of the KYC process.

**Early investors will receive 100% bonus reward in the first phase of the ICO.
33% bonus in the second phase.**

EXECUTIVE SUMMARY

Key ICO Statistics

This Whitepaper presents an overview of the HD Group and its brands, a valuation of them and the ICO offer made by HD Coin Ltd. Unlike most ICOs, this offering is an opportunity for investors to have a beneficial interest in an established and growing tech business.

The following table highlights key information and should be read in conjunction with the details of the ICO.

Effective offer price of each HDC equivalent to	US \$0.02
Total number of tokens to be issued and offered	1 Billion
Gross Proceeds from the raise equivalent to	US \$13.75 Million
Investment cap	US \$40,000
Existing HD Group shareholders will retain not less than	90%
Number of shares purchased by HD Coin Ltd is not more than	10%
Indicative Market Capitalisation equivalent to	US \$13.75 Million
HD Group projected value based on successful completion of its business plan	US \$137.5 Million
Symbol	HDC
Token Type	ERC-20
Token Supply	1 Billion HDC publicly for sale. Zero in reserve. HDC will be sold in three phases.
Token sale	Presale: 500 Million (100% Bonus) Phase 2: 250 Million (33% Bonus) Phase 3: 250 Million
Business Entities	HD NET LTD, UNLIMITED INTERNET LTD, ICOEX LTD, t/a HD GROUP
Registered Office	11C Piermark Drive, Rosedale, Auckland, New Zealand

WHY HDCOIN?

The Difference!

- ✓ Dependable
- ✓ Growing Brands – Trading for over a decade
- ✓ Accountable – Transparent
- ✓ Token holders are beneficial owners of HD Coin Ltd and its 10% shareholding in HD Group
- ✓ No tokens held in reserve – 1 billion, that's it!
- ✓ Based in New Zealand – #7 on World Justice Project Rule of Law Index 2017-2018 & #1 on the World Bank's Ease of Doing Business Index in 2017.
- ✓ A business address. Not a shell company. Come over for coffee.



HD GROUP VISION

HD Group began as a start-up in 2007 providing business server hosting services. Driven by a vision to be at the forefront of new Internet technologies, we have expanded into several areas. We have used our knowledge and experience of the ICT industry to build an ecosystem that enables people to use technology to improve their lives at a low cost.

Our mission has been to offer the latest customer-centric technologies, innovations and empower our customers to achieve their goals. We provide services that reduce barriers, facilitate seamless integration and simplify life.

WHAT'S DIFFERENT ABOUT HD COIN?

Unique features of this ICO

A unique feature of HD Coin is that each token recognises the holders beneficial interest via the HD Coin Trust in HD Coin Ltd and in turn its shareholding in HD Group which includes the crypto currency exchange being established by ICOEx Ltd.

Here are some of the other features of this ICO:

- + DEPENDABLE:**
HD Group has grown from a startup to a successful business in the last decade. We provide broadband, cloud, datacentre and technical infrastructural support to businesses. Our brands are tested and we have an impressive list of clients including corporates, small business and individual customers.
- + GROWING BUSINESS:**
HD Group has innovated and launched several products and services. We have a clear roadmap for growth and expansion with exciting projects in the pipeline. Our planned expansion includes moving into power, mobile and the crypto sector via ICOEx®.
- + FUTURE-ORIENTED:**
HD Group's plan is to be long-term player in the crypto sector. Via ICOEx and its brand ICOEx® the Group intends launching an ICO exchange which will also serve as an ICO incubator and build an ecosystem around crypto marketing and trading. We're also working on a SaaS accounting platform (under the brand "Robotic Accounting") and an OpenStack Cloud hosting platform (under the brand "HD Cloud").
- + TOKEN BENEFITS:**
This ICO is structured to include a beneficial interest in HD Group. By reason HD Coin Ltd will hold up to 10% of the shareholding in HD Group and 100% of its shares are held by HDcoin Trust each Token holder as beneficiary of this Trust will indirectly receive the benefit of all dividends HD Coin Ltd receives from HD Group.
- + TOKEN DISTRIBUTION:**
Investors will receive their tokens within 30 days of the confirmation of payment and successful completion of the KYC and AML processes.

- + UNIQUE BUY-BACK AND BURN POLICY:**
All dividends received by HD Coin Ltd will be applied by HD Coin Ltd in a buy back and burn of HDCoin tokens in the open market.

- + NO RESERVES:**
HD Coin Ltd its employees, advisors and shareholders will not hold any HDCoin in reserve. This means there's no scope for HD Coin Ltd to manipulate the market by using their reserves.

- + HD GROUP SHAREHOLDING STAKE**
In the event subscription under the ICO is less than .25% the ICO will be cancelled and no HDCoin tokens will be issued. Subscription above .25% up to 25% will enable HD Coin Ltd to pay its share purchase in HD Group as to 5% with subscription above 50% enabling the 10% stake to be paid for. ICOEx Ltd will accept HDCoin from HD Coin Ltd in the amounts that make up any deficiency in the share price payable above 25% to 50% for a 5% stake and above 50% for a 10% stake.

- + TRANSPARENT:**
Transparency is a key aspect of this ICO. HD GROUP has already transferred the 10% shareholding to HD Coin Ltd as can be verified by searching the New Zealand Companies Office Register. In the event that ICO subscriptions do not reach 50% then 5% of this shareholding will be returned by HD Coin Ltd.

- + BASED IN NEW ZEALAND:**
HD Coin Ltd and HD Group are limited liability companies registered and trading in New Zealand, a country that was ranked #1 on the World Bank's Ease-of-doing- business Index, #1 on Transparency International Corruption Perceptions Index and #7 on the World Justice Project Rule of Law Index 2017-2018. We have offices in Auckland and a strong multicultural team handling different aspects of the business.

