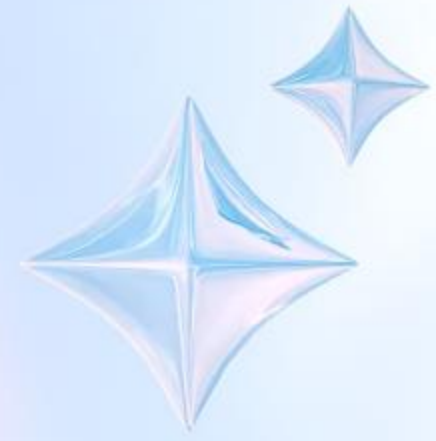




Magic NFT



WHITE PAPER v 1.0

The world's leading NFT trading platform

【2025-03-31】

We will inherit the tradition of our community culture
and welcome our new life from today: Magic NFT

By Magic NFT Team

CONTENTS

Executive Summary	03
1. Overview	04
1.1 Project Background	05
1.2. Mission and Vision	06
2. Market Analysis	07
2.1 Current Status and Challenges of NFT Market	09
2.2. Analysis of existing solutions	12
2.3 MagicNFT's market positioning and innovation	15
3. Core Functions	16
3.1 AI centralized quotation matching mechanism	18
3.2 NFT liquidity provision mechanism	19
3.3 RWA-type NFT asset integration	21
3.4 NFT Financing Mechanism	22
4. Technical Architecture	23
4.1 Blockchain and Smart Contracts	24
4.2 AI Algorithms and Data Analysis	25
4.3 NFT Asset Management	26
5. Economic Model	27
5.1 Token Design and Incentive Mechanism	29
5.2 Transaction Fees and Revenue Model	30
5.3 Pledge and Governance Mechanism	31
6. Compliance and Security	32
6.1 Regulatory framework and compliance strategy	33
6.2 Smart Contract Audit and Security Mechanism	34
6.3 KYC/AML Authentication Mechanism	37

CONTENTS

7. Ecosystem and partners	38
7.1 Platform Participant Roles	40
7.2 Ecosystem partners and integration	42
7.3 Community Governance and Development	44
8. Development Roadmap	45
8.1 Short-term planning (0-12 months)	47
8.2. Medium- and long-term planning (1-3 years)	50
9. Conclusion	51
9.1 Future Prospects of MagicNFT	54
9.2 Invitation for Cooperation and Participation	55

01

PLATFORM OVERVIEW

In recent years, the NFT (non-fungible token) market has experienced explosive growth and has become an important innovation in the fields of digital art, collectibles, game assets, virtual real estate, etc. However, the NFT trading market still faces many challenges, including low liquidity, opaque pricing mechanism, high market volatility, and obstacles to combining real-world assets (RWA) with NFT.



PROJECT BACKGROUND

NFT Market Status and Challenges

Liquidity issues :

- Due to its non-fungible nature, NFT is different from standard cryptocurrencies (such as BTC and ETH) and cannot be efficiently traded under the automatic market maker (AMM) model like FT (fungible tokens).
- The existing NFT trading model mainly relies on order book matching, which has poor liquidity, long transaction cycles between buyers and sellers, and poor trading experience.

Lack of transparency in pricing mechanism :

- Due to the uniqueness of NFT, the pricing of each NFT is extremely subjective, and market pricing is highly dependent on speculative sentiment.
- Traditional NFT trading platforms (such as OpenSea and Blur) mainly rely on historical transaction data and cannot provide dynamic and intelligent pricing models.

Difficulties in NFTization of RWA (real world assets) :

- The NFTization of real-world assets (such as real estate, artwork, financial instruments, etc.) involves many challenges including legal, regulatory, and technical.
- The current market lacks mature solutions, resulting in the RWA NFT trading ecosystem not yet taking shape.

PROJECT BACKGROUND

Insufficient NFT financial tools :

- Currently, NFTs are mainly used as collectibles or speculative assets rather than mature financial instruments.
- Financial innovations such as pledge lending, financing, and profit splitting have not yet been implemented on a large scale, limiting the application potential of NFT in the capital market.

MagicNFT's innovative solution

the world's first AI-driven NFT matching trading platform , MagicNFT provides scientific pricing for NFTs through **an AI centralized matching quotation mechanism** , establishes an NFT liquidity pool, and lowers the transaction threshold. In addition, MagicNFT also integrates RWA-type NFT assets, connects the real-world assets and blockchain NFT markets, and explores new NFT financial tools such as **NFT pledge financing, revenue splitting, and automated liquidity supply** to create a new NFT trading ecosystem.



MISSION AND VISION

Mission

MagicNFT's mission is **to build a world-leading NFT trading and financialization platform through AI and blockchain technology, improve the liquidity, transparency and tradability of NFT assets**, and promote the widespread application of NFT in real-world assets (RWA).

Vision

MagicNFT's vision is:

- **Become the infrastructure for NFT transactions:** Provide AI-driven NFT pricing and matching mechanisms, improve NFT transaction efficiency, and reduce liquidity risks.
- **Promote the development of the RWA NFT ecosystem:** enable real assets (such as real estate, artworks, and financial bills) to be NFT-ized, and promote the digital circulation of global assets.
- **Innovative NFT financial instruments:** Create NFT-based financial functions such as **pledge lending, profit splitting, and financing** to enhance the investment value of NFT as an asset.
- **Establish a fair and open NFT ecosystem:** allow institutional investors, NFT collectors, DeFi users, etc. to benefit from the MagicNFT platform and achieve sustainable development of the NFT market.

