



**FUNDING ASIA GROUP PTE. LTD.  
AND ITS SUBSIDIARIES  
(Registration No. 201537647E)**

**ANNUAL FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2021**

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**  
**DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS**

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## **FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

### **DIRECTORS' STATEMENT**

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Funding Asia Group Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2021.

In the opinion of the directors, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 9 to 82 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and the Company for the financial year ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### **1 DIRECTORS**

The Directors of the company in office at the date of this statement are:

Reynold Irsian Wijaya	
Teo Kelvin	
Pieter Willem Jan Kempes	
Chandra Tjan	
Jin Yun Jung	(Appointed on 22 April 2021)
Lee Hong Minh	(Appointed on 25 February 2022)
Lee Chi Haeng	(Appointed on 21 February 2022)
Iwan Kurniawan	(Appointed on 11 May 2022)
Wong Kah Meng	(Appointed on 11 May 2022)
Frank Jan Willem Stevenaar	(Appointed on 11 May 2022)

#### **2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Except as disclosed in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

#### **3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

The following directors, who held office at the end of the financial year, had, accordingly to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, 1967 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**DIRECTORS' STATEMENT**

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (continued)

Name of director and companies in which interests are held	Direct interest		Deemed interest	
	At the beginning of financial year or at date of appointment	At the end of financial year	At the beginning of financial year or at date of appointment	At the end of financial year
<i>Ordinary shares of the Company</i>				
Reynold Irsian Wijaya	2,160,000	2,160,000	-	-
Teo Kelvin	1,821,037	1,821,037	-	-
<i>Preference shares of the Company</i>				
Reynold Irsian Wijaya	478,503	478,503	-	-
Teo Kelvin	205,073	205,073	-	-
<i>Ordinary shares of IDR100,000 each of the subsidiary PT Mitrausaha Indonesia Grup</i>				
Reynold Irsian Wijaya	-	-	208,750	232,510
<i>Share options of the holding company (Funding Asia Group Pte. Ltd.)</i>				
Teo Kelvin	955	-	-	-

Except as disclosed in this statement, no director who held office at the end of the financial year had interest in shares, shares options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### DIRECTORS' STATEMENT

#### 4 SHARE OPTIONS

On 20 March 2020, the Company's shareholders approved to allocate 1,792,233 of shares, which shall be available to the company to be issued to the eligible senior executives and employees ("Employees") of the company and its subsidiaries under the Employee Stock Option Plan 2020 ("ESOP 2020"), and not more than 1,792,233 options convertible into 1,792,233 of ordinary shares (inclusive of shares allocated in Employee Stock Option Plan 2016 that was approved at the Extraordinary General Meeting held on 22 November 2016 and Employee Stock Option Plan 2018 that was approved at the Extraordinary General Meeting held on 14 April 2018) shall be issued as options to the eligible Employees as approved by the Board in accordance with the terms and conditions of the ESOP 2020.

During the financial year, the Company granted 402,120 stock options under the Employee Stock Option Plan 2021 to employees of its subsidiaries. 6,500 options granted will expire on 1 January 2031, 2,100 options granted will expire on 1 March 2031, 228,359 will expire on 31 March 2031, 50,050 options will expire on 24 June 2031, 32,760 will expire on 30 June 2031, 44,884 will expire on 30 September 2031, and 37,467 options will expire on 31 December 2031. The options are exercisable if the employee remains in service for the duration of the vesting period, the period of which is up to 6 years from the date of grant. Exercise of the options is subject to the successful closing of each funding round by the Company from investors.

Details of all options granted to employees to subscribe for ordinary shares of the Company pursuant to the Employee Stock Option Plan 2016, Employee Stock Option Plan 2018 and Employee Stock Option Plan 2020 as at 31 December 2021 are as follows:

<b>Expiry date</b>	Exercise price (US\$)	Number of options
<b>Employee Stock Option Plan 2016</b>		
8 February 2027	1.00	708,946
8 February 2027	1.34	6,836
8 February 2027	2.01	51,992
8 February 2027	2.79	107,464
8 February 2027	3.35	31,194
20 February 2027	3.35	19,926
Subtotal		<u>926,358</u>
<b>Employee Stock Option Plan 2018</b>		
31 December 2027	1.00	48,262
31 December 2027	2.01	90,360
31 December 2027	2.79	22,420
31 December 2027	3.35	16,626
31 March 2028	1.00	10,000
30 August 2028	1.00	55,344
30 August 2028	2.79	3,500
30 August 2028	3.35	25,351
30 August 2028	7.08	21,987
30 August 2028	11.36	30,327
31 January 2029	11.36	151,784
31 March 2029	11.36	880
30 June 2029	11.36	2,000
30 November 2029	11.36	10,000
Subtotal		<u>488,841</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**DIRECTORS' STATEMENT**

4 SHARE OPTIONS (continued)

<b>Expiry date</b>	Exercise price (US\$)	Number of options
<b>Employee Stock Option Plan 2020</b>		
15 January 2030	1.00	62,560
31 January 2030	1.00	4,348
3 February 2030	1.00	3,000
1 March 2030	1.00	6,700
15 March 2030	0.01	19,955
30 April 2030	1.00	288,063
10 June 2030	1.00	11,000
11 June 2030	23.49	300
12 June 2030	1.00	4,000
24 July 2030	1.00	24,000
13 August 2030	0.10	465
20 November 2030	1.00	6,000
Subtotal		<u>430,391</u>
<b>Employee Stock Option Plan 2021</b>		
1 January 2031	1.00	6,500
1 March 2031	1.00	2,100
31 March 2031	1.00	228,359
24 June 2031	1.00	50,050
30 June 2031	1.00	32,760
30 September 2031	1.00	44,884
31 December 2031	1.00	37,467
Subtotal		<u>402,120</u>
Total		<u>2,247,710</u>

Since the commencement of the Employee Stock Option Plans till the end of the financial year, no options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**DIRECTORS' STATEMENT**

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



.....  
Reynold Irsian Wijaya



.....  
Teo Kelvin

Singapore  
22 July 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Funding Asia Group Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2021, statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 82.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

#### Other Matter

The financial statements of the Group and the Company for the year ended 31 December 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 27 August 2021.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 to 5.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

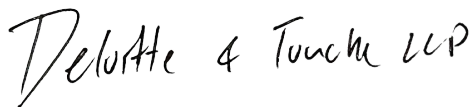
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



Public Accountants and  
Chartered Accountants  
Singapore

22 July 2022

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### STATEMENT OF FINANCIAL POSITION 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		US\$	US\$	US\$	US\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	8	501,976	543,727	-	-
Right-of-use assets	9	309,486	1,061,457	-	-
Intangible assets	10	3,517,261	2,542,718	-	-
Long term deposits	17	10,852	214,125	-	-
Investments in subsidiaries	11	-	-	72,066,986	57,868,969
Investments in associate	12	2,562,036	2,437,910	2,442,142	2,451,186
Amount due from subsidiaries	16	-	-	-	100,000
Loans to customers	15	1,532,920	1,207,388	-	-
Investment securities	14	850,018	850,000	850,018	850,000
		<u>9,284,549</u>	<u>8,857,325</u>	<u>75,359,146</u>	<u>61,270,155</u>
<b>Current assets</b>					
Loans to customers	15	100,929,181	59,712,917	-	-
Investment securities	14	-	-	-	-
Amounts due from related parties and subsidiaries	16	1,738,487	1,496,638	5,987,383	8,266,800
Prepayments, deposits and other receivables	17	8,137,766	6,967,088	1,294,544	1,240,354
Advance for investment in subsidiary		-	-	6,107,485	-
Cash and short-term deposits	13	15,095,900	14,916,214	5,934,871	5,183,447
		<u>125,901,334</u>	<u>83,092,857</u>	<u>19,324,283</u>	<u>14,690,601</u>
<b>Total assets</b>		<u>135,185,883</u>	<u>91,950,182</u>	<u>94,683,429</u>	<u>75,960,756</u>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Derivative financial instrument	20	334,787	420,374	803,790	851,894
Loans from third parties	19	61,979,189	45,045,174	5,207,228	4,207,506
Amounts due to related parties and subsidiaries	16	28,261,927	19,960,843	7,748,069	7,540,677
Accrued and other payables	18	6,488,892	3,393,949	1,109,353	1,136,389
Income tax payable	7	12,655	45,921	-	1,744
Advance for share capital	23	-	999,992	-	999,992
Lease liabilities	9	323,690	757,101	-	-
		<u>97,401,140</u>	<u>70,623,354</u>	<u>14,868,440</u>	<u>14,738,202</u>
<b>Net current assets/(liabilities)</b>		<u>28,500,194</u>	<u>12,469,503</u>	<u>4,455,843</u>	<u>(47,601)</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION (continued)**  
**31 December 2021**

	Note	Group		Company	
		2021	2020	2021	2020
		US\$	US\$	US\$	US\$
<b>Non-current liabilities</b>					
Loans from third parties	19	11,938,894	1,533,418	3,449,345	1,533,418
Amount due to related party		4,205,196	-	-	-
Post-employment benefit liabilities	21	858,525	715,943	-	-
Provision for restoration cost		55,095	54,148	-	-
Lease liabilities	9	30,292	346,669	-	-
		<u>17,088,002</u>	<u>2,650,178</u>	<u>3,449,345</u>	<u>1,533,418</u>
<b>Total liabilities</b>		<u>114,489,142</u>	<u>73,273,532</u>	<u>18,317,785</u>	<u>16,271,620</u>
<b>Net assets</b>		<u>20,696,741</u>	<u>18,676,650</u>	<u>76,365,644</u>	<u>59,689,136</u>
<b>Equity</b>					
<i>Attributable to equity holders of the Company</i>					
Share capital	22	76,469,990	58,705,144	76,469,990	58,705,144
Accumulated losses		(66,780,776)	(49,064,546)	(7,865,052)	(4,763,797)
Reserves		10,964,860	8,910,768	7,760,706	5,747,789
		<u>20,654,074</u>	<u>18,551,366</u>	<u>76,365,644</u>	<u>59,689,136</u>
<b>Non-controlling interests</b>		<u>42,667</u>	<u>125,284</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>20,696,741</u>	<u>18,676,650</u>	<u>76,365,644</u>	<u>59,689,136</u>

See accompanying notes to financial statements

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**Financial year ended 31 December 2021**

