

SOS LTD—— A POTENTIAL STOCK COMPANY THAT HAS BEEN MALICIOUSLY SHORTED

I. Is SOS maliciously shorted?

Hindenburg research issued a short report on SOS, which did capture a lot of SOS's pain points: company address, mining machine source, source company website, website registration time. Shorting reports that SOS is a worthless company (worth \$0). However, the authenticity and purpose of the short report need to be considered.

The image shows a screenshot of a Twitter thread from Hindenburg Research. The top tweet, posted 3 days ago, states: "We discovered \$SOS principal office and headquarters doesn't appear to exist. We visited the address listed in the company's SEC filings and found it was a hotel. A woman who worked for the hotel told us there were 'no companies here'." It includes a photo of a building with a sign '888' and a map snippet. The second tweet says: "Stocks tied to blockchain have been on the run lately, swept up in the euphoria of bitcoin breaking all-time highs. \$SOS has ridden this wave, reaching a cap as high as \$1.4b based on its claim having pivoted into bitcoin mining and blockchain technology development." To the right, a separate image shows the exterior of the 'SOS Limited (headquarters)' building at 888 Changbaishan Road, Qingdao, China, with a 'China (Shandong) pilot Free Trade Zone' sign. Below that is a photo of the 'Qingdao Jiudingfeng Hotel' interior.

The above content in figure 1 is a screenshot of Hindenburg Research's Twitter content and picture download.

According to the office address, our organization made a detailed investigation. There are two buildings in the office address park, one is Jiudingfeng Hotel, the other is Jiudingfeng Office Building (rented to SOS as a registered address), the two buildings are next to each other.

If the Hidenburg investigators have really arrived at the office address for actual inspection, the possibility of seeing only the hotel but not the office building is very small, but the office building is not reflected in the picture of the initial report, indicating that the report is very maliciously biased and misleading.



Figure 2 actual scene of Baidu map

China's "company registered address" and "actual office address" are two concepts. The registered address of a company is generally that the company pays a certain fee to lease the address as a registered address, and generally gives it to a third-party service company or financial staff of the company to take charge of the work, the actual office address does not necessarily match the address, and the SOS official website has updated the headquarters office address.



Figure 3 Jiudingfeng Group Building (registered address of SOS Company)



Figure 4 actual shooting of SOS headquarters (consistent with the office address published on its official website)



Figure 5 SOS office address headquarters hall actual shot



Figure 6 details of the SOS headquarters building

Coincidentally, the short report was released on Friday, Eastern time, and Saturday, Beijing time, especially the recent instability of the US stock market, which is an excellent time to take advantage of retail panic to release the short report. Therefore, our organization thinks that the reliability of other information in the short report is also greatly reduced!

II. The true strength of SOS

1.1 The actual structure of the company

The main body of SOS limited Cayman is a listed company in the United States, and its affiliated China Aid Co., Ltd., China SOS Limited (HK), holds domestic SOS companies.

Welcome to ICRIS!

icris.cr.gov.hk/csci/cns_basic_comp.do

網上查冊中心 ICRIS Cyber Search Centre

查閱 資料 購物 關於電子查冊服務 登出

歡迎! 系統時間: 2021年3月1日 18:03:28 GMT +0800

查閱公司名稱

你的查詢: 名稱起首 符合 'CHINA SOS LIMITED', 公司編號: = 2839582

公司編號:	2839582
公司名稱:	CHINA SOS LIMITED 中援有限公司
公司類別:	私人股份有限公司
成立日期:	2019年6月11日
公司現況:	仍註冊
备注:	-
清盤模式:	-
已告解散日期 / 不再是獨立實體日期:	-
押記登記冊:	无
重要事項:	-

公司名稱紀錄

名稱生效日期	使用名稱
2019年6月11日	CHINA SOS LIMITED 中援有限公司

如欲查閱或訂購此公司的其他資料, 請選擇:
影像紀錄 (包括文件索引) 跳至

請選擇訂購類別:

訂購屏幕列印的核証副本 港元140.00 加上按不同交付方式附加的手續費(*)

(*) 按不同交付方式附加的手續費, 會在結算和清付購物籃時列明。

返回

Figure 7 ICRIS (HK) China Aid Co., Ltd. Query screenshot



Chart 8 Tianyan check the actual control of China Aid Co., Ltd.

etc.). And the registered capital of the three affiliated enterprises has reached more than 1 billion, and even has business relations with Tencent, one of the top 100 companies in the world.

