



ATHENA INTELLIGENCE

DUE DILIGENCE

Cocos-BCX

25 July 2022



ATHENA INTELLIGENCE

DISCLAIMER

The advice and recommendations submitted in these documents constitute neither a warranty of future results by Athena Intelligence SA nor an insurance against risk. This material represents the best judgment of Athena Intelligence SA and is based solely on information which was publicly available at the time of writing. This does not constitute financial advice and readers are advised to do their own research.



CONTENTS

EXECUTIVE SUMMARY 5

PROFILE 7

CORPORATE STRUCTURE 8

 COCOS Expedition Corp – Cayman Islands 8

 Chukong Holdings Limited – Cayman Islands 9

 Beijing Chukong Aipu Technology Co. Ltd – China..... 10

 Beijing Chukong Technology Co. Ltd – China 11

MANAGEMENT PROFILES 12

 Haozhi Chen 13

 Xiaolong Yang (Richard Yang) 14

REPUTATION 14

LITIGATION..... 15

SANCTIONS & WATCH LISTS..... 16



KEY RISK INDICATORS	YES/NO/NOT APPLICABLE	SCORE
Does the project have a website?	Yes	2/2
Has the whitepaper of the project been published?	Yes	3/3
Has the project been audited?	Yes	1.5/3
Does the project have a well-defined use case or utility?	Yes	3/3
Has the project been backed by known investors?	Yes	4/5
Does the project have a diversified number of wallet holders?	No	2/7
Has the project been listed on any top-tier crypto aggregators?	Yes	5/5
Do the project and its key individuals (developers, executives, partners, advisors) have a discernable public profile?	Yes	8/10
Do the key individuals have a history of developing successful projects in this market?	Yes	8/10
Have the project and its key individuals been mentioned in the media in connection with illegal business practices or in any negative or controversial context?	No	8/10
Are there any evidence that the project and its key individuals have been involved in litigation?	No	9/10
Are there any evidence that the project and its key individuals are listed on blacklists?	No	10/10
Are there any evidence that the project and its key individuals have been involved in credit or bankruptcy issues?	No	7/7
Is there a corporate architecture behind the project?	Yes	3/5
Are the companies part of the project registered in transparent jurisdictions?	No	2/5
Are the key individuals duly registered with the corporate registries?	Yes	3/5
OVERALL RISK ASSESSMENT & TOTAL SCORE	LOW	78.5/100



EXECUTIVE SUMMARY

Cocos-BlockChain Expedition (Cocos-BCX) is a decentralized and open platform for blockchain games. It was founded by **Haozhi Chen** and **Richard Xiaolong Yang** in November 2017. The project aims to build a single destination for solutions and provides a wide tool set for game developers to create games, manage, or simply migrate to blockchain environment. For players, the decentralization ensures their digital assets from games and even across different blockchains. Through Cocos-BCX's standard for fungible and non-fungible digital assets, Cocos-BCX enables inter-chain and inter-domain asset exchange.

Cocos-BCX is powered by the existing Cocos Engine for mobile games, both founded by Mr. Chen. Cocos Engine has a large community of 1.4 million developers base which facilitates the growth of Cocos-BCX's network. Cocos-BCX also released its token, \$COCOS, which can be used to pay gas fees, to stake for governance or for participating in Delegated Proof-of-Stake consensus. \$COCOS was firstly listed on Binance exchange in August 2019, and is now also listed on KuCoin and Gate.io.

We note that **Cocos-BCX had secured USD 40 million fundings** led by Binance Lab, NEO Global Capital, and 500 startups in September 2018. **Binance appears as the largest holder of \$COCOS.**

We have identified a Cayman Islands entity called **COCOS Expedition Corp** which is potentially the holding company for Cocos-BCX, since its founder Haozhi Chen is listed as sole director and its incorporation date matches with the project timeline. However, we note that this company was stricken off by registrar on 30 June 2022.

