REEL Project Controller

Whitepaper ver. 1.1

2025.12

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Ⅰ. Overview

Controller technology plays a critical role across various industries, with particularly notable advancements in gaming and interactive media. Controllers serve as essential interfaces that

translate users' physical movements into digital interactions, enabling precise control and immersive experiences.

Modern controllers are equipped with high-precision sensors, innovative ergonomic designs, and intuitive user interfaces, offering users an enhanced level of immersion. For example, the latest gaming controllers leverage Apple's Game Controller Framework and Core Haptics to deliver haptic feedback, significantly increasing immersion during gameplay. Through physical feedback provided when controlling characters or performing specific actions, users experience a heightened sense of realism and engagement.

The COVID-19 pandemic had a significant impact on the gaming controller market. Lockdowns and social distancing measures increased the amount of time people spent at home, leading to a surge in demand for gaming. This, in turn, drove increased demand for gaming controllers. As many individuals turned to gaming as a means of stress relief and social connection, the importance of gaming controllers became even more pronounced.

Additionally, during the pandemic, a growing number of consumers purchased games and related accessories online, further highlighting the importance of digital distribution channels. These changes accelerated digital transformation across the broader gaming industry.

The REEL Project aims to introduce new ways for users to interact with digital content by leveraging advancements in controller technology. By building on these technological foundations, the REEL Project seeks to deliver optimized user experiences and create new forms of value in the digital interaction ecosystem.

Ⅱ. Business Background

1. Overview of the Controller Market
1.1 Gaming Controller Market

A controller is a device used to control the operation of various machines, including vehicles, but

its evolution originated from electric control sticks and eventually led to modern joysticks and gamepads (controllers). The earliest gaming controllers are commonly associated with input devices used for the Nintendo Entertainment System (NES).

These controllers established a fundamental structure consisting of a four-directional directional pad (D-pad), two or more action buttons, and convenience buttons such as Start and Select. This basic design framework has been consistently maintained across subsequent generations of video game consoles.

The controller market spans multiple platforms, including gaming consoles, PCs, and mobile devices, with a wide range of products designed to meet diverse user needs. Controllers continue to evolve to maximize user immersion and interaction, offering various forms and functionalities tailored to different use cases. As the primary means by which users interact with digital content, controllers represent a core technology that enables precise control and realistic experiences.

The controller industry is currently experiencing rapid growth. In 2020, the global gaming controller market was valued at approximately USD 1.78 billion and is projected to grow at a compound annual growth rate (CAGR) of 8.9% through 2028. This growth is driven by the increasing number of professional gamers, the rising popularity of esports, and ongoing technological advancements in gaming accessories.

Interaction with in-game objects is essential to video gaming. Players must issue commands such as moving a character forward or performing an attack, and the primary interface for inputting these commands is the controller.

In 2023, the size of the Chinese gaming market was estimated at approximately USD 31.44 billion and is projected to reach USD 88.74 billion by 2028, representing a compound annual growth rate (CAGR) of 7.63% from 2023 to 2028.

Chinese Gaming Industry
Market Size in USD Billion
CAGR 7.63%

USD 88.74 B

USD 61.44 B

2023   2028
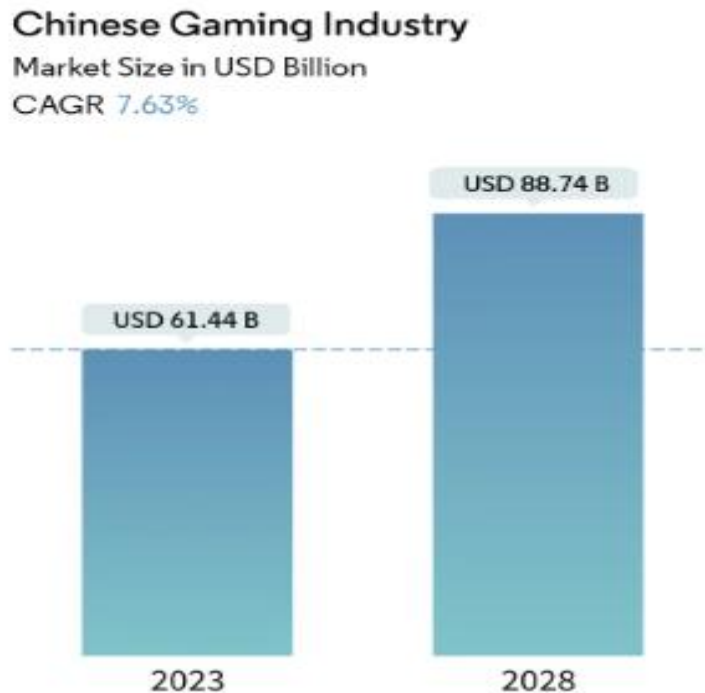
source : mordorintelligence

https://www.mordorintelligence.com/industry-reports/chinese-gaming-industry

The rapid rise in the popularity of esports and the efforts of Chinese companies to capitalize on business opportunities enabled by digitalization have been the primary drivers of market growth. The sectors of video games, in-game advertising, social and casual gaming, app-based gaming, console gaming, digital content, sponsorships, and virtual reality represent key markets in which the HAPPYCHICK platform can be implemented and scaled.

1.2 Automotive / Simulator Market

China's electric vehicle (EV) market has experienced rapid growth since 2014 and has now become the largest EV market in the world. In 2022, the market grew by 82% year-over-year and accounted for 59% of global EV sales. The global electric vehicle market was valued at approximately USD 388.1 billion in 2023.

The EV market is projected to reach USD 951.9 billion by 2030, representing a compound annual growth rate (CAGR) of 13.7%.

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Photo: In 2022, electric vehicles accounted for 13% of global passenger car sales.
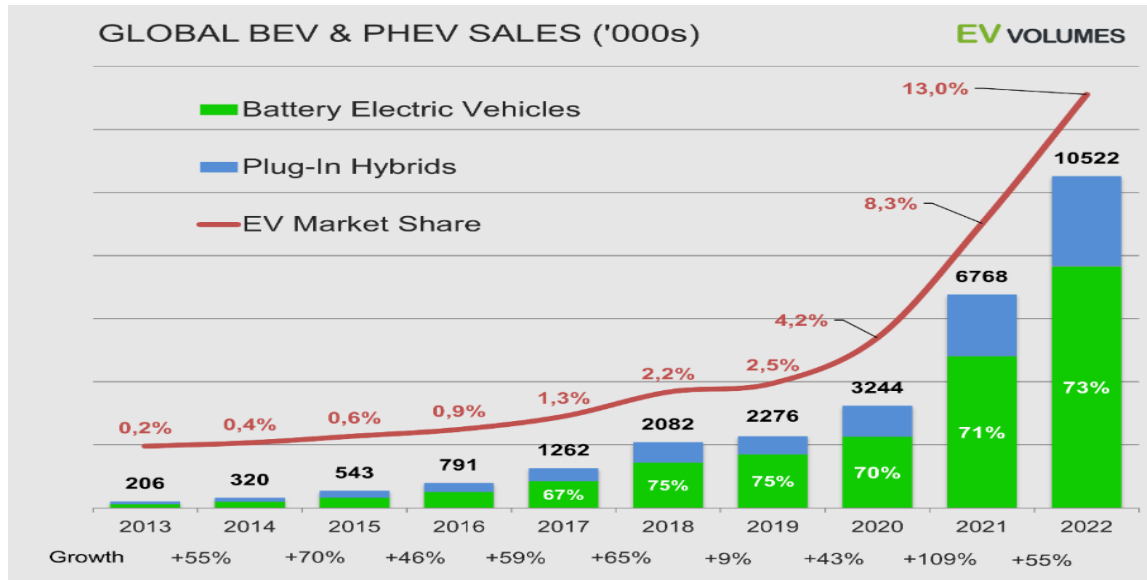
source : WORLD ECONOMIC FORUM, EV Volume