3	永保融资 永保融资租赁有限公司	23.76%	<p>路径1 (占比约 13.86%)</p> <p>孙明洲 — 99% → 泊嘉企业管理有限公司 — 20% → 永保信息科技有限公司 — 70% → 永保融资租赁有限公司</p> <p>路径2 (占比约 9.9%)</p> <p>孙明洲 — 99% → 泊嘉企业管理有限公司 — 10% → 永保融资租赁有限公司</p>
4	腾讯 河北腾讯数码科技有限公司	20%	<p>路径1 (占比约 20%)</p> <p>孙明洲 — 20% → 河北腾讯数码科技有限公司</p>
5	永保保险 永保保险公估有限公司	20%	<p>路径1 (占比约 20%)</p> <p>孙明洲 — 20% → 永保保险公估有限公司</p>
6	永保 永保国际贸易有限公司	19.8%	<p>路径1 (占比约 19.8%)</p> <p>孙明洲 — 99% → 泊嘉企业管理有限公司 — 20% → 永保信息科技有限公司 — 100% → 永保国际贸易有限公司</p>
7	永保实业 青岛永保实业控股有限公司	19.8%	<p>路径1 (占比约 19.8%)</p> <p>孙明洲 — 99% → 泊嘉企业管理有限公司 — 20% → 永保信息科技有限公司 — 100% → 青岛永保实业控股有限公司</p>
8	永保信息 永保信息科技有限公司	19.8%	<p>路径1 (占比约 19.8%)</p> <p>孙明洲 — 99% → 泊嘉企业管理有限公司 — 20% → 永保信息科技有限公司</p>
9	永保 永保建设工程有限公司	15.84%	<p>路径1 (占比约 15.84%)</p> <p>孙明洲 — 99% → 泊嘉企业管理有限公司 — 20% → 永保信息科技有限公司 — 80% → 永保建设工程有限公司</p>

长白班录音质检 [立即沟通](#)

2千-3千

石家庄 | 不限 | 学历不限

录入

河北腾讯数码科技有限公司

民营 | 100-299人

招聘中

前端工程师 [立即沟通](#)

4千-6千

石家庄 | 1-3年 | 学历不限

Web前端

河北腾讯数码科技有限公司

民营 | 100-299人

招聘中

腾讯大王卡电话客服长白班 [立即沟通](#)

3千-5千

石家庄 | 不限 | 学历不限

普通话标准

河北腾讯数码科技有限公司

民营 | 100-299人

招聘中

办公室客服岗位双休五险一金 [立即沟通](#)

4千-6千

石家庄 | 不限 | 中专/中技

客服

河北腾讯数码科技有限公司

民营 | 100-299人

招聘中

The above data and contents in figure 9 are from Tianyuan Cha and Zhilian APP.

1.2 The transformation and layout of the company's business

1.2.1 Insurance business:

In August 2020, SOS Limited announced that it had obtained its qualification as an insurance broker in China through the acquisition of Inner Mongolia Post Insurance Agency Co., Ltd., and officially changed its name to Inner Mongolia SOS Insurance Agency Co., Ltd. Our organization believes that this is a further exploration of the business transformation of SOS companies in 2020 and will become an exploratory step for SOS to further acquire a national insurance brokerage company in 2021.

截至2018年12月31日						
辖区类型	全国性保险专业代理	区域性保险专业代理	保险经纪	保险公估	中介集团	辖区合计
北京	65	106	182	49	0	402
天津	7	40	19	12	0	78
河北	14	69	8	34	2	127
山西	0	67	1	4	0	72
内蒙古	1	35	1	4	0	41
辽宁	8	66	5	11	0	90
大连	2	19	3	5	0	29
吉林	1	26	0	11	0	38
黑龙江	2	41	4	3	0	50
上海	25	85	75	45	0	230
江苏	14	119	8	17	0	158
浙江	8	64	17	11	0	100
宁波	3	9	5	3	0	20
安徽	2	37	6	14	0	59
福建	0	36	2	9	0	47
厦门	2	13	6	4	0	25
江西	2	14	5	2	0	23
山东	11	102	11	25	0	149
青岛	5	38	7	13	0	63
河南	8	74	3	9	0	94
湖北	2	37	10	7	0	56
湖南	0	19	11	7	0	37
广东	18	152	25	37	2	234
深圳	15	43	43	28	1	130
广西	1	27	0	1	0	29
海南	1	14	2	2	0	19
重庆	5	20	5	5	0	35
四川	10	62	10	8	0	90
贵州	0	5	6	1	0	12
云南	1	25	4	4	0	34
西藏	0	2	0	0	0	2
陕西	6	53	11	10	0	80
甘肃	0	7	2	0	0	9
青海	0	2	1	0	0	3
宁夏	0	7	0	0	0	7
新疆	1	15	1	0	0	17
总计	240	1550	499	395	5	2689