	Note	Group	
		2021 US\$	2020 US\$
<b>Revenue</b>	4	19,869,605	16,290,572
<b>Other income</b>	5	685,358	1,767,734
<b>Other items of expense</b>			
Employee benefit expenses	21	(17,888,976)	(15,293,419)
Impairment losses on loans to customers	15	(3,794,907)	(3,588,972)
Finance costs	6	(8,024,893)	(5,765,719)
Professional fees		(1,127,094)	(1,771,383)
Advertising		(589,128)	(349,201)
Software		(1,431,346)	(1,419,437)
Referral fees		(953,528)	(725,245)
Short term expense		(73,044)	(249,306)
Foreign exchange loss		(423,038)	(934,190)
Office expenses		(127,277)	(233,403)
Transportation		(44,939)	(151,622)
Customer on-boarding costs		(519,778)	(256,230)
Depreciation and amortisation		(2,298,948)	(1,220,292)
Fair value changes of derivative financial instruments		(429,406)	(367,708)
Share of gain/(loss) of associates		124,127	(13,276)
Other expenses		(887,804)	(413,389)
<b>Loss before tax</b>		(17,935,016)	(14,694,486)
Taxation	7	(48,242)	(52,419)
<b>Loss for the financial year</b>		<u>(17,983,258)</u>	<u>(14,746,905)</u>
<b>Other comprehensive (loss)/income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of post-employment benefit liabilities	21	(66,837)	53,422
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		51,573	355,558
<b>Other comprehensive (loss) /income for the financial year, net of tax</b>		<u>(15,264)</u>	<u>408,980</u>
<b>Total comprehensive loss for the financial year</b>		<u>(17,998,522)</u>	<u>(14,337,925)</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)**  
**Financial year ended 31 December 2021**

	Group	
	2021	2020
Note	US\$	US\$
<b>Loss attributable to:</b>		
Owners of the Company	(17,716,230)	(14,458,929)
Non-controlling interests	<u>(267,028)</u>	<u>(287,976)</u>
	<u>(17,983,258)</u>	<u>(14,746,905)</u>
<b>Total comprehensive loss attributable to:</b>		
Owners of the Company	(17,915,905)	(14,027,747)
Non-controlling interests	<u>(82,617)</u>	<u>(310,178)</u>
	<u>(17,998,522)</u>	<u>(14,337,925)</u>

See accompanying notes to financial statements

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN EQUITY**  
**Financial year ended 31 December 2021**

Group	Attributable to equity holders of the Company								
	Reserves						Total reserves	Non-controlling interests	Total equity
	Share capital	Accumulated losses	Foreign currency translation reserve	Remeasurement of post-employment benefit liabilities	Employee stock option reserve	Equity component of convertible loan			
US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
<b>At 1 January 2021</b>	58,705,144	(49,064,546)	125,882	37,097	5,747,789	3,000,000	8,910,768	125,284	18,676,650
Issue of preference shares (Note 22)	17,764,846	-	-	-	-	-	-	233,001	17,997,847
Grant of equity settled share options to employees	-	-	-	-	2,012,917	-	2,012,917	7,849	2,020,766
Loss for the financial year	-	(17,716,230)	-	-	-	-	-	(267,028)	(17,983,258)
<u>Other comprehensive loss for the financial year</u>									
Foreign currency translation	-	-	107,783	-	-	-	107,783	(56,210)	51,573
Remeasurement of post-employment benefit liabilities	-	-	-	(66,608)	-	-	(66,608)	(229)	(66,837)
<b>At 31 December 2021</b>	<b>76,469,990</b>	<b>(66,780,776)</b>	<b>233,665</b>	<b>(29,511)</b>	<b>7,760,706</b>	<b>3,000,000</b>	<b>10,964,860</b>	<b>42,667</b>	<b>20,696,741</b>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN EQUITY (continued)**

**Financial year ended 31 December 2021**

Group	Attributable to equity holders of the Company								
	Reserves						Total reserves	Non-controlling interests	Total equity
	Share capital	Accumulated losses	Foreign currency translation reserve	Remeasurement of post-employment benefit liabilities	Employee stock option reserve	Equity component of convertible loan			
US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	
<b>At 1 January 2020</b>	34,455,767	(34,605,617)	(259,982)	(8,221)	2,764,381	-	2,496,178	131,830	2,478,158
Issue of preference shares (Note 22)	24,249,377	-	-	-	-	-	-	-	24,249,377
Grant of equity settled share options to employees	-	-	-	-	2,983,408	-	2,983,408	-	2,983,408
Capital injection from non-controlling interest	-	-	-	-	-	-	-	303,632	303,632
Equity component of convertible loan (Note 22)	-	-	-	-	-	3,000,000	3,000,000	-	3,000,000
Loss for the financial year	-	(14,458,929)	-	-	-	-	-	(287,976)	(14,746,905)
<u>Other comprehensive loss for the financial year</u>									
Foreign currency translation	-	-	385,864	-	-	-	385,864	(30,306)	355,558
Remeasurement of post-employment benefit liabilities	-	-	-	45,318	-	-	45,318	8,104	53,422
<b>At 31 December 2020</b>	<b>58,705,144</b>	<b>(49,064,546)</b>	<b>125,882</b>	<b>37,097</b>	<b>5,747,789</b>	<b>3,000,000</b>	<b>8,910,768</b>	<b>125,284</b>	<b>18,676,650</b>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN EQUITY (continued)**  
**Financial year ended 31 December 2021**

Company	Share capital US\$	Accumulated losses US\$	Employee stock option reserve US\$	Total US\$
<b>At 31 December 2019 and at 1 January 2020</b>	34,455,767	(1,349,346)	2,764,381	35,870,802
Issue of preference shares (Note 22)	24,249,377	-	-	24,249,377
Total comprehensive income for the year	-	(3,414,451)	-	(3,414,451)
Grant of equity settled share options to employees	-	-	2,983,408	2,983,408
<b>At 31 December 2020</b>	58,705,144	(4,763,797)	5,747,789	59,689,136
Issue of preference shares (Note 22)	17,764,846	-	-	17,764,846
Total comprehensive income for the year	-	(3,101,255)	-	(3,101,255)
Grant of equity settled share options to employees	-	-	2,012,917	2,012,917
<b>At 31 December 2021</b>	<u>76,469,990</u>	<u>(7,865,052)</u>	<u>7,760,706</u>	<u>76,365,644</u>

See accompanying notes to financial statements

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**STATEMENT OF CASH FLOWS**

**Financial year ended 31 December 2021**

	Note	2021 US\$	2020 US\$
<b>Cash flows from operating activities</b>			
Loss before taxation		(17,935,016)	(14,694,486)
Adjustments for:			
Interest income from loan advances	4	(11,194,566)	(9,806,102)
Interest expense	6	8,024,893	5,765,719
Depreciation and amortisation expense		2,298,948	1,220,292
Loss on disposal of fixed assets		2,934	26,397
Loans write-off expense	15	1,425,594	4,267,126
(Reversal of)/Impairment loss on loans to customers, net of write-off		(2,369,313)	(678,154)
Post-employment benefits expense	21	115,300	274,796
Employee stock option expense	21	3,429,449	2,625,990
Share of loss of associates		(124,126)	13,276
Fair value changes of derivative financial instruments		(429,406)	367,708
Unrealised foreign exchange gain		396,033	319,675
<b>Operating cash flows before changes in working capital</b>		<b>(16,359,276)</b>	<b>(10,297,763)</b>
Changes in working capital:			
Loans to customers		(40,578,538)	(13,589,760)
Amounts due from related parties		(241,849)	(212,746)
Prepayments, deposits and other receivables		(967,405)	(684,871)
Amounts due to related parties		12,506,280	9,304,591
Loans and borrowings		27,339,491	(649,687)
Post-employment benefit liabilities		(19,728)	(51,356)
Accrued and other payables		1,678,411	(1,035,823)
<b>Cash flows from operating activities</b>		<b>(16,642,614)</b>	<b>(17,217,415)</b>
Interest received		11,194,566	9,806,102
Interest paid		(7,986,075)	(5,706,240)
Income taxes paid	7	(79,924)	(21,203)
<b>Net cash flows used in operating activities</b>		<b>(13,514,047)</b>	<b>(13,138,756)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	8	(312,649)	(304,924)
Additions of internally generated intangible assets	10	(2,195,460)	(2,900,883)
Proceeds from disposal of plant and equipment		-	3,374
Investment in associates		-	(2,451,186)
Proceeds from investment securities settlement		(18)	7,208
<b>Net cash flows used in investing activities</b>		<b>(2,508,127)</b>	<b>(5,646,411)</b>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES****STATEMENT OF CASH FLOWS (continued)**  
**Financial year ended 31 December 2021**

	<u>Note</u>	<u>2021</u>	<u>2020</u>
		US\$	US\$
<b>Cash flows from financing activities</b>			
Capital injection from non-controlling interest		233,001	303,632
Proceeds from preference share issuance		16,764,854	18,467,579
Advance for share capital received from investors		-	999,992
Principal repayments of lease liabilities	9	(754,350)	(546,347)
Proceeds from convertible loan		-	3,000,000
		<hr/>	<hr/>
<b>Net cash flows generated from financing activities</b>		16,243,505	22,224,856
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>		221,331	3,439,689
Effect of changes in exchange rates on cash and cash equivalents		(41,645)	106,080
Cash and cash equivalents at beginning of year		14,916,214	11,370,445
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	13	15,095,900	14,916,214
		<hr/>	<hr/>

See accompanying notes to financial statements

## **FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

### **NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021**

#### **1 GENERAL**

Funding Asia Group Pte. Ltd. (the "Company") (Registration No. 201537647E) was incorporated on 14 October 2015. The Company is a private limited company incorporated and domiciled in the Republic of Singapore.

The address of the Company's registered office is 112 Robinson Road #08-01, Singapore 068902.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 11 to the financial statements.

The financial statements of the company for the financial ended 31 December 2021 were authorised for issue by the Board of Directors on 22 July 2022.

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The Company's current assets exceeded its current liabilities by US\$4,455,843 (2020 : current liabilities exceeded its current assets by US\$47,601). For the financial year ended 31 December 2021, the Company incurred a net loss of US\$3,101,255 (2020 : net loss of US\$3,414,451).

The financial statements of the Group and Company have been prepared on a going concern basis. During the year 2020 and 2021, the Group has raised a total of US\$41,249,568 as part of Series C and US\$3,000,000 as part of convertible loan. This is sufficient for the Group and Company to continue to operate as going concern based on the projected financial and cash flow and no material uncertainty exists in relation to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern.

The directors of the Company and the Group believe that the Group and its subsidiaries will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis continues to be adopted in preparing the Group and Company financial statements.

The financial statements are presented in United States dollars ("USD" or "US\$").

##### **2.2 Adoption of new and revised standards**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

##### Effective for annual periods beginning on or after January 1, 2022

- Amendments to FRS 103: *Reference to the Conceptual Framework*
- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

##### Effective for annual periods beginning on or after January 1, 2023

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

##### Effective date is deferred indefinitely

- Amendments to FRS 110 and FRS 28: *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.4 Basis of consolidation and business combinations

###### (a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the company's accounting policies.

In the company's financial statements, investment in subsidiary is carried at cost less any impairment in net recoverable value.

###### (b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.4 Basis of consolidation and business combinations (continued)

###### (b) *Business combinations and goodwill (continued)*

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

##### 2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.6 Foreign currencies

The financial statements are presented in United States dollars ("USD" or "US\$"), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

###### (a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investments in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from other comprehensive income to profit or loss of the Group on disposal of the foreign operations.