https://www.weforum.org/agenda/2023/05/electric-vehicles-ev-sales-growth-2022/

Photo: Global Electric Vehicle Market Forecast Through 2030
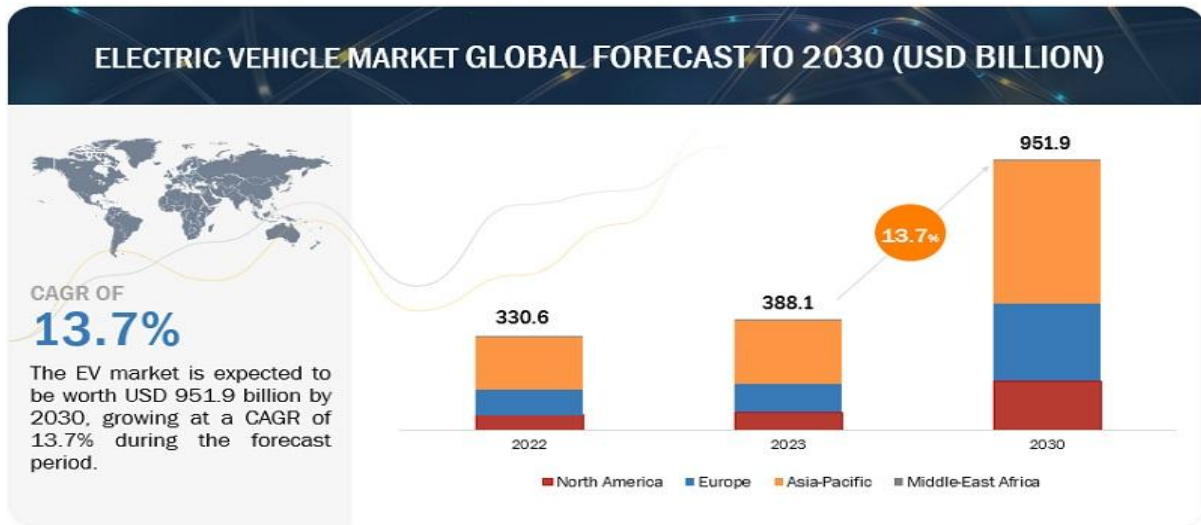
source : marketsandmarkets,

https://www.marketsandmarkets.com/Market-Reports/electric-vehicle-market-209371461.html

As a result of strong and proactive support from the Chinese government—aimed at widespread

adoption in public institutions and early leadership in next-generation technologies—numerous

manufacturers continue to operate successfully in the electric vehicle sector. Consequently, China

has surpassed the United States to become the world's leading producer of electric vehicles. The rapidly advancing systems within the automotive market are also generating high expectations among consumers and industry stakeholders alike.

The global network emulator market is projected to grow from USD 218 million in 2023 to USD 318 million by 2028, representing a compound annual growth rate (CAGR) of 7.9%. Network emulators provide precise control and high flexibility, achieving fast response times through the use of high-frequency insulated-gate bipolar transistors (IGBTs). This enables rapid responses to changes in commands or load levels and allows performance to be customized according to specific application requirements.

The electric vehicle market continues to demonstrate strong growth driven by ongoing technological advancements, increasing environmental awareness, and supportive government policies. These trends underscore the growing importance of integrating emulators within electric vehicles to enhance system performance and adaptability.

Photo: Global Network Emulator Market Forecast Through 2028

출처 : marketsandmarkets,

https://www.marketsandmarkets.com/Market-Reports/network-emulator-market-130314817.html

Emulators integrated within vehicles are used to simulate and test various automotive systems and play a particularly critical role in managing the complex electrical systems of electric vehicles. These emulators are essential technologies for optimizing vehicle performance and providing drivers with an enhanced driving experience.

The growth of the controller and emulator markets is expected to contribute to the digital transformation of the automotive industry alongside the expansion of China's electric vehicle market. Advances in these technologies will enable automobile manufacturers to develop more innovative products and deliver higher-quality vehicles to consumers.

The HAPPYCHICK emulator aims to pioneer new value and industry-leading technology in the future electric vehicle market by becoming the world's first emulator integrated directly into vehicle interiors.

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2. HAPPYCHICK (X-CAR Simulator)

The HAPPYCHICK game emulation platform is built on blockchain technology, ensuring that all user activities and transaction records generated during gameplay are recorded and stored on the blockchain. These records cannot be arbitrarily altered or deleted by platform operators, resulting in a transparent and trustworthy gaming ecosystem. HAPPYCHICK strategically focuses on player traffic across mobile devices, arcade systems, and TV-based gaming platforms.

In January 2022, the HAPPYCHICK Foundation established the Xiaoji Simulator X-CAR Studio in Beijing, China. The company's core asset is the vehicle-integrated version of the Xiaoji Simulator. Xiaoji Simulator is a globally recognized emulator gaming platform that already supports mobile devices, TVs, PCs, VR, and multiple operating systems. The platform strategically focuses on high-traffic gaming segments such as arcade games, FDA, PSP, and video games, and is particularly popular among younger users, including Generation Z. As of December 2023, the platform has

surpassed approximately 120 million users worldwide.

Given the rapid growth of its user base as of 2023, HAPPYCHICK is expected to evolve into a new-generation gaming platform by integrating blockchain technology. In 2019, the Xiaoji Simulator supplied a simplified pre-installed version for the "Xpeng G3," a new-energy vehicle produced by a major Chinese EV manufacturer. In January 2022, the platform officially launched the global "Xiaoji Simulator X-CAR" platform to the automotive industry.

Xiaoji Simulator X-CAR is the world's only platform that enables simulator gaming within smart vehicles. As of August 2022, partnerships and pre-installation collaborations have been underway with leading automotive, VR, aviation, and TV manufacturers. While traditional in-vehicle games often suffer from screen lag and system incompatibility due to hardware limitations, X-CAR supports multi-brand and multi-system environments. It has been customized for over 150 smart electric vehicle brands, enabling seamless operation without increasing costs for automobile manufacturers.

From a user experience perspective, X-CAR has demonstrated unique feasibility and convenience for consumers. It supports full compatibility with various game controllers, allowing up to four controllers to connect simultaneously. Users can experience enhanced cockpit-based immersive gaming, including AR-enabled components where available. Vehicle owners are also supported with cloud-based game archives and community IDs, enabling the formation of a global owner and gaming community with expandable external devices.

X-CAR is uniquely optimized for both traditional automotive machinery and smart electric vehicle systems. With the integration of ultra-large control screens in vehicles, X-CAR has become the preferred choice for in-vehicle gaming and entertainment services.

The X-CAR Linux version is fully compatible with Tesla's in-vehicle infotainment systems, allowing users to enjoy classic simulator games via touchscreen interaction. The X-CAR AR Edition (designed for use with AR glasses) is currently being deployed through partnerships with automakers such as NIO. When users wear dedicated AR glasses, they experience heightened immersion that can

surpass traditional in-car gaming. The panoramic digital cockpit enabled by X-CAR is expected to become a standard in autonomous driving environments.

The X-CAR AR Edition has completed pre-installation with ROKID, a company specializing in advanced human–computer interaction technologies. ROKID AIR, the world's first mass-market consumer AR product, has sold over 30,000 units across major platforms such as Tmall, JD.com, TikTok, and Amazon, ranking first among consumer AR products. Through these collaborations, X-CAR continues to maintain leadership in technological innovation.

Ⅲ. Project Introduction

1. Project Overview

The HAPPYCHICK simulator-exclusive controller used in the REEL Project will be bundled or packaged with smart TVs, automobiles, VR systems, and aviation platforms. The project holds full authority over sales and services, beginning with the TV market as the initial distribution channel for proprietary controllers. By integrating dedicated chips into the controllers, the project aims to realize an X2E (Experience-to-Earn) business roadmap, enabling next-generation business models where users receive rewards through controller usage.

The REEL Project seeks to innovate user experiences by integrating simulator-dedicated controllers across multiple platforms and to build a next-generation gaming ecosystem through the X2E business model.