Figure 10 screenshot of industry data of insurance brokerage business licence

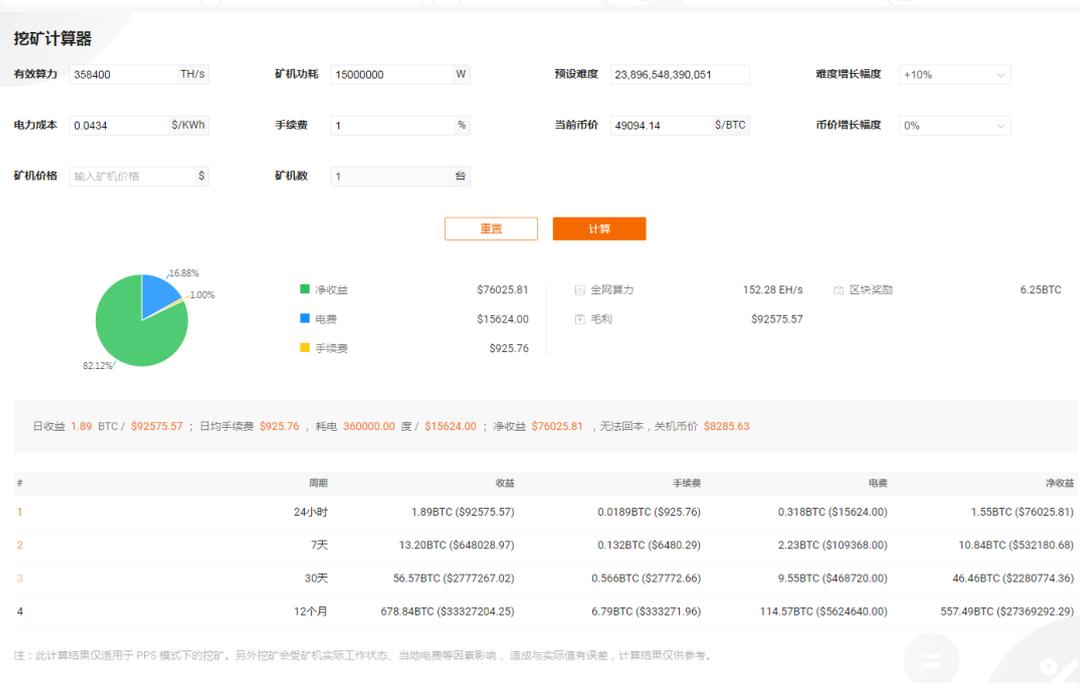
And the threshold for private enterprises to enter the insurance industry is extremely high, so the acquisition of national insurance brokers will bring strong business opportunities for SOS. Since August 2018 (data up to July 15, 2020), the Bancassurance Regulatory Commission has not wholesale new insurance intermediary licenses. It is understood that only one insurance broker license with a registered capital of 50 million yuan nationwide with online sales qualification has an estimated value of 3000-50 million yuan. And at present, a national license plate is often dozens or even hundreds of branches. It is believed that when SOS acquires a national insurance brokerage company, it will bring dozens or even hundreds of times the market value and income brought by Inner Mongolia SOS Insurance Agency Co., Ltd.

Yongbao is a strong customer base brought by the company's insurance business to SOS. As mentioned above, the business of the three senior executives of the company is closely related, we have reason to believe that the customer group of Yongbao will be the potential customers of SOS, while acquiring insurance brokers, Yongbao will also extend its services to the existing customer base of Yongbao.

1.2.2 About cryptocurrency:

On January 6th, 2021, SOS announced that it had reached an employment agreement with Dr. Yan Huazhong to set up a new wholly-owned subsidiary SOS Digital Technologies Inc., to be led by Yan Huazhong.

On February 23 and 24, 2021, SOS received the first and second shipments of 5000 encrypted coin mining machines, each with 175p BTC hash computing power and 350G ETH hash computing power.



According to the power consumption of 150000W of 10,000 mining machines, the basic electricity cost of bitcoin mining machine is 0.22 million 0.28 yuan / KWh. Calculated conservatively at 0.28 yuan (\$0.0434) / KWh, it may actually be lower, and the 10% increase in mining difficulty is expected to increase net income by about \$27.36 million a year. This only calculates mining revenue and does not calculate the application of this calculation to other

business sectors actually carried out by SOS. Although the price of cryptocurrency has fallen in a short period of time, the long-term return on investment is still very substantial.