###### (b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into US\$ at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers	-	4 years
Office equipment	-	4 years
Leasehold improvements	-	2-4 years
Motor vehicles	-	8 years

Work-in-progress included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the profit and loss in the year the asset is derecognised.

##### 2.8 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include payroll-related costs of employees directly involved in the projects.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.8 Intangible assets (continued)

The useful lives of intangible assets are assessed as either finite or indefinite.

- (a) Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

##### Software development cost

*Software development cost* is amortised on a straight-line basis over its finite useful life of 3 years.

- (b) Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. Subsequent to initial recognition, the intangible assets are measured at cost less accumulated impairment losses. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

##### *Goodwill*

Goodwill that arises upon the acquisition of subsidiary is included in intangible assets. Impairment losses are reviewed at the end of each reporting period and adjusted if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

## **FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

### **NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021**

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss in the year in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

##### 2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses.

##### 2.11 Associate

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associate using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.11 Associate (continued)

Under the equity method, the investment in associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associate reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associate, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The most recent available audited financial statement of the associated company is used by the Group in applying the equity method. Where the date of the audited financial statement used is not co-terminus with those of the Group, the share of results is arrived at from the last audited financial statement available and unaudited management financial statement to the end of the financial year. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investment in an associate is accounted for at cost less any impairment losses.

##### 2.12 Financial instruments

###### (a) *Financial assets*

###### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loan to customers are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the loan to customers do not contain a significant financing component at initial recognition.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.12 Financial instruments (continued)

###### (a) *Financial assets (continued)*

###### Subsequent measurement

###### *Investments in debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

###### (i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

###### (ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income ("FVOCI") are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

###### *Investments in equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income ("FVOCI"). Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss ("FVPL").

###### *Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

###### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.12 Financial instruments (cont'd)

###### (b) *Financial liabilities*

###### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

###### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

###### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

##### 2.13 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For loan to customers and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.13 Impairment of financial assets (cont'd)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### 2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank which are subject to an insignificant risk of changes in value.

##### 2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### 2.16 Convertible instruments

###### *Convertible Instrument with embedded derivative*

Convertible loan with conversion option are accounted for as financial liability with an embedded equity conversion derivative based on the terms of the contract.

On issuance of convertible loans, the embedded conversion option is recognised at its fair value as derivative liability with subsequent changes in fair value recognised in profit or loss.

The remainder of the proceeds is allocated to the liability component that is carried at amortised cost until the liability is extinguished on conversion or redemption.

When an equity conversion option is exercised, the carrying amounts of the liability component and the equity conversion option are derecognised with a corresponding recognition of share capital.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.17 Employee benefits

###### (a) *Defined benefit and defined contribution plans*

The Group operates both defined benefit and defined contribution post-employment benefit plans.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as an expense in the period in which the related service is performed.

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of a defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise.

Past service costs are recognised immediately in profit or loss.

###### (b) *Employee stock option plan*

Employees of the Group receive remuneration in the form of stock options as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account vesting conditions as disclosed in Note 21. This cost is recognised in profit or loss, with a corresponding increase in employee stock option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.18 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### (a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.9.

##### (b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.18 Leases (continued)

*Group as a lessee (continued)*

###### (c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain an option to extend). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### 2.19 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

###### (a) *Fee income from loan origination, loan repayment and loan late repayment penalty*

Fee income is recognised upon satisfaction of performance obligation when transactions are successfully processed.

###### (b) *Interest income from loan advances*

Interest income is recognised using the effective interest method.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.20 Taxes

###### (a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

###### (b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.20 Taxes (continued)

###### (b) *Deferred tax (continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

##### 2.21 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

##### 2.22 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 2.23 Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders.

##### 2.24 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognised in profit or loss on a systemic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income is presented as a credit in profit or loss, under a general heading such as "Other income".

#### 3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

##### ***i) Critical judgements in applying the company's accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

##### ***ii) Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. Management based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### **ii) Key sources of estimation uncertainty (continued)**

###### (a) *Provision for expected credit losses of loan receivables*

The Group uses a provision matrix to calculate ECLs for loan receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's loan to customers is disclosed in Note 15.

The carrying amount of loan to customers as at 31 December 2021 are US\$102,462,101(2020 : US\$60,920,305).

###### (b) *Measurement of employee benefit liability*

The determination of the Group's liability for employment benefits is dependent on its selection of certain estimates and assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, annual salary increase rate, annual employee turn-over rate, disability rate, retirement age and mortality rate.

While the Group believes that its assumptions are reasonable and appropriate, significant changes in the Group's assumptions may materially affect its estimated liability for post-employment benefits and net employment benefits expense. The carrying amount of the post-employment benefit liability is disclosed in Note 21 to the financial statements.

###### (c) *Employee stock options expense*

The fair values of unquoted stock options granted under the Employee Stock Option Plan ("ESOP") are determined using the Black-Scholes model. The inputs to the models are based on assumptions including: current underlying share value, expected life of option, risk-free interest rate, expected volatility, dividend yield and options exercise price and are disclosed in Note 21.

The employee stock options expense recorded and disclosed in the financial statements are based on the fair value of the ESOP. The expense recognised takes into account non-market vesting conditions and reflects Management's best estimate of the number of awards that are expected to vest.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### **ii) Key sources of estimation uncertainty (continued)**

###### (d) *Impairment of non financial assets*

An impairment exists when the carrying value of an asset or cash generating unit exceed its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non- financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Non-financial assets mainly comprise of investment in subsidiaries and investment in associates as disclosed in Note 11 and Note 12 to the financial statements.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

###### (e) *Deferred tax assets*

Accounting standards require deferred tax assets can only be recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies.

In determining the timing and level of future taxable profits together with future tax planning strategies, the Group has considered the probability of expected future cash inflows and overall business strategy. Due to lack of historical utilisation trends and uncertainty surrounding future taxable profits, no deferred tax assets are recognised on the unused tax losses for all years.

If the Group were able to recognise all current year unrecognised deferred tax assets, total loss after tax for the year would decrease by US\$1,651,839 (2020 : US\$1,650,976).

###### (f) *Software development costs*

The Group capitalises costs for software development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. Management judgement is involved in determining the appropriate internal costs to capitalised and the amounts involved. As at 31 December 2021, the carrying amount of capitalised development costs was US\$3,517,261 (2020 : US\$2,542,718).

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### **ii) Key sources of estimation uncertainty (continued)**

###### *(g) Valuation of embedded derivative (warrants)*

The fair value of the embedded derivative (warrants) at initial recognition and at each reporting period were determined using Black-Scholes Model (the Model). In arriving at the fair value of the embedded derivative, it requires significant estimates made by management.

The Model uses observable data, to the extent practicable. However, areas such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price require management to make estimates and judgement to a certain extent. The value of the embedded derivative and the liability component of the convertible loan at initial recognition and subsequent measurement would differ if a different valuation model and parameter values were adopted.

Should there be a change in the methodology and parameter values used, the fair value of the embedded derivative and the corresponding amount of the liability component and the related amortisation of the convertible loan would change accordingly. This will have an impact to the Group's results.

###### *(h) Impairment of intangible assets*

The recoverable amounts of intangible assets are determined based on fair value less cost to sell. The key assumptions applied in the determination of the fair value less cost to sell, are disclosed and further explained in Note 10 to the financial statements. The carrying amount of the intangible assets is disclosed in Note 10.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

4 Revenue

	Group	
	2021	2020
	US\$	US\$
Fee income from loan origination	4,744,445	2,993,623
Fee income from loan repayment	3,647,526	2,910,234
Fee income from loan late repayment penalty	283,068	580,613
Interest income from loan advances	11,194,566	9,806,102
	<u>19,869,605</u>	<u>16,290,572</u>

5 Other income

	Group	
	2021	2020
	US\$	US\$
Interest income from bank deposits	178,013	95,299
Government grants	4,995	1,335,519
Others	502,350	336,916
	<u>685,358</u>	<u>1,767,734</u>

Included in the government grants is the Jobs Support Scheme (“JSS”) grant income recognised during the financial year in relation to the COVID-19 pandemic amounting to US\$Nil (2020 : US\$1,062,414). The JSS is a temporary scheme introduced in the Singapore Budgets in 2020 which provides wage support to employers to help them retain their local employees during the period of economic uncertainty. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

6 Finance costs

	Group	
	2021	2020
	US\$	US\$
Interest expense on lease liabilities (Note 9)	38,818	57,840
Unwinding of discount on provision for restoration costs	2,948	1,639
Interest expenses (Note 19)	7,983,127	5,706,240
	<u>8,024,893</u>	<u>5,765,719</u>

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 7 Taxation

Tax expense for the financial years ended 31 December 2020 and 2021 is made up of:

	Group	
	2021	2020
	US\$	US\$
Tax expense attributable to result of the current financial year:		
- Current income tax expense	57,419	52,568
- Over-provision of tax expense	(9,177)	(149)
	<u>48,242</u>	<u>52,419</u>

The movements in account are as follows:

	Group	
	2021	2020
	US\$	US\$
At beginning of year	45,921	13,221
Income tax expense recognised in profit or loss	48,242	52,419
Income tax paid	(79,924)	(21,203)
Foreign currency translation	(1,584)	1,484
At end of year	<u>12,655</u>	<u>45,921</u>

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2021 and 2020 are as follows:

	Group	
	2021	2020
	US\$	US\$
Loss before taxation	<u>(17,935,016)</u>	<u>(14,694,486)</u>
Tax at domestic rate applicable to losses in the countries where the Group operates	(3,048,953)	(2,498,063)
<u>Adjustments for:</u>		
Income not subject to tax	(133,536)	(72,049)
Non-deductible expenses	1,765,160	1,272,528
Deferred tax assets not recognised	1,632,139	1,592,223
Over-provision of income tax	(9,177)	(149)
Effect of different tax rates of subsidiaries operating in other jurisdiction	(136,290)	(244,328)
Share of loss of associates	(21,101)	2,257
Income tax expense recognised in profit or loss	<u>48,242</u>	<u>52,419</u>

At the end of the reporting period, the Group has US\$47,305,766 (2020 : US\$38,742,875) tax losses that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The tax losses have no expiry date except for Indonesia which has a 5 years expiry date. The tax losses in Indonesia amount to US\$7,222,715 (2020 : US\$6,520,161). The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provision of the tax legislation of the respective countries in which the companies operate.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

8 Plant and equipment

	Computers	Office equipment	Motor vehicles	Leasehold improvements	Work-in-progress	Total
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Cost</b>						
At 1 January 2020	589,427	172,610	-	136,103	8,063	906,203
Additions	33,859	2,292	677	268,096	-	304,924
Disposal	(112,199)	(33,094)	-	(17,454)	-	(162,747)
Reclassification	-	-	-	8,197	(8,197)	-
Foreign currency translation	7,882	453	-	(2,969)	134	5,500
At 31 December 2020	518,969	142,261	677	391,973	-	1,053,880
Additions	303,352	9,297	-	-	-	312,649
Disposal	(2,090)	(2,858)	-	-	-	(4,948)
Reclassification	-	-	-	-	-	-
Foreign currency translation	(12,391)	(2,923)	(12)	(11,266)	-	(26,592)
At 31 December 2021	807,840	145,777	665	380,707	-	1,334,989
<b>Accumulated depreciation</b>						
At 1 January 2020	218,166	56,922	-	42,268	-	317,356
Depreciation charge for the financial year	138,326	36,894	122	140,453	-	315,795
Disposal	(95,305)	(20,934)	-	(16,737)	-	(132,976)
Foreign currency translation	3,998	756	6	5,218	-	9,978
At 31 December 2020	265,185	73,638	128	171,202	-	510,153
Depreciation charge for the financial year	147,973	29,969	166	161,180	-	339,288
Disposal	(737)	(1,277)	-	-	-	(2,014)
Foreign currency translation	(8,787)	(1,421)	(3)	(4,203)	-	(14,414)
At 31 December 2021	403,634	100,909	291	328,179	-	833,013
<b>Net carrying amount</b>						
At 31 December 2020	253,784	68,623	549	220,771	-	543,727
At 31 December 2021	404,206	44,868	374	52,528	-	501,976

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

9 Leases

The Group has lease contracts for office premises. Generally, the Group is restricted from assigning and subleasing the leased assets.

