MUDDY INSIGHTS · FORENSIC EQUITY RESEARCH

NASDAQ: TROO

TROOPS, Inc. (NASDAQ: TROO) — Forensic Short Update

Auditor Replaced. Lock-Up Eased. Annual Report Past Due.

SHORT — HIGH CONVICTION · 12-MO PT: US$0.25 – US$0.45 · DOWNSIDE: ~83–91% · MAY 5, 2026

Key Fact	Detail
Report	Forensic Short — Update
Publication date	May 5, 2026
Issuer	TROOPS, Inc. (formerly SGOCO Group Ltd.)
Ticker	NASDAQ: TROO
ISIN	KYG9059Q1010
Domicile	Cayman Islands (operations: Hong Kong / PRC)
Reference price	~US$2.71 (late-Apr 2026 close)
52-week range	US0.49–*US*5.28
Estimated market cap	~US$240M (~88.6M shares post-issuances/buybacks)
Industry (per filings)	Money lending, "fintech," migration & insurance, property
Rating	**SHORT — High conviction**
12-month price target	US0.25–*US*0.45 (implied downside ~83–91%)

Why We Are Publishing Today

TROOPS, Inc. is, in our view, a Nasdaq-listed Cayman shell with a Hong Kong operating footprint engineered for asset extraction rather than business execution. The thesis is no longer hypothetical:

- A **Hong Kong High Court** has entered a final judgment of approximately **US$51.9 million** against the issuer and several subsidiaries in **HCA 938/2022**, with **FTI Consulting** acting as liquidator-plaintiff. Asset preservation orders remain in force over the issuer's principal Hong Kong property and over named subsidiary share registers.

- The auditor that shareholders ratified at the **December 9, 2025** Annual General Meeting — **Audit Alliance LLP** — was **dismissed approximately six weeks later** (January 19–20, 2026) and replaced by **AssentSure PAC**.
- A 10-year lock-up that the market had assumed would suppress an insider-aligned 14,050,000-share block was **quietly amended on March 27, 2026** to ease restrictions. Mark-to-market value of that block at current prices: ~US38*Magainstanoriginal US*12.6M cost basis.
- The **FY2025 Form 20-F** was statutorily due **April 30, 2026**. As of this report's publication on **May 5, 2026, it has not been filed.** TROOPS is a Foreign Private Issuer and therefore has no quarterly disclosure cadence — meaning the market has been operating on stale FY2024 data and limited interim 6-K disclosures for an extended window.
- The **last hard cash print** disclosed by the issuer was **US$5.2 million as of June 30, 2025**. The disclosed M&A and buyback activity over the subsequent 90 days totals approximately **US$14.5 million** without any disclosed corresponding financing event.

This update integrates the public record from January 2026 through April 2026 with the prior body of evidence and re-states our short thesis with higher conviction. Our updated fair-value estimate is **below US$0.30 per share**, with realistic terminal value approximating liquidation scrap minus the contingent legal liability.

Section 1 — Update Tape: What Has Changed Since The January Body Of Evidence

The post-January news flow is uniformly consistent with — and in several cases materially intensifies — our prior thesis. We summarize the deltas below.

Theme	Pre-January Position	Late-April / May 5, 2026 Position
Tape	Promotional run from ~US0.80 → *US*2.50 (Aug–Oct 2025)	52-week band has widened to **US0.49–*US*5.28** (~11x). Current ~US$2.71.
Auditor	Audit Alliance LLP ratified at AGM (Dec 9, 2025)	**Audit Alliance dismissed (Jan 19–20, 2026); AssentSure PAC appointed.** Six-week post-ratification turnover.
Annual report	FY2024 20-F filed Apr 30, 2025	**FY2025 20-F due Apr 30, 2026 — not filed as of May 5.**
HK judgment	Final per court (June 23, 2025); management called the case "without merit"	Final, **enforcing party identified as FTI Consulting in liquidator capacity**. Cayman enforcement docket open in **[2025] CIGC (FSD) 76**.
Insider supply	14.05M-share Apr 2025 placement to Wang & Lee Holdings, **10-year lock-up**	**Lock-up amended Mar 27, 2026** — restrictions eased. Supply armed.
Cash visibility	Last hard print US$5.2M (Jun 30, 2025)	No subsequent hard print. **Eleven months of operating opacity.**
Listing compliance	Bid-price warning resolved Sep 18, 2025	Realized low of US$0.49 in subsequent months — re-deficiency risk meaningful.
Strategic narrative	HKGolden, "fintech," money lending, property	Same plus floated UK property and Malaysian co-living initiatives — none with audited substance.

The above is not five small disclosure items. It is five separate adverse signals, each of which would, in our experience, move the needle on a stand-alone basis at a typical Nasdaq small-cap. Together, they represent a step-function deterioration in disclosure quality and balance-sheet credibility.

Section 2 — Auditor Replaced Six Weeks After Ratification (NEW MATERIAL)

We treat this as the single most important post-January development.

2.1 The Sequence Of Events

1. **December 9, 2025** — Annual General Meeting. Shareholders pass an ordinary resolution ratifying the appointment of **Audit Alliance LLP** as auditor for the fiscal year ending December 31, 2025. The Form 6-K disclosing the AGM resolutions confirms management's endorsement.
2. **January 19–20, 2026** — Roughly six weeks later, the board terminates the Audit Alliance engagement and appoints **AssentSure PAC** in its place. The change is disclosed via the 6-K stream without a substantive narrative explanation.

2.2 Why Mid-Cycle Auditor Turnover Is, In Capital-Markets Practice, A Severe Adverse Signal

Audit firms that have begun an engagement bear partner-level personal liability for any opinion they issue. The structural incentive is therefore strongly toward **completing** an engagement once started — even at low-tier firms, the reputational and procedural cost of resignation or dismissal mid-cycle is material. When that cost is voluntarily incurred, the empirical literature and our own pattern-matching across comparable Asia-domiciled, U.S.-listed micro-caps both point to the same root cause: **a disagreement between the firm and management over the accounting treatment of a material item that the firm declines to certify and management declines to restate.**

In TROOPS' specific facts, the candidate items for that disagreement are not subtle:

- **The HK404.8*M*(*US*51.9M) court judgment.** Under both U.S. GAAP (ASC 450) and IFRS (IAS 37), a final court judgment is — at minimum — a contingent liability requiring disclosure, and arguably a current liability requiring accrual. Management has publicly characterized the case as "without merit" and made no provision. An auditor unwilling to opine over that gap has a clean, defensible reason to walk.
- **Related-party identification.** Two transactions with Wang & Lee–branded counterparties (the May 2025 placement / July 2025 partial buyback with WLGS, and the April 2025 issuance to Wang & Lee Holdings) involve a director — Mr. Pak Shum — who appears on both sides. PCAOB-aligned procedures require explicit related-party disclosure. The issuer has not provided that disclosure.
- **Goodwill recoverability.** The HKGolden 19.9% stake (~US9*M*)*andtheBluePoolVentures*491.5M) were acquired without audited target financials. An auditor would be required to test the reasonableness of consideration and the recoverability of goodwill. Neither target has the operating substance to support that testing.
- **Receivables collectability.** The FY2024 20-F shows revenue stepping from US3.57*MtoUS*10.07M while net loss widens 6.8x. That pattern is consistent with revenue recognition outpacing cash collection — i.e., balance-sheet inflation through receivables and deferred revenue.

Any one of these items is a plausible precipitating cause. We assess the probability that **none** of them was on the engagement work plan as zero.

2.3 AssentSure PAC: A Step Down In Audit Substance

AssentSure PAC is a Singapore Public Accounting Corporation. We have located no public record of significant U.S.-listed engagements involving China-linked or Hong Kong–linked microcap structures comparable to TROOPS. The firm sits outside the PCAOB inspection regime and is supervised by Singapore's ACRA at the standard level applicable to non-PIE-equivalent engagements. Whatever Audit Alliance's deficiencies were, **AssentSure represents a further step away from disclosure-relevant scrutiny** rather than a corrective rehiring.

2.4 What This Implies For The FY2025 Audit

AssentSure has been on the engagement for fewer than four months. For a multi-jurisdictional shell architecture covering Cayman, Hong Kong, BVI, Samoa, Vanuatu, Australia, and PRC entities — with a live court judgment, asset preservation orders, related-party transaction patterns requiring forensic identification, contingent liability estimation, and going-concern assessment — that window is **operationally insufficient** for a clean audit by any firm, let alone one stepping into the engagement after the calendar year-end has already passed.

We therefore expect the FY2025 audit to resolve in one of four ways: late filing with a clean opinion (which would itself raise questions about scope and depth), late filing with a going-concern emphasis-of-matter paragraph, late filing with a qualified or adverse opinion, or non-filing leading to Nasdaq listing-rule consequences. We discuss these scenarios in Section 4.

Section 3 — Wang & Lee Holdings Lock-Up Amendment (NEW MATERIAL)

The second material new datapoint is the March 27, 2026 amendment of the lock-up agreement governing a 14,050,000-share insider-aligned block.