MagicNFT solves the pain points of the traditional NFT trading market through technological innovation and financialization models, providing global users with a more transparent, efficient and liquid NFT trading environment.

02

MARKET ANALYSIS

Current Status and Challenges of NFT Market

The NFT (non-fungible token) market has experienced rapid development in recent years, covering multiple fields such as **digital art, collectibles, virtual real estate, game assets, music, tickets**, etc. However, despite the rapid growth of the market, the NFT trading market still faces many challenges, mainly including:



MARKET ANALYSIS

Liquidity issues

The **non-fungible nature** of NFT determines that its market liquidity is low, unlike FT (fungible tokens) which can be freely exchanged in the AMM trading pool.

- **Long transaction matching cycle:** NFT transactions usually adopt an order book model. Buyers and sellers need to actively match, and the transaction speed is slow, making it difficult to quickly realize assets.
- **Insufficient market depth:** Due to the uniqueness of NFT assets, the market depth of single NFT transactions is relatively shallow, and the trading volume is difficult to support a stable price discovery mechanism.

Opaque pricing mechanism

The value of NFT is highly dependent on market sentiment, and the current pricing method has the following problems:

- **Subjective pricing:** NFT prices are mainly set by sellers and lack a unified valuation standard.
- **Limitations of historical transaction price reference:** Many NFT trading platforms only quote based on **historical transaction prices**, failing to fully consider multi-dimensional factors such as market trends, NFT scarcity, and holder behavior.
- **High risk of market manipulation:** Some project parties or speculators may **artificially raise the price of NFTs**, leading to serious market speculation and affecting the real value discovery.

MARKET ANALYSIS

RWA NFT is difficult

The NFTization of real-world assets (RWA) is still in its early stages, and faces challenges such as **legal compliance, data on-chain, asset valuation, and liquidity** :

- **Legal and regulatory issues:** Different jurisdictions have different attitudes towards the NFTization of RWA assets, and legal compliance is key to the implementation of the project.
- **Asset confirmation and custody:** How to ensure the correspondence between off-chain assets and NFTs and avoid false assets on the chain is one of the core challenges of RWA NFT.
- **Low market acceptance:** RWA NFT has not yet formed a complete trading market, and traditional investors still have doubts about its **valuation, liquidity, and monetization ability**.

Insufficient NFT financial tools

Although the DeFi ecosystem is relatively mature, the financialization of NFT is still in its early stages and lacks a wealth of financial tools, such as **NFT staking, financing, and revenue splitting** :

- **NFT pledge lending is not yet popular:** some NFT lending protocols (such as BendDAO and NFTfi) already support NFT as collateral for lending, but due to imperfect pricing mechanisms, it is easy to lead to excessive liquidation or insufficient asset liquidity.
- **Lack of sharded trading mechanism:** Most NFTs can only be traded as a whole and cannot be split into small assets, which limits their liquidity and investability.

ANALYSIS OF EXISTING SOLUTIONS

Currently, NFT trading and financialization platforms on the market are mainly divided into the following categories:

Traditional NFT trading platform (order book model)

Representative projects: [**OpenSea, Blur, LooksRare**]

advantage:

Provides NFT order book matching transaction mode, users can freely set the price to sell NFT.

Platforms such as OpenSea support NFT auctions to increase market trading activity.

shortcoming:

Liquidity is low , NFT transactions require matching buyers and sellers, and transaction times are unpredictable.

The pricing mechanism is unscientific , relying only on historical transaction data and unable to dynamically evaluate the value of NFTs.

ANALYSIS OF EXISTING SOLUTIONS

NFT AMM (Automated Market Maker) Model

Representative projects: [**Sudoswap, Hadeswap**]

advantage:

The AMM model is used to make NFT transactions more liquid, without having to wait for buyers or sellers to match orders.

Allow users to provide NFTs in liquidity pools to increase trading depth.

shortcoming:

Large price fluctuations, as AMM transactions rely on algorithmic pricing, may cause NFT prices to deviate from market value.

It is not suitable for high-value NFTs, For NFTs with high scarcity and uniqueness, such as blue-chip NFTs (CryptoPunks, BAYC), the AMM mechanism is difficult to provide reasonable pricing.

ANALYSIS OF EXISTING SOLUTIONS

NFT lending and financing protocols

Representative projects: [**BendDAO, NFTfi, JPEG'd**]

advantage:

Allowing NFTs to be used as collateral for lending will increase the financialization of NFT assets.

Users can gain liquidity without having to sell their NFTs.

shortcoming:

The valuation mechanism is unstable , and lending platforms are prone to liquidation risks due to large fluctuations in NFT prices.

Market acceptance is low , and most NFT lending protocols are only applicable to blue-chip NFTs, making it difficult for ordinary NFT assets to participate.

ANALYSIS OF EXISTING SOLUTIONS

RWA NFT Platform

Representative projects: [**RealT, Tangibly**]

advantage:

Allows real-world assets (such as real estate) to be NFT-ized, making RWA assets tradable on the blockchain.

Provide on-chain liquidity for traditional assets and improve capital utilization.

shortcoming:

The compliance challenge is great . RWA NFT needs to comply with the legal supervision of various countries, involving KYC, asset custody, legal certification and other aspects.

Market acceptance is low , traditional investors remain cautious about RWA NFT, and the market size has not yet expanded on a large scale.

ANALYSIS OF EXISTING SOLUTIONS

MagicNFT's market positioning and innovation

an AI-driven NFT transaction matching and RWA asset integration platform , MagicNFT has achieved innovations in the following aspects:

AI intelligent pricing and matching mechanism

- We use **AI algorithms to analyze NFT market data** , and combine transaction records, holder data, market trends and other factors to provide scientific and reasonable NFT valuations.
- Use **intelligent matching engines** to optimize NFT buy and sell order matching, increase transaction rates, and reduce market friction.