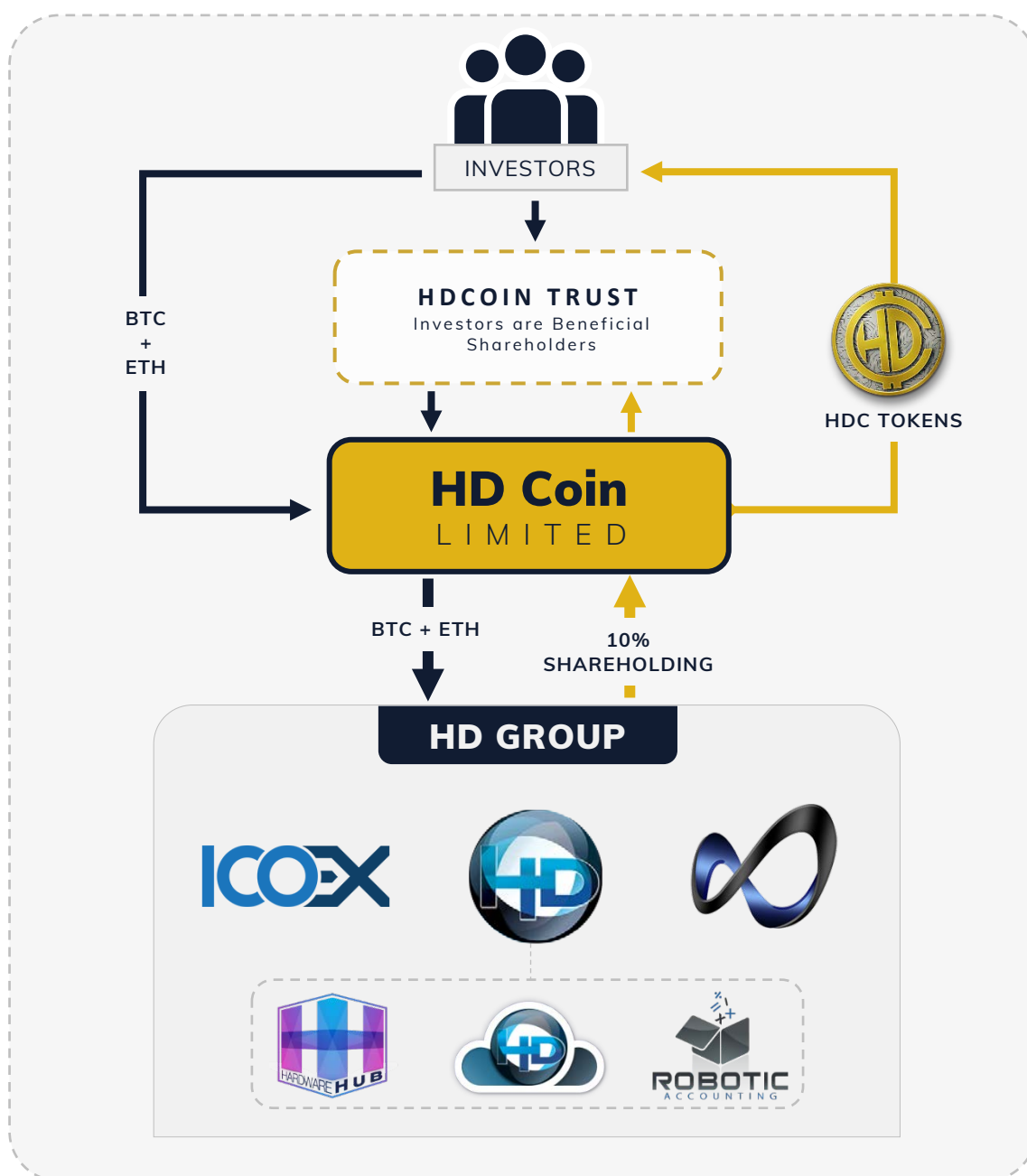
LEGAL STRUCTURE OF HD COIN

Backed by HD Group shareholding

This crypto-equity opportunity is based on a simple legal framework - quite a first for an ICO in this manner. Investors will buy HD Coin from HD Coin Ltd. HD Coin Ltd will use the BTC & ETH from the transaction to complete the purchase of either a 5% or a 10% shareholding in HD Group.

Investors who invest in HD Coin will be beneficiaries of the HD Coin Trust whose trustee is the shareholder of record in **HD Coin Ltd.** HD Coin Trust owns 100% of HD Coin Ltd. Download and view the Trust Document [here](#).

You can also view the HD Group company extracts on the Companies Office website: **HD NET LTD | UNLIMITED INTERNET LTD | ICOEX LTD**



HOW WILL DIVIDENDS BE PAID?

Unlike other ICOs, HDCoin has a dividend returns policy

HDCoin Buy-Back & Burn Policy

The buy-back & burn policy for HD Coin Ltd is as follows:

HD Group's financial year ends 31 March each year. HD Coin Ltd's shareholding entitlement (as a percentage) in and to HD Group's annual profit will be paid by HD Group tax franked to HD Coin Ltd. HD Coin Ltd will identify the most liquid market and use a conservative buying strategy in order to maximise the number of HDCoin tokens it can buyback and burn. This will be an annual event.

The reason for this is that it would be costly and time consuming to apportion and send dividend payments individually to each HDCoin token holder. Also, there could be significant overheads in tracking HDCoin holders over time due to the nature of HDCoin as once issued, HDCoin can be traded independently of HD Coin Ltd.

A coin repurchase will remove HDCoin supply from the market and add upward pressure to the market price of HDCoin. After the repurchase, HDCoin will be burnt so it can no longer be traded or circulated.

Burning HDCoin will be achieved by a burn function which HD Coin Ltd will make public so that it is possible for anyone with technical knowledge of ERC-20 tokens to validate that the coins have been irrevocably removed from the total supply of HDCoin.

Resources for ERC-20 tokens with a 'burn' function:

<https://github.com/ethereum/EIPs/issues/661> - Provable Burn: ERC-20 Extension



HD GROUP ENTREPRENEURIAL ECOSYSTEM

HD Net Ltd and Unlimited Internet Ltd currently provide New Zealand's corporates, small and medium business owners and residents with broadband, telecommunications, cloud, datacentre and technical infrastructural support.

The company includes the following entities, products and brands:



ICOEx Ltd

ICO incubator and proposed cryptocurrency trading platform. ICOEx Ltd intends to provide turnkey solutions to run and manage ICOs for businesses looking to raise capital.



ROBOTIC ACCOUNTING

A SaaS business product, it is a cloud-based recurring billing/accounting/inventory platform for businesses.



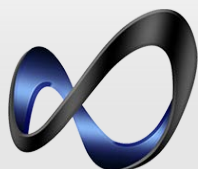
HD CLOUD

A cloud-based product to service businesses that need a scalable and high performance server infrastructure.



HD NET LTD

Owns the infrastructure of the entire HD Group including the datacentre and the commercial building which houses the datacentre.



UNLIMITED INTERNET LTD

An Internet Service Provider that offers competitive and affordable products in the retail market.



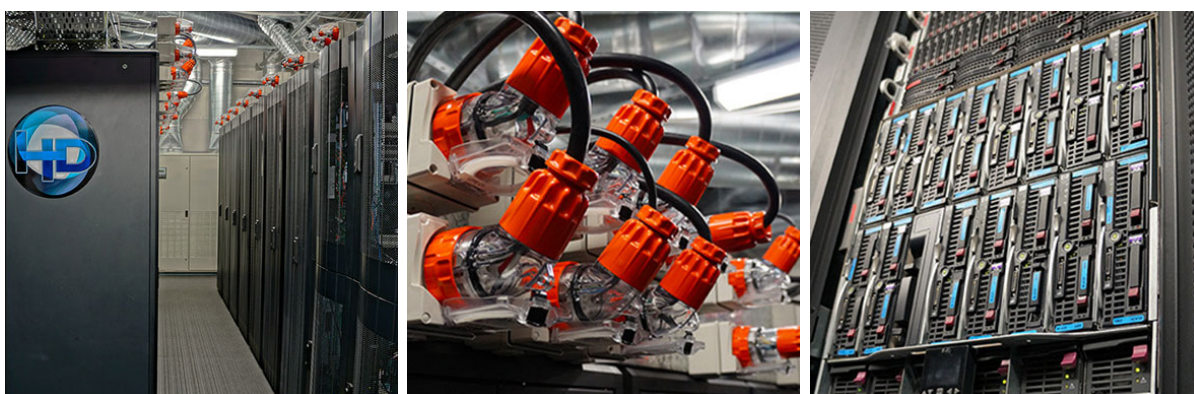
HARDWARE HUB

Hardware Hub is a service that provides businesses with servers and other network equipment.

HD GROUP NETWORK

The growth of the Internet is driving an enormous appetite for network capacity and bandwidth. Given this business opportunity, HD Group has built a network infrastructure based on reliability, redundancy and resiliency.

With the best of Cisco and Juniper and highly trained and passionate staff, the HD network is available 100% 24x7x365. It also has the following features:



- + Multi-path, self-healing, Cisco Enterprise 10 Gigabit core network is powered by fully redundant core equipment with multilayer switches capable of traffic rates as high as 10 gigabits per second.
- + Diverse carriers, divergent fibre paths, and full BGP routing provide a superior level of performance and fault tolerance.
- + The company maintains twice the capacity that clients utilise, providing ample room for bandwidth spikes.
- + Datacentre housed in the building owned by HD Net Ltd.