(a) **Carrying amounts of right-of-use assets**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Office lease US\$	Asset Retirement Obligation US\$	Total US\$
<b>Group</b>			
<b>Cost</b>			
At 1 January 2020	-	-	-
Additions	1,593,899	52,439	1,646,338
At 31 December 2020	1,593,899	52,439	1,646,338
Additions	14,680	-	14,680
Lease modification	(21,460)	-	(21,460)
Currency realignment	(40,000)	(1,465)	(41,465)
At 31 December 2021	1,547,119	50,974	1,598,093
<b>Accumulated depreciation</b>			
At 1 January 2020	-	-	-
Charge for the year	542,663	18,376	561,039
Currency realignment	23,054	788	23,842
At 31 December 2020	565,717	19,164	584,881
Charge for the year	707,696	15,580	723,276
Currency realignment	(19,104)	(446)	(19,550)
At 31 December 2021	1,254,309	34,298	1,288,607
<b>Net carrying amount</b>			
At 31 December 2020	1,028,182	33,275	1,061,457
At 31 December 2021	292,810	16,676	309,486

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

9 Leases (continued)

(b) **Carrying amounts of lease liabilities**

The carrying amounts of lease liabilities and the movements during the year are disclosed as follow:

	Group	
	2021	2020
	US\$	US\$
At 1 January	1,103,770	-
Additions	14,679	1,589,852
Accretion of interest	38,818	57,840
Lease modification	(21,460)	-
Payments	(754,350)	(546,347)
Currency realignment	(27,475)	2,425
At 31 December	<u>353,982</u>	<u>1,103,770</u>
Current	323,690	757,101
Non-current	30,292	346,669
	<u>353,982</u>	<u>1,103,770</u>

The maturity analysis of lease liabilities is disclosed in Note 25(b).

(c) **Amounts recognised in profit or loss**

	Group	
	2021	2020
	US\$	US\$
Depreciation of right-of-use assets		
Office lease	707,696	542,663
Asset Retirement Obligation	15,580	18,376
	<u>723,276</u>	<u>561,039</u>
Interest expense on lease liabilities	38,818	57,840
Expense relating to short-term leases	73,044	249,306
Total amount recognised in profit or loss	<u>835,138</u>	<u>868,185</u>

(d) **Total cash outflow**

The Group's total cash outflows relating to leases amounted to US\$483,612 (2020 : US\$ 795,653).

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

10 Intangible assets

	Goodwill	Software development cost	Total
	US\$	US\$	US\$
<b>Group</b>			
<b>Cost</b>			
At 1 January 2020	677,072	-	677,072
Additions	-	2,900,883	2,900,883
At 31 December 2020	677,072	2,900,883	3,577,955
Additions	-	2,195,460	2,195,460
At 31 December 2021	677,072	5,096,343	5,773,415
<b>Accumulated amortisation and impairment</b>			
At 1 January 2020	677,072	-	677,072
Amortisation	-	343,458	343,458
Foreign currency translation	-	14,707	14,707
At 31 December 2020	677,072	358,165	1,035,237
Amortisation	-	1,236,384	1,236,384
Foreign currency translation	-	(15,467)	(15,467)
At 31 December 2021	677,072	1,579,082	2,256,154
<b>Net carrying amount</b>			
At 31 December 2020	-	2,542,718	2,542,718
At 31 December 2021	-	3,517,261	3,517,261

Goodwill acquired through business combinations have been allocated to cash-generating units (CGU) for impairment testing as follows:

	Group	
	2021	2020
	US\$	US\$
Indonesia	608,055	608,055
Singapore	69,017	69,017
	677,072	677,072

In 2016, the Group estimated the carrying amounts of the goodwill exceeded its recoverable amounts of the CGUs significantly. As a result, the carrying amounts of goodwill were fully written down.

Software development cost includes the capitalisation of several software applications which includes development of platform for the loan management application, supply chain financing system where borrowers can request for disbursement and tracking of loan facilities, investor web and mobile application for the customers and borrowers' onboarding application. Those platforms enable internal user to better serve their customers and generate accurate reports, and for the customers to have a secure investing experience and better manage their investments. All research costs have been expensed.

No impairment loss was recorded as the recoverable value was assessed to be in excess of the carrying value of the intangible assets.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 11 Investments in subsidiaries

	Company	
	2021	2020
	US\$	US\$
Unquoted equity securities, at cost	72,066,986	57,868,969

The movement in the unquoted equity securities, at cost is as follows:

	Company	
	2021	2020
	US\$	US\$
Unquoted equity securities, at cost		
At 1 January	57,868,969	39,924,421
Additions	14,198,017	17,944,548
	72,066,986	57,868,969

As at the end of the financial year, the Company carried out a review of the recoverable amount of its investments in subsidiaries based on the existing performance of certain subsidiaries during the financial year. The estimated recoverable amounts are determined based on value-in-use calculations.

Assumption used on the impairment analysis are as follow:

	2021	2020
	US\$	US\$
Discount Rate	15%	15%
Terminal Growth Rate	2%	2%
Average Growth Rate (5 years)	88%	88%

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 11 Investments in subsidiaries (continued)

##### (a) *Composition of the Group*

The Group has the following investments in subsidiaries:

	Country of incorporation / Principal place of business	Principal activities	Proportion (%) of ownership interest		Cost of investment	
			2021	2020	2021	2020
			%	%	US\$	US\$
Funding Societies Pte. Ltd.	Singapore	Financing service to small medium enterprises	100	100	27,220,698	20,564,302
PT Mitrausaha Indonesia Grup	Indonesia	Financing service to small medium enterprises	84.83	84.83	12,859,619	10,789,310
Modalku Ventures Sdn. Bhd.	Malaysia	Financing service to small medium enterprises	100	100	7,745,654	7,253,297
Funding Societies Vietnam Company Limited	Vietnam	Financing service to small medium enterprises	100	100	215,575	215,575
FS Capital Pte. Ltd.	Singapore	Other monetary intermediation	100	100	21,631,094	17,786,226
Only Finance Pte. Ltd.	British Virgin Islands	Advertising activities	100	100	93,893	93,893
PT Modalku Multifinance	Indonesia	Other monetary intermediation	85	85	6,041	6,041
FS Technology Pte. Ltd.	Singapore	Development of other software and programming activities	100	100	1,000,001	1,000,001
FS Siam Co., Ltd.	Thailand	Financing service to small medium enterprises	100	100	1,206,292	160,324
FS Holding Co., Ltd.	Thailand	Investment holding	49	-	31,881	-
FS Capital Co., Ltd.	Thailand	Financing service to small medium enterprises	49	-	56,237	-
FS Komodo Pte. Ltd.	Thailand	Investment holding	100	-	1	-
					<u>72,066,986</u>	<u>57,868,969</u>

During the financial year, the Company has acquired 100% of FS Komodo Pte. Ltd. and 49% of its shareholding in FS Holding Co., Ltd. and FS Capital Co., Ltd.. As at the year ended 31 December 2021, the Group has consolidated FS Holding Co., Ltd. And FS Capital Co., Ltd.as management assessed that it has control over these entities.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 11 Investments in subsidiaries (continued)

##### (b) **Summarised financial information about subsidiaries with material NCI**

Summarised financial information, before consolidation adjustments which include intercompany eliminations, of subsidiaries with material non-controlling interests are as follows:

##### Summarised statement of financial position

	2021	2020
	US\$	US\$
<b>PT Mitrausaha Indonesia Grup</b>		
Current assets	5,481,986	5,533,062
Current liabilities	(781,127)	(469,034)
Net current assets	<u>4,700,859</u>	<u>5,064,028</u>
Non-current assets	317,250	370,030
Non-current liabilities	(888,826)	(1,960,317)
Net non-current liabilities	<u>(571,576)</u>	<u>(1,590,287)</u>
Net assets	<u>4,129,283</u>	<u>3,473,741</u>

During the financial year, PT Mitrausaha Indonesia Group received additional cash injection from both of its parent Funding Asia Group Pte. Ltd and PT. Modalku Indonesia Makmur, the entity which is the Group's non controlling interest. Total additional cash injection paid by PT Modalku Indonesia Makmur amounted to US\$Nil (2020 : US\$303,632).