NFT liquidity provision mechanism

- Adopt **the order book + AI market maker (AI MM)** combination model to improve the market depth of NFT transactions.
- Allow users **to deposit NFT assets into the liquidity pool** , automatically provide trading liquidity, and obtain income.

RWA NFT asset integration

- Provide on-chain **RWA NFT asset management solutions** , support NFTization of real assets such as real estate, artworks, bonds, etc., and ensure on-chain ownership confirmation.
- Improve asset utilization by managing **the leasing and income distribution of RWA NFT** through smart contracts .

ANALYSIS OF EXISTING SOLUTIONS

NFT pledge financing and sharding transactions

- Support **NFT as collateral assets for lending** and improve the financialization capabilities of NFT assets.
- Allow high-value NFTs to be **fragmented** , making them easier to trade and improving liquidity.

Multi-chain compatibility and DeFi ecosystem integration

- Supports **multi-chain deployment such as ETH, SOL, BASE** , etc. to improve user accessibility.
- Deeply integrate with the DeFi ecosystem to achieve interoperability between NFT and DeFi assets.

Transparent and fair market mechanism

- Adopt **AI+blockchain technology** to reduce the risk of market manipulation and establish a fair and transparent NFT trading ecosystem.

MagicNFT solves the pain points of the current NFT market through technological innovation and financial tools, and promotes the mainstream application of NFT assets.

03

CORE FUNCTIONS

AI centralized quotation matching mechanism

MagicNFT adopts an **AI-driven centralized matching quotation mechanism**, combined with market data analysis, machine learning models, and intelligent matching engines to optimize the liquidity and price discovery mechanism of NFT transactions.

An illustration depicting a transaction. A central white box with a purple border contains the text 'NFT'. To its right is a large gold Bitcoin coin with a blue arrow pointing from it to a purple coin with a diamond shape. In the background, there is a grey credit card with '1234 5' and 'CHANGEN' visible, and several colorful spheres (purple, pink, blue) floating around. The background is a light blue gradient with a large, faint, colorful cube-like shape in the upper right.

NFT

CORE FUNCTIONS

AI intelligent pricing system

Data collection and analysis:

- Intelligent analysis is performed based on multi-dimensional factors such as historical transaction data, holder data, market trends, and NFT scarcity.
- Collect on-chain data (such as OpenSea and Blur transaction records) and off-chain data (social media popularity, news, etc.) for cross-validation.

Machine Learning Model Valuation :

- Use **regression analysis** and **deep learning models (such as LSTM and Transformer)** to predict NFT price trends.
- Identify market manipulation and prevent **fake orders** and **false transactions** from affecting NFT prices.

Real-time pricing engine :

- Based on changes in market supply and demand, dynamically adjust NFT listing prices to increase transaction rates.
- Combine **liquidity pool and order book matching** to ensure that transaction prices are reasonable and fair.

CORE FUNCTIONS

AI-driven transaction matching engine

Smart Order Matching :

- Combine the buyer's payment ability and NFT holder behavior patterns to optimize transaction matching priorities.
- Adopt a matching model based on GNN (graph neural network) to improve the success rate of order matching.

Fast transaction optimization :

- NFT allows multiple trading methods such as **limit orders, market orders, stop-loss orders etc.** to meet the needs of different users.
- Combined with AI automatic quotation, it shortens transaction matching time and improves market efficiency.



CORE FUNCTIONS

NFT liquidity provision mechanism

MagicNFT establishes an efficient NFT liquidity mechanism through AI prediction and intelligent market maker (AI MM) model to improve the liquidity of NFT assets.

NFT Liquidity Pool (NLP)

- **NFT staking in exchange for liquidity** : Users can deposit NFTs into the liquidity pool of the MagicNFT platform and obtain liquidity tokens (L-NFT).

- **Liquidity Token (L-NFT) Mechanism** :

Users can use L-NFT to perform lending, trading and other operations in the DeFi ecosystem to release the value of NFT assets.

The price of L-NFT fluctuates according to the value of NFT and is dynamically regulated by AI.

Automated Liquidity Provision (ALP) :

- Market makers are allowed to deposit assets such as ETH and USDC, and use AI algorithms to automatically match NFT transactions to increase market depth.
- **A dynamic AMM model** is used to ensure that transaction prices do not deviate from market value.

CORE FUNCTIONS

NFT Order Book + AI Market Maker (Hybrid AMM + Order Book)

- **Order book mode** : suitable for high-value NFTs (such as blue-chip NFTs) to ensure accurate price matching.
- **AI Market Maker (AI MM) Model** : Applicable to ordinary NFTs to improve transaction liquidity.

RWA-type NFT asset integration

assets such as real estate, artwork, bonds, commercial bills, etc. into the NFT ecosystem through the RWA (real world asset) NFT solution , realizing on-chain title confirmation and transactions.

RWA asset NFT process

- **Asset confirmation** : Cooperate with third-party custodians to ensure that off-chain assets are bound to NFTs 1:1.
- **Smart contract management** : RWA NFT automatically executes revenue distribution, leasing, trading and other operations through smart contracts .
- **Cross-chain support** : Support RWA NFT circulation on multiple public chains to improve market accessibility.

