



# Reserve Accounts Report With Independent Accountant's Report

FD121 Limited

July 24, 2023

July 31, 2023

**EXAMINATION OF MANAGEMENT ASSERTIONS BY**

**PRESCIENT  
ASSURANCE**

## Table of Contents

Independent Accountant's Report	3
Reserve Accounts Report	5

## Independent Accountant's Report

FD121 Limited (the "Company")

Room 4001, 40/F, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong

We have examined the Company's below assertions. The Company's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination. Management's assertions, which are summarized in the attached report, (hereafter referred to as the "Reserve Accounts Report"), which we examined are as follows:

- The Reserve Accounts Report refers to the total supply of First Digital USD tokens ("FDUSD") as of July 24 and 31, 2023, each recorded at 9:00PM Eastern Time ("ET") (9:00AM HKT) respectively (collectively, the "Report Dates and Times"). Such FDUSD, (which also represents the total circulating supply) as denoted under contract 0xc5f0f7b66764f6ec8c8dff7ba683102295e16409 at 18 decimals each recorded on the Report Dates and Times are
  - 5,113,415.12 FDUSD (being 3,999,288.88 in BSC and 1,114,126.24 in Ethereum) on July 24, 2023; and
  - 20,204,355.12 FDUSD (being 9,096,228.88 in BSC and 11,108,126.24 in Ethereum) on July 31, 2023

respectively, as reported by BscScan and Etherscan.

- The Reserve Accounts Report refers to the account held and managed by a related party, being a public trust company registered in Hong Kong and a custodian for the Company (the "Custodian", and the account being the "Custody Account"). The USD balance is custodied in the Custody Account for the benefit of the Company. The Custodian has deposited U.S. dollars held on behalf of the Company in distinct accounts with separate institutions, including a Swiss financial institution and an affiliated Hong Kong trust company, segregated from the Custody Account (such accounts in aggregate, being the "Reserve Accounts"). The U.S. dollar (denoted as "US\$") balance in the Reserve Accounts is at least equal to or greater than US\$5,113,415.12 and US\$20,204,355.12, respectively, at the Report Dates and Times. This contemplates the impact of outstanding wires, deposits in transit or other reconciling items.
- The Reserve Accounts Report refers to the Company's Reserve Account holdings as of the Report Dates and Times, which includes the disclosure of the total fair value of the Company's asset holdings by asset type.
- The total FDUSD supply, for which each FDUSD is assigned a redemption value, strictly pegged at 1:1 to the U.S dollar by the Company, does not exceed the balance of the Reserve Accounts reported below.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend

on our judgment, including an assessment of the risks of material misstatement of management's assertions whether due to fraud or error.

In performing our risk assessment, we considered the Company's internal controls relevant to the aforementioned assertions, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we did not test the operating effectiveness of such controls and express no such opinion on such controls.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

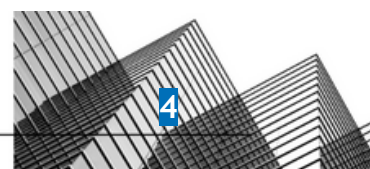
At any given time, the Company has the right to hold funds in any combination of varying financial instruments at their discretion. Those instruments generally include, but are not necessarily limited to U.S. dollars, U.S Treasury backed Bills and Overnight Reverse Repurchase Agreements.

The expressed examination opinion on the above assertions are limited solely to the Reserve Accounts Report at the Report Date and Time noted above. Any activity prior to or after the Report Dates and Times at 9:00PM ET (9:00AM HKT) was not considered when testing the assertions described above. In addition, we have not performed any procedures or provided any level of assurance on the financial or non-financial activity of the Reserve Accounts on dates or times other than the Report Date and Time noted within this report.

In our opinion, management's assertions noted above are fairly stated as of the Report Dates and Times, in all material respects.