##### Summarised statement of comprehensive income

	2021	2020
	US\$	US\$
<b>PT Mitrausaha Indonesia Grup</b>		
Revenue	2,828,348	2,668,838
Loss before tax	(1,471,878)	(1,794,153)
Taxation	-	-
Loss after tax	<u>(1,471,878)</u>	<u>(1,794,153)</u>
Other comprehensive (loss)/gain	<u>(66,486)</u>	<u>51,239</u>
Total comprehensive loss	<u>(1,538,364)</u>	<u>(1,742,914)</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

11 Investments in subsidiaries (cont'd)

(c) **Summarised financial information about subsidiaries with material NCI**

Summarised cash flow statement

	2021	2020
	US\$	US\$
<b>PT Mitrausaha Indonesia Grup</b>		
Cash flows used in operating activities	(230,289)	(1,035,496)
Cash flows generated from (used in)/from investing activities	(128,677)	15,595
Cash flows generated from financing activities	(70,854)	3,091,738
Net increase/(decrease) in cash and cash equivalents	<u>(429,820)</u>	<u>2,071,837</u>

12 Investments in associates

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
Unquoted shares, at cost				
At 1 January	2,437,910	2,451,186	2,451,186	2,451,186
Share of post-acquisition reserves	124,126	(13,276)	(9,044)	-
Carrying amount of investment in associate	<u>2,562,036</u>	<u>2,437,910</u>	<u>2,442,142</u>	<u>2,451,186</u>

Name of associate	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2021 %	2020 %
<b>Held by the Company</b>				
GOGMGO Pte. Ltd. ("GOGMGO")	Singapore	Development of software and programming activities	34	48
PT Buana Sejahtera Multidana ("PT BSM")	Indonesia	Financing services	24	24

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 12 Investments in associates (continued)

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	GOGMGO	
	2021	2020
	US\$	US\$
<b><i>Summarised statement of financial position</i></b>		
Current assets/Total assets	63,056	14,159
Current liabilities/Total liabilities	(90,213)	(136,468)
Net liabilities	(27,157)	(122,309)
Proportion of the Group's ownership	34%	48%
Group's share of net liabilities	(9,323)	(58,474)
Goodwill	184,273	184,273
Carrying amount of the investment	174,950	125,799
<b><i>Summarised statement of comprehensive income</i></b>		
Revenue	5,948	-
Loss after tax	(377,673)	(300,004)

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

12 Investments in associates (continued)

	PT BSM	
	2021	2020
	US\$	US\$
<b><i>Summarised statement of financial position</i></b>		
Current assets/Total assets	10,535,603	10,238,735
Current liabilities/Total liabilities	(9,532)	(25,065)
Net assets	10,526,071	10,213,670
Proportion of the Group's ownership	24%	24%
Group's share of net assets	2,526,257	2,451,281
Bargain purchase on acquisition	(139,171)	(139,171)
Carrying amount of the investment	2,387,086	2,312,110
<b><i>Summarised statement of comprehensive income</i></b>		
Revenue	194,535	1,402,605
Profit after tax	300,219	312,585
Other comprehensive loss	-	(94,752)
Total comprehensive income	300,219	217,833

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

13 Cash and short-term deposits

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
Cash at banks and on hand	15,095,900	14,916,214	5,934,871	5,183,447

Cash at banks earns interest at floating rates based on daily bank deposit rates. The weighted average effective interest rates of cash at banks as at 31 December 2021 for the Group was 0.73% (2020 : 0.73%).

The balances as at 31 December 2020 that are denominated in foreign currencies are disclosed in Note 25.

14 Investment securities

	Group	
	2021	2020
	US\$	US\$
Dana Mudharabah Muqayyadah - Current	-	-
Ionic Global Holdings Pte Ltd	850,018	850,000
	<u>850,018</u>	<u>850,000</u>

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 15 Loans to customers

	Group	
	2021	2020
	US\$	US\$
Current loans to customers	105,169,568	61,702,573
Non-current loans to customers	1,532,920	1,215,840
Loans to customers	106,702,488	62,918,413
Less: Allowance for expected credit losses - short term	(4,240,387)	(1,989,656)
Less: Allowance for expected credit losses - long term	-	(8,452)
	<u>102,462,101</u>	<u>60,920,305</u>

Loans to customer amounting to US\$873,973 (2020 : US\$2,268,187) are secured by charges on the borrowers' properties.

Loans to customer amounting to Nil (2020 : US\$5,424,463) was granted to related parties.

The Group's loans to customers amounting to US\$3,832,046 (2020 : US\$3,182,502) are pledged as security to a corporate institution that has granted a loan to the Company.

The Group's loan to customers amounting to US\$19,701,304 (2020 : US\$4,908,032) is pledged to a lender for an interest-bearing current loan granted to the Company's subsidiary.

Loans to customers are unsecured and are based on the following interest rates:

- 1% to 2.5% per loan (2020 : 1.25%)
- 0.0472% per day (2020 : 0.0472%)
- 3% per week (2020 : 0.99% to 3%)
- 0.32% to 5% per month (2020 : 0.99% to 5%)
- 48% per annum (2020 : 6.50% to 36%)

The balances as at 31 December 2021 that are denominated in foreign currencies are disclosed in Note 25.

#### ***Loans to customers that are past due but not impaired***

The Group has loans to customers amounting to US\$12,288,260 (2020 : US\$2,382,869) that were past due at the reporting date but not impaired. An analysis of their aging at the reporting date was as follows:

	Group	
	2021	2020
	US\$	US\$
<b>Loans to customers past due but not impaired</b>		
- Lesser than 30 days	2,611,171	1,682,005
- 30 to 60 days	1,160,111	160,098
- 61 to 90 days	70,147	424,504
- More than 90 days	1,643,374	116,262
	<u>5,484,803</u>	<u>2,382,869</u>

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 15 Loans to customers (continued)

##### **Loans to customers that were impaired**

##### *Expected credit losses*

The movement in allowance for expected credit losses of loan to customers computed based on lifetime ECL are as follows:

	2021	2020
	US\$	US\$
Movement in allowances accounts:		
At 1 January	1,998,108	2,656,723
Charge for the year	3,794,907	3,588,972
Write off	(1,425,594)	(4,267,126)
Exchange difference	(127,034)	19,539
At 31 December	<u>4,240,387</u>	<u>1,998,108</u>

During the year, the Group wrote off loans to customer amounting to US\$1,425,594 (2020 : US\$4,267,126) as these debtors were in significant financial difficulties and have defaulted on payments. The receivables were not secured by any collateral or credit enhancements.

#### 16 Amounts due from/to related parties and subsidiaries

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
Amount due from subsidiaries - non-current	-	-	-	100,000
Amount due from subsidiaries - current	-	-	4,318,983	6,770,162
Amount due from related companies:				
Loans from other related companies	1,738,487	1,496,638	1,668,400	1,496,638
Total amounts due from related parties/subsidiaries	<u>1,738,487</u>	<u>1,496,638</u>	<u>5,987,383</u>	<u>8,366,800</u>
Amount due to subsidiaries	-	-	7,748,069	7,540,677
Amount due to directors	4,304,618	4,433,534	-	-
Amount due to related companies:				
Loans to other related companies				
- Non current	4,205,196	-	-	-
- Current	23,957,309	15,527,309	-	-
Total amounts due to related parties/subsidiaries	<u>32,467,123</u>	<u>19,960,843</u>	<u>7,748,069</u>	<u>7,540,677</u>

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

16 Amounts due from/to related parties and subsidiaries (continued)

#### ***Amount due from subsidiaries***

Amount due from subsidiaries are unsecured and non-interest bearing. Short term amounts due from subsidiaries are repayable on demand.

#### ***Amount due from related parties***

As of 31 December 2021 and 31 December 2020, the amount due from a related company are unsecured, non-interest bearing and receivable on demand.

Loans to other related companies is interest bearing at 0.5% (2020 : 0.5%) per annum, repayable on demand and is pledged by 210,860 (2020 : 210,860) shares in the Company's subsidiary. The loan may be convertible into shares of the related company's issued and paid up capital in a mutual agreement between the Company and the related company.

#### ***Amount due to subsidiaries***

Amounts due to subsidiaries are unsecured and repayable on demand. As at 31 December 2021, included in amounts due to subsidiaries is a loan payable of US\$3,811,097 (2020 : US\$4,874,199) that bears interest of 8.5% (2020 : 8.5%) per annum. The other amounts due to subsidiaries are non-interest bearing.

#### ***Amount due to related parties***

Amount due to directors are loans and borrowings from the Group's directors with interest rate ranging from 8% to 14% (2020 : 9% to 20%) per annum with maturity less than one year.

Loans from other related companies are loans and borrowings from other related company owned by the same shareholder with interest rate ranging from 8% to 17% (2020 : 15% to 17%) per annum.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

17 Prepayments, deposits and other receivables

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
<b>Current</b>				
Prepayments	1,282,516	532,431	31,566	14,352
Deposits - Current	1,212,971	207,475	50,000	25,639
Interest receivables	2,795,875	1,850,766	5,630	1,870
Other receivables	2,846,404	4,376,416	1,207,348	1,198,493
	<u>8,137,766</u>	<u>6,967,088</u>	<u>1,294,544</u>	<u>1,240,354</u>
<b>Non-current</b>				
Deposits – Non-current	10,852	214,125	-	-
Total prepayments, deposits and other receivables	<u>8,148,618</u>	<u>7,181,213</u>	<u>1,294,544</u>	<u>1,240,354</u>
Add: Cash and short-term deposits	15,095,900	14,916,214	5,934,871	5,183,447
Add: Loans to customers	102,462,101	60,920,305	-	-
Add: Amount due from subsidiaries				
- Current	-	-	4,318,983	6,770,162
Add: Amount due from related parties				
- Current	1,738,487	1,496,638	1,668,400	1,496,638
Add: Amount due from subsidiaries				
- Non-current	-	-	-	100,000
Less: Prepayment	<u>(1,282,516)</u>	<u>(532,431)</u>	<u>(31,566)</u>	<u>(14,352)</u>
Total financial assets carried at amortised cost	<u>126,162,590</u>	<u>83,981,939</u>	<u>13,185,232</u>	<u>14,776,249</u>

Deposit includes a US\$75,725 (2020 : US\$75,725) (or equivalent to S\$100,000) deposit placement with the Monetary Authority of Singapore (“MAS”), which is mandatory requirement for Capital Market Service (“CMS”) license holder. This amount is not available for use in day-to-day operations.

Interest receivables relates to the interest earned from borrowers but not yet received as at year-end.

Other receivables are accounts receivables, loan to employees, uninvested funds, and guarantee deposits. Uninvested funds are funds placed in various lending platforms. These amounts are unsecured and interest-free. Included in other receivables are amounts of US\$406,040 (2020 : US\$1,769,697) held by escrow agents as regulated by the monetary authorities in the respective countries.

The balances as at 31 December 2021 that are denominated in foreign currencies are disclosed in Note 25.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

18 Accrued and other payables

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
Accounts and other payables	1,621,576	1,688,082	978,753	1,018,345
Accrued expenses	2,819,842	1,621,981	130,600	118,044
Advance from customers	2,047,474	83,886	-	-
Total financial assets carried at amortised cost	6,488,892	3,393,949	1,109,353	1,136,389

These amounts are unsecured, non-interest bearing and short-term in nature.