HD GROUP BRANDS

A detailed overview of HD Group brands



ICOEx Ltd

Cryptocurrency and digital asset trading exchanges are key components of a rapidly growing market. A number of such platforms are in operation but many lack the technical and social framework to meet the demands of users.

ICOEx Ltd is committed to building a trusted blockchain-based digital token exchange that will also serve as an ICO incubator. The objective is to develop an ecosystem around marketing and trading in fiat and crypto tokens. Some of the funds raised from the ICO will be applied in establishing the Exchange which is scheduled to launch in 2018 Q2.

Additional to the exchange, ICOEx intends to offer turnkey solutions for others looking to ICO raisings (subject to their meeting ICOEx's criteria). By means of applying the high standard of disclosure that HD Coin Ltd and HD Group have undertaken in respect of this ICO, ICOEx will establish a benchmark disclosure for the ICOs it handles.

As an ICO incubator, ICOEx will provide the following services:

- + Develop legally compliant models
- + Customise smart contracts with quick implementation
- + Foster marketing strategies to reach the digital asset trading community
- + Provide secure and scalable technical solutions
- + Easy token sales portal and management system
- + Listing on ICOEx Exchange.

ICOEx will also be a digital asset trading platform. Customers can purchase or sell digital tokens via the Exchange. They can also exchange, deposit and withdraw cryptocurrencies of their choice.

For all buy and sell orders, ICOEx will provide the following services:

- + Secure trading platform with industry standard hot/cold wallet reserve ratios
- + Quick deposit and withdrawals
- + Responsive customer support
- + Portfolio statistics

(The ICOEx® brand is a registered trademark of ICOEx Ltd.)



ROBOTIC ACCOUNTING

Businesses today have a greater demand for real-time data analytics. SaaS accounting platforms enables businesses to analyse data for financial reporting and forecasting performance. With many businesses still relying on spreadsheets, there is a growing market for SaaS accounting software.

HD Net Ltd will be developing and marketing its version of SaaS accounting software, Robotic Accounting, in 2019 Q1. Funds from the ICO will enable this development to be accelerated.

This is a SaaS business product with cloud-based recurring billing/accounting/inventory platform. It is intended to provide highly automated online services to businesses that require extensive customer and service relationship control for an online business.

The platform will offer the following features including:

- + Online subscription business with industry-specific integration, CRM features and accounting reporting
- + White label customer self-management portal
- + Granular admin/staff/customer access permissions
- + SKU and stock control and management
- + Bank/Credit Card/online payment integration
- + Financial reporting - historical audits and trend forecasting
- + Customer support ticketing integration
- + Business rule enforcement
- + Customer contact feature set (targeted mass mail platform) with built-in engagement tracking and opt-in/opt-out self-management
- + Time stamping and archiving functions through integration on the blockchain in the second phase of development

(Robotic Accounting is a brand owned by HD Net Ltd.)



HD CLOUD

With the widespread demand for digital transformation and deployment, more businesses are looking for cloud and security expertise. Many businesses today use data-intensive applications and, hence, the market for storage, collaboration and information management tools is growing. The New Zealand data centre services market is expected to reach NZ \$272 million by 2020 driven by high growth in data traffic.

According to Data Centre Research, this market is booming with 29 large datacentres in New Zealand with new entrants entering daily.

HD Cloud will be launched in 2018 Q4 and be part of this competitive market. It will provide cloud services to businesses that need a scalable and high performance server infrastructure. It will use OpenStack platform and offer the lowest prices in terms of cloud resources per unit.

The unique features of this business are:

- + OpenStack-based Cloud infrastructure as a service company
- + Leverage HD Net's datacentre and network to provide a standards-based platform with similar functionality to Amazon EC2 or Microsoft Azure.

HD Cloud was acknowledged by Statistics New Zealand. Excerpt from stats.gov.nz:

“HD Cloud is also another service which will be brought to the New Zealand public to compete against the likes of offshore data stores like Amazon Web Services and Google Cloud. This offering will be hosted locally giving users the ability to have consistent, faster and local data storage options using similar scalable technology they have become accustomed to.”

- Statistics New Zealand

(HD Cloud is a brand owned by HD Net Ltd.)



HD NET

This brand was established in 2007 as a web hosting business by HD Net Ltd. It provides datacentre and networking services to New Zealand businesses. We have built the datacentre from the ground up using high quality proven technology that ensures military level 'mission critical' uptime and redundancy. HD Group's clients include small to medium businesses, Managed Service Providers and web-focused companies.

Here's what sets the brand apart:

- + Ownership of the land and building in which the business is housed
- + Dedicated 44-rack datacentre
- + Redundant high-capacity network with:
 - o over 150 dedicated servers, hosted on HD Net's standardised server platform
 - o dedicated full-rack customers and individual server colocation
 - o interconnection with major transit providers, peering exchanges, local fibre companies and New Zealand's major xDSL supplier
 - o physically diverse fibre feeds from three separate providers
- + Provides flexible, bespoke technical solutions for a range of clients
- + Dedicated team of engineers, with 24-hour on-call service to customers
- + Wholesale internet bandwidth, broadband ports
- + Voice over IP Connectivity Solutions
- + Premium connectivity solutions using a range of network providers
- + Managed on-site service solutions, including access to licensing from Microsoft and other vendors
- + Power security: "A", "B" & "C" power feed options per rack
- + Secure, standby 500KvA 2506 Perkins diesel generator, housed inside the facility (on 24/7 SLA for repairs and refuelling)
- + Carrier Neutral Connectivity (Chorus, Vector, Vodafone, Telstra)
- + 24/7/365 Video surveillance & remote monitoring.
- + Two-Factor Swipe Card and Biometric Access.
- + We have three fully redundant and intelligent HVAC CRAC units with POD based temperature monitoring and flow control with micro particle air filtration.
- + Security mesh, reinforced door frames, walls and ceilings at all entry points.
- + Two Monitored VESDA (very early smoke detection apparatus) system with 3-stage alarms.

(HD Net is a brand owned by HD Net Ltd.)



UNLIMITED INTERNET

Broadband services have been a growing business in New Zealand. According to [Statistics New Zealand](#), the government's official data collection agency, as of June 2017, the number of fibre optic broadband connections was estimated to be 397,000, up 67% since June 2016. Fibre optic connections make up 21% of all broadband connections compared to 12% in June 2016. As the ultrafast broadband rollout continues, more people are taking the opportunity to get faster fibre Internet at their homes or businesses.

By 2022, the government aims to provide fibre broadband connections to 80% of New Zealanders. The New Zealand Government has an initiative to shift majority of households to high speed fibre services. The government's aspirational target is for 99% of New Zealanders to have access to peak broadband speed of at least 50 Mbps by 2025.

Unlimited Internet is a retail broadband service provider. In a competitive Internet services market, the brand has grown since its launch in 2015.

Here's why Unlimited Internet stands out from the crowd.

- + Unlimited Internet leverages HD's infrastructure and access to connectivity nationwide to provide high-performance service to thousands of customers with no data caps
- + The brand has experienced 40% uptake of Ultra-Fast Broadband (UFB) connectivity, compared to the New Zealand average of 17%
- + No fixed-term contracts for customers
- + Friendly New Zealand-based contact centre providing support and assistance via phone, email and live online chat

By 2020, HD Group will expand this business further and acquire ISPs looking to exit this price-driven market.