CORE FUNCTIONS

Real-world asset NFT application scenarios

- **Real Estate NFT** : Users can purchase and trade real estate-based RWA NFTs and earn rental income.
- **Artwork NFT** : Support fragmented transactions of artworks and improve the liquidity and investment potential of artworks.
- **Financial Note NFT** : Assets such as bonds and commercial paper can be NFTized to improve market liquidity.

NFT Financing Mechanism

MagicNFT improves the financialization capabilities of NFT assets through NFT pledge lending, sharded transactions and other methods.

- **Staking mode** : Users can use NFT as collateral to borrow liquid assets such as USDC and ETH on the MagicNFT platform.
- **Dynamic liquidation mechanism** :
Adopt AI pricing model to monitor NFT value in real time and ensure sufficient collateral.
When the NFT price falls below the liquidation threshold, the system automatically performs partial liquidation to avoid user asset losses.

CORE FUNCTIONS

Fractionalized NFT Trading

- **NFT splitting** : Users can split high-value NFTs into small NFT shares to increase market liquidity.
- **Fragmented transactions** : Support NFT share transactions, allowing more users to participate in high-end NFT investment.

Through these core functions, MagicNFT will build a world-leading NFT trading and financialization platform to enhance the value and liquidity of NFT assets.



04

TECHNICAL ARCHITECTURE

Blockchain and Smart Contracts

MagicNFT uses blockchain technology to build a decentralized NFT trading and financial infrastructure to ensure the safe, transparent and efficient circulation of assets.



TECHNICAL ARCHITECTURE

Multi-chain compatibility and cross-chain support

- **Support for mainstream public chains** (Ethereum, Solana, Base): MagicNFT uses **EVM-compatible smart contracts** to support NFT transactions and financial applications on multiple blockchains.
- **Cross-chain NFT transactions** : Integrate **the cross-chain bridge protocol** to allow users to hold and trade NFT assets on different chains, improving liquidity.
- **On-chain mapping of RWA assets** : For RWA NFT, **a Layer 2 expansion solution is adopted** to optimize transaction costs and improve asset transfer efficiency.

Smart Contract Mechanism

- **NFT trading contract** : supports multiple modes such **as order book matching, AMM trading, batch trading**, etc. to improve market efficiency.
- **NFT pledge contract** : supports NFT as collateral for lending, combined with **a dynamic liquidation mechanism** to reduce liquidation risks.
- **Revenue distribution contract** : used for the leasing, dividends, profit sharing and other functions of RWA NFT assets to achieve intelligent revenue distribution.
- **Governance contract** : supports DAO governance, and users can vote through MagicNFT tokens to decide the direction of platform development.

AI Algorithms and Data Analysis

MagicNFT uses AI technology to improve NFT transaction efficiency, pricing accuracy and market transparency.

TECHNICAL ARCHITECTURE

AI Pricing Engine

- **Machine learning pricing** : Using **regression analysis, LSTM, and Transformer** models to estimate the value of NFTs based on **market trends, transaction history, NFT scarcity, social media sentiment**, and other factors.
- **Real-time data updates** : Dynamically adjust NFT price predictions through on-chain and off-chain data sources to prevent market manipulation.
- **Anomaly detection** : Detect abnormal price changes to prevent **fake orders and false transactions** from affecting market fairness.

AI transaction matching engine

- **Order priority matching** : Optimize order matching priority based on transaction records, wallet activity, capital amount and other data of both buyers and sellers .
- **Automated trading strategies** : Support AI to intelligently execute buying and selling strategies to help users optimize NFT trading returns.

Data analysis and visualization

- Provides **a market data dashboard** to monitor NFT price fluctuations, trading volumes, and popular assets in real time.
- Generate market trend forecasts through AI to help investors make decisions.

TECHNICAL ARCHITECTURE

NFT Asset Management

MagicNFT provides a complete NFT asset management solution, including **secure storage, title confirmation mechanism, asset splitting** and other functions.

Secure storage of NFTs

- **Decentralized storage (IPFS + Arweave)** is used to ensure that NFT metadata is permanently stored and cannot be tampered with .
- Support multi-signature wallets to improve asset management security.

NFT asset ownership confirmation

- **The on-chain ownership confirmation smart contract** is used to ensure that RWA NFT is 1:1 bound to real assets to prevent counterfeiting.
- **KYC/AML mechanism** : ensure that RWA asset holders meet compliance requirements and enhance the credibility of the platform.

NFT Shard Management

- Allow NFT to be **fragmented** , improve liquidity, and support the participation of small investors.
- Smart contracts are used to manage **the transactions, revenue distribution**, and redemption mechanisms of NFT fragments to ensure fairness and transparency.

Through these technical solutions, MagicNFT has built an efficient, secure and intelligent NFT trading and management platform to promote the deep integration of NFT and RWA assets.

05

ECONOMIC MODEL

Token Design and Incentive Mechanism

MagicNFT uses the platform's native token \$MAGIC as the core incentive tool of the ecosystem to promote activities such as transactions, liquidity provision, and governance.



ECONOMIC MODEL

Token Usage

- **Transaction medium** : Users can use \$MAGIC to purchase NFTs and reduce transaction fees.
- **Liquidity incentives** : Users who provide liquidity to the NFT liquidity pool (NLP) can receive \$MAGIC rewards.
- **Staking and lending** : \$MAGIC can be used for staking to increase the loan amount of NFT staking lending.
- **Governance voting** : Holders can participate in DAO governance and decide on key decisions such as transaction fees, product upgrades, and ecological development.
- **Advertising payment** : Projects can use \$MAGIC to promote NFTs on the platform and increase exposure.