The project aims to develop and distribute near-photorealistic 4K VR content while also enabling external content creators to produce and distribute content within the platform. By diversifying content offerings and activating the ecosystem, the REEL Project seeks to lead the VR content market of the Fourth Industrial Revolution. Core applications include VR smart healthcare, senior-focused VR playgrounds, and VR smart education, all designed to enhance quality of life and promote human well-being.

The REEL Project supports hardware centered around proprietary wireless VR headsets (HMDs) with differentiated technological capabilities. Overcoming the limitations of wired VR devices, REEL's wireless VR headsets fully support 4K (UHD) resolution and are compatible with 5G modules. The platform utilizes multi-GPU rendering servers that allow multiple users to connect simultaneously to a single server. Most notably, it achieves near real-time performance with latency of less than 0.5 seconds.

The REEL Project will provide internally developed VR content in healthcare and entertainment while gradually onboarding external VR content providers to expand content categories. The project also aims to evolve into a "VR OTT Platform" by offering films, dramas, and other video content via internet-based streaming. Additionally, through content IP services and web-based real-time streaming 3D VR metaverse services, the REEL Project seeks to establish itself as a comprehensive VR content service platform.

By integrating VR technology with blockchain, the REEL Project enables free content creation, convenient distribution, and secure copyright protection. The platform lowers entry barriers for users to access VR content and allows users to earn rewards by evaluating and sharing content experiences. The REEL token (REEL Coin) serves as the core medium connecting content providers and users, functioning as a means of value exchange and rewards within the ecosystem.

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2. Project Structure

2.1 Controller Business Model (TV, VR, Aviation, Automotive)

The REEL Project aims to lower entry barriers to virtual reality by building a VR content platform that integrates VR and blockchain technologies. The platform ensures content authenticity and copyright protection through blockchain immutability, fostering a sustainable, virtuous-cycle ecosystem.

The project also aims to expand into a "VR OTT Platform" by delivering movies, dramas, and other

video content via internet-based services. OTT platforms allow users to enjoy diverse content without per-item purchases, offering flexible access across devices such as smartphones, TVs, computers, and tablets. These advantages enabled OTT platforms to thrive even during the global economic downturn caused by COVID-19.
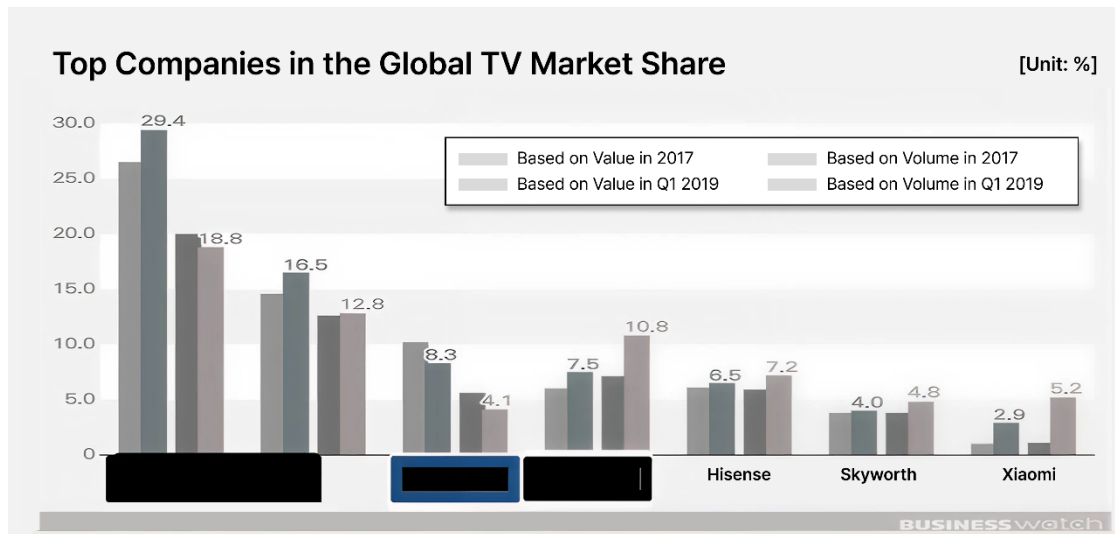
Content is the core driver of OTT platform success. Netflix CEO Reed Hastings has emphasized that consumers will subscribe to multiple streaming services if each offers distinct and competitive content. Similarly, the REEL Project's VR OTT platform will focus on proprietary content development while maintaining partnerships with external creators to ensure diversity and scalability.

1) TV Market

China is already one of the world's largest production bases and consumer markets for TVs and consumer electronics. According to industry data, China's TV sales volume in 2021 reached 38.35 million units, representing a year-over-year decline of 13.8% and marking a recent low point in domestic color TV sales.

Despite a decline in unit sales exceeding 10%, significant increases in average product prices and screen-size pricing drove total sales revenue to RMB 129.6 billion, a 7.2% year-over-year increase. The average TV price rose to RMB 3,379, representing a 24.4% year-over-year increase.

According to long-term monitoring and forecast data from the China Electronic Video Industry Association, China's TV market sales volume is expected to grow by more than 10% in 2023, exceeding 42 million units.

Top Companies in the Global TV Market Share [Unit: %]

Legend: Based on Value in 2017, Based on Volume in 2017, Based on Value in Q1 2019, Based on Volume in Q1 2019

Values shown: 29.4, 19.8, 18.8, 16.5, 12.8, 10.0, 8.3, 4.1, 7.5, 10.8, 6.5, 7.2, 4.0, 4.8, 2.9, 5.2
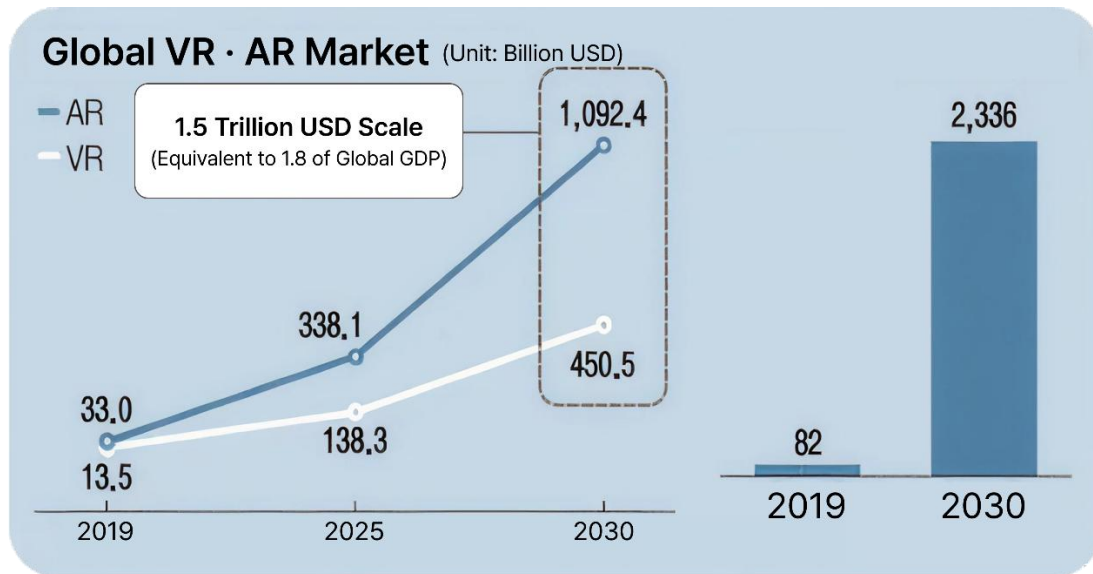
Companies: Hisense, Skyworth, Xiaomi

2) VR Market

The COVID-19 pandemic accelerated the transition to a contactless (non-face-to-face) society, creating significant opportunities for the expansion of the "immersive economy" based on virtual reality (VR) and augmented reality (AR), collectively referred to as extended reality (XR). In this environment, China's AR and VR market is expected to experience explosive growth over the coming years, driven by the momentum of the metaverse trend.