Unlimited Internet was acknowledged by Statistics New Zealand. Excerpt from stats.gov.nz:

“Unlimited Internet is well poised with its high quality, low priced service and attention to detail to take further market share away from the incumbent ISPs. It is also the cheapest ISP in the NZ market. So confident in its customer services that it boldly offers all services with no contracts. For a generation that is conscious of making long term commitments, this is definitely a winning draw card for the company which is growing in strides.”

- Statistics New Zealand

(Unlimited Internet is a brand owned by Unlimited Internet Ltd.)



HARDWARE HUB

Hardware Hub provides customers with servers and other network equipment at affordable prices. This has been a growing business. Hardware Hub is a recognised brand and known for the following:

- + Specialist importer, refurbisher and distributor of ex-lease server and networking hardware
- + Providing customised servers for business requirements
- + Exceptional warranties on our products
- + Established relationships with international suppliers and domestic customers
- + The Hardware Hub is currently being restocked with specialised equipment.

It is intended by 2019 Q3, to restock Hardware Hub and expand the customer base of this business.

(Hardware Hub is a brand owned by HD Net Ltd.)

HD GROUP COMMERCIAL PROPERTY

HD DATACENTRE

Address: 11C Piermark Drive, Rosedale, Auckland, New Zealand

HD Group owns freehold property housing the HD Datacentre. The replacement value of this property and datacentre housed within it would be in excess of NZ\$3 million.

HD GROUP HEAD OFFICE AND UNLIMITED INTERNET OFFICE PREMISE

Address: 17A Piermark Drive, Rosedale, Auckland, New Zealand

These premises are occupied under a commercial lease with a term of 6 years to 1 October 2024.

Professional office premise where service staff reside. A call centre is conveniently located within this office along with developers, senior technicians and technical support staff. The HD Group management team is also located here.

BUSINESS TIMELINE HIGHLIGHTS

Key milestones in the last eleven years.



HD GROUP VALUATION

An estimation of the company's business and assets

A conservative **valuation of the HD Group was carried out in 2017 by Rede Business**, an independent consultancy firm specialising in business sales and valuations, based in Auckland, New Zealand. Rede was provided financial data and forecasts from the management team at HD Group.

As elaborated further in the Revenue Projections section of this Whitepaper, financials for HD Net Ltd and Unlimited Internet Ltd have been estimated going forward based on a successful ICO enabling the growth set out in our roadmap. HD Cloud and ICOEx revenue forecasting has been used to arrive at a consolidated view of HD Group's financial position as at March 2022.

As at March 2022, the assumption is that ICOEx and HD Cloud together with the planned acquisitions and business expansion will contribute a value of US \$57.5 million to Rede's projected valuation of HD Group of US \$80 million, giving the group a value of US \$137.5 million.

Based on the Group being able to achieve the revenue forecasts projected by management, a baseline valuation was derived from the forecast numbers using discounted cash flow model. The enterprise value and resultant market capitalisation of the Group has been determined to reflect this baseline valuation.

VALUATION METHODOLOGY: DISCOUNTED CASH FLOW

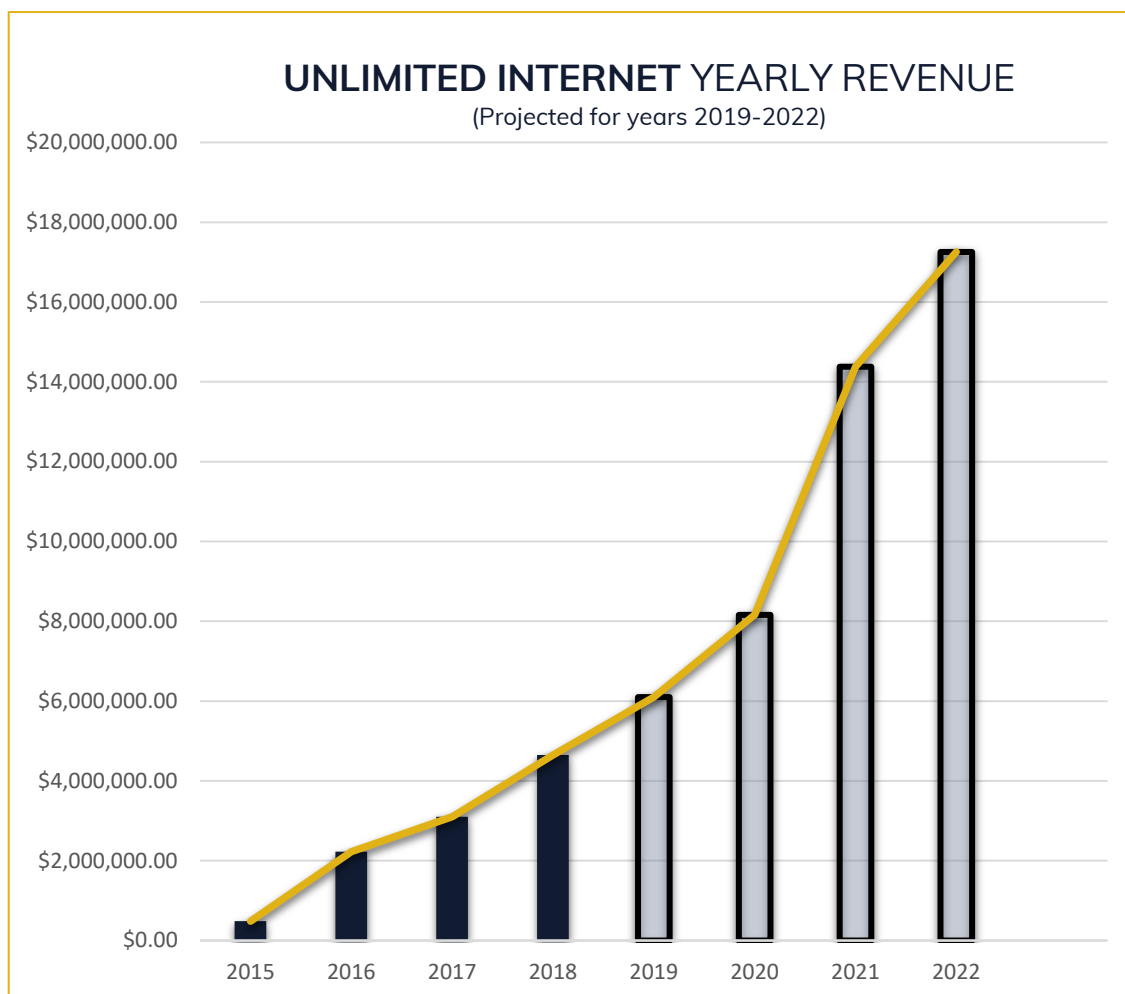
Rede Business used Discounted Cash Flow (DCF) analysis to estimate the group's valuation and project future earnings. DCF is the most broadly used valuation technique, simply because of its theoretical underpinnings and its ability to be used in almost all scenarios.

DCF is used by Investment Bankers, Corporate Finance professionals undertaking entity valuations and mergers and acquisitions, Business Development professionals and Academics.