ECONOMIC MODEL

Token Allocation

ALLOCATION CATEGORY	PROPORTION	RELEASE MECHANISM
Ecological Incentives	40%	Gradually released for NFT trading incentives and liquidity provision rewards
Team and Consultants	15%	3-year linear unlocking to ensure long-term development
investor	15%	Private placement financing locked for 1 year and then gradually unlocked
Community and DAO	20%	DAO funding pool, used for community governance and ecological development funding
Marketing	10%	Operation, marketing, and NFT project subsidies

Token burning mechanism

- of the transaction **fee** (e.g. 10%) will be used to repurchase and destroy \$MAGIC, reducing the market circulation.
- Part of the platform's advertising revenue is used for regular destruction to maintain the scarcity of \$MAGIC.

ECONOMIC MODEL

Transaction Fees and Revenue Model

MagicNFT adopts a **low-fee strategy** to encourage users to trade on the platform while making profits in a variety of ways.

Transaction Fees

- **Basic transaction fee** : NFT transactions charge 1.5% - 3% as platform fee (compared to OpenSea 2.5% and Blur 0%).
- **AI Valuation Pricing Fee** : Users can use the AI Valuation Tool and pay a small fee based on the number of queries.
- **NFT pledge loan fee** : Borrowers need to pay 0.5% - 2% loan interest, part of which is used for \$MAGIC pledger rewards.

Platform revenue model

- **NFT transaction fees** : core source of revenue, supporting market development.
- **Liquidity provision (LP) fees** : The NLP pool charges part of the spread to increase platform profits.
- **Advertising and promotion** : NFT projects can pay \$MAGIC for advertising to increase market exposure.
- **Staking income** : Users stake \$MAGIC, and the platform collects part of the staking rewards to give back to long-term holders.

ECONOMIC MODEL

Pledge and Governance Mechanism

MagicNFT adopts a DAO governance model, allowing \$MAGIC token holders to vote on the future development of the platform.

Staking

- Users can **stake \$MAGIC** to obtain returns such as a share of transaction fees and a share of lending income.
- Staking rewards are dynamically adjusted based on platform revenue, and long-term holders can obtain higher returns.
- Users who participate in staking can enjoy privileges such as transaction fee discounts and priority matching of NFT transactions.

DAO governance (Decentralized Autonomous Organization)

- **\$MAGIC holders can vote on:**
 - Transaction Fee Adjustment
 - Platform development direction
 - Community Fund Allocation
 - New feature development priorities
- **The governance mechanism uses on-chain voting (Snapshot or Aragon solution) to ensure transparency and fairness.**

Through the above economic model, MagicNFT can not only provide a stable source of income, but also motivate ecosystem participants to achieve a win-win situation for the platform and users.

06

COMPLIANCE AND SECURITY

Regulatory framework and compliance strategy

MagicNFT complies with the legal and regulatory requirements of major global markets and is committed to ensuring the compliance of the platform. We work closely with international regulators to develop detailed compliance strategies to ensure the safety of users' funds, transparency of transactions, and legal operation of the platform.



COMPLIANCE AND SECURITY

Global Compliance Strategy

- **Cross-border compliance** : To adapt to the legal environment in different regions, MagicNFT adopts a diversified compliance framework, including Europe's GDPR (Data Protection Regulation), the United States' SEC (Securities and Exchange Commission) regulations, and relevant regulations in other countries.
- **Crypto asset compliance** : Based on the crypto asset regulatory policies of various countries, MagicNFT will provide services that comply with local laws, especially in transactions, fund transfers, and digital asset management.
- **Legal Compliance Advisor** : MagicNFT is equipped with a professional legal team to ensure that the platform's operations comply with all applicable laws and regulations and are adjusted at any time according to changes in regulations.

NFT Compliance

- **Legal identification of digital assets** : MagicNFT ensures that NFT assets comply with the legal definition of digital assets in a specific region and do not violate any securities or financial regulatory provisions.
- **RWA asset compliance** : Cooperate with traditional financial institutions to ensure the compliance of RWA (real world asset)-type NFTs, and strictly review the legal background and compliance of off-chain assets.
- **Tax compliance** : Provide users with tax reporting capabilities to ensure compliance with global tax reporting requirements.

COMPLIANCE AND SECURITY

Risk management and audit

- **Third-party Audit** : MagicNFT is regularly audited by independent auditing agencies to ensure the transparency and security of platform funds and assets.
- **Legal reports** : Regularly publish compliance reports to disclose the platform's compliance and regulatory compliance to the public.

Smart Contract Audit and Security Mechanism

MagicNFT is committed to building a safe and reliable trading platform to ensure the security of users' assets through strict smart contract audits and multiple security protection mechanisms.

Smart Contract Audit

- **Third-party security audit** : All smart contracts used by the platform will be fully audited by well-known auditing agencies such as Certik , Quantstamp , OpenZeppelin , etc. before deployment .
- **Audit coverage** : The audit content includes the security of smart contracts, vulnerability detection, logic verification, and prevention of potential malicious attacks.
- **Audit report transparency** : Audit reports of all smart contracts will be made public on the MagicNFT website for users and partners to review, ensuring the transparency of the platform.

COMPLIANCE AND SECURITY

Security Mechanism

- **Multi-signature wallet** : The platform's capital pool, liquidity pool, trading pool, etc. are all managed using multi-signature wallets to ensure that only authorized personnel can perform fund operations.
- **Smart contract upgrade mechanism** : Adopting an upgradeable smart contract architecture allows security upgrades when vulnerabilities appear in the contract without affecting the security of users' assets.
- **Transaction monitoring and risk control system** : monitor transaction flow in real time, promptly detect and prevent abnormal behavior (such as money laundering, fraud, market abuse, etc.), and set risk limitation rules through smart contracts.
- **Separation of cold storage and hot storage** : Most platform funds are stored in cold wallets , with only a small amount of funds in hot wallets , reducing the risk of hacker attacks.