Cocos Engine is the flagship product of Chukong Technology group, founded by Haozhi Chen and Guanqun Liu in April 2010. The holding company is Chukong Holdings Limited domiciled in Cayman Islands, which fully owns Beijing Chukong Aipu Technology Co. Ltd (China) through Directouch Management Limited (Hong Kong). Beijing Chukong Aipu Technology Co. Ltd (China) is potentially the operating entity for Cocos-BCX project. **Chukong Technology applied for IPO at NASDAQ exchange in May 2014** but dropped the public listing plan. According to SEC's filings, Mr. Chen controlled 15% shares of Chukong Technology group in 2015, although we could not corroborate the latest shareholder list and beneficial owner



ATHENA INTELLIGENCE

Haozhi Chen, the **founder**, is a serial entrepreneur in the internet business and gaming industry. Before establishing Chukong Technology in 2010, he cofounded the e-commerce platform Joyo.com in 1998, the online forum/retail platform Xcar.com in 2002, and then later joined online translation platform Yeeyan.org in 2007. Thanks to Chukong Technology' success, Mr. Chen made the top 10 influential figure in the gaming industry in 2016.

The other **cofounder**, **Richard Xiaolong Yang**, is also an experienced social network entrepreneur and professional investor in venture capitals. Prior to Cocos-BCX, he was managing director and cofounder of 6.cn., a video sharing social network in China. He also served as Vice-President of Chinese private equity New Horizon Capital and as investment manager of Japanese Mitsubishi Corporation Group's Asia Investment Fund.

Cocos-BCX has a moderate public profile with both positive and negative reviews. It is believed to be deeply collaborated with Binance, as the later invested at early stage and its CEO Changpeng Zhao also highlighted the project on his personal Twitter account. However, some **investors criticized Cocos-BCX and accused the team of cashing out investments after listing \$COCOS on Binance exchange**. Notably, **Cocos-BCX was hacked on 10 February 2022 by unknown Defi attackers and reportedly lost USD 4.8 million**. Cocos-BCX has not officially addressed the attack or disclosed any details of the security risk.

In terms of litigation, we have not identified Cocos-BCX or its cofounders are involved in civil or criminal lawsuits. Cocos-BCX and its two cofounders do not feature on sanction lists and international watch lists, neither.

Based on the above elements, Athena Intelligence has assessed Cocos-BCX as an **overall low risk**.



PROFILE

Cocos-BCX was initiated in November 2017 by Haozhi Chen and Richard Xiaolong Yang. It is a blockchain game development platform, providing open, decentralized technology and full tool sets for Gamefinance and Defi.¹

Cocos-BCX leverages on the existing Cocos Engine for mobile games, which was also founded and operated by Mr. Chen back in 2010. Cocos Engine has a community of 1.4 million game developers across 203 countries and regions.² It is one of the top three mobile game engines, representing 45% market shares in China and 30% market shares worldwide.³ Cocos-BCX aims to build a decentralized open platform for blockchain games; and a single destination where game developers can create, deploy, operate, and scale up games with multi-system compatibility and blockchain interoperability.

For game players, Cocos-BCX is a decentralized platform which delivers new gaming experience with four-phases-approach. Players are currently using fungible tokens for the in-game economy, but eventually will move on to blockchain. Cocos-BCX is a complete exchange gateway for cross-chain transactions for homogeneous and non-homogeneous assets. Based on Cocos-BCX's proprietary token standard "BCX-NHAS-1808", digital assets are tokenized and transferrable between different games.

As for its token, \$COCOS, it can be used to pay gas fees or staked for governance or for participating in Delegated Proof-of-Stake consensus. \$COCOS is currently listed on top tier exchanges, including Binance, KuCoin, and Gate.io. Notably, \$COCOS holders are relatively concentrated. \$COCOS is currently on two blockchains, Ethereum and Binance Smart Chain, while Binance appears to be the largest holder for two blockchains combined. According to Etherscan.io and Bscscan.com, Binance holds 22.8% of the tokens on Ethereum blockchain⁴ and 49% of the tokens of BNB Smart Chain.⁵ The holder address is "0xf977814e90da44bfa03b6295a0616a897441acec", with disclosed name tag as "Binance 8".

