



Reserve Accounts Report With Independent Accountant's Report

FD121 Limited
January 31, 2024

EXAMINATION OF MANAGEMENT ASSERTIONS BY

**PRESCIENT
ASSURANCE**

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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 January 31, 2024, recorded at 9:00PM Eastern Time ("**ET**") (February 1, 2024 at 9:00AM Hong Kong Time ("**HKT**"), being the "**Report Date and Time**"). Such FDUSD, (which also represents the total circulating supply) as denoted under contract 0xc5f0f7b66764f6ec8c8dff7ba683102295e16409 at 18 decimals recorded on the Report Date and Time is 2,578,169,834.31 FDUSD (being 27,855,476.88 in BSC and 2,550,314,357.43 in Ethereum) 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. In addition to the Custody Account, the Custodian has opened distinct accounts with separate institutions held under the Custodian's name for the benefit of the Company, including Hong Kong financial institutions, an affiliated Hong Kong trust company, a Singapore financial institution, an Australian financial institution, and a Swiss financial institution, which are segregated from the Custody Account and where cash is held or debt instruments that are either expressly guaranteed by the full faith and credit of the United States Government, or held pursuant to overcollateralized overnight reverse repurchase agreements (such accounts in aggregate, being the "**Reserve Accounts**"). The U.S. dollar (denoted as "**US\$**") balance amounts backed by U.S Treasury Debt in the Reserve Accounts in the Reserve Accounts is at least equal to or greater than US\$2,578,169,834.31 at the Report Date and Time. This contemplates the impact of outstanding wires, deposits in transit or other reconciling items.
- Each financial institution bearing the Reserve Accounts and rated by Standard and Poor have earned a rating of not lower than an "A-2" grade for its short-term local issuer credit ratings.
- The Reserve Accounts Report refers to the Company's Reserve Account holdings as of the Report Date and Time, which includes the disclosure of the total fair value of the Company's asset holdings by asset type. Any amounts held in U.S. Treasury Debt include additional disclosures such as CUSIP and maturity date, as applicable.
- 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.

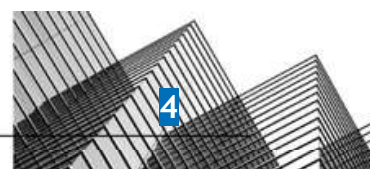
At any given time, the Company has the right to hold funds in any combination of varying financial instruments at their discretion. Those instruments generally include, but are not necessarily limited to U.S. dollars, U.S Treasury backed Bills and Overnight Reverse Repurchase Agreements.

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 Date and Time 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 Date and Time, in all material respects.

DocuSigned by:
John D Wallace
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John D. Wallace, CPA
February 14, 2024



Reserve Accounts Report

FD121 Limited (the "Company")

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

January 31, 2024 at 9:00PM ET (February 1, 2024 at 9:00AM HKT) (hereafter "Report Date and Time")

The management of the Company hereby makes the following assertions as of the Report Date and Time:

FDUSD tokens issued and in circulation (Notes 1 and 5)	2,578,169,834.31 FDUSD
U.S. dollars / amounts backed by U.S. government guaranteed debt instruments reserved for FDUSD token holders (Note 2)	US\$2,578,169,834.31

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 as of the Report Date and Time (Notes 2, 4 and 5):

Description	CUSIP	Maturity Date	Fair Value as of Report Date and Time
U.S. Treasury Bills	912797GE1	1Feb24	\$28,000,000.00
U.S. Treasury Bills	912797JC2	6Feb24	\$130,409,861.86
U.S. Treasury Bills	912797GM3	8Feb24	\$44,954,145.00
U.S. Treasury Bills	912797JD0	13Feb24	\$121,756,308.56
U.S. Treasury Bills	912797GN1	15Feb24	\$95,804,160.00
U.S. Treasury Bills	912797JE8	20Feb24	\$196,583,659.99
U.S. Treasury Bills	912796Z28	22Feb24	\$115,573,561.69
U.S. Treasury Bills	912797JF5	27Feb24	\$170,549,440.00
U.S. Treasury Bills	912797GP6	29Feb24	\$37,346,812.50
U.S. Treasury Bills	912797JG3	5Mar24	\$185,313,771.27
U.S. Treasury Bills	912797JH1	12Mar24	\$83,469,505.68
U.S. Treasury Bills	912797GX9	14Mar24	\$44,424,916.20
U.S. Treasury Bills	912797JJ7	19Mar24	\$110,690,297.28
U.S. Treasury Bills	912797LL9	21Mar24	\$52,322,668.00
U.S. Treasury Bills	912797JK4	26Mar24	\$114,379,670.16
Total U.S. Treasury Bills:			\$1,531,578,778.19
Collateral Held Pursuant to Overnight Reverse Repurchase Agreements			
U.S. Treasury Debt	912797GP6	1Feb24	\$5,000,000.00
U.S. Treasury Debt	912797JK4	1Feb24	\$10,000,000.00
U.S. Treasury Debt	912797JL2	1Feb24	\$85,000,000.00
Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reverse Repurchase Agreements:			\$100,000,000.00
Fixed Deposits			
1-week Fixed Deposit		2Feb24	\$50,000,000.00

1-week Fixed Deposit		2Feb24	\$45,000,000.00
1-week Fixed Deposit		6Feb24	\$108,194,672.60
2-weeks Fixed Deposit		8Feb24	\$10,000,000.00
2-weeks Fixed Deposit		14Feb24	\$8,000,000.00
2-weeks Fixed Deposit		14Feb24	\$107,292,510.00
1-month Fixed Deposit		10Feb24	\$30,000,000.00
1-month Fixed Deposit		12Feb24	\$137,000,000.00
1-month Fixed Deposit		23Feb24	\$50,000,000.00
1-month Fixed Deposit		26Feb24	\$15,000,000.00
Total Fixed Deposits:			\$560,487,182.60
Total U.S. Dollars Held:			\$395,673,516.14
Total Assets Held in Reserve Accounts:			\$2,587,739,476.93

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, recorded at the Report Date and Time is 2,578,169,834.31 FDUSD (being 27,855,476.88 in BSC and 2,550,314,357.43 in Ethereum) as reported by BscScan 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. In addition to the Custody Account, the Custodian has opened distinct accounts with separate institutions held under the Custodian's name for the benefit of the Company, including Hong Kong financial institutions, an affiliated Hong Kong trust company, a Singapore financial institution, an Australian financial institution, and a Swiss financial institution, which are segregated from the Custody Account and where cash is held or debt instruments that are either expressly guaranteed by the full faith and credit of the United States Government, or held pursuant to overcollateralized overnight reverse repurchase agreements (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\$ 2,578,169,834.31, respectively, at the Report Date and Time. This contemplates the impact of outstanding wires, deposits in transit or other reconciling items.
3. Each financial institution bearing the Reserve Accounts and rated by Standard and Poor have earned a rating of not lower than an "A-2" grade for its short-term local issuer credit ratings.
4. This Reserve Accounts refers to the Company's Reserve Accounts holdings as of the Report Date and Time, which includes the disclosure of the total fair value, calculated using the publicly available pricing as of the Report Date and Time, of the Company's asset holdings by asset type as reported above.
5. 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 Date and Time is accurate and complete.

DocuSigned by:

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Vincent Chok, CEO
February 14, 2024