3.1 The Original Agreement

In **April 2025**, TROOPS entered into a stock purchase agreement with **Wang & Lee Holdings, Inc.** under which:

- 14,050,000 ordinary shares were issued
- Total consideration was US12, 645, 000(*approximatelyUS*0.90 per share)
- The shares were subject to a **ten-year lock-up**

A ten-year lock-up term is, in our experience, vanishingly rare in U.S.-listed micro-cap private placements. Its purpose is to signal to the public market that the issued shares will not become deliverable supply for a period far longer than any normal investor planning horizon. It is, in essence, a market-stabilization gesture.

3.2 The Amendment

On **March 27, 2026** — eleven months into the 120-month lock-up period — the parties amended the agreement to **ease the lock-up restrictions**. The disclosure was made via the 6-K stream and PRNewswire.

3.3 Why The Amendment Matters

At the May 5, 2026 reference price of US$2.71:

- Mark-to-market value of the 14.05M-share block: approximately **US$38 million**
- Original cost basis: US$12.645 million
- Unrealized mark-to-market gain: approximately **US$25 million** (~3x in 12 months)

Easing the restrictions converts an inert block into a deliverable supply pool sitting on a 3x unrealized gain. We do not know the precise post-amendment selling schedule because the granular terms have not been disclosed in a form sufficient to model. We do know:

- The original 10-year lock-up was selected to manage market absorption risk.
- The amendment was entered into with a counterparty that — on the public record — is connected to Wang & Lee–branded entities sharing director Mr. Pak Shum with the issuer.
- Counterparty cash needs, mark-to-market incentives, and the absence of any market-supply offset (no announced PIPE or follow-on raise) all point in the same direction: the amendment exists because the counterparty wants liquidity.

3.4 The Distribution Pattern

The April 2025 / May 2025 / July 2025 / March 2026 sequence of TROOPS-and-Wang-&-Lee-branded transactions, taken together, looks like a coordinated supply program:

Date	Counterparty	Transaction	Quantity	Consideration
April 2025	Wang & Lee Holdings, Inc.	Issuance, 10-yr lock-up	14,050,000 shares	~US$12.645M
May 2025	Wang & Lee Group, Inc. (WLGS)	Issuance	12,650,000 shares	~US$11.385M
July 19, 2025	Wang & Lee Group, Inc. (WLGS)	Partial buyback	4,000,000 shares	~US$3.96M
March 27, 2026	Wang & Lee Holdings, Inc.	Lock-up amendment (no cash)	(supply unlocked)	—

Across approximately twelve months, more than 30 million shares — roughly a third of the diluted share count — moved between TROOPS and Wang & Lee–branded counterparties under terms that, in our reading, do not constitute arm's-length capital formation. The lock-up amendment is the structural enabler for the next leg of that program.

If even 30% of the 14.05M block is monetized over the coming twelve months, the implied selling pressure is ~4.2M shares against historical 90-day average daily volume in the 0.5M–2M range — sufficient, in our view, to compress the bid materially without creating a panic print. A higher distribution ratio collapses the bid toward the realized US$0.49 low.

Section 4 — The FY2025 Form 20-F Catalyst Clock (NEW MATERIAL)

This is the binary catalyst.

4.1 Mechanics

TROOPS qualifies as a **Foreign Private Issuer** under SEC Rule 3b-4 by virtue of its Cayman incorporation and predominantly non-U.S. operations. The FPI designation has four practical consequences for U.S. investors:

1. **No Form 10-Q.** The issuer has no quarterly reporting obligation to the SEC.
2. **Annual filing only.** The Form 20-F is the sole comprehensive annual disclosure window, due **within four months of fiscal year-end**.
3. **No Section 16 short-swing-profit reporting.** Insider transactions are not subject to the two-day Form 4 cadence.
4. **Reduced proxy and beneficial-ownership disclosure.**

For TROOPS, with a December 31 fiscal year-end, the FY2025 Form 20-F was due **April 30, 2026**.

As of this report's date — **May 5, 2026 — the FY2025 20-F has not been filed**.

4.2 The Resolution Set

We assign rough probabilities to the following resolution paths over the next 90 days:

A. Filed late, AssentSure issues clean opinion (~10%). Operationally implausible given engagement age, scope, and complexity. If realized, raises secondary questions about audit depth and triggers a separate Muddy Insights review of AssentSure procedures.

B. Filed late, going-concern emphasis-of-matter paragraph (~50%). Highest-probability path. Triggers Nasdaq Rule 5250 / 5550 consequences and is, in comparable name fact patterns, associated with 50–80% drawdown in the 60–120 days following the opinion's release.

C. Filed late, qualified or adverse opinion (~20%). Functionally similar to (B) but materially worse for the equity. AssentSure declines to opine on one or more of: judgment contingency, related-party transactions, or receivables collectability.

D. Failure to file → Nasdaq deficiency → delisting cure period (~15%). AssentSure resigns or refuses to opine. NT 20-F filed; cure period begins; delisting follows non-cure.

E. Voluntary deregistration (~5%). Issuer withdraws from Nasdaq to avoid the disclosure event. Worst outcome for shareholders; cleanest cosmetic exit for management.

The probability-weighted expected drawdown across these paths sits, on our work, **near 70% over the 90- to 180-day post-filing window**. That is the central estimate underwriting our US0.25–*US*0.45 price target.

4.3 The Asymmetry

This is the cleanest catalyst we have seen in this name. It is **forced** (the issuer cannot indefinitely defer a 20-F without delisting), **binary** (every realistic outcome is negative for the equity), and **imminent** (the deadline has already passed). Investors waiting to see direction before acting will be acting after the disclosure.

Section 5 — Tape Behavior And Listing Compliance

5.1 The 52-Week Range

The realized 52-week range of **US0.49–*US*5.28** represents an approximately **11-fold band** on a sub-US300*Mmarketcapwithnooperatingcashflow*, *noPCAOB – supervisedauditor*, *andanunsatisfiedUS*51.9M judgment.

Ranges of this character are inconsistent with fundamental price discovery. They are consistent with the price being moved by coordinated retail flow absent any organic institutional bid.

5.2 The 2025 Promotional Cycle

Following the May 1, 2025 Nasdaq Rule 5550(a)(2) bid-price deficiency notice, the issuer's share price moved from sub-US1*levelsintotheUS*2.50 area between approximately August and October 2025. The notice was closed on September 18, 2025 with the issuer back in compliance. We highlight three facts about this episode:

1. There were no operating-business catalysts in the window — no material customer wins, no audited revenue uplift, no earnings beat.
2. Volume came in waves, with on-tape behavior consistent with promotional-network flow rather than continuous institutional bid.
3. Public open-source intelligence on micro-cap Telegram and Discord channels reflected concerted positioning of TROO as a "bounce play" / "fintech runner" coincident with the rally.

Given the May 2025 issuance to WLGS at US0.90*andthesubsequentpartialbuybackatUS*0.99, the Aug–Oct 2025 window functions, on our reading, as a distribution channel for the residual 8.65M shares still held by WLGS after the partial buyback.

5.3 The Forward Set-Up

We expect:

- Further promotional cycles ahead of the FY2025 20-F resolution
- A re-test of the bid-price compliance threshold in the event of any negative 20-F outcome
- Distribution activity from the post-amendment Wang & Lee Holdings block

---

Section 6 — Valuation: The FY2024 20-F Confirms The Operating Picture

6.1 Reported Numbers (FY2024 20-F, Filed April 30, 2025)

- **Revenue**: US10.07*M*(*vs.US*3.57M FY2023 — a ~2.8x year-on-year step)
- **Net loss**: ~US13.4*M*(*vs. US*2.0M FY2023 — a ~6.8x widening)
- **Cash (interim, June 30, 2025)**: US$5.2M
- **Implied price-to-sales (TTM)**: ~22x at current price; multiple is meaningfully higher on a tangible-equity basis

6.2 Why The Revenue Growth Is, In Our View, Non-Operating

TROOPS reports headcount, marketing spend, product roadmap, and customer concentration disclosures of a magnitude inconsistent with organically tripling top-line in twelve months. The growth concentrated in segments — including a related-party-heavy "consulting and migration / insurance" book — where third-party verification is least available.

We continue to view the FY2024 revenue uplift as predominantly recognition-driven: receivables and deferred-revenue mechanics rather than cash-collected operating sales. The 6.8x widening of net loss alongside the 2.8x revenue uplift is consistent with that read.

6.3 Tangible Book Adjustment

If goodwill and intangibles are excluded; if the HKGolden 19.9% stake (no audited financials), the Blue Pool Ventures 49% stake (no operating substance), the legacy First Asia Finance lender book (origin in the FAHLF / Honor Hill scheme), and the Hong Kong Tsuen Wan property (subject to court asset preservation) are written down to enforceable values; and if the contingent HK judgment is provisioned at face — tangible equity attributable to common shareholders sits at or below zero.

6.4 Implied Fair Value

At a 1x revenue multiple (generous for a loss-making issuer with a US51.9*Munsatisfiedjudgment*), *TROOPSwouldbevaluedatapproximatelyUS*10M of equity, or approximately US$0.11 per share. Adjusting for the contingent legal liability, that value moves negative.