According to IDC, spending on AR and VR in China is projected to grow at a compound annual growth rate (CAGR) of 43.8% over a five-year period through 2026. By 2026, total AR and VR expenditures in China are expected to reach approximately USD 13.08 billion. IDC estimates that China's AR and VR-related IT spending totaled approximately USD 2.13 billion in the previous year, and the market is forecast to grow at the fastest rate among all countries worldwide over the next five years.

In particular, VR technology is expected to receive significant consumer attention during the 2022–2026 period and is projected to account for approximately 70% of total AR and VR market spending.
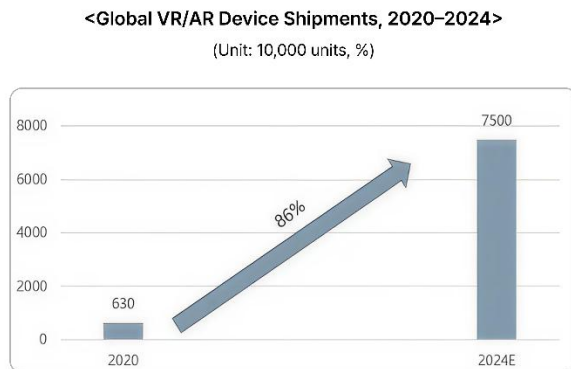
Global VR · AR Market (Unit: Billion USD)

- AR
- VR

1.5 Trillion USD Scale
(Equivalent to 1.8 of Global GDP)

	2019	2025	2030
AR	33.0	338.1	1,092.4
VR	13.5	138.3	450.5

2019: 82
2030: 2,336

ROKID

Through proprietary research and development in technologies such as voice recognition, natural language processing, computer vision, optical display systems, chip platforms, and hardware design, ROKID integrates artificial intelligence (AI) with augmented reality (AR) technologies. The company supplies AI and AR products to more than 70 countries worldwide.
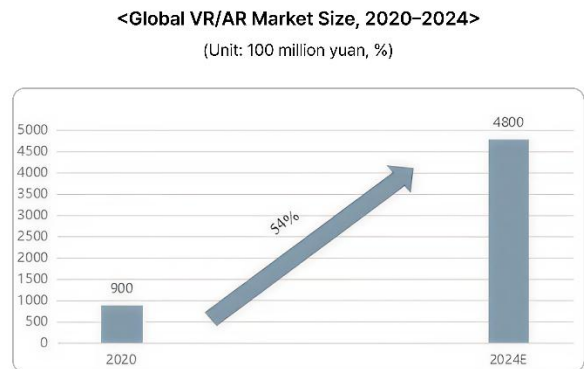
ROKID's AR glasses have achieved global sales of over 30,000 units, ranking first among consumer AR products on major platforms including Tmall, JD.com, Douyin, and Amazon. As a consumer-grade AR product developed by a Chinese AR company, ROKID has established strong global market competitiveness.

LEINIAO

LEINIAO is the first AR smart glasses brand to feature TCL's holographic optical waveguide technology combined with dual full-color Micro LED displays. LEINIAO is a brand under TCL, leveraging TCL's advanced display technologies and manufacturing capabilities to deliver next-generation AR smart glasses solutions.

<Global VR/AR Device Shipments, 2020–2024>
(Unit: 10,000 units, %)

8000
6000
4000
2000
0

630
2020

86%

7500
2024E

[Source: China Research Network]

<Global VR/AR Market Size, 2020–2024>
(Unit: 100 million yuan, %)

5000
4500
4000
3500
3000
2500
2000
1500
1000
500
0

900
2020

54%

4800
2024E

[Source: China Research Network]

3) Automotive Market

China's electric vehicle (EV) market has experienced rapid growth since 2014 and has now become the largest in the world. As a result of strong governmental support aimed at large-scale deployment in public institutions and early leadership in next-generation technologies, numerous manufacturers continue to operate successfully in the market. Consequently, China has surpassed the United States to become the world's leading EV producer. The continuously advancing automotive system technologies are also generating high expectations among consumers.

The HAPPYCHICK emulator aims to pioneer new value and industry-leading technology in the future EV market by becoming the world's first emulator integrated directly into vehicle interiors.

Trends in Electric Vehicle Sales in China
(Unit: 10,000 vehicles)

457
352
136.7
125.6   120.6
77.7
50.7
33.1

2015 2016 2017 2018 2019 2020 2021 2022
(Jan–Sep)
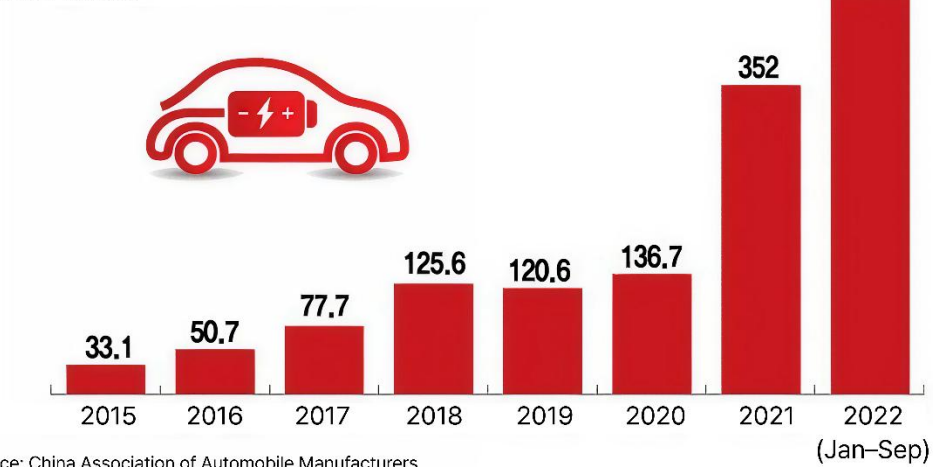
*Source: China Association of Automobile Manufacturers
Graphic: Ji-young Kim, Design Reporter

2.2 Hardware: Game Controller

REEL possesses proprietary and advanced technology in wireless VR head-mounted displays (HMDs), a market experiencing rapidly increasing demand. Overcoming the limitations of wired VR headsets, REEL's wireless HMDs fully support 4K (UHD) resolution and are compatible with 5G modules. The system adopts a multi-GPU rendering server architecture that allows multiple users to connect simultaneously to a single server, demonstrating advanced technological capabilities. Most notably, the solution achieves near real-time performance with latency below 0.5 seconds.

Photo1. HAPPYCHICK Controller (Physical Device)

REEL's wireless VR headset combines ultra-lightweight, high-performance hardware with rich immersive content. Equipped with a high-resolution 4K (3840 × 2160 pixels) RGB stripe display, it delivers exceptionally sharp and detailed visuals. As a fully standalone all-in-one HMD, it requires no wired connections and can be used anytime, anywhere.

The headset weighs only 278 grams (excluding the battery strap), offering a nearly weightless wearing experience. A rear-mounted 3,500 mAh lithium-polymer battery enables approximately three hours of continuous video playback, ensuring comfortable long-term use.

Photo 2. In-Vehicle Controller Usage Scenario

REEL's advanced VR technology fully addresses motion recognition challenges in virtual environments. Accurate motion tracking requires real-time measurement of user movement data and precise positional tracking. REEL also incorporates human-response haptic technology that enables users to feel physical forces and tactile feedback applied to the hands and body. When integrated with motion-tracking VR suits, haptic feedback allows users to experience realistic sensations—such as impact when hit in a game or tactile feedback from piano keys while playing—within VR content.

2.3 Software (TV, VR, Aviation, Automotive)

**1) TV Market**

The global digital health market, which had already shown steady growth, has expanded rapidly due to the COVID-19 pandemic. Digital health refers to the use of digital technologies—such as IoT, artificial intelligence, VR, big data, and cloud computing—to improve medical products and healthcare services.

Since the implementation of social distancing measures during COVID-19, non-face-to-face remote healthcare has gained significant attention. PwC Canada projects that investment in digital health will more than double by 2030. As of August 2020, global digital health startups

had already received USD 17.8 billion in funding, exceeding the total funding of the previous year.