19 Loans and borrowings

	Group			Total
	2020	Residual cashflows	Non-cash changes	
	US\$	US\$	Accretion of interests	2021
	US\$	US\$	US\$	US\$
<b>Current loan and borrowings</b>				
Loans from third parties				
- Shareholder	5,010,972	(2,211,696)	258,738	3,058,014
- Employee	513,773	392,634	26,640	933,047
- Others	39,520,429	17,403,160	1,064,539	57,988,128
	45,045,174	15,584,098	1,349,917	61,979,189
Loans from related parties				
- Directors (Note 16)	4,433,534	7,677,542	(7,806,458)	4,304,618
- Related Company (Note 16)	15,527,309	1,045,114	7,384,886	23,957,309
	19,960,843	8,722,656	(421,572)	28,261,927
	65,006,017	24,306,754	928,345	90,241,116
<b>Non-current loan and borrowings</b>				
Loans from third parties				
- Shareholder	-	-	-	-
- Others	1,533,418	10,356,720	48,756	11,938,894
	1,533,418	10,356,720	48,756	11,938,894
	66,539,435	34,663,474	977,101	102,180,010

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

19 Loan and borrowings (continued)

	Group			
	2019	Residual cashflows	Non-cash changes Accretion of interests	Total 2020
	US\$	US\$	US\$	US\$
<b>Current loan and borrowings</b>				
Loans from third parties				
- Shareholder	6,634,132	(2,192,257)	569,097	5,010,972
- Employee	903,634	(441,989)	52,128	513,773
- Others	32,150,789	4,609,260	2,760,380	39,520,429
	<u>39,688,555</u>	<u>1,975,014</u>	<u>3,381,605</u>	<u>45,045,174</u>
Loans from related parties				
- Directors (Note 16)	4,509,190	(538,237)	462,581	4,433,534
- Related Company (Note 16)	6,462,000	7,203,255	1,862,054	15,527,309
	<u>10,971,190</u>	<u>6,665,018</u>	<u>2,324,635</u>	<u>19,960,843</u>
	<u>50,659,745</u>	<u>8,640,032</u>	<u>5,706,240</u>	<u>65,006,017</u>
<b>Non-current loan and borrowings</b>				
Loans from third parties				
- Shareholder	68,420	(68,420)	-	-
- Others	7,794,994	(6,261,576)	-	1,533,418
	<u>7,863,414</u>	<u>(6,329,996)</u>	<u>-</u>	<u>1,533,418</u>
	<u>58,523,159</u>	<u>2,310,036</u>	<u>5,706,240</u>	<u>66,539,435</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

19 Loan and borrowings (continued)

	Company			Total 2021 US\$
	2020	Residual	Non-cash	
	US\$	cashflows	changes	
			Accretion of	
			interests	
	US\$	US\$	US\$	US\$
<b>Current loan and borrowings</b>				
Loans from third parties				
- Others	4,207,506	999,722	-	5,207,228
Loans from related parties				
- Subsidiary (Note 16)	4,874,199	2,873,870	-	7,748,069
<b>Non-current loan and borrowings</b>				
Loans from third parties				
- Others	1,533,418	1,915,927	-	3,449,345
	10,615,123	5,789,519	-	16,404,642

	Company			Total 2020 US\$
	2019	Residual	Non-cash	
	US\$	cashflows	changes	
			Accretion of	
			interests	
	US\$	US\$	US\$	US\$
<b>Current loan and borrowings</b>				
Loans from third parties				
- Others	920,252	3,010,903	276,351	4,207,506
Loans from related parties				
- Subsidiary (Note 16)	6,582,948	(1,963,561)	254,812	4,874,199
<b>Non-current loan and borrowings</b>				
Loans from third parties				
- Others	2,589,527	(1,056,109)	-	1,533,418
	10,092,727	(8,767)	531,163	10,615,123

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 19 Loan and borrowings (continued)

Current loans from third parties are unsecured and mature in less than twelve months. During the financial year, there are no interest-free loans in the current loans payable (2020 : US\$Nil). The other loans payable are interest-bearing with interest rates ranging from 5.5% to 12% (2020 : 3% to 20%). Included in the current loan payable is a loan amounting to US\$2,271,746 that may be redeemed by giving a written notice of 60 days after 12 months from the issue date. The redemption would be at a price equal to the principal amount plus accrued but unpaid interest to the date of settlement. The loan has been fully repaid subsequent to year end.

Non-current loans payables are based on interest rates ranging 5.5% to 7.35% (2020 : 8%).

Included in the loans payables are secured loans, comprising of loan payable of US\$11,211,755 (2020 : US\$4,908,032), which were secured by way of a pledge over a subsidiary's loans to customers and the corresponding interest receivables, as well as guarantee from the Company and its subsidiaries. These secured loans are subject to covenant clauses, whereby the Group is required to meet certain key financial ratios.

Included in the non-current loans payables are secured loans of US\$8,489,550, which were secured by way of a pledge over the Group's loans to customers and the corresponding interest receivables as well as a guarantee from the Company and its subsidiaries. These secured loans are subject to covenant clauses, whereby the Group is required to meet certain key financial ratios.

In 2020, included in current loan and borrowings of US\$1,000,00 non-interest bearing convertible loan entered into on 21 October 2019. The convertible bond agreement provides for automatic conversion of the outstanding loan into the equity securities of the Group pursuant to the qualified financing as defined in the agreement. During the financial year, the loan has been converted to the Company's equity securities.

Included in the current loan and borrowing as at 31 December 2021, is a US\$3,832,048 (2020 : current loan and borrowing of US\$3,207,505) interest bearing loan entered into on 27 December 2019. The loan is secured by way of guarantee from a subsidiary within the Group. The Group has also granted the lender warrants to purchase S\$881,250 worth of shares to be issued in the Group Series C fund raising exercise. The per-share exercise price and number of warrants will be based on the pre-share issue price of the preference shares issued and allotted in the Series C fund raising exercise. The fair value of warrants is disclosed in Note 20.

As of 31 December 2020, a financial ratio for the loan payable of US\$3,207,505 was not fulfilled. The Group did not maintain certain ratio of the principal portion of the Singapore Dollar denominated receivables as required in the contract due to underwriting and business consideration of Covid 19. The Group obtained the requisite waiver from the lender subsequent to year-end. The Group has been maintaining the loan receivables ratio since then.

The balances as at 31 December 2021 that are denominated in foreign currencies are disclosed in Note 25.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 20 Derivative financial instrument

	Group		Company	
	2021	2020	2021	2020
	US\$	US\$	US\$	US\$
Forward currency contracts	-	233,870	-	-
Warrants	334,787	186,504	334,787	186,504
Put option of convertible loan	-	-	469,003	665,390
	<u>334,787</u>	<u>420,374</u>	<u>803,790</u>	<u>851,894</u>

#### **Forward currency contracts**

The Group uses forward currency contracts to hedge foreign currency risk arising from its loan payable denominated in USD for which firm commitments existed at the end of the reporting period.

	Group			
	2021		2020	
	Contract notional amount	Liabilities	Contract notional amount	Liabilities
	US\$	US\$	US\$	US\$
Forward currency contracts	-	-	8,000,000	(233,870)

#### **Warrants**

The Group obtained an interest-bearing loan of US\$3,182,503. As part of the loan arrangement the Group granted the lender warrants to subscribe for S\$881,250 worth of preference shares to be issued in the Group Series C fund raising exercise. The fair value of warrants was calculated using The Black-Scholes pricing model. The fair value derived is categorised under Level 2 of the fair value hierarchy.

#### **Put option of convertible loan**

The Company has provided a put option to the lender who granted the Company's wholly owned subsidiary a US\$3,000,000 convertible loan. The put option granted by the Company allows the lender to exchange the convertible loan for 127,714 Series C shares of the Company in certain circumstances as indicated in the loan agreement. The fair value of the put option was calculated using The Black-Scholes pricing model. The fair value derived is categorised under Level 2 of the fair value hierarchy.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

21 Employee benefits

	Group	
	2021	2020
	US\$	US\$
<b>Staff cost (including directors):</b>		
Salaries and bonuses	13,448,921	11,256,894
Defined benefit plan	115,300	274,796
Defined contribution plan	563,923	945,359
Share-based payments (Employee stock option plans)	3,429,449	2,625,990
Other short-term benefit	331,383	190,380
	<u>17,888,976</u>	<u>15,293,419</u>

***Post-employment benefit liabilities***

The Group's Indonesian subsidiary, PT Mitrausaha Indonesia Grup, recognised liabilities for post-employment benefits based on the actuarial calculation by an Independent Actuary.

The present value of the defined post-employment benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used in determining post-employment benefits as at the reporting date were as follows:

	Group	
	2021	2020
	US\$	US\$
Discount rate per annum	7.60%	7.84%
Salary increment rate per annum	10.00%	10.00%
Mortality table	TMI 2019	TMI 2011
Retirement age	56	55

The amount recognised in the Statement of financial position is determined as follows:

	Group	
	2021	2020
	US\$	US\$
Present value of defined benefit obligations	<u>858,525</u>	<u>715,943</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

21 Employee benefits (continued)

***Post-employment benefit liabilities (continued)***

The movements in account are as follows:

	Group	
	2021	2020
	US\$	US\$
At beginning of year	715,943	540,474
Past service cost	(187,492)	-
Current service cost	249,786	236,663
Interest cost	53,006	38,133
Payment during the year	(27,577)	(51,356)
Actuarial (loss)/gain	66,837	(53,422)
Exchange difference	(11,978)	5,451
At end of year	<u>858,525</u>	<u>715,943</u>

The following table summarises the components of post-employment benefits expense recognised in the consolidated statement of comprehensive income:

	Group	
	2021	2020
	US\$	US\$
Current service cost	249,786	236,663
Interest on obligation	53,006	38,133
Past service cost	(187,492)	-
Amount recognised in profit or loss within "employee benefit expenses" line item	<u>115,300</u>	<u>274,796</u>
Remeasurement of post-employment benefit liabilities, before tax	65,676	(51,239)
Foreign currency translation	1,161	(2,183)
Amount recognised in other comprehensive income	<u>66,837</u>	<u>(53,422)</u>
Amount recognised in total comprehensive income	<u>182,137</u>	<u>221,374</u>

The impact of a reasonably possible change of significant assumptions on the present value of employee benefit obligation and current service cost as of the end of the reporting period is minimal.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 21 Employee benefits (continued)

##### ***Employee stock option***

On 20 March 2020, the Company's shareholders approved to allocate 1,792,233 of shares, which shall be available to the company to be issued to the eligible senior executives and employees ("Employees") of the company and its subsidiaries under the Employee Stock Option Plan 2020 ("ESOP 2020"), and not more than 1,792,233 options convertible into 1,792,233 of ordinary shares (inclusive of shares allocated in Employee Stock Option Plan 2016 that was approved at the Extraordinary General Meeting held on 22 November 2016 and Employee Stock Option Plan 2018 that was approved at the Extraordinary General Meeting held on 14 April 2018) shall be issued as options to the eligible Employees as approved by the Board in accordance with the terms and conditions of the ESOP 2020.