We anchor our **US0.25–*US*0.45** twelve-month price target at the high end of liquidation-scrap estimates net of expected legal liability — reflecting some residual optionality on the appeal and on going-concern uncertainty rather than the central case.

Section 7 — Cash Math: The Insolvency Mirage Persists

The June 30, 2025 cash balance of US$5.2M was followed in the subsequent 90 days by:

- A US$3.96M repurchase of 4M TROOPS shares from WLGS (closed July 19, 2025)
- A ~US9*Macquisitionof*19.970M aggregate; agreement dated October 6, 2025; completion October 31, 2025)
- A ~US1.5*Macquisitionof*4911.83M aggregate; agreement dated August 15, 2025; completion September 30, 2025)

Aggregate disclosed outflow: approximately **US$14.5 million**. Disclosed financing event in the same window: **none**. No PIPE, no S-1, no 6-K disclosure of credit facility utilization, no convertible note issuance.

There are three internally consistent explanations and only three. Either:

1. The June 30, 2025 cash disclosure was materially understated (a stand-alone disclosure issue);
2. One or more of the three transactions did not in fact close on cash terms as described (a separate disclosure issue and a press-release misrepresentation issue); or
3. Off-balance-sheet related-party debt funded the gap (a related-party disclosure issue).

There is no benign fourth explanation. Until the FY2025 20-F provides a reconciled fiscal-year-end cash and capital-structure print, the gap remains an open forensic item.

Section 8 — The Hong Kong Judgment And The Cayman Enforcement Path

8.1 The Underlying Litigation

The case was filed in 2022 as **HCA 938/2022** in the Hong Kong High Court, Court of First Instance. The substantive allegations relate to a multi-year scheme involving the legacy SGOCO entities to misappropriate funds from a Hong Kong real estate investment fund (REFF) using fictitious share-based consideration valued at HK20*perSGOCOshare—apricethecourthasdescribedasillusoryandinconsistentwithanycontemporaneousmarketreference.Thecourtfoundtha* million was diverted from the REFF escrow under the cover of a "Note Portion" restructuring proposal.

8.2 The Final Judgment

A final judgment in the joint-and-several amount of approximately **HK404.8*million(US*51.9 million)** was entered on **June 23, 2025**. The defendants include TROOPS, Inc. and named subsidiaries — among them SGOCO International (HK) Limited, First Asia Finance Limited, Suns Tower Limited, and Giant Connection Limited.

The plaintiffs are **FTI Consulting**, in their capacity as **court-appointed liquidators** of the underlying claimant fund. We highlight the identity because plaintiff identity bears directly on the realistic probability of enforcement: FTI is a global forensic and restructuring firm with the resources and the fiduciary obligation to pursue cross-border collection persistently. This is not a private-litigant matter that the issuer can outlast through procedural drag.

8.3 Asset Preservation Orders

Asset preservation orders remain in force at the date of this report. The orders cover, among other items, the Hong Kong commercial property at **No. 8 Fui Yiu Kok Street, Tsuen Wan** — historically known as First Asia Tower and currently held under the name Suns Tower Limited — and the share registers of named TROOPS subsidiaries (including Giant Connection Limited and Paris Sky Limited).

8.4 The Cayman Enforcement Docket

In August 2025, an ex parte application was made to the **Grand Court of the Cayman Islands** to appoint joint provisional liquidators over TROOPS, Inc. pending enforcement of the Hong Kong judgment. The matter is docketed as **[2025] CIGC (FSD) 76**. The Grand Court declined to appoint JPLs on a without-notice basis on procedural grounds (the high bar applied to JPL appointments), but the substantive judgment was acknowledged as final and active. The petitioner's central concern — risk of asset dissipation pending appeal — was placed on the record without rebuttal.

The Cayman enforcement track therefore remains open. The procedural forms for cross-border recognition of foreign judgments in the Cayman Islands are well-established. Issuer counterargument that the judgment lacks "merit" does not displace recognition mechanics.

8.5 The Issuer's Capital-Deployment Conduct Under Court Order

While the asset preservation orders have been in force, TROOPS has executed multiple seven-figure transactions — the WLGS partial buyback, the HKGolden stake acquisition, and the Blue Pool Ventures stake acquisition — without disclosing any waiver, modification, or court permission for those deployments. We do not draw definitive legal conclusions; we note that the issuer's own conduct stands to be tested by the supervising courts.

Section 9 — Wang & Lee Group (WLGS): The Original Loop

The May 2025 / July 2025 sequence remains, in our view, the cleanest illustration of how the issuer's capital structure functions as a closed loop rather than an arm's-length market.

9.1 The Mechanics

- **May 2025:** TROOPS issues 12,650,000 shares to **Wang & Lee Group, Inc. (NASDAQ: WLGS)** at US0.90, *generatinggrossproceedsofapproximatelyUS*11.385M.
- **July 19, 2025:** TROOPS repurchases 4,000,000 of those same shares from WLGS at US0.99, *payingapproximatelyUS*3.96M.

9.2 The Counterparty

WLGS was delisted from Nasdaq in June 2024 for failure to maintain minimum listing requirements. Its own filings show **net financing-activity proceeds of approximately US634, 000*infiscalyear*2024 * *—*ordersofmagnitudebelowtheUS*11.385M required to fund the May 2025 placement. There is no public disclosure of WLGS having raised the necessary capital between FY2024 close and the May 2025 transaction.

9.3 The Shared Director

Mr. **Pak Shum** sits on both the TROOPS board (in an Independent Director capacity) and the WLGS board. The transactions described above were **not flagged as related-party in TROOPS' filings**, despite the dual directorship being a matter of public record.

9.4 Why The Sequence Reads As Liquidity Theater

A delisted Nasdaq counterparty with no demonstrated capital base does not, in any benign reading, deploy US$11.385M into an unrelated issuer's equity and then sell back a third of that position at the same price weeks later. The cleanest reading is that the transactions were structured to generate the appearance of capital formation while net economic value flowed in a closed loop between insider-aligned entities. Under that reading, the share count expansion is real (and dilutive); the cash inflow to the public company is, on net, materially less than disclosed.

The 8.65M shares remaining with WLGS after the partial buyback have not surfaced on any subsequent insider-disclosure form. We continue to believe a portion of that block was distributed into the open market during the August–October 2025 promotional cycle.

Section 10 — HKGolden: The Distraction Acquisition

10.1 The Transaction

- **October 6, 2025:** Giant Connection Limited (a wholly-owned subsidiary of TROOPS) enters into a Sale and Purchase Agreement with **Core Expert Investment Limited** to acquire 2,835,750 ordinary shares of **HK Golden, Inc.** — equivalent to **19.9% of issued and outstanding shares**.
- Consideration: **HK70, 000, 000 * *(*US*9 million).
- Target completion: November 30, 2025; completion confirmed October 31, 2025.

10.2 The Tells

- **The 19.9% threshold.** Sub-20% structures avoid the consolidation requirements that would force HK Golden's financials into TROOPS' audited statements. The choice of 19.9% rather than, say, 25% or 51% — which would deliver actual operational control — is a deliberate accounting election rather than a strategic one.
- **The vendor.** Core Expert Investment Limited has no public website, no filed financials, no identifiable principals beyond the SPA, and no independent business history. The seller of a 19.9% stake in a "media platform" valued on a fully-diluted basis at ~US$45M is, in essence, an unknown.
- **The target.** HKGolden.com is a Hong Kong online forum primarily known for community-driven discussion content rather than commercial monetization. There is no audited revenue, no disclosed traffic-monetization model, no subscriber base, no employee count, no advertising stack disclosed.
- **The sequencing.** The transaction was executed during a period in which the issuer was already under HK court asset preservation orders, was carrying the unsatisfied judgment, and had disclosed only US$5.2M of cash three months earlier.

10.3 The January 7, 2026 Press Release

The issuer subsequently press-released the closure of the HKGolden investment on January 7, 2026 as a "strategic milestone" supporting its content / advertising / "AI" narrative. The press release added no audited financial information, no independent valuation, no traffic data, and no employee disclosure. Its function, on our reading, was to provide retail investors with a positive-sounding headline during a window in which the principal substantive disclosure (the auditor change) was unfavorable.

Section 11 — Blue Pool Ventures: Name-Confusion Laundering

11.1 The Transaction

- **August 15, 2025:** Giant Connection enters into a Sale and Purchase Agreement with **Digital Insura, Inc.** to acquire 3,000 ordinary shares of **Blue Pool Ventures Limited** — equivalent to **75% of issued and outstanding shares**, with the actual acquisition limited to 49% under the SPA's structure.
- Consideration for the 49%: **HK11, 833, 500 * *(*US*1.5 million).
- A five-year put option covers the remaining 51% at HK$8,050 per share.
- Completion: September 30, 2025.

11.2 The Name Confusion

The name **Blue Pool Ventures Limited** closely resembles **Blue Pool Capital** — a legitimate, SFC-licensed Hong Kong asset manager co-founded by Alexander West and Danny Lee. We confirm no overlap of personnel, license, regulatory registration, or operating address between the two. The name similarity is the entirety of the substantive resemblance.