The REEL Project collaborates with domestic and international medical professionals to develop VR content aimed at preventing and treating geriatric depression, a major challenge in super-aging societies. Through clinical research, the project has completed VR healthcare content development and is applying it to real-world use cases. By combining REEL's VR technology with content intelligence, dementia patients can revisit cherished memories without medication, helping to alleviate symptoms.
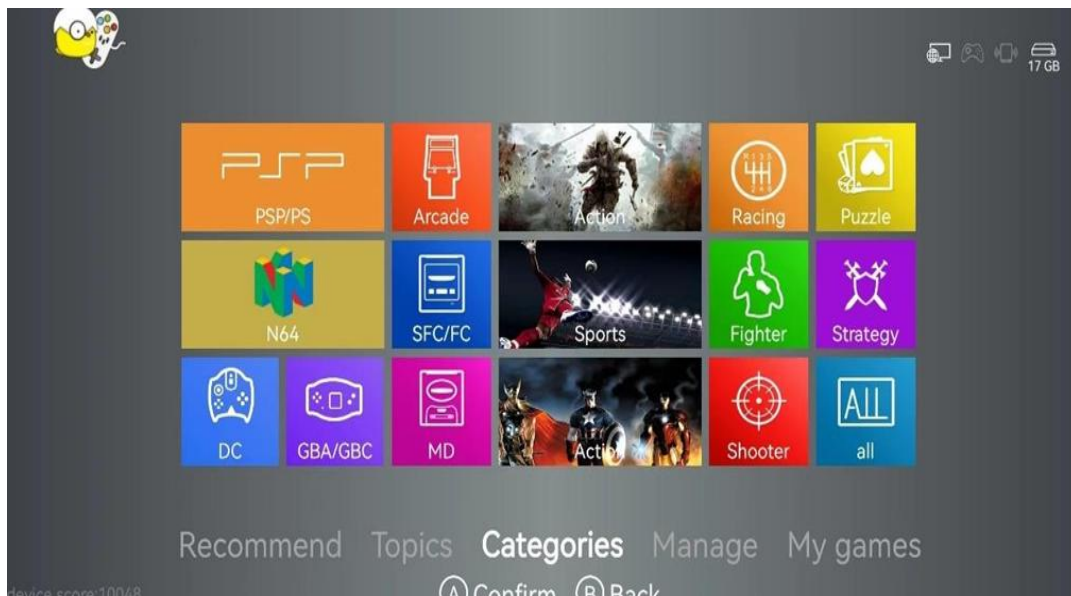
On August 26, 2022, at Samsung China's TV Strategy New Product Launch Event, the HAPPYCHICK Simulator TV was officially pre-installed on Samsung TVs. HAPPYCHICK Simulator is the world's leading global game assistant platform, serving over 100 million users across PC, mobile, smart TV, smart vehicles, and VR systems. This pre-installation partnership significantly expands Samsung TV's living-room gaming capabilities.

2) VR Market

The demand for contactless tourism services has increased due to COVID-19, accelerating the digital transformation of the tourism industry and driving global interest in smart tourism. Smart tourism integrates tourism with ICT technologies to enhance regional content, improve

tourist convenience, and upgrade infrastructure. With only VR headsets and content, users can travel easily without limitations of time and space.

REEL's VR tour services will provide five core smart tourism functions, including route recommendations, multilingual translation, and smart mobility. One of the key advantages of REEL's VR tour content is its ability to deliver accurate and immersive information. Users can familiarize themselves with destinations in advance, reducing uncertainty during actual visits. Travel details such as transportation and accommodation guidance are conveyed through immersive sensory experiences rather than text.

As VR technology matures and becomes more accessible, market demand continues to grow. With the advent of 5G and the metaverse, the VR/AR industry is entering a period of explosive growth. According to data from the China Academy of Information and Communications Technology (CAICT), global VR/AR device shipments are expected to increase from approximately 6.3 million units in 2020 to 75 million units in 2024, reflecting a CAGR of 86%. Market size is projected to grow from RMB 90 billion in 2020 to RMB 480 billion in 2024, with a CAGR of 54%.

In response to the rapid transition to a super-aging society, the REEL Project is developing "Silver VR Playground" content to support leisure activities and lifelong education for senior citizens. Through content such as barista training, gardening, bonsai cultivation, and handicrafts, seniors can develop self-sufficiency skills and access reemployment opportunities. VR-based learning reduces physical and psychological burdens, improving engagement and satisfaction.

For seniors with mobility or health limitations, VR tour and healthcare content enables immersive travel experiences and safe exercise with accurate motion guidance, promoting both physical and mental well-being.

3) Automotive (Education Technology)

The global shift to online education has accelerated interest in EdTech that integrates AI, AR, VR, and IoT technologies. According to Edgar Dale's "Cone of Learning," people retain 10% of what they read, 20% of what they hear, 30% of what they see, 50% of what they hear and see, 70% of what they say, and 90% of what they say and do. This theory demonstrates the effectiveness of immersive VR-based active learning.

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3. Blockchain Infrastructure

3.1 Controller Usage (Rewards)

3.2 Revenue-Sharing Model

Blockchain technology, originally developed to address concerns in traditional financial services, is increasingly expanding into real-world applications due to its immutability and decentralization.
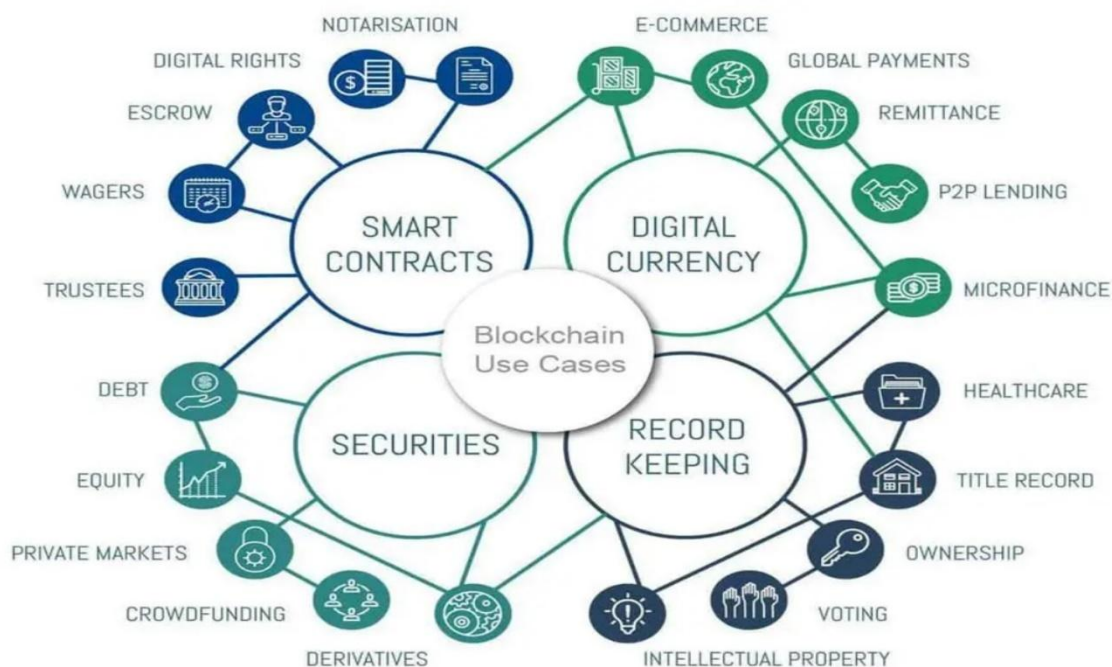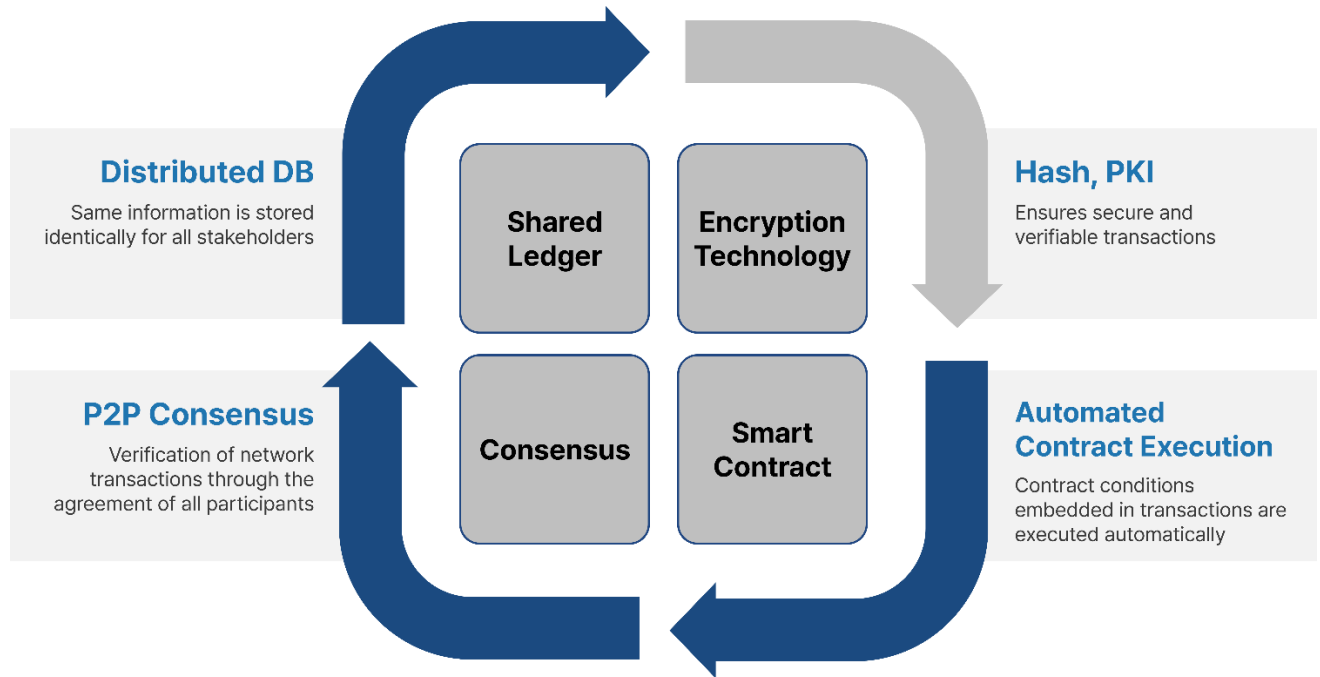