¹ www.cocosbcx.io

² www.112btc.com/news/9785.html

³ Ibid

⁴ <https://etherscan.io/token/0xc4c7ea4fab34bd9fb9a5e1b1a98df76e26e6407c#balances>

⁵ <https://bscscan.com/token/0xab301dae71f5b386c566f484e636aee60318f12f#balances>



ATHENA INTELLIGENCE

Cocos-BCX had secured fundings from large blockchain ventures worldwide. In September 2018, Cocos-BCX acquired USD 40 million fundings led by Binance Lab, NEO Global Capital and 500 startups.⁶ Other ventures investors notably included BlockVC, OKCoin, TigerCoin, INB, Dfound, Cyzone and Sequoia Capital's Zhenfund.⁷

CORPORATE STRUCTURE

According to open-source research, Cocos-BCX's technology development team is based in the Chinese cities of Beijing and Chengdu,⁸ while having business operation across China, Japan and the US.

As a project led by Haozhi Chen and powered by Cocos Engine, Cocos-BCX is considered an affiliation to Chukong Technology group and its business operation, although the project is developed and managed by different teams.

COCOS Expedition Corp – Cayman Islands

NAME	Cocos Expedition Corp (334620)
DATE OF INCORPORATION	20.03.2018 – 30.06.2022 (Struck off)
DIRECTORS/ADMINISTRATORS	Haozhi Chen – Director
SHAREHOLDERS	N/A
ADDRESS	PO Box 10240 103 South Church Street, Cayman Islands
MAIN ACTIVITIES	Scientific research and development

⁶ www.sohu.com/a/277072943_100105055

⁷ www.tuoluo.cn/article/detail-70648.html

⁸ <https://cointyo.jp/article/10006692>



ATHENA INTELLIGENCE

Cocos Expedition Corp (Cayman) was incorporated on 20 March 2018 and is reportedly the holding arm of Cocos-BCX project outside Chukong Technology group. Haozhi Chen is listed as sole director. We note that the company was stricken off by registrar on 30 June 2022.

Chukong Holdings Limited – Cayman Islands

NAME	Chukong Holdings Limited (248602) (Formerly: Directouch Holdings Limited until 01.2014)
DATE OF INCORPORATION	29.11.2010 – Active
DIRECTORS/ADMINISTRATORS	Haozhi Chen – Chairman and CEO Guanqun Liu – Director and COO Elton Haotian Jiang – Director (Northern Light Venture Capital) Corporate Filing Services Ltd – Agent
SHAREHOLDERS	Haozhi Chen – 15.5% through Directouch Group Limited (BVI) Gary Guanqun Liu – 15.5% through Directouch Development Group Limited (BVI) Elton Haotian Jiang – 23.7% through Northern Light Venture Capital II Ltd (Cayman) Jennifer Zhengren Yan – 12.6% Jenny Hong Wei Lee – 12.5% Steven Hon Tang – 7.7% Sequoia Capital 2010 CV Holdco. Ltd (Cayman) – 8.9% Brightfish Investment Ltd (Hongkong) – 7.7%
ADDRESS	PO Box 613, 3 rd Floor, Harbour Centre, George Town, Grand Cayman KY1-1107, Cayman Islands
MAIN ACTIVITIES	Holding companies for gaming platform, solution services

Chukong Holdings Limited (Cayman) was incorporated in November 2010 under the name Directouch Holdings Limited as the holding arm to incorporate foreign investment. Its name changed to Chukong Holdings Limited before Chukong Technology intended to go IPO at NASDAQ exchange in May 2014.



ATHENA INTELLIGENCE

Chukong Holdings Limited (Cayman) fully owns Beijing Chukong Aipu Technology Co. Ltd (China) through Directouch Management Limited (Hong Kong).

According to SEC filings in 2014, Haozhi Chen and Guanqun Liu each held 15.5% of shares, while Northern Light Venture Capital, Steamboat Ventures V, GGV Entities, Sequoia Capital, Brightfish Investment Ltd held 23.7%, 12.6%, 12.5%, 8.9%, 7.7% of shares respectively. We could not corroborate the latest shareholders details.