During the financial year, the Company granted 402,120 (2020 : 430,391) stock options under the Employee Stock Option Plan to employees of its subsidiaries. Expiry dates of respective grants are disclosed below. The options are exercisable if the employee remains in service for the duration of the vesting period, the period of which is up to 6 years from the date of grant. Exercise of the options is subject to the successful closing of each funding round by the Company from investors.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

21 Employee benefits (continued)

***Employee stock option (continued)***

Details of all options granted to employees to subscribe for ordinary shares of the Company pursuant to the Employee Stock Option Plan 2016, Employee Stock Option Plan 2018 and Employee Stock Option Plan 2020 as at 31 December 2021 are as follows:

	<b>Exercise price (US\$)</b>	<b>Number of options</b>
<b>Expiry date</b>		
<b>Employee Stock Option Plan 2016</b>		
8 February 2027	1.00	708,946
8 February 2027	1.34	6,836
8 February 2027	2.01	51,992
8 February 2027	2.79	107,464
8 February 2027	3.35	31,194
20 February 2027	3.35	19,926
<b>Employee Stock Option Plan 2018</b>		
31 December 2027	1.00	48,262
31 December 2027	2.01	90,360
31 December 2027	2.79	22,420
31 December 2027	3.35	16,626
31 March 2028	1.00	10,000
30 August 2028	1.00	55,344
30 August 2028	2.79	3,500
30 August 2028	3.35	25,351
30 August 2028	7.08	21,987
30 August 2028	11.36	30,327
31 January 2029	11.36	151,784
31 March 2029	11.36	880
30 June 2029	11.36	2,000
30 November 2029	11.36	10,000
<b>Employee Stock Option Plan 2020</b>		
15 January 2030	1.00	62,560
31 January 2030	1.00	4,348
3 February 2030	1.00	3,000
1 March 2030	1.00	6,700
15 March 2030	0.01	19,955
31 April 2030	1.00	288,063
10 June 2030	1.00	11,000
11 June 2030	23.49	300
12 June 2030	1.00	4,000
24 July 2030	1.00	24,000
13 August 2030	0.10	465
20 November 2030	1.00	6,000

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

21 Employee benefits (continued)

***Employee stock option (continued)***

<b>Expiry date</b>	<b>Exercise price (US\$)</b>	<b>Number of options</b>
<b>Employee Stock Option Plan 2021</b>		
1 January 2031	1.00	6,500
1 March 2031	1.00	2,100
31 March 2031	1.00	228,359
24 June 2031	1.00	50,050
30 June 2031	1.00	32,760
30 September 2031	1.00	44,884
31 December 2031	1.00	37,467
Subtotal		<u>2,247,710</u>

Cash settlement alternatives are solely at the discretion of the Group Remuneration and Compensation Committee.

*Movement of stock options during the financial year*

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, stock options during the financial year:

	2021		2020	
	No.	WAEP (US\$)	No.	WAEP (US\$)
Outstanding at 1 January	1,388,803	2.28	1,022,597	3.16
Granted	402,120	1.00	430,391	0.97
Forfeited	(60,049)	3.10	(64,185)	7.44
Exercised	(78,233)	1.24	-	-
Outstanding at 31 December	<u>1,652,641</u>	<u>1.98</u>	<u>1,388,803</u>	<u>2.28</u>
Exercisable at 31 December	<u>997,034</u>	<u>2.32</u>	<u>933,975</u>	<u>2.12</u>

\* The range of exercise prices for options outstanding at the end of the year was US\$0.01 to US\$23.49 (2020 : US\$1.00 to US\$23.49). The weighted average fair value of options granted for these options is US\$16.33 (2020 : US\$14.17). The weighted average of exercisable options as at this year-end is US\$2.32 (2020 : US\$2.12). The weighted average remaining contractual life for these options is 7.54 (2020 : 8.35) years.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

21 Employee benefits (continued)

***Employee stock option (continued)***

*Movement of stock options during the financial year (continued)*

The total amount recognised in the employee stock option reserve during the year for share-based compensation transactions with employees is summarised as follows:

	2021	2020
	US\$	US\$
<b><i>Employee stock option reserve</i></b>		
Employee Stock Option Plan	2,012,917	2,983,408

Included in the employee stock option reserve is US\$363,737 relating to the bonus accrual made in the prior year. In the current financial year, the Company decided to settle 50% of accrued employee bonus for the year ended 31 December 2019 by granting the employees share options. The number of share options granted to the employees was determined based on the fair value of the shares and bonus amount attributable to each employee.

*Fair value of stock options granted*

The fair value of the stock options granted under the Employee Stock Option Plan 2016, 2018 and 2020 is estimated at the grant date using the Black-Scholes pricing model, taking into account the terms and conditions upon which the stock options were granted.

The following table lists the inputs to the option pricing models for the years ended 31 December 2021 and 2020:

	2021	2020
	US\$	US\$
Dividend yield	0%	0%
Expected volatility (%)	68.3% - 80.9%	51% - 76%
Risk-free interest rate (% p.a.)	0.12% - 1.41%	0.22% - 1.71%
Expected life of option (years)	2 - 7 years	4 - 7 years

The expected volatility is derived by reference to the historical volatility of share prices of listed companies comparable to Funding Asia Group Pte. Ltd., over the most recent period that commensurate with the expected life of the share options. This reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

22 Share capital

	Group and Company			
	2021		2020	
	No. of shares	US\$	No. of shares	US\$
<b>Issued and fully paid:</b>				
<i>Ordinary shares</i>				
At the beginning of year	4,129,283	1,280,794	4,129,283	1,280,794
Issuance of shares	213,635	1,514,655	-	-
Share issue expenses	-	(750,000)	-	-
At end of year	4,342,918	2,045,449	4,129,283	1,280,794
<i>Convertible preference shares</i>				
At the beginning and end of year	1,381,192	1,175,000	1,381,192	1,175,000
<i>Series A preference shares</i>				
At the beginning and end of year	2,511,085	6,999,973	2,511,085	6,999,973
<i>Series B preference shares</i>				
At the beginning and end of year	2,238,095	25,000,000	2,238,095	25,000,000
<i>Series C preference shares</i>				
At the beginning of year	1,032,223	24,249,377	-	-
Issuance of shares	728,346	17,000,191	1,032,223	24,249,377
At end of year	1,760,569	41,249,568	1,032,223	24,249,377
	12,233,859	76,469,990	11,291,878	58,705,144

**Ordinary shares**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The issuance of ordinary shares relate to the exercise of share options by the employees during the year.

**Convertible preference shares**

The holders of convertible preference shares ("CPS") are entitled to receive a fixed non-cumulative dividend of 0.001% per annum, subject the Board recommending or declaring the said dividends in relation to the financial year. Dividends on the CPS are paid in preference and priority to the payment of dividend on any ordinary shares (except to the holders of the Series A preference shares, the Series B preference shares and Series C preference shares who shall be entitled to receive such dividend prior and in preference to the holders of the CPS). The holders of CPS shall not be entitled to participate in any dividend declared by the Board to the holders of the ordinary shares.

Upon a liquidation event, the holder of CPS shall be entitled to receive, prior and in preference to any distribution of any assets of the Company to the holders of ordinary shares (except to the holders of the Series A preference shares, the Series B preference shares and the Series C preference shares, who shall be entitled to receive such distribution prior and in preference to the holders of the CPS).

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 22 Share capital (continued)

##### ***Convertible preference shares (continued)***

A CPS shall be automatically converted into ordinary shares in the Company at the applicable conversion rate upon the occurrence of a liquidity event or upon the occurrence of a qualifying IPO of the Company. A holder of CPS shall have the right to receive notice of and to attend, speak and vote at all General Meetings of the Company and to receive and vote on proposed written resolutions of the Company.

##### *Series A preference shares*

The holders of Series A preference shares are entitled to receive a non-cumulative and preferential dividend at the rate of 0.001% per annum, subject to the Board recommending or declaring the said dividends in relation to the financial year and to be paid pari passu with the payment of dividend in respect of Series B preference shares and Series C preference shares in preference and priority to the payment of dividend in respect of all other shares of the Company. The holders of the Series A preference shares shall not be entitled to participate in any dividend declared by the Board to the holders of the ordinary shares.

In the event of a liquidation event, each holder of Series A preference shares shall be entitled to receive payment in accordance to the shareholder's agreement in pari passu with holders of Series B preference shares and Series C preference shares prior and in preference to any payment or distribution to any other shareholder

The holders of Series A preference shares shall have the right to convert all or part of the Series A preference shares held by it into ordinary shares. Each Series A preference share shall be redeemable, after holders' notice of redemption are given by the holders, and the Company chooses to provide a redemption upon the occurrence of the redemption events stated in the shareholders' agreement at an amount as applicable.

The holders of Series A preference shares shall be entitled to vote on all matters submitted to the vote of the holders of the ordinary shares of the Company on an as if converted basis.

##### *Series B preference shares*

On 20 April 2018 the Company issued 2,238,095 series B preference shares for US\$25,000,000. The holders of Series B preference shares are entitled to receive a non-cumulative and preferential dividend at the rate of 0.001% per annum, subject to the Board recommending or declaring the said dividends in relation to the financial year and to be paid pari passu with the payment of dividend in respect of Series A preference shares and Series C preference shares in preference and priority to the payment of dividend in respect of all other shares of the Company. The holders of the Series B preference shares shall not be entitled to participate in any dividend declared by the Board to the holders of the ordinary shares.

In the event of a liquidation event, each holder of Series B preference shares shall be entitled to receive payment in accordance to the shareholder's agreement in pari passu with holders of Series A preference shares and Series C preference Shares prior and in preference to any payment or distribution to any other shareholder.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 22 Share capital (continued)

##### ***Convertible preference shares (continued)***

###### *Series B preference shares (continued)*

The holders of Series B preference shares shall have the right to convert all or part of the Series B preference shares held by it into ordinary shares. Each Series B preference share shall be redeemable, after holders' notice of redemption are given by the holders, and the Company chooses to provide a redemption upon the occurrence of the redemption events stated in the shareholders' agreement at an amount as applicable.

The holders of Series B preference shares shall be entitled to vote on all matters submitted to the vote of the holders of the ordinary shares of the Company on an as if converted basis.

###### *Series C preference shares*

The holders of Series C preference shares are entitled to receive a non-cumulative and preferential dividend at the rate of 0.001% per annum, subject to the Board recommending or declaring the said dividends in relation to the financial year and to be paid pari passu with the payment of dividend in respect of Series A preference shares and Series B preference shares in preference and priority to the payment of dividend in respect of all other shares of the Company. The holders of the Series C preference shares shall not be entitled to participate in any dividend declared by the Board to the holders of the ordinary shares.

In the event of a liquidation event, each holder of Series C preference shares shall be entitled to receive payment in accordance to the shareholder's agreement in pari passu with holders of Series A preference shares and Series B preference shares prior and in preference to any payment or distribution to any other shareholder.

The holders of Series C preference shares shall have the right to convert all or part of the Series C preference shares held by it into ordinary shares. Each Series C preference share shall be redeemable, after holders' notice of redemption are given by the holders, and the Company chooses to provide a redemption upon the occurrence of the redemption events stated in the shareholders' agreement at an amount as applicable.

The holders of Series C preference shares shall be entitled to vote on all matters submitted to the vote of the holders of the ordinary shares of the Company on an as if converted basis.

##### ***Employee Stock Option Plan***

At an Extraordinary General Meeting held in 2016, 2018 and 2020, the Company's shareholders approved the Employee Stock Option Plan 2016, 2018 and 2020 ("ESOP") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible senior executives (including certain Company directors) and employees.