Security incident response mechanism

- **Emergency Response Team** : Once a security incident occurs, MagicNFT will immediately initiate an emergency response procedure to quickly fix the vulnerability and restore normal operation of the platform.
- **Insurance mechanism** : Provide users with optional asset insurance services to ensure that users' assets receive reasonable compensation when they are attacked by hackers.

COMPLIANCE AND SECURITY

KYC/AML Authentication Mechanism

In order to comply with global financial regulatory requirements, MagicNFT implements strict ****KYC (Know Your Customer) and **AML (Anti-Money Laundering)**** certification mechanisms to ensure the legality and compliance of the platform.

KYC verification

- **Real-name authentication** : Users must pass **KYC authentication** when conducting high-value transactions or asset transfers . The authentication content includes **identity verification** (such as uploading identity documents, selfies, etc.) and **address verification** (such as uploading water and electricity bills, etc.).
- **Real-time identity verification** : Use AI-driven technology to conduct real-time verification of identity information submitted by users to ensure the legitimacy and accuracy of user identities.
- **Continuous identity monitoring** : The platform performs identity verification and monitoring regularly to ensure the continued validity of user identity information.



COMPLIANCE AND SECURITY

AML Anti-Money Laundering Strategy

- **Fund source monitoring** : Use AI technology to track and analyze user fund flows and identify potential money laundering activities.
- **High-risk user tagging** : High-risk users are automatically tagged and subject to enhanced monitoring, requiring them to provide more background information and detailed explanation of the source of funds.
- **Transaction monitoring** : All transactions are monitored in real time to analyze whether there are abnormal fund flows or suspected money laundering activities. If suspicious transactions are found, an alarm will be automatically triggered and reported to the relevant regulatory authorities.
- **Regular reporting** : According to the regulations of countries around the world, AML compliance reports are regularly submitted to regulatory authorities to ensure that the platform complies with global anti-money laundering requirements.

MagicNFT ensures the compliance and security of platform operations by building a compliance framework and security strategy, providing users with a transparent, secure and reliable NFT trading environment.

07

ECOSYSTEM AND PARTNERS

Platform Participant Roles

MagicNFT's ecosystem includes multiple key roles, each with unique responsibilities and contributions, which together drive the development and prosperity of the platform.



ECOSYSTEM AND PARTNERS

Users (buyers and sellers)

- **Buyers** : Purchase NFT assets through the platform, participate in auctions and transactions, and enjoy AI valuation pricing and transaction matching services.
- **Sellers** : Publish their NFT assets to the platform for trading, set prices and liquidity conditions, and enjoy the market exposure and trading convenience provided by the platform.
- **Investors** : Use NFT as an investment target, participate in high-potential NFT projects, and enjoy trading dividends, capital appreciation and other benefits.
- **Lending users** : Obtain financial support through NFT pledge lending and utilizing the financing mechanism provided by the platform.
- **Liquidity Provider (LP)** : Provide funds to support NFT liquidity pools and earn platform revenue and token rewards by providing liquidity.

NFT Project Party

- **Project party** : Launch its own NFT project on the MagicNFT platform and attract user investment or participation by issuing unique NFT assets.
- **Brand partners** : Work with MagicNFT to leverage the platform's advertising, marketing and other services to gain more exposure and sales for their NFT projects.

ECOSYSTEM AND PARTNERS

Platform management

- **Operations team** : responsible for the daily operations of the platform, including product optimization, marketing, compliance review, etc.
- **Technical team** : responsible for the technical development and maintenance of the platform to ensure the efficiency and security of the platform operation.
- **Compliance team** : Ensure that the platform complies with the laws and regulations of different markets around the world, conduct KYC/AML verification and audit, and ensure platform compliance.
- **Community Management Team** : Responsible for the planning and management of community activities, improving user stickiness and participation, and establishing a healthy community environment.

Governance Participants

- **\$MAGIC token holders** : Influence major decisions of the platform by participating in DAO governance, including transaction fee adjustments, function upgrades, and ecosystem development.
- **Governance Node** : By staking a certain amount of \$MAGIC tokens, you can become a governance node and participate in various proposals and voting decisions of the platform.

ECOSYSTEM AND PARTNERS

Ecosystem partners and integration

Relying on the support of ecological partners, MagicNFT has deeply integrated with multiple blockchain projects, financial institutions, and technology service providers to enhance platform functions and market competitiveness.

Blockchain and on-chain protocol collaboration

- **Cross-chain protocol** : Cooperate with major cross-chain protocols (such as **Polkadot**, **Cosmos**, **LayerZero**) to support cross-chain transactions of NFTs and ensure the seamless flow of assets between different chains.
- **Layer 2 Solutions** : Collaborate with Layer 2 protocols (such as **Optimism**, **Arbitrum**, **zkSync**) to reduce transaction costs and improve the efficiency and scalability of platform transactions.
- **Public chain cooperation** : Establish in-depth cooperation with public chains such as **Ethereum**, **Solana**, **Base** , etc. to provide broader on-chain support and asset interoperability.

Cooperation between financial institutions and RWA

- **RWA Asset Partners** : Work with financial institutions to ensure that real-world assets (such as real estate and securities) can be successfully mapped into NFT assets and traded on the platform.
- **Investment institutions** : Cooperate with venture capital companies and asset management companies to introduce funds and resources to promote NFT project financing and capital expansion on the platform.