Photo10. Blockchain Usecase(The Money Mongers, 2020)

Blockchain is a distributed digital ledger technology that records encrypted transactions in linked blocks, ensuring trust and security without intermediaries.

REEL Coin adopts the ERC-20 token standard on the Ethereum blockchain to ensure stability and scalability. Ethereum enables decentralized applications (DApps) through smart contracts.

Distributed DB
Same information is stored identically for all stakeholders

Shared Ledger

Encryption Technology

Hash, PKI
Ensures secure and verifiable transactions

P2P Consensus
Verification of network transactions through the agreement of all participants

Consensus

Smart Contract

Automated Contract Execution
Contract conditions embedded in transactions are executed automatically

Smart contracts automatically execute pre-defined agreements once conditions are met, eliminating intermediaries, reducing costs, enhancing security, and ensuring transparency.

The blockchain infrastructure issues tokens used for rewards based on content creation, transactions, and user activity metrics and enables exchange with domestic and international exchanges.

3.1 Digital Assets

Digital assets exist in electronic data form. Blockchain enables decentralized asset management with transparency and legal protection. REEL Coin supports multiple digital asset types within the ecosystem. Assets are classified into global assets and contract assets.

3.2 Digital Identity

REEL users are assigned encrypted digital identities stored on the blockchain, enabling secure authentication, service access, transactions, and reward management.

3.3 Smart Contracts

The REEL ecosystem utilizes smart contracts to enable decentralized and tamper-proof transactions.

Contract ABI ensures binary compatibility across heterogeneous systems.

3.4 Applications

REEL develops Ethereum-based decentralized applications. State analysis and call-tree optimization

prevent jamming effects and ensure scalability.

3.5 Consensus Algorithm

REEL utilizes an Ethereum-based Proof-of-Work (PoW) consensus algorithm, prioritizing validators

with higher activity levels to generate blocks and receive rewards.

The architecture of the Ethereum blockchain infrastructure supporting the above features is as
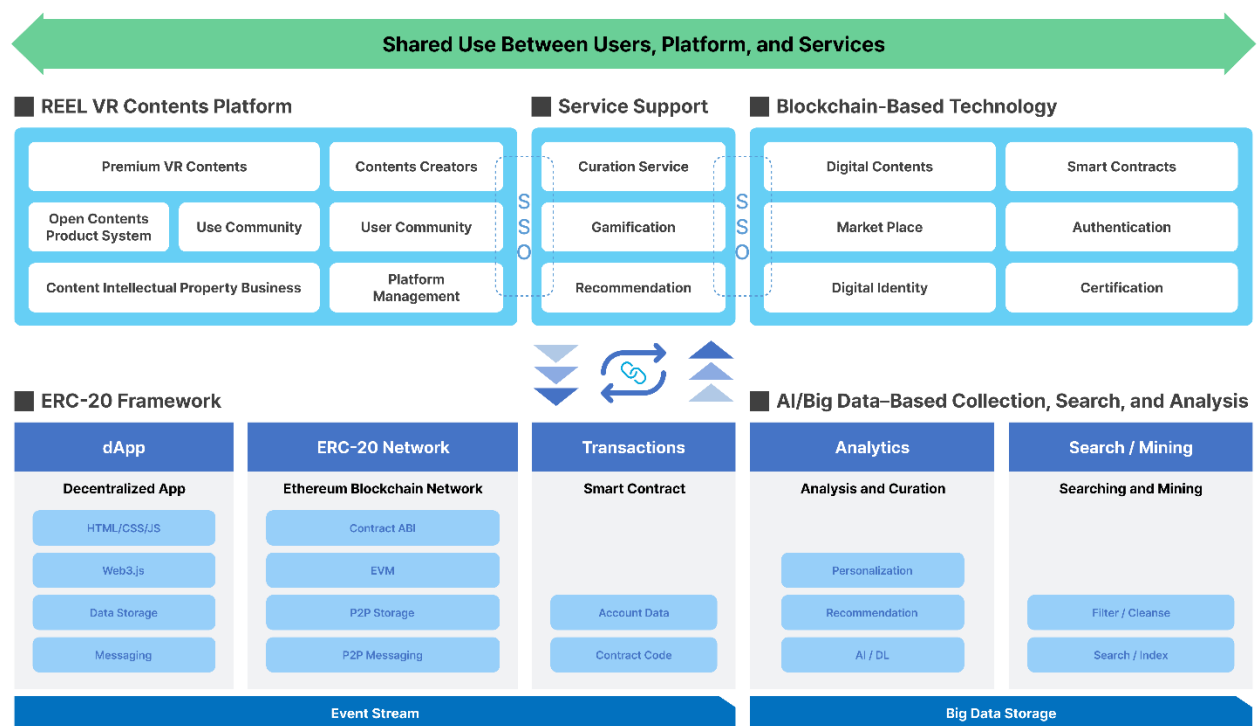follows (Photo 12).