Apart from Chinese entities, Chukong Holdings Limited (Cayman) owned two subsidiaries: PunchBox USA Inc in Delaware, USA, and Chukong Technology Korea Inc (Korea). PunchBox USA Inc was terminated on 15 October 2018. Chukong Technology Korea Inc (Korea) went listed on KONEX (code:223220) in July 2015, but after September 2016 Chukong Technology group is no longer its largest shareholder and Haozhi Chen stepped down as CEO and Executive Director.⁹

Beijing Chukong Aipu Technology Co. Ltd – China

NAME	Beijing Chukong Aipu Technology (91110105560426093Q)
DATE OF INCORPORATION	02.04.2011 – Active
DIRECTORS/ADMINISTRATORS	Haozhi Chen – Chairman, Legal representative Hongwei Lee – Director Haotian Jiang – Director Guanqun Liu – Director Lin Cui – Director Hang Deng – Director
SHAREHOLDERS	Directouch Management Limited (Hong Kong) – 100%
ADDRESS	Room 441, 4th Floor, Building 49, no. 10, Jianhuo Menwailang, Zhaoyang District, Beijing City, China
MAIN ACTIVITIES	Technology development, service, consultancy

⁹ 2021 Annual Report of Logis Mon Inc (formerly known as Chukong Technology Korea Inc).



ATHENA INTELLIGENCE

Beijing Chukong Aipu Technology Co. Ltd is a subsidiary of Chukong Holdings Limited (Cayman) and the main operation arm in China. Based on internal contractual agreements, the company conducts software developments through Beijing Tiansheng Chengye Information Technology Co. Ltd (China), and operates most of the rest business, including content development, publishing, and advertising, through Beijing Chukong Technology Co. Ltd (China).

At the time of writing, Haozhi Chen still serves as the legal representative of Beijing Chukong Aipu Technology Co. Ltd. The company is the potential entity which operates Cocos-BCX project in Beijing, China.

Beijing Chukong Technology Co. Ltd – China

NAME	Beijing Chukong Technolgoy Co. Ltd (9111010555309385X9)
DATE OF INCORPORATION	07.04.2010 – Active
DIRECTORS/ADMINISTRATORS	Haozhi Chen – CEO and Director Guanqun Liu – Director
SHAREHOLDERS	Haozhi Chen – 45% Guanqun Liu – 45% Fei Ma – 10%
ADDRESS	Room 1001, No. 220, Wangjing West Garden II, Zhaoyang District, Beijing City, China
MAIN ACTIVITIES	Information technology services, telecommunication services, gaming products, software design

Haozhi Chen and Guanqun Liu cofounded Beijing Chukong Technology Co. Ltd in April 2010 and it is the inception of Chukong Technology’s gaming empire. Mr. Liu founded CocoaChina.com in 2008, which was the dominating online forum for iOS-based content developers, including game developers. Chukong Technology develops and maintains Cocos Engines, which is the widely adopted open-source game



ATHENA INTELLIGENCE

engines for mobile devices. Chukong Technology offers a great portfolio of in-house developed games, licensed games and other mobile entertainment contents. It has published several flagship games that are popular worldwide, including Fishing Joy Series which had 359.6 million of total activations and was among the top three mobile games in China in terms of gross billing.¹⁰

Notably, the trademark of Cocos Engine is owned by Xiamen Yaji Software Co. Ltd, which is also a subsidiary of Beijing Chukong Technology Co. Ltd. This company holds telecommunication license for internet information services, or the ICP License, and an internet culture operation license in China.

Beijing Chukong Technology Co. Ltd used to have Japanese branch from August 2011 to December 2015. The former CEO of Chukong Technologies Japan Inc, Haobang Wen (also known as Fujita Hirokuni), took over the entity and renamed as Kleolab Inc. Since 2018, Mr. Wen has also served as consultant in Japan for promoting Cocos-BCX project in Japan.¹¹

Beijing Chukong Technology Co. Ltd had secured at least four rounds of fundings for over USD 100 million from global ventures including Northern Light Venture Capital, Steamboat Ventures, Sequoia Capital, GGV Capital, New Horizon, etc.¹²

MANAGEMENT PROFILES

Cocos-BCX is considered a brother project of Cocos Engine. Apart from the two cofounders, Haozhi Chen and Richard Xiaolong Yang, its management team consists of Reed Hong (Head of research & development), Caterina Zhang (Partner in community development), Alvin Huang (Head of operation and Chinese market)¹³, James Jeon (Head of Korean market) and Frederick Lim (Head of Korean market)¹⁴.