ECOSYSTEM AND PARTNERS

Technology and security service providers

- **Audit and security cooperation** : Cooperate with third-party auditing agencies (such as **Certik and Quantstamp**) to ensure that the platform's smart contracts are secure and free of loopholes.
- **Data service provider** : Integrate with market data providers (such as Chainalysis, Glassnode) to provide real-time market data and asset analysis services.

Media and advertising cooperation

- **NFT project marketing cooperation** : cooperate with NFT project parties and other industry media to enhance the market exposure and promotion effect of NFT projects.
- **Advertising platform** : Cooperate with digital advertising platforms to help NFT project parties within the platform promote their assets and attract more buyers to participate.



ECOSYSTEM AND PARTNERS

Community Governance and Development

The success of MagicNFT depends not only on the platform's technology and business model, but also on a healthy and active community governance mechanism. The platform adopts decentralized governance (DAO) to allow community members to participate in decision-making and promote fairness and transparency of the platform.

Community Building

- **Community Incentives** : By holding \$MAGIC tokens, participating in staking, providing liquidity, and participating in governance, community members are encouraged to contribute to the long-term development of the platform.
- **User participation mechanism** : Users are encouraged to actively participate in the improvement of the platform and ecological construction through community discussions, proposals, feedback, etc.
- **Activities and Rewards** : Regularly hold community activities such as AMA, competitions, airdrops, etc. to increase community participation and interactivity.

DAO governance mechanism

- **Decentralized decision-making** : Through the DAO, \$MAGIC token holders can vote on major issues of the platform, including the development of new features, adjustments to platform fees, etc.
- **Proposal and voting** : Any community member can propose a proposal through the platform proposal system, and other members will participate in the voting, and ultimately decide whether to execute it through majority vote.
- **Governance incentives** : Members participating in governance can receive \$MAGIC rewards, ensuring the interests of active participants.

ECOSYSTEM AND PARTNERS

Community transparency and feedback

- **Public decision records** : All governance decisions, proposal results, and funding flows will be recorded on-chain to ensure transparency and fairness.
- **Regular feedback** : The platform will regularly collect user feedback and suggestions, understand user needs and make corresponding optimization adjustments.
- **Community guidance** : The platform will guide the community to build a healthy environment, encourage respect and inclusion, and provide fair participation opportunities for all users.

Through active ecological cooperation and strong community governance, MagicNFT is committed to building a win-win, cooperative and symbiotic ecosystem to promote innovation and development of the NFT market.



08

DEVELOPMENT ROADMAP

Short-term planning (0-12 months)

In the early stages of the platform, MagicNFT will focus on the realization of core functions, market expansion and the initial establishment of the ecosystem.



DEVELOPMENT ROADMAP

Core function development and launch

- **AI centralized matching quotation mechanism** : Develop and launch an AI-based NFT valuation and automatic quotation system to improve user experience.
- **NFT Liquidity Pool** : Establish a preliminary liquidity provision mechanism so that users can provide funds to the NFT liquidity pool and receive rewards.
- **RWA-type NFT asset integration** : Integrate NFTs related to real-world assets (RWA) to provide digital solutions based on traditional assets.
- **NFT financing mechanism** : realize NFT pledge lending function, and support users to obtain liquidity funds by staking NFT.

User base expansion and marketing promotion

- **Platform launch and promotion** : Attract more NFT buyers and sellers to join the platform through multi-channel publicity such as social media, industry conferences, and online advertising.
- **User education** : Hold AMAs, online seminars, tutorials, etc. to help users understand the platform's functions and innovative value, and enhance user awareness and engagement.
- **Community building** : Build an official community, enhance user interaction through platforms such as Discord and Telegram, and support community users to participate in project decision-making and development.

DEVELOPMENT ROADMAP

Technology and security

- **Smart Contract Security Audit** : Complete a comprehensive audit of all platform smart contracts through a third-party auditing agency to ensure the security and reliability of the platform.
- **Compliance construction** : Cooperate with global regulators to ensure that the platform complies with local laws and regulations, especially in terms of KYC/AML, tax compliance, etc.

Initial ecological cooperation

- **Collaborate with blockchain protocols** : Collaborate with mainstream public chains and cross-chain protocols (such as Ethereum, Solana, Polkadot) to ensure the support and transaction circulation of multi-chain assets.
- **Cooperation with NFT Project Parties** : Recruit high-quality NFT project parties to join the platform, promote the diversification of the platform's products and markets, and attract more investors and buyers.

DEVELOPMENT ROADMAP

Medium- and long-term planning (1-3 years)

After the platform operates stably and establishes initial market share, MagicNFT will expand its functions and ecological network to enhance the platform's sustainability and innovation capabilities.

Platform Function and Technology Expansion

- **Cross-chain transactions and asset interoperability** : Further expand the platform's cross-chain functionality, support seamless interoperability and transactions of more public chain assets, and expand the platform's market coverage.
- **NFT tokenization and derivatives** : Launch NFT derivative transactions, such as NFT options, NFT futures and other financial instruments, to expand NFT investment methods.
- **Smart contract automation upgrade** : Introducing more smart contract automation tools to enable the platform to quickly adjust functions and operational processes based on market demand and community feedback.
- **AI optimization and big data analysis** : Continuously optimize AI algorithms, analyze market trends through machine learning, and provide more accurate NFT pricing and forecasts.