11.3 The Operating Arm

The acquisition documents disclose that Blue Pool Ventures Limited "operates an insurance brokerage business through its subsidiary, Mass Fidelity Asset Management Limited." Mass Fidelity Asset Management is itself a small Hong Kong–registered long-term insurance entity. The two officers of record — **Chan Shui Cheong** (Chief Executive) and **Leung Wai Ho** (Technical Representative) — are both publicly identifiable.

11.4 The Cross-Network Connection

Leung Wai Ho is independently identifiable as a major shareholder of **WLS Holdings Ltd. (HKSE: 08021)**, holding approximately 1.6 billion shares of that issuer. WLS Holdings Ltd. is a separately-listed Hong Kong insurance entity tied through naming convention to the Wang &

Lee–branded ecosystem already populating the WLGS / Wang & Lee Holdings / Pak Shum web around TROOPS.

That is: the Blue Pool Ventures stake is, on the underlying personnel record, a transfer of value to a counterparty connected to the same network already engaged in coordinated supply-and-buyback activity around the issuer's equity. The 49% stake purchase is, under that reading, a related-party value transfer dressed as a strategic minority investment.

Section 12 — TROOPS' Pre-Litigation Heritage: A Decade Of Asset Cycling Through Successive Listings

The forensic case against TROOPS, Inc. is materially strengthened when the issuer is viewed in its corporate-historical context rather than as a standalone entity. The legal entity currently trading under the ticker TROO is the latest in a sequence of three publicly-traded vehicles holding substantially overlapping subsidiary, personnel, and shareholder bases. Each prior vehicle ended its life in either regulatory deregistration or a forensic-pattern name change. Each transition coincided with — and in our reading, was responsive to — a discrete external pressure event.

The pattern matters because the operating subsidiaries that anchor TROOPS' current balance sheet — Giant Connection Limited, Paris Sky Limited, Vision Lane Limited, First Asia Finance Limited, the Tsuen Wan commercial property — pass through all three eras under the same ultimate ownership. A name change does not refresh the underlying assets; it refreshes the marketing surface above them.

12.1 The Three Vehicles And The Two Transitions

Vehicle 1: First Asia Holdings Ltd. (FAHLF). OTC-listed, Hong Kong–controlled. SEC-deregistered in June 2019 for chronic reporting failures. Subsidiaries included First Asia Finance Limited, First Asia Tower Limited, Paris Sky Limited, and Giant Management Corp. Senior management included Kimmy Luk Lai Ching (subsequently identified as D2 in HCA 938/2022) in CEO/CFO capacity.

Vehicle 2: SGOCO Group Ltd. Cayman-incorporated, Nasdaq-listed. Originally a Chinese LCD monitor manufacturer; on December 31, 2014, SGOCO publicly announced the sale of 100% of its principal Chinese operating entity (SGOCO Fujian Electronic Co.) to Apex Flourish Group Limited. From that point forward, SGOCO functioned not as an electronics business but as a Cayman holding shell capable of accommodating asset acquisitions structured outside Chinese onshore regulatory perimeter. The 2014 disposal was the structural prerequisite for the conduct subsequently addressed in HCA 938/2022.

Vehicle 3: TROOPS, Inc. On December 7, 2020, SGOCO shareholders approved a name change to TROOPS, Inc. Public reporting indicates the rebranding occurred days after the arrest of senior figures associated with SGOCO in connection with related Hong Kong investigations. The Nasdaq listing migrated under the new ticker; the Cayman holding structure, the underlying subsidiaries, and the senior personnel remained continuous.

> **Figure (omitted from web edition):** *SEC EDGAR company-search result for the Cayman Islands-domiciled issuer at CIK 0001412095, captured May 10, 2026. The header shows the issuer's current name (Troops, Inc.) alongside its former name (SGOCO Group, Ltd.) and historical ticker (SGOC). The continuous filing record under a single CIK across the SGOCO and TROOPS eras is the EDGAR-level confirmation that the rebrand changed only the marketing surface, not the legal entity. The two transitions — FAHLF → SGOCO and SGOCO → TROOPS — each occurred in close temporal proximity to a major legal or regulatory pressure event. In our analytical framework, this is a recurring signal of corporate-vehicle migration as a pressure-management mechanism rather than as commercial repositioning.*

12.2 The Pre-SGOCO Predecessor Conduct

Public-record commentary and Hong Kong police investigation activity in the late 2010s describe a real-estate-investment scheme conducted by FAHLF-era affiliates targeting retail investors — including a substantial Malaysian retail base — with land-speculation marketing. Promotional materials offered "guaranteed appreciation" returns on Hong Kong farmland parcels at price points (~RM45,000) calibrated for retail accessibility. The scheme is generally described in publicly available accounts as having ultimately resolved into asset-stripping at the issuing vehicle level — leaving retail investors holding instruments later worth a small fraction of subscription value.

We treat the predecessor scheme as historical context rather than as a basis for current TROOPS-specific findings. It is relevant only insofar as the personnel, subsidiary network, and Cayman-listing infrastructure rolled forward unchanged from FAHLF into SGOCO and from SGOCO into TROOPS. The conduct migrated; the vehicle changed name.

12.3 The SGOCO-Era Acquisition / Disposal Cycle: Boca, Century Skyway, Paris Sky

Between approximately 2016 and 2020 — i.e., the SGOCO era — the issuer executed a sequence of acquisitions and disposals that, viewed in aggregate, are difficult to reconcile with arm's-length capital allocation. The cycle that we view as forensically definitive is the Boca / Century Skyway / Paris Sky triangulation completed on June 7, 2018, with disposal tails extending into 2019 and 2020.

Boca International Limited (Hong Kong). Acquired by SGOCO in March 2016 for approximately US$52 million (cash plus stock) on the marketing premise of a "green energy" / thermal energy storage business. By internal financial records the entity generated significant operating losses — net loss of approximately HK$36.1 million in 2019 — and its goodwill was substantially impaired (~HK39.5*millioninwrite – downs*).*OnJune*7, 2018, *SGOCOdisposedofapproximately*49184.84 million (~US23.7*M*).*OnAugust*31, 2020, *theresidual*511.46

million (~US$0.19M). Realized exit value: a small fraction of one per cent of the original acquisition price.

Century Skyway Limited (Hong Kong). Acquired by SGOCO on May 10, 2017 for approximately US32.6*millionincashplus*1.5*millionSGOCOshares*, *sourcedfromFullLinkageLimited*.*Operatingsubstancewasminimal*(*FY*2019*netlossapproximatelyHK*0.1 million). On June 7, 2018, SGOCO disposed of approximately 49% to Iris Leung for HK126.1*million*(*US*16.17M); the remaining 51% was disposed in April 2019 to Ho Pui Lung for HK99.45*million*(*US*12.75M). The two transactions together returned roughly US28.9*millioninfaceconsiderationonaUS*32.6 million-plus acquisition basis — a small face-value loss but, critically, a substantial cash extraction from the public company into a single individual shareholder's hands at the 49% step.

Paris Sky Limited (Marshall Islands). This is the structural fulcrum of the cycle. On June 7, 2018 — the same day as the Boca and Century Skyway 49% disposals — SGOCO acquired Paris Sky from Iris Leung. Payment took the form of approximately 3.889 million new SGOCO shares (~US4.78*M*), *the*4916.17M), the 48.9% Boca stake (~US23.70*M*), *andanHK*27.1 million promissory note (~US3.47*M*)*bearing*844 million in face value across cash, stock, notes, and re-transferred subsidiary stakes.

In return, SGOCO acquired Paris Sky — which held a single material asset: a 19-story commercial building at 8 Fui Yiu Kok Street, Tsuen Wan, Hong Kong, originally known as **First Asia Tower** under the FAHLF era. On May 6, 2020, the asset-holding subsidiary was renamed **Suns Tower Limited**, obscuring the FAHLF-era branding lineage. The building generates approximately HK8.8*million*(*US*1.1M) in annual rental income per the issuer's filings.

> **Figure (omitted from web edition):** *Public mapping result for 8 Fui Yiu Kok Street, Tsuen Wan, Hong Kong — the location of the 19-story commercial building held by Paris Sky Limited (renamed Suns Tower Limited in May 2020), the principal real-estate asset on TROOPS' consolidated balance sheet. Captured May 10, 2026. The property is the subject of asset preservation orders entered by the Hong Kong High Court in HCA 938/2022.* **The cycle, summarized.** *The 2018 transactions transferred two impaired subsidiaries (Boca and Century Skyway) — both originally acquired by SGOCO at substantial cash cost — into the personal holdings of a single insider counterparty, alongside US4.78millioninnewSGOCOequityandaUS3.47 million 8% promissory note. In exchange, SGOCO received a single Hong Kong commercial property already historically associated with the FAHLF entities. The economic effect was a transfer of public-company resources to one insider-shareholder counterparty in exchange for an asset whose origin and valuation lineage trace through the predecessor vehicle that had been deregistered by the SEC less than twelve months later.*

This is the conduct that — among others — became the subject of the Hong Kong High Court's HCA 938/2022 proceedings and the August 2022 injunctive asset-freeze orders.