In order to calculate the net present value (NPV) of future cash flows, the Cost of Equity is calculated and used as the discount rate. The Cost of Equity is essentially the rate of return that equity investors require from their investment in the business and will vary based on a variety of factors such as:

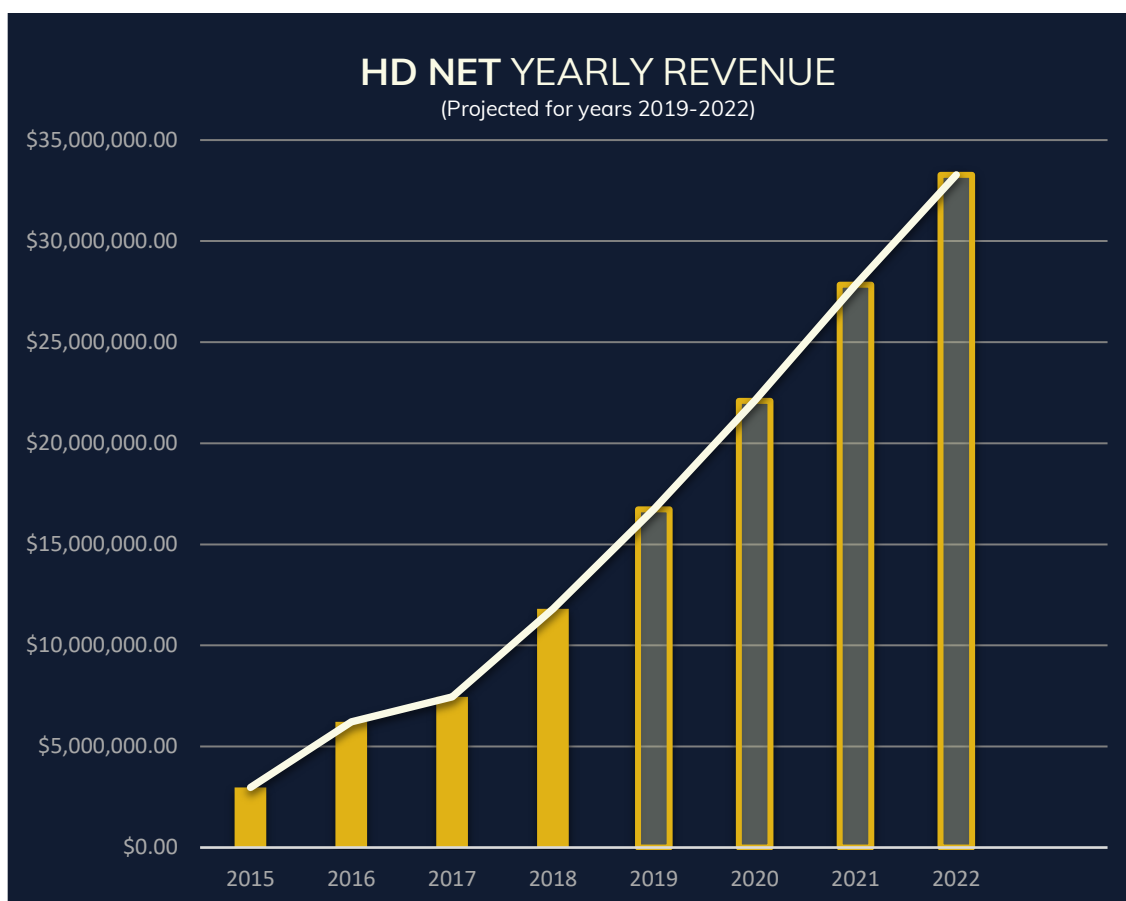
- + Historical performance of the business and investor confidence in future business prospects
- + The probability of achieving the cash flow forecasted (how conservative are the cash flows)
- + The propensity of cash flows to change with macroeconomic fluctuations (referred to as Beta)
- + International trade and foreign exchange variables
- + Country specific risk
- + Management capability
- + Liquidity and solvency risk of the business
- + Barriers to entry for competitors
- + Long-term contracts or guarantees under pinning performance

HD GROUP FINANCIALS



The above graph is a representation of Unlimited Internet Ltd's financial statements for the years 2015 to 2018 which track its historical year on year revenue growth which growth it is assumed will continue in the years 2019-2022 with additional revenue coming from business acquisitions in the years 2020 to 2022.

(Refer Business Roadmap on page 25)



The above graph is a representation of HD Net Ltd's financial statements for the years 2015-2018 which track its historical year-on-year revenue growth which growth it is assumed will continue in the years 2019-2022 with significant additional revenue streams coming from the introduction of the HD Cloud services, Robotic Accounting and business acquisitions.

(Refer Business Roadmap on page 25)

HD GROUP REVENUE PROJECTIONS

Rede Business, has reported that a high level analysis of the revenue assumptions for HD Group are appropriate given the anticipated increase in turnover that results from the projected funds available from a successful ICO.

HD GROUP POST-ICO RATIO ANALYSIS					
YEAR ENDING MARCH	Forecast FY2018	Forecast FY2019	Forecast FY2020	Forecast FY2021	Forecast FY2022
REVENUE GROWTH (NOMINAL)		57%	35%	22%	13%
EBIT GROWTH (NOMINAL)		93%	58%	29%	3%
GROSS MARGIN	33%	59%	64%	65%	61%
EBITDA MARGIN	4%	23%	37%	40%	36%

As noted in the above table, stable margins can be achieved in this model given that the assumptions come to fruition. As the initial investments into capital hardware has already been made, all that is required going forward will be marketing and sales drive to achieve these forecasted targets.

HD Net and Unlimited Internet are forecast by Rede to grow by 50% following the ICO raise.

Capital will also be channelled into acquisition, and the development of the Robotic software and the ICOEx.

This is a conservative growth trajectory given the momentum in the current business and the large market available for the business to further advertise and sell their services into. A conscious effort will be placed into marketing the business further which in the past has grown organically through word of mouth. Video and social media advertisement will be a key component of this new marketing drive. The group has invested in a concept that is both contemporary and novel to get the message across to the wider audience.

This will raise awareness and intrigue in an already strong brand and ISP provider in the marketplace.

Following the ICO raise, with continued marketing spend, it is assumed that the growth can be sustained albeit at more conservative levels – 35% for 2020 and 25% for 2021 and 2022.

HD CLOUD

The revenue assumptions for HD Cloud utilises the already existing HD datacentre. Given what is available in terms of capacity in the current datacentre structure, it is assumed that each rack could generate a revenue of NZ \$0.300 Million. This is a conservative estimate which offers the market an alternative solution to what is available in Microsoft and Amazon Cloud Services. The datacentre currently has 44 racks available with a total earning potential of NZ \$13.2 Million.

There is a conservative uptake of business within 2018/2019 of only 40% once the marketing and sales teams are given the mandate to offer this service in the marketplace. Given the sensitivity of information security and integrity that many small businesses and corporates in New Zealand have, it is assumed that this service will be accepted and welcomed with open arms.

Operating costs for the business model will mainly consist of technical staff who maintain and service the racks within the datacentre. It is a profitable model as the investment in functioning assets required to provide such a service as this has already been invested in.

ICOEx

The revenue assumptions for ICOEx are impossible to model due to their basis being new and emerging technologies and in particular the blockchain technology.

Accordingly, the HD Group business model has been used as a basis. It is assumed that a conservative growth in ICOEx will be taken forward following the ICO raise. The HD model estimates that NZ \$0.050 million per month can be achieved once established. The assumption is that it will take ICOEx 10 months to achieve this income.

BUSINESS ROADMAP

In the next four years, we expect huge changes in our business. Here is our action plan.

2018 Q2



ICOEx Launch

HD Group's ICO incubator and cryptocurrency exchange

2018 Q4



Launch HD Cloud Services

An OpenStack portal that will offer businesses scalable and high performance server infrastructure.

2019 Q1



Launch Robotic Accounting

A SaaS accounting system with a cloud-based recurring billing/accounting/inventory platform.