Cocos-BCX also acquired two advisors from Chukong Technology group, Zhe Wang and Haobang Wen, from Cocos Engine and Chukong Technologies Japan respectively.

¹⁰ https://sec.report/Document/0001193125-14-201075/#rom634128_10

¹¹ <https://cointyo.jp/article/10006692>

¹² www.tuoluo.cn/article/detail-70648.html

¹³ www.heishiwan.com/columns/17546.html

¹⁴ <https://zhuanlan.zhihu.com/p/68974745>



ATHENA INTELLIGENCE

Haozhi Chen

Haozhi Chen¹⁵ initiated project Cocos-BCX in 2017 and is also a cofounder of Cocos Engine's holding company, Chukong Technology.

Mr. Chen is a serial entrepreneur in the internet business in China, and has cultivated his gaming network business for over a decade. In November 1998, Haozhi Chen was one of the initial cofounders of Joyo.com and served as general manager until March 1999. Joyo.com is an influential online bookshop and e-commerce platform in China which was later acquired by Amazon in August 2004. Mr. Chen later incorporated a company selling time cards for games in 2001. He cofounded Xcar.com and served as Vice-General Manager from 2002 to 2006 of the online forum and trading platform for car lovers. In 2007, he again joined YeeYan.org, an open platform which translates foreign media contents into Chinese and operated the platform in China as its General Manager from 2006 to 2008.

In 2009, Haozhi Chen met Guanqun Liu, who founded CocoaChina.com, the largest forum and technology platform for iOS content developers in China. The two firstly cofounded Beijing Chukong Technology which later becomes one of the leading gaming brands in China. In May 2014, Chukong Technology applied for IPO at NASDAQ exchange but eventually dropped the listing plan. Mr. Chen claimed that it was not the best timing for IPO since the market outlook was not good enough as expected and thus the company's valuation was much lower.¹⁶

In 2016, Haozhi Chen was listed on the Top 10 influential leaders of the gaming industry in China thanks to Chukong Technology's successful Cocos Engine and world-famous games.¹⁷

¹⁵ “陈昊芝” in Chinese.

¹⁶ <https://dj.sina.com.cn/article/hfqtahh7683343.shtml>

¹⁷ https://baike.sogou.com/appeal/snapshot?link=U-muGmtwPu8_nR8DdTxEUOP_raYsJs95Q0Z4psN7peN8NiRxQeD6TEwgTXd7KcDHTVYhKE-nfaFqtoYGTf4&originRef=http%3A%2F%2Fgames.qq.com%2Fa%2F20161216%2F020548.htm%23p%3D1&lid=69352705&title=%5Bobject%20HTMLHeadingElement%5D



Xiaolong Yang (Richard Yang)

Richard Yang (Xiaolong Yang¹⁸ in Chinese) is the cofounder of Cocos-BCX. He has over 15 years of experience in the internet social network and professional investor in the venture capital. Before joining Cocos-BCX, Mr. Yang was Managing Director and cofounder of 6.cn., a video sharing social network in China. He also served as Vice-President of NHC and Investment Manager of MC Capital, who have led over USD 1 billion fundings in numerous investment projects.¹⁹

REPUTATION

Overall speaking, Cocos-BCX has a moderate public profile with mixed reviews. Discussion related to Cocos-BCX is more seen in Asian market than other regions. Apart from China, Cocos-BCX has been cultivating the Japanese market since November 2018, promoting the project through its virtual figure, “Coco jian”, to communicate with the community with marketing contents.

Cocos-BCX is praised as a pioneer for GameFinance on blockchain, leveraging the existing Cocos Engine and its network. However, it also faces critics and allegations of cashing out investment when its token value plunged 70% after the first listing on Binance exchange in August 2019.²⁰ Critics alleged Cocos-BCX increased 10% tokens distribution for advisors and team, which valued around USD 7.9 million.²¹

In September 2019, Cocos-BCX established strategic partnership with Certik, a leading blockchain security service provider. Through the strategic partnership, Cocos-BCX aims to collaborate with Certik to enhance security of the network infrastructure.²²

In July 2020, Cocos-BCX collaborated with China International Digital Entertainment Exhibition (ChinaJoy) and issued exclusive NFT tickets powered by Cocos-BCX for 1.2 million visitors. It was the first time

¹⁸ “杨小龙” in Chinese.