Photo 12. Blockchain Infrastructure

IV. Token Economy

1. Token Issuance Plan

Token Name	REEL Coin
Token Ticker	REEL
Standard	BinanceChain(BSC-20)
Total Supply	10,000,000,000 REEL

REEL Coin Matrix

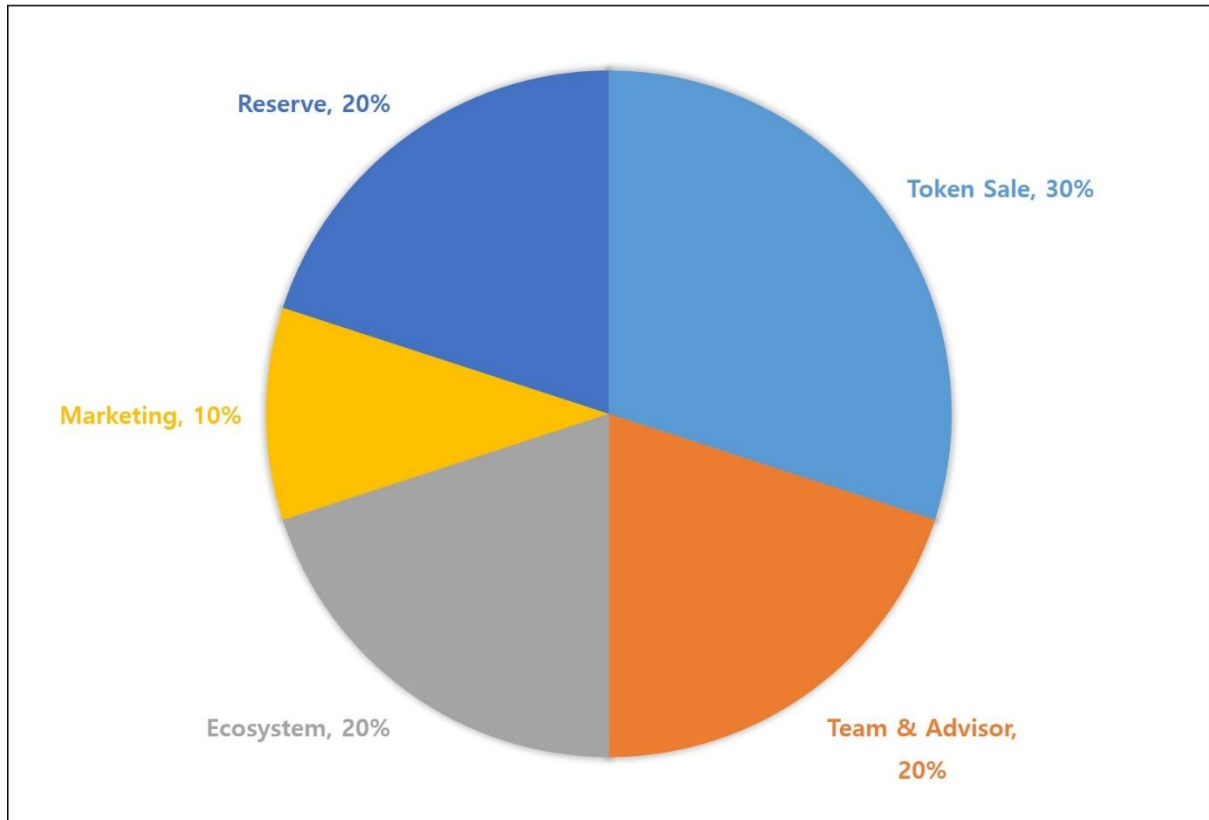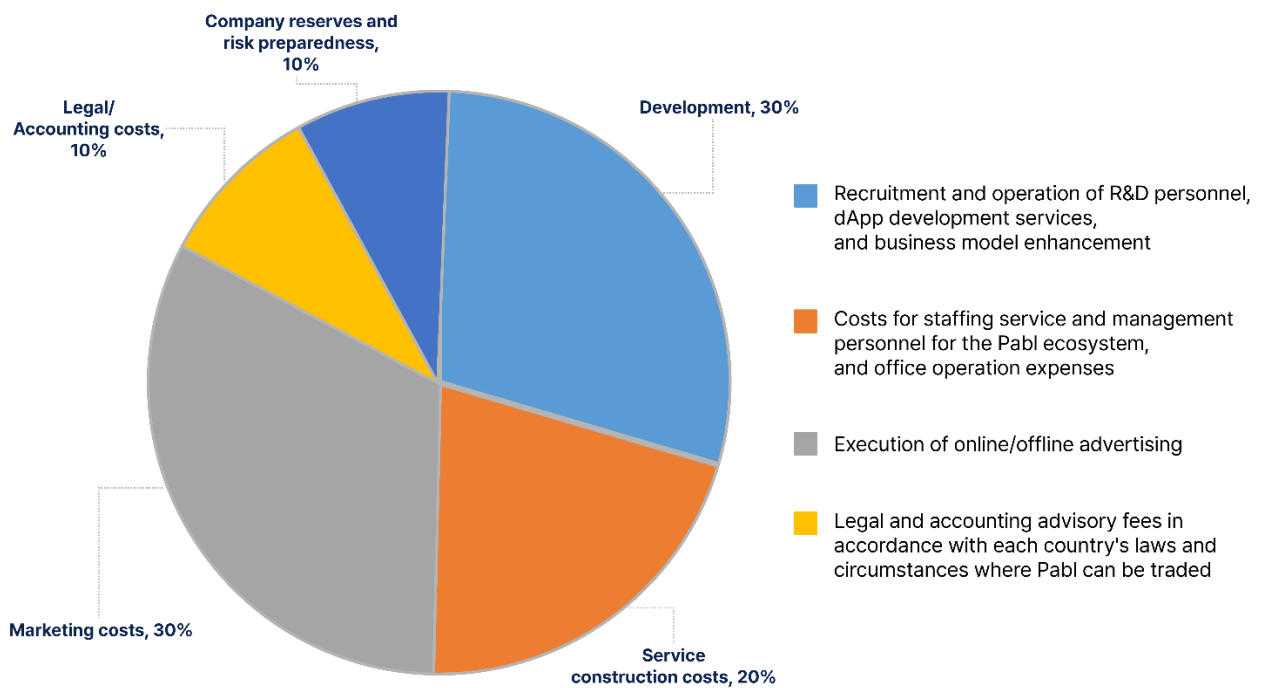### 2. Token Distribution Plan

REEL Coin Allocation

Photo13. REEL Coin Allocation

### 3. Use of Funds

Funds raised will be allocated as follows:
- R&D and development (30%)
- Service and operations (20%)
- Marketing (30%)
- Legal and accounting advisory (10%)
- Company reserves and risk management (10%)

Company reserves and risk preparedness, 10%

Legal/ Accounting costs, 10%

Development, 30%

■ Recruitment and operation of R&D personnel, dApp development services, and business model enhancement

■ Costs for staffing service and management personnel for the Pabl ecosystem, and office operation expenses

■ Execution of online/offline advertising

■ Legal and accounting advisory fees in accordance with each country's laws and circumstances where Pabl can be traded