2019 Q3



Hardware Hub Restock

Restock and expand Hardware Hub into new retail markets.

2020 Q4



Expand Unlimited Internet

Acquire ISPs with 10,000+ subscriber base.

2021 Q1



Enter Mobile Business

Launch or acquire Mobile Phone Business using the Mobile Virtual Network Operator Agreement.

2021 Q4

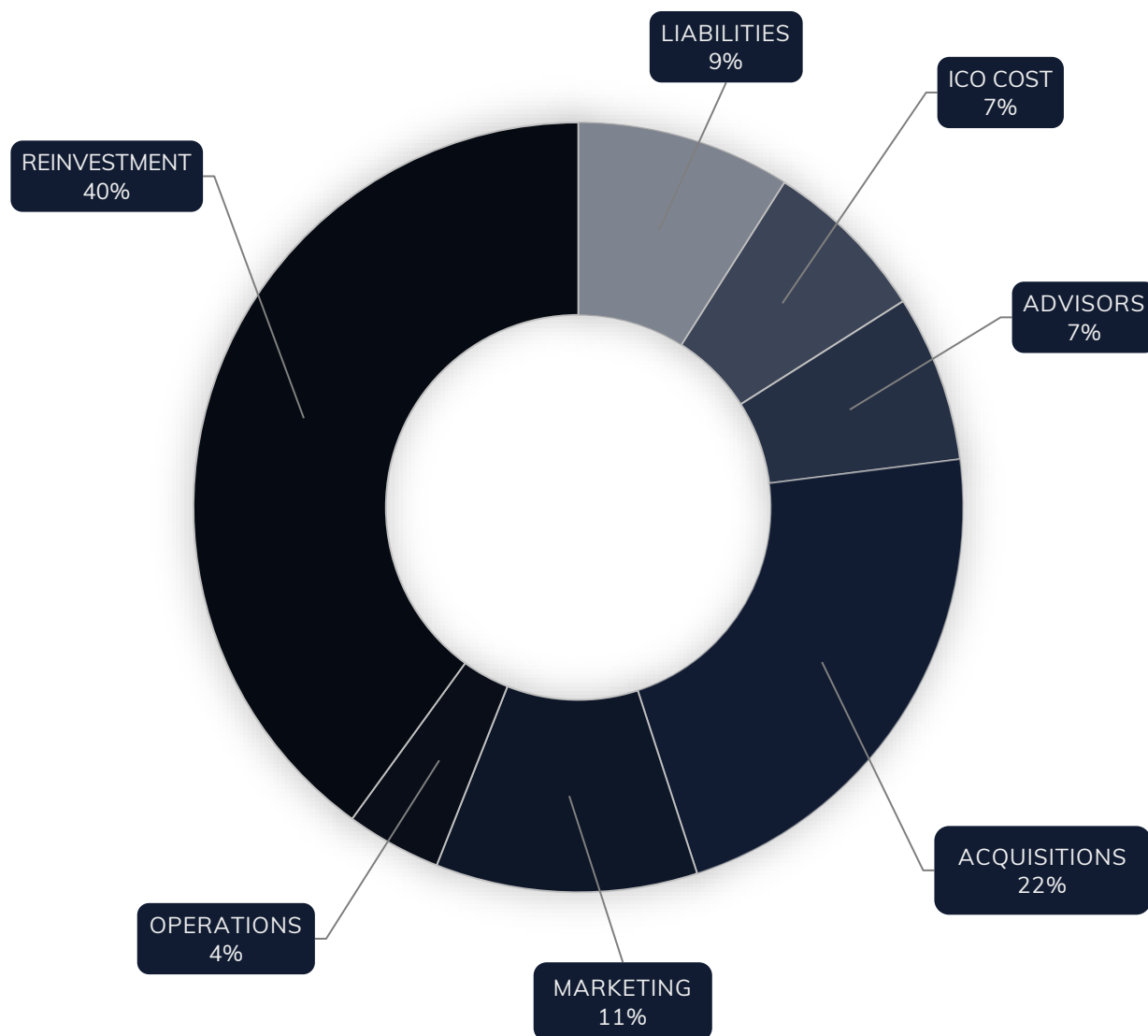


Enter Power Business

Launch or acquire a power company. Offer to bundle internet, mobile, power - all on one invoice.

USE OF FUNDS

Forecasted based upon a fully subscribed ICO raised



NEW ZEALAND BUSINESS ENVIRONMENT ANALYSIS

New Zealand is an ideal destination for business development



WORLD BANK'S EASE-OF-DOING-BUSINESS INDEX

In 2017 and 2016, New Zealand topped the [World Bank's Ease-of-doing-business Index](#) among 190 other economies. The index ranks countries based on how the regulatory environment is conducive to business operations.



DIGITAL EVOLUTION INDEX

The [Digital Evolution Index 2017](#), a study undertaken by the Fletcher School at Tufts University, US, in partnership with MasterCard, ranked New Zealand as one of the top countries in the Digital Evolution Index. The study attributes this to the country's strong digital economy and a combination of infrastructure, incubating startups, cultural commitment to innovation and government support.



CORRUPTION PERCEPTIONS INDEX

New Zealand has topped the Transparency International [Corruption Perceptions Index](#). The country is perceived to have low levels of corruption in the public sector and has consistently ranked among the top three countries in the world. The index measures corruption of public officials and government entities.

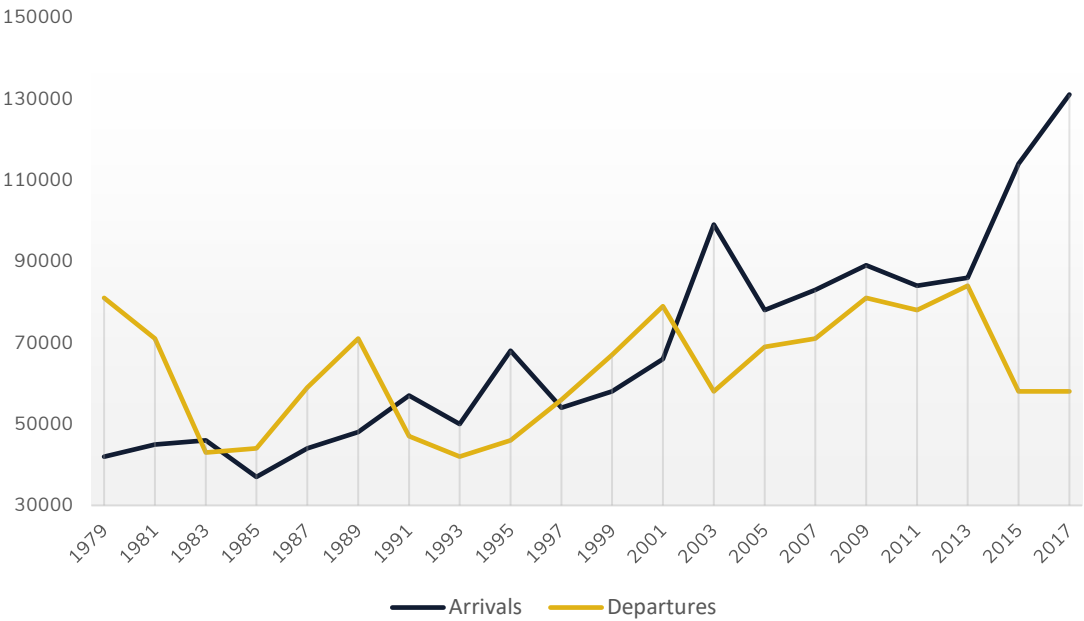


WORLD JUSTICE PROJECT RULE OF LAW INDEX 2017-2018

New Zealand ranked seventh out of 113 countries in the seventh annual [Rule of Law Index](#) published by the World Justice Project. This index measures perceptions based on government powers, absence of corruption, open government, fundamental rights, order and security, regulatory enforcement, civil justice and criminal justice.