¹⁹ www.heishiwan.com/columns/17546.html

²⁰ www.shilian.com/top/130091.html

²¹ <http://m.caijing.com.cn/api/show?contentid=4611611>

²² <https://abmedia.io/cocos-bcx-and-certik-reached-strategic-cooperation-on-smart-contracts-and-public-chain-security>



ATHENA INTELLIGENCE

ChinaJoy implanted blockchain technology for its major online exhibition, as well as successful NFT application showcase for the gaming industry.

Notably, on 10 February 2022, PeckShieldAlert revealed that Cocos-BCX was hacked by unknown Defi attackers²³ and lost USD 4.8 million worth of BNB, ETH and other assets from its liquidity pool at Uniswap and PancakeSwap.²⁴ However, Cocos-BCX has not addressed the total lost or disclosed any details of the attack on its official channels.²⁵

KEY RISK INDICATORS IDENTIFIED BY ATHENA INTELLIGENCE	YES/NO/NOT KNOWN
Do the project and the key individuals have any discernible media profile in the general or specialized press?	Yes
Have the project and the key individuals been mentioned in the media in connection with, illegal business practices (money laundering, corruption, tax evasion, fraud, misappropriation of public property etc.) or in any negative or controversial context?	No

LITIGATION

Athena Intelligence has conducted litigation checks on Cocos-BCX and its cofounders to determine if they have been involved in any civil or criminal lawsuits. Although Cocos-BCX and its two cofounders have not personally involved in litigation, Chukong Technology group has been listed as defendant in civil lawsuits for infringement of trademark and copyright, while Haozhi Chen was listed as General Manager and legal representative for the group companies.

In December 2015, Tencent Technology (Shenzhen) filed civil lawsuit against Beijing Chukong Technology Co. Ltd and Shanghai Chukong Technology Development Co. Ltd.²⁶ Chukong Technology group had licensed a mobile game which allegedly infringed Tencent's well-known game "League of Legends".

²³ <https://cryptopotato.com/defi-project-dego-finance-hacked-exploiters-reportedly-drain-over-10m>

²⁴ <https://cryptobriefing.com/bsc-ethereum-defi-projects-hit-14-4m-hack>

²⁵ www.somagnews.com/these-2-defi-altcoins-have-been-hacked-prices-crashed-big-loss

²⁶ <https://wenshu.court.gov.cn/website/wenshu/181107ANFZ0BXSK4/index.html?docId=265ee933999c45359927758e75c33f41>



ATHENA INTELLIGENCE

Tencent Technology and Chukong Technology reached a settlement and the proceeding was withdrawn on 3 March 2016.²⁷ Chukong Technology agreed to pay CNY 2 million to Tencent Technology as compensation.

KEY RISK INDICATORS IDENTIFIED BY ATHENA INTELLIGENCE	YES/NO/NOT KNOWN
Have the project and any of the key individuals been involved in litigation, either as a claimant or plaintiff?	No

SANCTIONS & WATCH LISTS

Athena Intelligence carried out a review of approximately 700 global records comprising official anti-money laundering lists, international sanctions, debarment lists and prohibitive lists. Cocos-BCX and its cofounders do not feature on these lists or sanctions.

The consulted lists include, amongst others, the Specially Designated Nationals and Blocked Persons list ("SDN List") and all other sanctions lists administered by OFAC, all US related issued sanctions, also at state level; all UN/WorldBank/IMF Watchlists and Sanctions, all EU, Sanctions, including national states financial ministry sanctions, all LATAM and Asian continent watch lists.

KEY RISK INDICATORS IDENTIFIED BY ATHENA INTELLIGENCE	YES/NO/NOT KNOWN
Has the individual been listed in any international regulatory blacklists?	No
Have any of the key companies been listed on any international regulatory blacklists?	No

²⁷<https://wenshu.court.gov.cn/website/wenshu/181107ANFZ0BXSK4/index.html?docId=123c6f9f94f3487fb3f760faa7c277c8>