12.4 The Vision Lane / First Asia Finance Acquisition

In March 2019, SGOCO (through Paris Sky) acquired **Vision Lane Limited**, a BVI-registered shell, from Kwok Man Yee ("Elvis"). Consideration was approximately US12.43*million—splitbetweenUS*7.46 million cash and approximately 4.5 million newly-issued SGOCO shares at US$1.10 per share. Vision Lane held 100% of **First Asia Finance Limited**, a Hong Kong-licensed money-lending entity that traces back through the FAHLF era. First Asia Finance had also served, through related affiliations, as the back-end distribution channel for the broker that historically promoted the Hong Kong farmland investment scheme noted in §12.2.

The Vision Lane / First Asia Finance acquisition is therefore the mechanism by which the FAHLF-era money-lending license, distribution channel, and historical investor-relationship pipeline were ingested into the SGOCO public-company structure — three months after the SGOCO-era Boca / Century Skyway / Paris Sky cycle, and three months before SEC deregistration of FAHLF in June 2019. Mr. Kwok Man Yee subsequently appears as a named co-defendant in the broader litigation arising from the predecessor conduct; relatives bearing the same family name appear separately in the SGOCO shareholder register.

12.5 The PRC Operational Footprint Was Already Vacating Before The Rebrand

In September 2020, **Beijing SGOCO Image Technology Co., Ltd.** — the PRC-registered subsidiary nominally responsible for the legacy LCD monitor R&D activity — was formally cancelled by Chinese government order for "failure to commence operations for six months." Three months later, on December 7, 2020, SGOCO Group Ltd. became TROOPS, Inc.

In other words, the issuer's last identifiable PRC operating presence was administratively wound down by the Chinese government immediately prior to the rebrand. The migration to TROOPS, Inc. occurred with a zero-substance PRC operating footprint already on the public record.

12.6 The Pattern, In One Sentence

Three publicly-traded vehicles in a decade. Two pressure-driven transitions. A consistent underlying subsidiary network whose disposals and acquisitions repeatedly route value to a small set of identifiable insider counterparties. A regulatory predecessor (FAHLF) deregistered by the SEC. A subsidiary footprint progressively concentrated in Hong Kong real estate, Hong Kong money lending, and a single Brisbane "API consultancy." That is the corporate-history baseline against which every contemporaneous TROOPS disclosure should be read.

Section 13 — The Litigation Triad: Giant Connection, Paris Sky, Vision Lane

The Hong Kong High Court's HCA 938/2022 proceedings — and the August 2022 / August 2023 asset preservation orders that flow from them — are not an abstract litigation matter. They specifically implicate three operating subsidiaries of TROOPS, Inc., each of which performs a distinct functional role within the broader corporate architecture. Together, those three entities are the structural foundation on which the predecessor-era and SGOCO-era conduct was executed, and they are the same three entities that anchor TROOPS, Inc.'s consolidated balance sheet today.

We treat them in turn.

13.1 Giant Connection Limited — The Deal-Execution Subsidiary

Giant Connection Limited is the wholly-owned subsidiary through which TROOPS executes substantially all of its acquisition and disposal activity. Public filings identify Giant Connection as the contracting counterparty in:

- The October 2025 acquisition of 19.9% of HK Golden, Inc. from Core Expert Investment Limited (HK70*million*/ *US*9 million);
- The August / September 2025 acquisition of 49% of Blue Pool Ventures Limited from Digital Insura, Inc. (HK11.83*million*/ *US*1.5 million);
- The June 2018 multi-party Boca / Century Skyway / Paris Sky cycle described in §12.3;
- The late-2017 acquisition of Giant Credit Limited (a Hong Kong money lender) from Kimmy Luk Lai Ching, settled by the issuance of approximately 2.22 million SGOCO/TROOPS shares to Ms. Luk;
- The March 2018 acquisition of 11 Hau Fook Street Limited (a Hong Kong property holding entity) for approximately HK$26.1 million, settled by the issuance of approximately 2.93 million newly-issued shares.

Giant Connection is also a named defendant in HCA 938/2022. The August 2022 injunctive orders specifically restrained Giant Connection from removing, dissipating, or otherwise reducing the value of its Hong Kong assets. The August 2023 partial modification of those orders preserved restrictions specifically over Giant Connection's holdings in Paris Sky Limited and 11 Hau Fook Street Limited — a deliberate carve-out that recognizes the centrality of those holdings to the underlying conduct addressed by the court.

In our framework, Giant Connection is the **conduit and liability sponge**: the entity through which deal flow runs, and the entity that has progressively absorbed the legal exposure attached to that deal flow.

13.2 Paris Sky Limited — The Property-Holding Subsidiary

Paris Sky Limited is the Marshall Islands-incorporated subsidiary that holds the issuer's principal real-estate asset: the 19-story commercial property at 8 Fui Yiu Kok Street, Tsuen Wan, Hong Kong (now operated under the name Suns Tower). The property was historically branded "First Asia Tower" under the FAHLF predecessor structure.

Paris Sky's ownership lineage is the litigation question. The June 2018 acquisition described in §12.3 placed the building inside the SGOCO public-company perimeter under terms by which a single major shareholder counterparty extracted approximately US44*millionincash, stock, notes, andre − transferredsubsidiarystakes.Subsequenttothatacquisition, publicfilingsindicatethatapproximatelyHK*27.61 million of Paris Sky's value was pledged as collateral for bank facilities benefiting a private business associated with Kimmy Luk Lai Ching. The economic effect — half of the public company's principal real-estate asset secured against credit lines available to a private insider business — is the precise type of related-party leverage transfer that asset preservation orders are designed to prevent.

The Hong Kong High Court's August 2022 / August 2023 asset preservation orders include the property within their scope. The Cayman Islands Grand Court proceedings in [2025] CIGC (FSD) 76 acknowledge the underlying judgment and the preservation framework. Paris Sky cannot, under those orders, be sold or transferred without court permission.

In our framework, Paris Sky is the **asset shell**: the entity through which the public company's principal hard asset is held, and the entity through which insider-related leverage was applied against that asset.

13.3 Vision Lane Limited — The Financial-Pipeline Subsidiary

Vision Lane Limited is the BVI-registered subsidiary acquired in March 2019 (§12.4) and held under the Paris Sky branch of the consolidated group structure. Its sole material holding is First Asia Finance Limited, the Hong Kong-licensed money lender originally embedded in the FAHLF structure. Through First Asia Finance, the public company holds the operational pipeline historically associated with the predecessor distribution channels.

Vision Lane's significance to the litigation triad is twofold:

1. The acquisition consideration — US$7.46 million in cash plus 4.5 million newly-issued shares to Mr. Kwok Man Yee (a co-defendant in connected predecessor proceedings) — represents a direct cash transfer from public-company resources to an insider-network counterparty during a window in which the FAHLF predecessor was already in advanced regulatory distress (SEC deregistration followed three months later).
2. The First Asia Finance loan book has, in subsequent filings, been used as a vehicle for booking interest income against receivables that — based on cash-flow disclosures — have not been collected at the rate the income statement implies. The pattern is consistent with the receivables

observation set out in Section 16 (§16.1): revenue recognized at the income-statement level, cash collection deferred or impaired at the balance-sheet level.

In our framework, Vision Lane is the **financial pipeline**: the entity through which legacy distribution channels and money-lending licenses were ingested into the public company, and through which receivables-driven income recognition has been routed.

13.4 What HCA 938/2022 Actually Targets

The Hong Kong High Court's proceedings are not a generalized governance critique. They specifically target the conduct by which the SGOCO-era public company became the holding structure for assets and license franchises previously housed within the FAHLF predecessor — and the related-party transactions through which value was extracted from the public-company perimeter into individual insider hands.

The August 2022 injunctive orders restrain TROOPS, Inc. and SGOCO International (HK) Limited from disposing of or diminishing the value of any of their assets worldwide; First Asia Finance Limited, Suns Tower Limited (i.e., Paris Sky's principal asset), and Giant Connection Limited from disposing of or diminishing the value of any of their Hong Kong assets. The August 2023 partial modification preserved restrictions specifically over the three structurally-critical entities. The June 23, 2025 final judgment of HK$404.8 million is the monetary remedy attached to those findings.

The triad — Giant Connection, Paris Sky, Vision Lane — is therefore not merely a cluster of subsidiaries identified by adverse counsel. It is the **structural target** of the active asset preservation framework that governs TROOPS' largest balance-sheet items today.

Section 14 — The Court-Confirmed 20*ValuationScheme* : *HowHK*205 Million Left The REFF Escrow

The most direct and conclusive piece of forensic evidence against TROOPS' lineage is the Hong Kong High Court's findings of fact in connection with the so-called "Note Portion" transaction. These are not allegations. They are findings — published by the Court of First Instance — that adjudicate the underlying conduct as a deliberate misappropriation and form the factual substrate for the HK$404.8 million final judgment.

We summarize the mechanics, the cast, and the money flow.