GROWING POPULATION

According to 2017 figures, New Zealand's population was estimated to be around 4.7 million. The population has grown by 100,400 since June 2016 with 72,300 immigrants coming into the country. Auckland, the most populous city, has witnessed a growth of 2.6% with over 30,000 migrants in the last year. With the increase in population, the requirement for digital services will rise as well.



Source: Statistics NZ

TEAM

A knowledgeable, future-focused, experienced team



BEN SIMPSON,
CO-FOUNDER, DIRECTOR, CHIEF EXECUTIVE OFFICER

Visionary, Business strategist, Innovator.

Ben is a self-taught tech expert who built the HD Group from a startup to a successful company. Ben's professional expertise of 17 years includes strategy, product development, business analysis, IT operations, fintech and hardware procurement. His entrepreneurial spirit is now focused on blockchain-based platforms and other fintech solutions. The key to his success is his adaptability, drive and energy. He's always on the lookout for opportunities within the IT sector.



BRAD COOK,
CHIEF INFORMATION OFFICER

Strategist, Security Analyst, Engineer. Brad oversees HD Group's technology-related strategies and initiatives. He monitors the company's operational needs and plans the deployment of tech infrastructure. Brad also leads the design and customisation of tech platforms to ensure optimal performance. He has been in the IT sector for over 10 years.



GUY LOWE,
SYSTEMS & NETWORK ADMINISTRATOR

Systems Networking Expert, Security Analyst, Database Architect. Guy has been a part of the HD Group since 2009 helping build the company into what it is today. He has an active interest in all things operational. He has been a keen follower of Bitcoin and blockchain since early stages. He is also an IT Engineer and maintains HD Net's network infrastructure.



PETER ZHANG,
SENIOR SOFTWARE ENGINEER

Full-stack Developer, Database Architect. Peter enjoys experimenting with new web technologies and is a seasoned crypto analyst. Peter has been commercially involved in PHP web development since 2011. He is currently working on the Robotic Accounting software and ICOEx platform. Peter has a background in Computer Science.



GEORGE ZHAO,
SENIOR CLOUD ENGINEER

Systems Architect, Cloud Engineer, Security Analyst. George has a keen interest in high-end technologies and has been working on the HD Cloud computing team since 2014. He is experienced with different cloud services, system automation, cloud security and technical and business applications of cloud.



PAROMITA MUKHOPADHYAY,
COMMUNICATION & SOCIAL MEDIA
COORDINATOR

Digital Marketer, Copywriter, Editor. Paromita has a long history in marketing communication. She has managed communication and social media marketing for several businesses and international organisations. A former journalist, Paromita follows the fintech sector and is a crypto enthusiast.



SHELDON D'SOUZA,
DESIGNER

UX/UI Designer, Front End Developer, Coder. Sheldon has a strong eye for design and enjoys pushing pixels and lines of code and graphics. He plans, experiments with codes, maintains and upgrades online platforms. He also monitors online traffic and works on SEO. Sheldon has been following crypto markets and has interesting insights into the world of ICOs.



SAM SZETO,
TECHNICAL, SERVICE DELIVERY MANAGER

Fibre Provisioning, Account Auditing, Credit Control. Sam deals with the day to day management of relationships with service partners. He monitors delivery processes and evaluates customer feedback to develop uniform procedures for quality improvement. He also reviews and audits processes to ensure quality of practice meets contractual and legal obligations.



IAN MASSAM,
DATACENTRE MANAGER

Systems Security, Equipment Maintenance, Business Strategy. Ian's wealth of knowledge and hands-on experience in the electronics industry has been invaluable to the HD Group. He runs the HD Net Datacentre and ensures compliance with international standards and systems. He supervises the designing and evaluation of all server systems, identifies issues and implements timely resolutions.



JEREMY HUTCHINSON,
GENERAL MANAGER, UNLIMITED INTERNET

Business Strategist, Technical Support, Provisioning. Jeremy oversees the operations of Unlimited Internet, HD Group's broadband service. He monitors industry trends and government policies. He manages business objectives and measures results. Jeremy also maintains budgets, allocates resources and reviews progress. He also provides technical support, liaises with partner companies and trains and mentors staff.



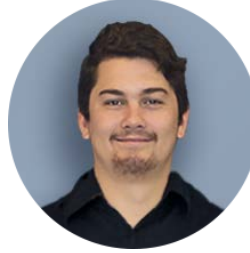
MARTIN NDUAGUBA,
BUSINESS DEVELOPMENT CONSULTANT

Generating business opportunities, Account Management, Client Relationship. Martin manages the business development for the HD Group and is responsible for targeted growth of client portfolios. Martin has experience in helping businesses utilise technology and grow their markets. He has a background in E-Commerce and International Management.



REGINA LAMOSITELE,
TECHNICAL SUPPORT ANALYST

Customer service, Troubleshooting, Account Management. Regina provides support to HD Group's Unlimited Internet and VOIP subscribers. She helps resolve customer issues and maintains broadband and telecom services for clients. She also handles the provisioning for broadband services, liaises with service providers and helps with administration and record keeping.



ALASDAIR CARGO,
SUPPORT & LOGISTICS

Customer service, Troubleshooting, Account Management. Alasdair provides remote support to the HD Group's Unlimited Internet customers. He also handles ADSL2+, VDSL2, VOIP and UFB/Fibre services. Alasdair oversees order provisioning, new connections, address changes, transitions and helps with troubleshooting. He also monitors customer accounts and updates records.



JEFFREY ENRIQUEZ,
TECHNICAL SUPPORT ANALYST

Broadband Support and Provisioning, Troubleshooting, Account Auditing. Jeff provides remote support to the HD Group's Unlimited Internet customers. He monitors and analyses customer requests and complaints and handles new broadband connections. He also provides advice, guidance and expertise to customers. Jeff also compiles reports and best practice procedures to improve services.

All key staff are contracted to work till the end of the projects mentioned in this Whitepaper.

HD COIN LIMITED

This New Zealand company was established by Daniel Newton its founding shareholder and director.

HD Coin Ltd holds a 10% shareholding in HD Group but has yet to pay for it. The price payable is in Bitcoin (BTC) and/or Ethereum (ETH), 6,875,000 for 5% and 13,750,000 for 10%.

HD Coin Ltd's shareholding in HD Group is the asset based contribution backing the HDcoin tokens being floated by this ICO.

Daniel has declared he holds 100% of the shares in HD Coin Ltd in trust as trustee of the HDcoin Trust the beneficiaries of which Trust will be the holders of HDcoin tokens following issue thereby coining the phrase "equity token".

HD Coin Ltd has contracted ICOEx Ltd to assist it with the ICO.



DANIEL NEWTON,
Shareholder/ Director

Blockchain Expert, Entrepreneur.

Daniel will lead the development of ICOEx. He has been in IT for over 16 years and has developed a range of software platforms on the blockchain. In 2011, Daniel started BitNZ, New Zealand's first and longest running crypto currency exchange. He has worked with several startups and established businesses.

ADVISORS



WILLIAM CHEONG,
FINANCIAL ADVISOR

Risk Analyst, Investment Adviser, Business Strategist. William has over 15 years' experience in commercial banking, liquidity risk, treasury and debt capital markets. He has been a commercial banker with BNZ and financial risk manager with KPMG New Zealand. William is the founder of Rede Business, a firm that helps guides and advises businesses.