DocuSigned by:  
*John D Wallace*  
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John D. Wallace, CPA  
August 14, 2023



## Reserve Accounts Report

FD121 Limited (the "Company")

Room 4001, 40/F, Tower 1, Lippo Centre, 89 Queensway, Admiralty, Hong Kong

July 24 and 31, 2023 at 9:00PM ET (9:00AM HKT) (hereafter "Report Dates and Times")

The management of the Company hereby makes the following assertions as of:

- **July 24, 2023 at 9:00PM ET (9:00AM HKT):**

<b>FDUSD tokens issued and in circulation (Notes 1 and 4)</b>	<b>5,113,415.12 FDUSD</b>
U.S. dollars / amounts backed by U.S. government guaranteed debt instruments reserved for FDUSD token holders (Note 2)	US\$5,113,415.12

- **July 31, 2023 at 9:00PM ET (9:00AM HKT):**

<b>FDUSD tokens issued and in circulation (Notes 1 and 4)</b>	<b>20,204,355.12 FDUSD</b>
U.S. dollars / amounts backed by U.S. government guaranteed debt instruments reserved for FDUSD token holders (Note 2)	US\$20,204,355.12

The Company's total Reserve Accounts, which are greater than or equal to the total supply of FDUSD, are comprised of the following asset holdings (Notes 2 and 3):

- **July 24, 2023 at 9:00PM ET (9:00AM HKT):**

<b>Description</b>	<b>Fair Value as of 7/24/23 at 9:00PM ET (9:00AM HKT)</b>
U.S. dollars	US\$5,113,612.12
<b>Total U.S. dollars:</b>	<b>US\$5,113,612.12</b>

Collateral Held Pursuant to Overnight Reserve Repurchase Agreements	Amount
U.S. Treasury Debt	0
<b>Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reserve Repurchase Agreements:</b>	0
<b>Total U.S. dollars Held:</b>	US\$5,113,612.12
<b>Total Assets Held in Reserve Accounts:</b>	US\$5,113,612.12

- **July 31, 2023 at 9:00PM ET (9:00AM HKT):**

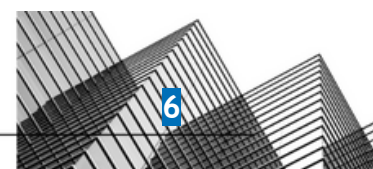
Description	Fair Value as of 7/31/23 at 9:00PM ET (9:00AM HKT)
U.S. dollars	US\$20,204,355.12
<b>Total U.S. dollars:</b>	US\$20,204,355.12

Collateral Held Pursuant to Overnight Reserve Repurchase Agreements	Amount
U.S. Treasury Debt	0
<b>Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reverse Repurchase Agreements:</b>	0
<b>Total U.S. dollars Held:</b>	US\$20,204,355.12
<b>Total Assets Held in Reserve Accounts:</b>	US\$20,204,355.12

**Notes:**

1. The total supply of First Digital USD tokens ("FDUSD") (which also represents the total circulating supply) as denoted under contract 0xc5f0f7b66764F6ec8C8Dff7BA683102295E16409 at 18 decimals, each recorded at the Report Dates and Times is
  - a. 5,113,415.12 FDUSD (being 3,999,288.88 in BSC and 1,114,126.24 in Ethereum) on July 24, 2023; and
  - b. 20,204,355.12 FDUSD (being 9,096,228.88 in BSC and 11,108,126.24 in Ethereum) on July 31, 2023

respectively, as reported by Binance Smart Chain and Etherscan.



2. This Reserve Accounts Report refers to the account held and managed by a related party, being a public trust company registered in Hong Kong and a custodian for the Company (the “Custodian”, and the account being the “Custody Account”). The USD balance is custodied in the Custody Account for the benefit of the Company. The Custodian has deposited U.S. dollars held on behalf of the Company in distinct accounts with separate institutions, including a Swiss financial institution and an affiliated Hong Kong trust company, segregated from the Custody Account (such accounts in aggregate, being the “Reserve Accounts”). The U.S. dollar balance in the Reserve Accounts is at least equal to or greater than US\$5,113,415.12 and US\$20,204,355.12, respectively, at the Report Dates and Times. This contemplates the impact of outstanding wires, deposits in transit or other reconciling items.
3. This Reserve Accounts refers to the Company's Reserve Account holdings as of the Report Dates and Times, which includes the disclosure of the total fair value, calculated using the publicly available pricing as of the Report Dates and Times, of the Company's asset holdings by asset type as reported above.
4. The total FDUSD supply, for which each FDUSD is assigned a redemption value of US\$1.00 by the Company, does not exceed the balance of the Reserve Accounts reported above.

To the best of the knowledge and belief of the undersigned, the information contained in the Reserve Accounts Report as of the Report Dates and Times is accurate and complete.

DocuSigned by:  
  
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Vincent Chok, CEO

August 14, 2023