With the resource support of the exploitation strategy, SOS can also be described as painstaking. On February 25, 2021, SOS signed a final agreement with Leibodong Hydropower Station ("Leibodong") in Hejiang County, Luzhou City, Sichuan Province, under which Leibodong will provide SOS with electricity and space to accommodate three years of encryption mining equipment. Leibo Cave will provide free space or leased space to SOS, estimated to be about 1350 square meters (about 14531.28 square feet) to accommodate 3500 sets of encrypted mining equipment. The rent is about 3.5 yuan per square meter per month. SOS's savings on the project have been rewarded, and it is believed that it is reasonable for SOS to continue to look for cheap and sustainable power resources in 2021 to support the cloud-plus coin mining strategy.

III. Preliminary achievements of the transformation

According to preliminary estimates of some financial performance in fiscal 2020 disclosed on its website, after it stopped its traditional peer-to-peer lending business, focusing on providing marketing-related data to customers such as insurance companies, financial institutions, medical institutions, medical insurance providers and other service providers in the emergency service industry, annual revenue in 2020 is expected to be about \$49.5 million, an increase of 451 per cent over 2019. Gross profit margin is expected to be about 9%, up from 5% last year, and US GAAP net profit is about \$3.1 million. Handing over such an answer in the year when COVID-19's epidemic raged can fully reflect the success of SOS transformation!

IV. The company's future prospects

With the popularity of COVID-19 vaccine and economic recovery in 2021, it is believed that SOS will be able to implement the acquisition of national insurance brokers as soon as possible. As mentioned above, it can not only increase the company's qualification with a valuation of more than 30 million yuan, but also have dozens or even hundreds of regional insurance professional agencies and insurance brokers at the same time! And with the advent of the global cryptocurrency craze in 2021, it is believed that SOS's cryptocurrency sector will also achieve excellent results under the leadership of Dr. Yan Huazhong.

To sum up, our organization gives a stock valuation of \$40 for SOS.

Disclaimer and terms of use:

The report on this website is provided by Scorpio VC limited (HK) or Scorpio VC Ltd. We collectively refer to Scorpio VC limited (HK) and Scorpio VC Ltd as "Scorpio VC", and all reports are for reference only.

In no event shall these reports or any information contained herein be interpreted as investment advice or as an offer to sell or invite the purchase of any securities or other financial instrument.

Scorpio Venture Capital (Scorpio VC) is an innovative, flexible, young asset management organization with a team of post-70s to post-00s. The main business is Hong Kong stocks, US stock trading, quantitative funds, (A shares are licensed), digital asset funds, block chain product development, super node operation, e-commerce, cultural communication, real estate, real economy projects and so on. It controls a number of companies. This website is owned by Scorpio VC. The opinions, materials and reports presented in this article come from public information on the Internet, anonymous letters, informed user visits, independent investigations and so on. Some of the quotations have been authorized by the author either orally or in writing. By downloading or viewing materials from this website, you agree to the following terms of use.

You agree to use the research results on this website at your own risk. You (or anyone you represent) agree that Scorpio VC limited (HK) or Scorpio VC Ltd and its affiliates and affiliated parties, including, but not limited to, any principals, senior management, directors, employees, members, customers, investors, consultants and agents shall be harmless for any direct or indirect losses (including trading losses) caused by any information on this website or in the research report. You also agree to conduct your own research and due diligence before making any investment decision on the securities of the issuer covered by this Agreement (the "guaranteed issuer") or any other financial instrument invoking any securities issued by the guaranteed issuer or the guaranteed issuer. You indicate that you have sufficient investment experience to critically evaluate the information, analysis and opinions on this website. You also agree that you will not communicate the contents of reports and other materials on this website to any other person unless that person agrees to be bound by these terms of use. If you visit this website, download or receive the contents of reports or other materials on this website, you agree and are bound by these terms of use. If you visit this website, download or receive the contents of reports or other materials on this website as an agent of anyone else, you are bundling your client with these terms of use.

Scorpio VC will not provide investment advice to anyone unless it has a written relationship with that person's investment adviser or client. You understand and agree that Scorpio VC does not have any investment advisory relationship with you.

When multiple language versions appear in all reports, the Chinese version of the report shall prevail.

THE STOCK MARKET IS RISKY, CAUTIOUS INVESTING TO ALL.



By

[Scorio.VC](https://scorio.vc)