JESSIE HORSBURGH,
HR ADVISOR / MARKETING MANAGER, UI

Staffing, HR Policies, Performance Evaluation. Jessie leads the organisation's strategic people management programme. She specialises in sourcing talent for ICO projects and other aspects of the business. Jessie and her team are responsible for the continued growth and development of HD Group's staff performance and service delivery.



SHAILEN VANDEYAR,
STRATEGY AND INVESTOR RELATIONS
ADVISOR

Marketing, Community Management, Ecommerce. Shailen develops and manages HD Group's investor relations programme. He is responsible for robust and timely communication with investors and supports the production of marketing materials. He also participates in marketing due diligence meetings with investors and consultants. Shailen has a background in digital marketing and extensive experience in building relationship networks.

WHAT ARE THE RISKS?

Let's be honest here

Like any other investment, this ICO has its share of risks. Here are some business uncertainties the HD Group could encounter.

CRYPTOCURRENCIES

HDCoin is a crypto currency. Cryptocurrencies and their markets are decentralised and non-regulated and not governed by any specific regulatory framework. This means that there is no central bank that can take corrective measures to protect the value of the currencies in a crisis.

Cryptocurrencies prices are often highly unpredictable and volatile. They are usually not transparent and highly speculative and susceptible to market manipulation. In the worst case scenario, the currency could be rendered worthless.

Investing in HD coin and such cryptocurrencies carries a high degree of risk and is not suitable for many investors. It is important that you fully understand the risks involved before deciding to invest in such currencies, that you have adequate financial resources to bear such risks and that you monitor your positions carefully. **You should not invest unless you can afford to lose your investment.**

BLOCKCHAIN

Blockchain is an independent public peer to peer network which is not controlled in any way or manner. HDCoin tokens use blockchain technology and consequently no responsible is accepted for any failure and/or mistake and/or error and/or breach which may occur in blockchain or in any other networks in which the cryptocurrencies are being issued and/or traded.

You will be bound and subject to any change and/or amendments in the blockchain system and subject to any applicable law which may apply to the blockchain. No representation or warranty of any kind, express or implied, statutory or otherwise, is made regarding the blockchain functionality nor for any breach of security in the blockchain.

RELIABILITY OF BROADBAND SERVICES

As with any internet service, there is a risk that old copper lines could be damaged. If this happens, it could affect the entire ISP retail market rather than the HD Group alone. Maintenance of this infrastructure is the responsibility of Chorus, a private company that provides telecommunications infrastructure throughout New Zealand.

Unlimited Internet, HD Group's Internet service brand, has a dedicate team of specialist to help with connection-related issues but if the Chorus infrastructure is down connectivity is lost.

COMPETITIVE ISP MARKET

There are a number of Internet Service Providers in the New Zealand market who are competitively priced against the larger entities.

Unlimited Internet is gaining in the market share. In order to counter this, other competitor ISPs may cut prices to maintain or take back some market share.

ROBOTIC ACCOUNTING

Robotic Accounting may be unable to break into the already established small-to-medium sized accounting business market.

Robotic Accounting software is an innovative platform and is currently being used in-house. However, HD Group recognises that the conversion of clients to the new accounting system could be a lengthy process. The company is aware of this challenge and is prepared to offer the product to all existing business customers free of cost in order to get them engaged.

Hence, a conservative uptake of businesses is anticipated in the first year. It is for this reason that the revenue projections for the platform have not been incorporated into the valuation model.

UNCERTAINTY OF FUTURE REVENUE MODELS PROJECTED

The projected revenue models used to calculate the value of the business may not be achieved given that the environment they are operating in is changing constantly. A conservative approach to providing such forecast numbers have, therefore, been applied to ensure that the revenue numbers projected can be achieved post the raise of funds. There will be a number of factors that will result in these projections not being met.

DISCLAIMER

This Whitepaper has been prepared by the HD Group management in consultation with HD Coin Limited and Rede Business, a New Zealand-based firm specialising in the valuation and sale of businesses. It provides preliminary information that a prospective investor may require to form an assessment of the ICO opportunity.

Readers of this Whitepaper are expected to make, and for the purposes of any investment, will be deemed to have made their own appraisal of HD Group and the coin issue by HD Coin Limited.

No regulatory authority has approved the issue of HDCoin. Comments made by NZ regulatory authorities have been taken into consideration.

The Whitepaper and the information contained in or accompanying it are not, and are under no circumstances to be construed as, an offer of financial products for issue requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (the "FMCA").

This Whitepaper and the information contained in or accompanying this Whitepaper have not been registered, filed with or approved by any New Zealand regulatory authority or under or in accordance with the FMCA. This Whitepaper and the information contained in or accompanying the Whitepaper are not a disclosure document under New Zealand law and do not contain all the information that a disclosure document is required to contain under New Zealand law.

To the maximum extent permitted by law, none of the HD Group or any of its shareholders, directors, officers, employees, agents, advisors, or representatives:

- makes any representation or warranty, or provides any undertaking (expressed or implied) as to the timeliness, accuracy, adequacy, reliability, reasonableness or completeness of any statement, opinion, estimate, projection, forecast, assumption underlying any projection or other information (expressed or implied) contained in or derived from this Whitepaper;
- shall have any liability or responsibility for any claim, loss or damage suffered (whether foreseeable or not) in respect of the contents of this Whitepaper, or for any errors in, omissions from, or failure to correct, the contents of this Whitepaper;
- is under any duty of disclosure or fiduciary duty or any obligation to update the contents of this Whitepaper, or any other written or oral communications made available to the Recipient, or is obliged to notify any person should such information cease to be correct after the date hereof or the date of provision, as the case may be; and
- has any liability whatsoever for any costs or expenses incurred by any person in connection with their investigation or possible investment in HD Coin Limited, including where the sale process has been terminated with respect to a participant or generally.

The sale will commence on 20 March 2018 and will remain open until all tokens are sold or 30 June 2018 whichever is sooner. In the event that less than .25% of the HDCoin Tokens are sold, the ICO will be cancelled. HDCoin Token sales between .25% and 25% will result in HD Coin Ltd paying for a 5% stake in HD Group (with HD Coin Ltd transferring back to HD Group 5% of its current shareholding). HDCoin Token sales above 50% will result in HD Coin Ltd paying for its 10% stake in HD Group.

By reading and otherwise using this Whitepaper, each Recipient agrees to be bound by the above limitations. None of the information contained in this Whitepaper forms the basis of any commitment or contract for the sale of all or part of HD Group or HD Coin Limited.

HD Group and HD Coin Limited are free to conduct, vary or terminate the process, structure, timing or negotiations for the sale of HD Coin and the process for the purchaser's investigation and evaluation of HD Group, or any person's participation in those processes, at any time as they see fit at their discretion. No legal or other obligations shall be owed by HD Group or any of its shareholders, directors, officers, employees, agents, advisors, or representatives to any Recipient in relation to the conduct or outcome of the sale process. Purchasers of HD Coin should be aware that neither HD Group nor any of its shareholders, directors, officers, employees, agents, advisors, or representatives are, or will be, responsible for any costs incurred by the Recipient in reviewing this Whitepaper or considering a transaction in relation to HD Group.

This Whitepaper is strictly confidential and its contents must not be used for any other purpose, transmitted, copied or disclosed for commercial use.

This ICO opportunity is not available to citizens, residents (tax or otherwise) or entities in New Zealand, Australia and the Republic of Fiji.