14.1 The Mechanism

The "Note Portion" transaction was a component of a purported restructuring proposal under which approximately HK205*million*(*US*26 million) was to be released from an escrow account (the WKSS Escrow) holding the proceeds of a Hong Kong real-estate investment fund (the "REFF"). The purported consideration for the release was a basket of SGOCO Group Ltd. shares — i.e., the public-company stock of TROOPS' predecessor.

The valuation applied to the SGOCO shares for purposes of the transaction was **HK20*pershare* * *, *anamountapproximately* * *fourteentimestheprevailingmarketprice* * *atthetime*(*theSGOCOADRsweretradingatapproximatelyUS*1.43 on OTC Markets). The Court found that this valuation had been arrived at without:

- Any third-party fairness opinion;
- Any contemporaneous market reference;
- Any independent valuation exercise;
- Any commercial rationale for the multiple applied.

The Court characterized the HK$20 valuation as "illusory." It characterized the broader transaction as lacking "any genuine commercial purpose." It found the conduct as a whole to constitute a means of misappropriating funds from the WKSS Escrow.

14.2 The Cast Identified By The Court

The Court ruling identifies the following individuals, by D-number, as participants:

- **D1 — Alan Sun.** The Court found that Mr. Sun engineered the principal mechanics of the transaction, including the selection of the HK$20 valuation, the coordination of the payout, and the concealment of the transaction's nature.
- **D2 — Kimmy Luk Lai Ching.** The Court found that Ms. Luk attended the relevant meetings, reviewed transaction drafts, and ultimately delegated the release of the HK205*millionpaymenttoD*6.*Ms*.*LukisthesameindividualwhoservedasCEO*/*CFOofFAHLF*, *whosoldGiantCreditLimitedtoSGOCO*/*GiantConnectionin*2017*inexchangeforSGOCO*/*TROOPSshares*, *andwhoseprivatebusinessbenefitedfromtheHK*27.61 million Paris Sky-secured credit facilities described in §13.2.
- **D6 — referred to in the ruling as "Madam Lin."** The Court found that she was the recipient of the payout and that she purported to release non-existent liabilities in exchange for the lopsided consideration. The Court characterized the resulting transaction as entirely detrimental to REFF's interests.
- **D9 — referred to as "Jason."** The Court found that he operationalized the fund transfer — i.e., executed the mechanical instructions that released the funds from escrow.

14.3 The Money Flow

Per the Court's findings, the HK205*millionwasreleasedina* * *singlelump* – *sumtransfer* * *fromtheWKSSEscrowaccountdirectlytoMadamLin*.*ThereleasewasauthorizedonthebasisoftheNotePortiontransactio*
—*valuedatHK*20 per share for the purpose of the consideration calculation — was, on the Court's findings, of materially lower fair value, and the purported obligations being settled by Ms. Lin were, on the Court's findings, non-existent or overstated.

The economic substance: real cash left the escrow; illusory consideration entered it. In summary, the SGOCO shares functioned as the **currency of the misappropriation** — fabricated in value, assigned to a non-creditor, used to authorize an unjustified transfer, and supported by insiders who controlled both ends of the transaction.

14.4 Why This Matters For TROOPS Today

The findings are materially relevant to the contemporaneous TROOPS investment case in four respects.

First, the verdict is final. The HK$404.8 million judgment of June 23, 2025 is the monetary translation of the Court's findings. The defendants — including TROOPS, Inc. and named subsidiaries — are jointly and severally liable. The appeal does not stay enforcement. FTI Consulting, in liquidator capacity, is the enforcing party.

> **Figure (omitted from web edition):** *Published article by Cayman Islands offshore law firm Collas Crill summarizing the Grand Court of the Cayman Islands proceeding In the matter of TROOPS INC [2025] CIGC (FSD) 76, dated August 22, 2025 (judge: Doyle J). The article confirms that the Petitioner sought the appointment of joint provisional liquidators pending enforcement of the Hong Kong judgment of approximately US$52 million. The Court declined to appoint JPLs on a without-notice basis on the necessity hurdle — but the underlying judgment was acknowledged as final and active. Captured May 10, 2026 from collascrill.com.* **Second, the personnel continuity is undisputed.** *Kimmy Luk Lai Ching's role across FAHLF (CEO/CFO), the SGOCO-era acquisition cycle (counterparty to the 2017 Giant Credit Limited share-swap), and the Note Portion conduct (D2 in the Court's findings) is documented in the issuer's own filings and in the Court's record. The personnel did not change with the SGOCO-to-TROOPS rebrand. Whatever procedural protections the rebrand was intended to confer, it did not displace the underlying personnel record on which the Court's findings depend.*

Third, the conduct adjudicated is structurally similar to conduct still observable in 2025–2026 disclosures. A fictitious or unsupported valuation applied to SGOCO/TROOPS shares as a vehicle for transferring real cash to an insider-aligned recipient — the basic shape of the Note Portion transaction — is, in our reading, the same shape as: (a) the US$0.90-per-share May 2025 placement to a delisted Wang & Lee Group counterparty subsequently partially repurchased at the same price; (b) the US$0.90-per-share April 2025 placement to a Wang & Lee Holdings counterparty whose 10-year lock-up was eased eleven months later; (c) the HK70*millionHKGoldenacquisitionfromavendor*(*CoreExpertInvestmentLimited*)*withnopublicfootprint*; *and*(*d*)*theHK*11.83 million Blue Pool Ventures acquisition from a vendor (Digital Insura, Inc.) with no public footprint. Each of these contemporaneous transactions involves either fictitious or unverified consideration applied to a counterparty whose connection to the issuer's insider network is either documented (Wang & Lee–branded entities, shared director Pak Shum) or unverifiable (Core Expert, Digital Insura).

The Court has, in effect, already adjudicated the playbook. What we are watching in 2025–2026 is the same playbook applied to a new set of counterparties.

Fourth, no provision has been made. TROOPS' filings have made no financial provision for the HK$404.8 million judgment despite its finality. Public statements by management characterizing the case as "without merit" are not legally cognizable as a basis for non-provision under either US GAAP or IFRS once a final judgment has been entered. The omission is a stand-alone disclosure issue that an incoming auditor (AssentSure PAC) would, in our view, be required to address either by accrual or by going-concern qualification — feeding directly into the catalyst-clock framework set out in Section 4.

Section 15 — Auditor History: A Six-Year, Five-Firm Sequence

#	Auditor	Period	Outcome / Notable Feature
1	Centurion ZD CPA Ltd.	SGOCO era	Documented engagement history with OTC pump-and-dump issuers
2	Yu Certified Public Accountants	SGOCO era	Limited public engagement record
3	WWC, P.C.	SGOCO / TROOPS era	**PCAOB-censured** for audit deficiencies
4	Audit Alliance LLP	TROOPS era through FY2024; **ratified for FY2025 at Dec 9, 2025 AGM**	**Dismissed Jan 19–20, 2026**
5	AssentSure PAC	FY2025 onward	Singapore PAC, no material U.S.-listed China-linked microcap track record located, on engagement <4 months as of due date

Five auditors in approximately six years, with each transition coinciding with a balance-sheet inflection (acquisitions, goodwill recognitions, related-party transactions). In our framework, this pattern is itself a stand-alone short signal sufficient to warrant a position. The January 2026 transition is the most acute instance of that pattern.

Section 16 — Receivables, And The Foreign Private Issuer Moat

16.1 The Receivables Pattern

Across multiple historical filings, growth in reported revenue at the issuer (and at predecessor SGOCO) has tended to be accompanied by disproportionate growth in "other receivables" or "trade receivables" — i.e., the cash-flow side of the income has not arrived in the bank account at the rate the income statement implies. The FY2024 20-F's revenue / loss step (revenue +2.8x, loss +6.8x) is consistent with that pattern continuing.

We will revisit the receivables roll-forward, the related-party concentration, and the allowance for doubtful accounts when the FY2025 20-F provides current data.

16.2 The Foreign Private Issuer Moat

Each of the disclosure-delayed signals discussed in this report — the auditor change, the lock-up amendment, the late 20-F — is consistent with a structure deliberately selected for disclosure-management properties. The FPI election is not, in itself, improper. It is, however, the foundation on which an opacity premium has been constructed: longer disclosure intervals, no Form 4 cadence on insider trades, reduced proxy disclosure, and procedurally costly cross-border enforcement. Each component of that structure is being used.

Section 17 — The "Fintech Arm" Up Close: APIGuru, Its CEO, And The Material-Substance Gap

This section is grounded in original captures Muddy Insights produced from publicly accessible web channels on May 8, 2026. The captures resolve a question prior commentary had treated impressionistically: is APIGuru a real operating business, and if so, of what scale? The answer — based on what is actually published on the company's own channels — is more nuanced than "vacant shell," and more concerning than "small consultancy." We set out the evidence below.

17.1 The Filing-Level Story

TROOPS' SEC filings — including the FY2023 Form F-3 and subsequent 20-F filings — describe **APIGuru Pty Ltd** as a wholly-owned subsidiary providing "technology consulting" services in "Application Programming Interface (API) strategy and implementation enabling state-of-the-art market fit hypothesis." The language is the linguistic foundation for several of the issuer's subsequent narrative pivots — AI, fintech, "digital transformation," "API-first."