DEVELOPMENT ROADMAP

Enhance user and ecosystem participation

- **NFT Creator Support Program** : Launch a creator incentive mechanism to support NFT artists and project parties in issuing and selling works through the platform, and provide financial, technical and market support.
- **Deepening DAO governance** : Further improving the community governance structure, expanding the governance function of \$MAGIC tokens, and giving the community more extensive rights to participate in decision-making.
- **Enhance user education and training** : Provide more educational resources for platform users, such as advanced courses, case analysis, industry reports, etc., to improve users' professional level and the long-term stickiness of the platform.

Expanding relationships with partners and investors

- **Cooperation between crypto financial institutions and investors** : Establish in-depth cooperation with venture capital companies and crypto financial institutions, introduce funds and resources, and promote the international development of the platform.
- **Strategic Partnerships** : Expand collaboration with leading global blockchain companies, financial institutions, technology platforms, etc. to advance the MagicNFT ecosystem.

NFT

DEVELOPMENT ROADMAP

Compliance and globalization

- **Global Compliance** : Expand the platform's service scope and ensure smooth operation within the legal and regulatory framework of major markets around the world.
- **Localized services** : Launch localized products and services based on the needs and cultural characteristics of different regions to enhance the platform's competitiveness in the global market.

Continuous innovation and platform upgrade

- **Socialization and decentralization of NFT** : Promote the platform towards decentralization and support users to independently create markets, transactions and social functions.
- **Deep integration of RWA** : Continue to promote the integration of real-world assets and NFTs, and enhance the investment value and market influence of NFTs through more asset types and financial innovations.
- **Metaverse and the Virtual World** : Explore the deep integration of NFT and the Metaverse, support the application of NFT in the virtual world, and provide new investment opportunities and market scenarios.

Through these short-term and medium-term plans, MagicNFT will gradually develop from an innovative platform into a world-leading NFT trading and financing platform, leading the future development of the NFT market.

09

CONCLUSION

Future Prospects of MagicNFT

MagicNFT is committed to promoting innovation and development in the NFT market, and by integrating advanced technologies and business models, we will provide users with a more efficient, secure, and smooth NFT trading and financing experience. In the future, we will focus on the following aspects to further expand market influence and promote industry development:



CONCLUSION

Build a world-leading NFT ecosystem platform

MagicNFT will strive to become the world's leading NFT trading platform by continuously expanding its functions and services. We will integrate more blockchain assets, provide multi-chain and multi-market support, and allow global users to seamlessly access and conduct cross-chain transactions. As the platform expands globally, MagicNFT will become the core hub for global NFT asset flow and value creation.

Promote the deep integration of NFT and traditional assets

With the integration and development of RWA-type NFT assets, MagicNFT will build a bridge between the traditional financial market and the digital asset market, and promote the deep integration of traditional assets (such as real estate, securities, and commodities) with NFT. This move will provide global investors with more diversified asset choices and create new sources of value for NFT.

Expanding the NFT financing and derivatives market

As the platform functions expand, MagicNFT will launch more innovative financial instruments and derivatives, such as NFT options and futures, to further broaden the channels for NFT investment. By introducing financing mechanisms and more financial products, MagicNFT will become a comprehensive market connecting art, culture, investment and finance.

Improving decentralized governance and community building

MagicNFT will continue to deepen decentralized governance to ensure transparency and fairness in platform decision-making. Through broader community participation and governance incentives, users can play a greater role in the future development of the platform and achieve true decentralized autonomy.

CONCLUSION

Promote NFT into the metaverse and virtual world

With the development of the metaverse and the virtual world, the application scenarios of NFT will become richer. MagicNFT will actively explore the integration with the metaverse, promote the transaction and application of NFT in the virtual world, create more cross-border cooperation opportunities, and expand the market space of NFT.

Through these development visions, MagicNFT hopes to occupy an important position in the future digital economy and blockchain industry, and drive the NFT market towards a more mature, innovative and diversified future.



CONCLUSION

Invitation for Cooperation and Participation

MagicNFT is a platform full of innovation and unlimited possibilities. We sincerely invite blockchain projects, NFT creators, investors, technology partners and industry experts from around the world to participate in our ecosystem construction. Through cooperation, we can jointly promote the prosperity and development of the NFT market and create more abundant business opportunities and value.

NFT Project Owners and Creators

If you are an NFT project owner or creator, MagicNFT provides an ideal trading and financing platform where you can display and sell your works, while leveraging the platform's technical advantages and market traffic to increase the value of your project. We welcome cooperation with more NFT project owners to help you succeed in the global market.

Investors and financial institutions

MagicNFT is not only a trading platform, but also a market full of investment opportunities and innovative financial products. If you are an investor or financial institution, MagicNFT will provide you with diversified investment opportunities, including financing of NFT assets, derivatives trading, etc., to help you obtain more capital appreciation opportunities in the growing NFT market.

Technology and security partners

We always put technological innovation and security first. MagicNFT sincerely invites the world's leading blockchain technology companies, auditing agencies, and security teams to work with us to ensure the security, stability and compliance of the platform and provide users with the best quality services.

CONCLUSION

Community and governance participants

If you are an expert in the blockchain field or a community member who is keen on decentralized governance, MagicNFT provides an open and transparent platform for you to participate in the governance and decision-making of the platform. Through DAO governance, you will be able to play an active role in the development direction and decision-making of the platform and jointly shape the future of the platform.

Advertising and media partners

As a diversified platform, MagicNFT will continue to carry out marketing and brand building. If you are an advertising company, media platform or public relations agency, you are welcome to cooperate with us to help us promote MagicNFT to more potential users and expand the market influence of the platform.

We believe that through joint efforts with more partners, MagicNFT will be able to develop rapidly and occupy a place in the global NFT market. We look forward to working with you to create the future of digital assets together.