Marketing costs, 30%

Service construction costs, 20%

Photo14. Use of Funds

4. Reward System

REEL Coin serves as a medium of exchange and reward within the platform. Content creators earn REEL for creation and distribution, while users earn rewards through purchases, reviews, and activity participation.
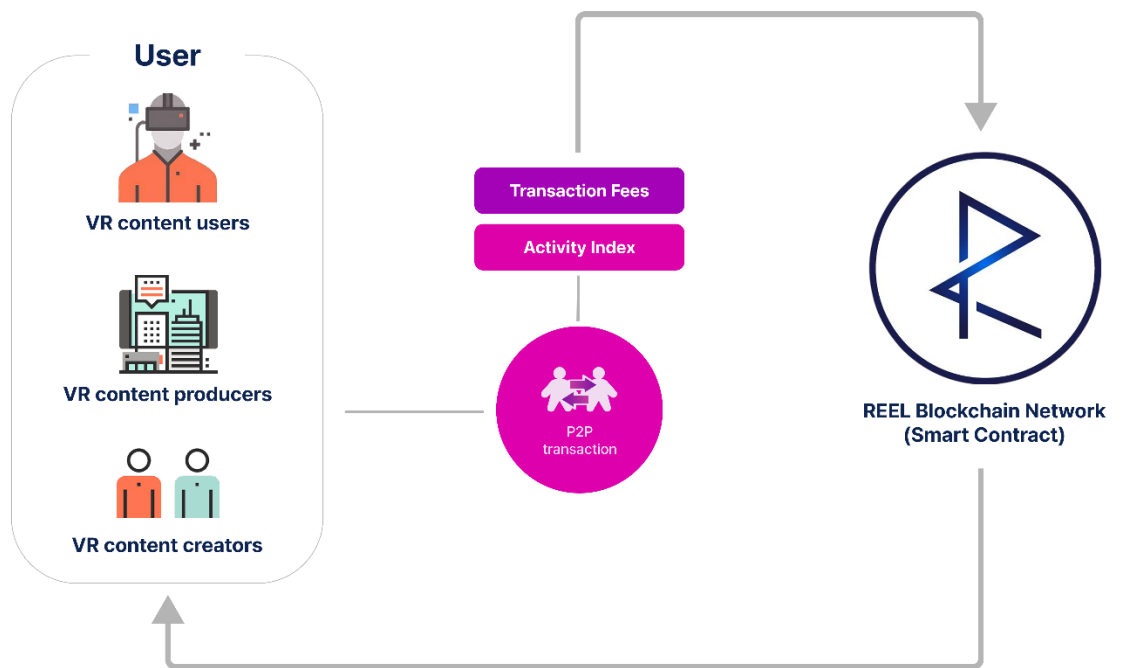
Photo15. REEL Token Reward System

Ⅴ. Whitepaper Disclaimers

This Whitepaper provides a brief summary of the core concepts related to REEL Coin (REEL). It is prepared solely for the purpose of providing information to individuals interested in participating in the project and does not constitute an offer, solicitation, or recommendation for investment.

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The distributor shall not be liable for any errors, delays, omissions, or losses arising from reliance on REEL Coin (REEL) or related services. No warranty is provided that the use of REEL Coin (REEL) or related services will not infringe upon third-party rights.

No guarantee is made regarding the future performance or value of REEL Coin (REEL), including its intrinsic or potential future value. Participation in the sale of REEL Coin (REEL) should not occur unless you fully understand and accept the distributor's business plan and the associated risks.

REEL Coin (REEL) is developed solely for future functionality within the REEL ecosystem. The distributor expressly disclaims all liability for any losses incurred by purchasers in connection with the acquisition or use of REEL Coin (REEL).

You are under no obligation to enter into any legally binding agreement in connection with the

purchase or sale of REEL Coin (REEL). Any contractual relationship governing the purchase or sale of REEL Coin (REEL) shall be governed by separate terms and conditions. In the event of any inconsistency between such terms and this Whitepaper, the terms and conditions shall prevail.

Risk Factors (For Exchange Listing Review)

Participation in the REEL Coin (REEL) ecosystem involves significant risks. Prospective purchasers and users should carefully consider the following risk factors before acquiring or using REEL Coin (REEL). These risks are not exhaustive and additional risks may arise in the future.

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1. Regulatory and Legal Risks

Blockchain-based tokens and related services are subject to evolving and uncertain regulatory frameworks across jurisdictions. Laws, regulations, or enforcement actions related to cryptocurrencies, digital assets, token offerings, or blockchain services may change at any time.

Such changes may restrict, suspend, or prohibit the issuance, use, transfer, or exchange of REEL Coin (REEL), or impose additional compliance obligations, which could adversely affect the value, utility, or availability of REEL Coin (REEL).

There is no assurance that REEL Coin (REEL) will be classified consistently across jurisdictions, and regulatory interpretations may differ or change over time.

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2. Token Classification Risk

REEL Coin (REEL) is designed as a utility token for use within the REEL ecosystem and is not intended to be a security, investment product, or financial instrument. However, regulatory authorities or courts in certain jurisdictions may determine that REEL Coin (REEL) constitutes a security or regulated financial product.

Such a determination could result in regulatory sanctions, penalties, delisting from exchanges, or

restrictions on trading or distribution.

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3. Market and Liquidity Risks

There is no guarantee that an active, liquid, or sustainable secondary market for REEL Coin (REEL) will develop or continue. Even if REEL Coin (REEL) is listed on one or more cryptocurrency exchanges, trading volume may be limited, volatile, or subject to suspension or delisting.

Market prices of digital assets are highly volatile and may fluctuate significantly due to market sentiment, speculation, macroeconomic conditions, regulatory developments, or technological changes. Purchasers may lose part or all of the value of their holdings.

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4. Technology and Smart Contract Risks

REEL Coin (REEL) and the REEL ecosystem rely on blockchain technology and smart contracts, which may contain vulnerabilities, bugs, or unforeseen technical issues. Errors in smart contract code, protocol design flaws, or security breaches may result in loss of tokens, interruption of services, or unintended outcomes.

While reasonable security measures are implemented, no blockchain system is immune to exploitation, hacking, or failure.

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5. Dependency on Underlying Blockchain Infrastructure

REEL Coin (REEL) operates on a public blockchain network and depends on the continued functionality, security, and decentralization of that network. Any failure, congestion, attack, fork, or termination of the underlying blockchain protocol may adversely affect REEL Coin (REEL) and related services.

The distributor has no control over the governance, consensus mechanism, or technical development of the underlying blockchain network.

6. Development and Execution Risks

The REEL platform and related services are under ongoing development and may not be completed, adopted, or commercially successful. Features, timelines, or business models described in the Whitepaper may change, be delayed, or be abandoned.

Failure to execute the project roadmap, attract users, or establish partnerships could materially impact the utility and perceived value of REEL Coin (REEL).

7. Operational and Third-Party Risks

The REEL ecosystem depends on third-party service providers, including but not limited to cloud infrastructure, exchanges, wallet providers, hardware manufacturers, and technology partners.

Failures, insolvency, misconduct, or security breaches involving such third parties may disrupt services, result in data loss, or negatively affect the REEL ecosystem.

8. Cybersecurity Risks

Digital assets are subject to risks of hacking, phishing, malware, denial-of-service attacks, private key compromise, and other cybersecurity threats.

Loss of private keys, unauthorized wallet access, or user error may result in irreversible loss of REEL Coin (REEL). The distributor cannot recover lost tokens or reverse transactions.

9. Taxation Risks

The tax treatment of REEL Coin (REEL) is uncertain and may vary depending on jurisdiction, user activity, and regulatory interpretation. Changes in tax laws or enforcement practices could impose additional tax liabilities on users or the distributor.

Users are solely responsible for determining and complying with applicable tax obligations.

10. No Guarantee of Value or Returns

REEL Coin (REEL) does not represent ownership, equity, dividends, revenue share, or profit rights. There is no guarantee of future value, price appreciation, or economic return.

Purchasers should not acquire REEL Coin (REEL) with the expectation of profit or as an investment vehicle.

11. Force Majeure and External Events

Events beyond the distributor's control—including but not limited to natural disasters, pandemics, war, regulatory actions, network outages, or economic crises—may disrupt development, operations, or market conditions, potentially affecting the REEL ecosystem and REEL Coin (REEL).

12. AML / CFT and Compliance Risks

Failure by users to comply with applicable Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT) requirements may result in account suspension, transaction refusal, or reporting to authorities.

The distributor reserves the right to restrict or deny access to services in order to comply with legal and regulatory obligations.

⚠ **Important** **Notice**

The risks described above are not exhaustive. Prospective purchasers should conduct their own due diligence and consult legal, financial, and tax advisors before acquiring REEL Coin (REEL).

3. Anti-Money Laundering (AML) / Counter-Terrorist Financing (CFT) Policy

As part of its obligations to prevent money laundering and terrorist financing ("AML-CFT"), the distributor requires comprehensive identity verification for all individuals seeking to own or use

REEL Coin (REEL). Additional information and documentation may be requested at the distributor's discretion.

The distributor commits to complying with all applicable AML-CFT laws and regulations. The distributor reserves the right to exclude any individual who refuses to provide required information or documentation from participating in token purchases.

The distributor further reserves the right to refuse or terminate services and transactions involving any individual or entity suspected of engaging in suspicious or prohibited activities.