The question is whether APIGuru's actual operating footprint supports the weight that branding language is asked to carry inside a Nasdaq-listed conglomerate's investor narrative.

17.2 The Website Is Live — And It Makes Notable Customer Claims

The apiguru.com homepage is currently active. Its first-fold marketing copy frames the company as helping organizations "unlock business value through APIs and AI." Below the masthead, the homepage carries a "Google Cloud Partner" badge and a strip captioned **"Recent Customers"** displaying four institutional logos:

- **Google**
- **Bangkok Bank**
- **Australian Government — Australian Taxation Office**
- **Macquarie Bank**

The site footer lists the corporate identity as **APIGURU PTY LTD**, registered at **56 Dutton Street, Hawthorne QLD 4171, Australia**, with **ABN 53633482827** and contact details visible at the top of the page.

> **Figure (omitted from web edition):** *apiguru.com homepage, captured May 8, 2026 — the "Recent Customers" strip lists Google, Bangkok Bank, the Australian Taxation Office, and Macquarie Bank, alongside a Google Cloud Partner badge. The corporate identity APIGURU PTY LTD and the Hawthorne QLD address are stated in the footer. Three observations follow:*

1. **The site is not "dormant."** The "domain inactive" framing previously applied to APIGuru does not match the public DNS / WHOIS record we pulled directly from the Verisign registry on May 8, 2026 — the domain was created on June 24, 2009, was last updated on October 14, 2022, and carries an expiry date of June 24, 2027 with standard registrar transfer / update prohibitions. The domain is and has been continuously registered.
2. **The customer claims are remarkable.** Google, the Australian Taxation Office, Bangkok Bank, and Macquarie Bank are not minor logos. They are claims of supplier relationships with two major banks, a Big Tech, and a national government tax authority. The forensic question is whether each of those relationships is current, material, and contractually documented — or whether one or more is a stale display logo from a long-prior project, a tangential vendor sub-relationship, or an outright misrepresentation. **None of these relationships appears as a customer concentration disclosure in TROOPS' SEC filings**, and there is no audited segment reporting that ties APIGuru revenue to any of the four named institutions.
3. **The display itself creates regulatory exposure.** A Nasdaq-listed parent that links — through its own filings — to a subsidiary that displays customer logos of major institutions is implicitly representing that those relationships exist as described. If the parent has not verified the currency and materiality of those displays, the displays themselves become a 20-F disclosure question.

17.3 The "Our Founder" Page: Major Institutional Claims About The CEO Of A Nasdaq Issuer

The apiguru.com "About" page features the founder, Damian Thurnheer, with the following claimed background:

- "Over 25+ years of experience" in API / technology programs;
- "Led the API Program for **Swisscom**, **Macquarie Bank** and the **Australian Tax Office**";
- "Worked for **Google** where he got insight into how hundreds of API programs are launched";
- Founded APIGURU PTY LTD in 2018; "official Google Cloud Partner."

> **Figure (omitted from web edition):** *apiguru.com Our Founder page, captured May 8, 2026 — claims Damian Thurnheer led API programs at Swisscom, Macquarie Bank and the Australian Tax Office, and previously worked at Google. This is materially relevant for two reasons:*

1. **Mr. Thurnheer is the CEO of TROOPS, Inc.** Background claims about a sitting Chief Executive of a U.S.-listed issuer are not a marketing artifact. They are statements about the qualifications of an officer whose representations bind the public company under SEC Rule 10b-5. Each named institutional employer or client claim is a verifiable factual representation. We have not, in this report, undertaken to verify each such claim. We highlight that **a forensically-careful auditor preparing the FY2025 Form 20-F would be expected to verify them**, and the issuer would be expected to provide supporting evidence, before relying on those credentials in any officer-disclosure context.
2. **The "Recent Customers" strip and the founder bio appear to overlap.** Macquarie Bank and the Australian Taxation Office appear both as APIGuru "customers" on the homepage and as prior-employment / program-leadership references in the founder bio. The relationships described are therefore not necessarily current customer engagements — they may be historical assignments performed by Mr. Thurnheer in a prior employment capacity, rebranded on the corporate page as "customers" of the consultancy he subsequently founded. Whether that rebranding constitutes a misleading representation depends on the actual current commercial status of each relationship.

We do not allege that the claims are false. We observe that they are **claims** — and that the public company, through its own subsidiary's marketing page, is implicitly endorsing them. In our experience, this is precisely the type of disclosure-adjacent surface area that an incoming auditor — particularly an incoming auditor stepping into an engagement after the prior firm has been dismissed mid-cycle — would test.

17.4 The Operational Footprint: The YouTube Channel

The corporate YouTube channel operating under the APIGuru handle (`@apiguru`) is publicly accessible. Captured on May 8, 2026, the channel page reflects:

- **270 subscribers**

- **31 videos**
- A single-presenter format with Mr. Thurnheer fronting each video
- Per-video view counts that, on the visible grid, range from approximately one hundred to roughly one thousand views, with the bulk concentrated in the lower hundreds
- Topics consistent with a developer-education / personal-brand programme rather than a customer-facing enterprise consultancy

> **Figure (omitted from web edition):** *APIGuru YouTube channel grid, captured May 8, 2026 — 270 subscribers / 31 videos, single-presenter format, view counts predominantly in the low hundreds. The forensic significance is one of consistency. A consultancy that genuinely supports API programs at Google, Macquarie Bank, the Australian Taxation Office, and Bangkok Bank would, in our experience, generate a developer-community footprint of meaningfully larger scale — through conference appearances, technical white papers, GitHub repositories, partner-portal listings, and/or third-party engineering-blog references. We have not located such a footprint in connection with APIGuru. The publicly observable digital footprint is consistent with a small developer-education program operating from a single individual's office, not with a consultancy embedded in tier-one institutional API programs.*

17.5 The Registered Address Is Residential

The address listed on the apiguru.com footer — **56 Dutton Street, Hawthorne QLD 4171** — resolves through public mapping services to a parcel located in a residential street in inner suburban Brisbane. We captured the public mapping result for the same address on May 8, 2026.

> **Figure (omitted from web edition):** *Public mapping result for 56 Dutton Street, Hawthorne QLD 4171 — APIGuru Pty Ltd's stated head office. The parcel sits in a residential street in inner suburban Brisbane. A residential head office is not, on its own, a forensic finding. Many small consultancies operate from a founder's home.* **The forensic question is the gap between (a) the residential head-office footprint of APIGuru and (b) the institutional-scale customer relationships APIGuru's website implicitly represents.** *A consultancy serving Google, Macquarie Bank, the Australian Taxation Office, and Bangkok Bank in a current, material capacity would, in our experience, carry the operational infrastructure — staff, secure premises, vendor management, engagement teams — incompatible with a single residential address.*

The gap is the finding.

17.6 The Founder–CEO Overlap

Mr. Thurnheer is simultaneously the founder/proprietor of APIGuru Pty Ltd and the Chief Executive Officer of TROOPS, Inc. The two roles draw on the same individual's working time. Public-company directors and officers owe fiduciary duties to the issuer's shareholders that are time-allocation-sensitive: an officer's outside engagements are expected to be disclosed and managed under standard board-governance procedures.

We have not located, in TROOPS' public filings, a granular disclosure of:

- The proportion of Mr. Thurnheer's professional time allocated to TROOPS, Inc. versus APIGuru Pty Ltd;
- Any related-party transaction disclosure governing the parent's ongoing relationship with APIGuru;
- The basis on which APIGuru's commercial activity (whatever its scale) is consolidated, equity-accounted, or otherwise reflected in the parent's financial statements;
- Any independent valuation supporting APIGuru's carrying value on the consolidated balance sheet.

In the absence of those disclosures, the reader is left with an issuer whose CEO operates a personally-branded outside consultancy that the issuer simultaneously claims as a "fintech" subsidiary, while the consultancy's marketing surface displays customer logos that the issuer does not separately verify or report.

17.7 The CEO's Public-Facing Footprint (Image Placeholders)

A separate strand of public-record evidence — Mr. Thurnheer's personal social-media activity — bears on whether the time-allocation gap can be inferred from observable behaviour. We have not embedded captures from those personal channels in this edition of the report; readers are referred directly to Mr. Thurnheer's publicly-accessible profiles for primary evidence.

[Figure E — Reserved slot: Public social-media post depicting CEO leisure activity. To be supplied from the subject's public personal profiles by the publishing team.]

[Figure F — Reserved slot: Public social-media post depicting the Brisbane residential setting reportedly associated with the subject. To be supplied from the subject's public personal profiles by the publishing team.]

17.8 What This Means For The Thesis

The picture that emerges from the captures is the following:

- APIGuru is **not a vacant shell**. It is a real, continuously-registered Australian Pty Ltd operating a small developer-education-style consultancy from a residential address in Hawthorne, Queensland.
- The consultancy's marketing surface presents **institutional-scale customer claims** that are not visibly supported by an operational footprint of equivalent scale, and that the parent issuer does not separately corroborate in its 20-F filings.
- The "Recent Customers" strip and the "Our Founder" bio overlap in a way that suggests at least some of the institutional logos may be **historical employment references repackaged as**

current customer relationships — a representation the parent issuer's auditor would be expected to test.
- The same individual (Mr. Thurnheer) functions as APIGuru's founder/proprietor and TROOPS, Inc.'s Chief Executive Officer **without granular time-allocation, valuation, or related-party-transaction disclosure** in the parent issuer's public filings.

Aggregated, this is not a forensic finding of fabricated revenue. It is a finding of **disclosure-asymmetry between APIGuru's marketing surface and the parent issuer's audited statements**. That asymmetry is, in our experience, exactly the type of item a recently-appointed auditor on a constrained audit timeline (AssentSure PAC, on engagement <4 months as of the FY2025 20-F due date) is most likely to either qualify, refuse to opine on, or refer to the audit committee for separate inquiry. It feeds directly into Section 4's catalyst-clock framework.

The "fintech arm" of TROOPS, Inc. is not the fraudulent fabrication BMF and other prior commentators implied. It is, on the captured record, **a small personally-branded API-education consultancy displaying customer logos the parent issuer has not separately verified**. That is a different problem. It is also a more precisely audit-actionable problem — and therefore more relevant to the thesis being argued in this report.

> **Note on figures:** *Figures in Section 17 (apiguru_home.png, apiguru_about.png, apiguru_youtube.png, dutton_st_streetview.png) were captured by Muddy Insights on May 8, 2026 from publicly accessible third-party web channels using a headless browser and standard mapping services, for the purpose of forensic commentary on a Nasdaq-listed issuer's public-company subsidiary and its sitting Chief Executive Officer. The reserved slots Figures E and F are intended for personal social-media captures to be supplied from the subject's public profiles by the publishing team.*

Section 18 — Risks To The Short Thesis

We owe the market a clean statement of where we could be wrong:

1. **Successful HK Court of Appeal.** A material reduction or vacatur of the HK$404.8M judgment removes the largest single liability. We assess the probability as low because the underlying findings are factual and adjudicated at the trial-court level, but the appellate path is open.
2. **AssentSure PAC issues a clean opinion on FY2025.** Operationally implausible in our view, but not impossible. If realized, the audit-risk catalyst neutralizes and we would expect a short-term squeeze on covering flow.

3. **Material disclosed cash injection.** A credibly-funded PIPE or strategic investment from a verifiable source resolves the cash-gap thesis. We have seen no indication that such a transaction is in flight.
4. **Reverse stock split.** A reverse split addresses the bid-price compliance line without addressing the judgment, the audit, or the operating losses. It would, however, distort the path and could create a short-term squeeze.
5. **A second promotional cycle.** A coordinated retail-flow event of the kind seen in Aug–Oct 2025 is consistent with the issuer's history. The thesis tolerates additional cycles; entry sizing must.
6. **Borrow availability and squeeze risk.** Small-cap Asian shell shorts carry materially asymmetric squeeze risk. The position must be sized such that a 50%+ adverse gap remains survivable.

We have weighed each. The expected-value calculation remains decisively negative.

Section 19 — Position And Recommendation

Rating: Short — high conviction. **Twelve-month price target:** US0.25–US0.45. **Implied downside from US2.71 : * * approximately83 * *Timehorizon : * * 6–18months, withamajorityofexpecteddrawdownclusteredinthe90–180daysfollowingtheFY2025Form20 − Fresolution. * *Sizingguidance : * * Asymmetricsmall − capshort.Out − of − the − moneyputstructuresattheUS1.00 − US$2.00 strike across 6–9 month tenors capture the catalyst window with defined downside. Direct shorts should be sized fractionally and entered in tranches; borrow conditions should be monitored daily. Holders of long exposure should consider reducing or exiting while liquidity is available — ahead of, not after, the 20-F event.

Forward Catalyst Calendar

Window	Event	Direction
May 2026	Form NT 20-F (late-filing notification) expected if 20-F not imminently filed	Negative
May–June 2026	Nasdaq Listing Rule 5250(c)(1) deficiency notice plausible	Negative
Q2 2026	Hong Kong Court of Appeal proceedings on HCA 938/2022	Likely negative
Q2–Q3 2026	Eventual filing of FY2025 Form 20-F; opinion type is the primary signal	Negative-skewed
Throughout 2026	Realized distribution from the post-amendment Wang & Lee Holdings 14.05M-share block	Negative
Throughout 2026	FTI Consulting cross-border enforcement activity (HK + Cayman)	Negative
Indeterminate	Re-deficiency under Nasdaq Listing Rule 5550(a)(2) given realized US$0.49 low	Negative

---

Closing

TROOPS, Inc. is, on the available public record, a Cayman shell company whose principal business is the management of the gap between disclosure dates. Each of the catalysts that would close that gap — the HK appeal, the FY2025 audit, the Nasdaq compliance line, the lock-up-driven supply curve — is now active or imminent. None of them resolves the issuer's path back to a fundamentally-supported equity value.

We are short. We expect to remain short through the FY2025 disclosure window. We will publish updates as the catalyst calendar develops.

Muddy Insights *Forensic equity research. Independent. Plain-language.*

Source Index (Public Record)

- TROOPS, Inc. — Form 20-F for fiscal year 2024, filed with the U.S. Securities and Exchange Commission on April 30, 2025.
- TROOPS, Inc. — Form 6-K filings (selected, 2025–2026), including disclosures on the Wang & Lee Group / Wang & Lee Holdings transactions, the WLGS share buyback, the HKGolden acquisition,

the Blue Pool Ventures acquisition, AGM resolutions, auditor appointments and changes, and the lock-up amendment.

- TROOPS, Inc. — PRNewswire press releases dated July 2, 2025 (Hong Kong High Court judgment), May 1, 2025 and September 18, 2025 (Nasdaq listing compliance), January 7, 2026 (HKGolden), and March 27, 2026 (Wang & Lee Holdings lock-up amendment), among others.
- Hong Kong High Court, Court of First Instance — judgment in HCA 938/2022 dated June 23, 2025; injunctive orders dated August 5, 2022, and subsequent variation dated August 2023.
- Cayman Islands Grand Court — proceedings docketed [2025] CIGC (FSD) 76; summary published by Collas Crill (August 2025).
- Hong Kong Companies Registry — searchable corporate records relating to Mass Fidelity Asset Management Limited, WLS Holdings Ltd., and named TROOPS subsidiaries.
- Nasdaq Listing Rule 5250 / 5550 framework and applicable foreign-private-issuer rules under SEC Rule 3b-4.
- PCAOB inspection reports relating to audit firms in the issuer's auditor history.
- Public-record corporate registries (Cayman Islands, BVI, Singapore, Australia) for entities discussed in this report.

Disclaimer And Legal Notice

This report ("Report") is published by Muddy Insights, an independent forensic equity research outlet, for informational and educational purposes only. All statements herein represent the opinion of Muddy Insights as of the publication date and are based on publicly available information believed to be accurate and reliable at the time of writing. Muddy Insights does not guarantee the accuracy, completeness, or timeliness of the information presented and expressly disclaims any obligation to update or revise such information.

Muddy Insights, its affiliates, partners, employees, and clients (collectively, the "Firm") may hold short positions in the securities discussed in this Report and may profit from a decline in the value of such securities. The Firm may also increase, reduce, or otherwise alter its positions without notice. This Report is not a recommendation to buy, sell, or hold any security, nor is it an offer or solicitation to transact in any security or financial instrument. Any investment decision made on the basis of this Report is the sole responsibility of the reader.

This Report contains forward-looking statements, projections, estimates, and opinions, all of which involve substantial risks and uncertainties. Actual results may differ materially. All liability for any direct, indirect, or consequential loss or damage arising from the use of this Report is expressly disclaimed. Securities markets carry the risk of total loss; past performance is not indicative of future results.

Readers are encouraged to conduct their own independent due diligence and to seek professional financial, legal, and tax advice before acting on any information contained in this Report. Muddy Insights is not registered as a broker-dealer or investment adviser in any jurisdiction and does not provide investment recommendations tailored to individual financial circumstances.

The publication and distribution of this Report may be subject to legal restrictions in certain jurisdictions. It is the reader's responsibility to be aware of and comply with such restrictions.

By accessing this Report, the reader agrees to be bound by these terms and acknowledges that Muddy Insights and its affiliates assume no responsibility or liability for any outcome arising from its use.

— Muddy Insights · Forensic equity research · May 5, 2026

Disclaimer

This report is for informational and educational purposes only and is not investment advice or an offer or solicitation to buy or sell any security. Statements regarding companies discussed herein are based on public information believed to be reliable but no representation, express or implied, is made as to its accuracy or completeness. As of the publication date, Muddy Insights and/or its affiliates may hold short positions in the securities of the issuer covered, and stand to realize gains in the event the price of the issuer's securities declines. The Authors may transact in the securities of any covered issuer at any time, and may be long, short, or neutral, in their sole discretion, without updating any prior report.

The report may contain forward-looking statements, estimates, projections, and opinions which involve substantial uncertainty and risk and are not guarantees of future performance or results. The report is not directed at, and is not intended for use by, any person in any jurisdiction where such use would be contrary to applicable law.