Pursuant to the ESOP, the Board and shareholders of the Company resolved to authorise 1,792,233 ordinary shares which will be available to the Company to be issued to Option Grantees, for the conversion of not more than 1,792,233 options into the same number of ordinary shares of the Company.

Details of the stock options granted or exercised under the ESOP are disclosed in Note 21.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 22 Share capital (continued)

##### **Convertible loan**

On 4 December 2020, the Company along with one of its fully owned subsidiary, FS Technologies Pte. Ltd. had entered into a note purchase agreement with a lender where the subsidiary had issued to the lender a convertible promissory note, in the original principal amount of USD\$3,000,000 which shall be automatically convertible to 233,538 shares of the subsidiary upon the earlier of (a) 3 August 2023, or (b) upon the occurrence of a Trigger Event or the Company's failure to consummate a QIPO or a Strategic Sale as prescribed under the Company's Shareholders Agreement. The lender has also been granted put option to further convert these shares into 127,714 Series C shares of the Company.

The convertible loan is classified entirely as equity in the other reserves on initial recognition.

#### 23 Advance for Share Capital

In December 2019, the Company received US\$5,781,798 as the first Tranche of Series C Funding Round and has recorded this as advance for share capital while waiting for Shareholder approval. The US\$5,781,798 has been converted into the equity of the Company on 2 March 2020.

In July 2020, the Company received US\$999,992 from an investor as part of the Series C Funding Round and has recorded this as advance for share capital while awaiting for Shareholders' approval and execution of the Deed of Adherence by the investor. The Deed of Adherence was subsequently signed by the investor in February 2021 and the US\$999,992 was converted into the equity of the Company on 2 March 2021. There is no advance Share Capital as of 31 December 2021.

#### 24 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2021	2020
	US\$	US\$
Interest income from related parties	-	(6,248)
Interest paid to related parties	596,993	2,324,635

##### **Compensation of key management personnel**

	Group	
	2021	2020
	US\$	US\$
Salaries and bonuses	1,013,553	672,092
Defined contribution plan	61,798	45,203
Employee stock option expense	821,990	1,050,461
Total compensation paid to key management personnel	1,897,341	1,767,756

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 25 Financial risk management

The Group is exposed to financial risks arising from its operations. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

##### (a) **Credit risk**

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of financial positions. The assets are not secured by any collateral or credit enhancements.

The Group recognises an allowance for expected credit losses (ECLs) for loans to customers. ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

Loans to customers that are either past due or impaired at the reporting date is disclosed in Note 15.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 25 Financial risk management (continued)

##### (b) *Liquidity risk*

Liquidity risk is the risk that the Group or Company will not be able to meet its financial obligations as they fall due. The Group and Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the respective operations and to mitigate the effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash outflows of non-derivative financial liabilities, including interest payments and excluding the impact of netting agreements. This analysis assumes that all other variables remain constant.

	Group			Total
	One year or less	One to five years	Over five years	
	US\$	US\$	US\$	
<b>2021</b>				
<b>Financial assets:</b>				
Deposits and other receivables	6,855,250	10,852	-	6,866,102
Cash and short-term deposits	15,095,900	-	-	15,095,900
Investment securities	-	-	850,018	850,018
Amounts due from related parties	1,738,487	-	-	1,738,487
Loans to customers	100,929,181	1,532,920	-	102,462,101
Total undiscounted financial assets	<u>124,618,818</u>	<u>1,543,772</u>	<u>850,018</u>	<u>127,012,608</u>
<b>Financial liabilities:</b>				
Derivative financial instrument	334,787	-	-	334,787
Loans from third parties	61,979,189	11,938,894	-	73,918,083
Amounts due to related parties	28,261,927	4,205,196	-	32,467,123
Accrued and other payables	6,488,892	-	-	6,488,892
Lease liabilities	323,690	30,292	-	353,982
Total undiscounted financial liabilities	<u>97,388,485</u>	<u>16,174,382</u>	<u>-</u>	<u>133,562,867</u>
Total net undiscounted financial assets/(liabilities)	<u>27,230,333</u>	<u>(14,630,610)</u>	<u>850,018</u>	<u>13,449,741</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

25 Financial risk management (continued)

(b) **Liquidity risk (continued)**

	Group			Total US\$
	One year or less US\$	One to five years US\$	Over five years US\$	
<b>2020</b>				
<b>Financial assets:</b>				
Deposits and other receivables	6,434,657	214,125	-	6,648,782
Cash and short-term deposits	14,916,214	-	-	14,916,214
Investment securities	-	-	850,000	850,000
Amounts due from related parties	1,496,638	-	-	1,496,638
Loans to customers	63,810,789	2,140,218	-	65,951,007
Total undiscounted financial assets	<u>86,658,298</u>	<u>2,354,343</u>	<u>850,000</u>	<u>89,862,641</u>
<b>Financial liabilities:</b>				
Derivative financial instrument	420,374	-	-	420,374
Loans from third parties	46,436,259	1,672,029	-	48,108,288
Amounts due to related parties	19,975,468	-	-	19,975,468
Accrued and other payables	3,393,949	-	-	3,393,949
Lease liabilities	783,316	348,556	-	1,131,872
Total undiscounted financial liabilities	<u>71,009,366</u>	<u>2,020,585</u>	<u>-</u>	<u>73,029,951</u>
Total net undiscounted financial assets/(liabilities)	<u>15,648,932</u>	<u>333,758</u>	<u>850,000</u>	<u>16,832,690</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

25 Financial risk management (continued)

(b) **Liquidity risk (continued)**

	Company			
	One year or less	One to five years	Over five years	Total
	US\$	US\$	US\$	US\$
<b>2021</b>				
<b>Financial assets:</b>				
Investment securities	-	-	850,018	850,018
Amounts due from related parties and subsidiaries	-	-	-	-
Deposits, prepayments and other receivables	1,262,979	-	-	1,262,979
Cash and short-term deposits	5,934,871	-	-	5,934,871
Total undiscounted financial assets	<u>7,197,850</u>	<u>-</u>	<u>850,018</u>	<u>8,047,868</u>
<b>Financial liabilities:</b>				
Derivative financial instrument	803,790	-	-	803,790
Loans from third parties	5,207,228	3,449,345	-	8,656,573
Amounts due to related parties and subsidiaries	7,748,069	-	-	7,748,069
Accrued and other payables	1,109,353	-	-	1,109,353
Total discounted financial liabilities	<u>14,868,440</u>	<u>3,449,345</u>	<u>-</u>	<u>18,317,785</u>
Total undiscounted net financial assets/(liabilities)	<u>(7,670,590)</u>	<u>(3,449,345)</u>	<u>850,018</u>	<u>(10,269,917)</u>

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

25 Financial risk management (continued)

(b) **Liquidity risk (continued)**

	Company			
	One year or less	One to five years	Over five years	Total
	US\$	US\$	US\$	US\$
<b>2020</b>				
<b>Financial assets:</b>				
Investment securities	-	-	850,000	850,000
Amounts due from related parties and subsidiaries	8,266,800	100,000	-	8,366,800
Deposits, prepayments and other receivables	1,226,002	-	-	1,226,002
Cash and short-term deposits	5,183,447	-	-	5,183,447
Total undiscounted financial assets	<u>14,676,249</u>	<u>100,000</u>	<u>850,000</u>	<u>15,626,249</u>
<b>Financial liabilities:</b>				
Derivative financial instrument	851,894	-	-	851,894
Loans from third parties	4,537,723	1,672,029	-	6,209,752
Amounts due to related parties and subsidiaries	7,540,677	-	-	7,540,677
Accrued and other payables	1,136,389	-	-	1,136,389
Total discounted financial liabilities	<u>14,066,683</u>	<u>1,672,029</u>	<u>-</u>	<u>15,738,712</u>
Total undiscounted net financial assets/(liabilities)	<u>609,566</u>	<u>(1,572,029)</u>	<u>850,000</u>	<u>(112,463)</u>

(c) **Foreign exchange risk**

Foreign currency risk arises on certain transactions that are denominated in currencies other than the functional currency of the entities in the Group. The foreign currencies in which the Group and the Company's currency risk arises are mainly Indonesian Rupiah ("IDR"), Malaysian Ringgit ("MYR"), Singapore dollar ("SGD"), Euro ("EUR"), Thailand Bhat ("THB") and Vietnam Dong ("VND").

The Group and the Company's overall risk management strategy seek to minimise adverse effects from these financial risks on the Group and the Company's financial performance. The Company does not have significant foreign currency risk exposures arising from its operations that are denominated in currencies other than its functional currency.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 25 Financial risk management (continued)

##### (c) *Foreign exchange risk (continued)*

The tables below show the Group and the Company's exposure to foreign currencies as at 31 December.

	Group						Total US\$
	IDR US\$	MYR US\$	SGD US\$	EUR US\$	THB US\$	VND US\$	
<b>2021</b>							
<b>Financial assets</b>							
Amounts due from related parties	1,738,487	-	-	-	-	-	1,738,487
Loans to customers	60,737,862	6,305,068	7,236,768	-	2,313,103	12,518,920	89,111,721
Deposits and other receivables	314,585	520,192	1,719,564	-	17,580	240,955	2,812,876
Cash and short-term deposits	3,161,765	641,400	1,414,008	16,664	2,442,216	37,215	7,713,268

##### **Financial liabilities**

Derivative financial instrument	-	-	334,787	-	-	-	334,787
Loans from third parties	3,427,805	4,661,140	31,453,707	12,864,554	-	-	52,407,206
Amounts due to related parties	32,097,323	-	369,799	-	-	-	32,467,122
Accrued and other payables	654,052	472,096	3,951,315	-	62,892	239,184	5,379,539
Lease liabilities	144,241	49,015	160,726	-	-	-	353,982

	Group						Total US\$
	IDR US\$	MYR US\$	SGD US\$	EUR US\$	THB US\$	VND US\$	
<b>2020</b>							
<b>Financial assets</b>							
Amounts due from related parties	941,638	-	-	-	-	-	941,638
Loans to customers	51,126,350	1,823,210	4,770,481	-	691,765	-	58,411,806
Deposits and other receivables	1,798,391	1,184,022	2,406,916	-	34,163	10,929	5,434,421
Cash and short-term deposits	3,003,235	233,666	5,687,816	6,069	105,883	42,008	9,078,677

##### **Financial liabilities**

Derivative financial instrument	-	-	186,504	-	-	-	186,504
Loans from third parties	3,413,650	1,719,883	26,485,366	4,941,208	-	-	36,560,107
Amounts due to related parties	19,460,343	-	-	-	-	-	19,460,343
Accrued and other payables	436,461	499,961	1,207,850	-	110,607	2,682	2,257,561
Lease liabilities	211,374	247,724	644,672	-	-	-	1,103,770

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

25 Financial risk management (continued)

(c) **Foreign exchange risk (continued)**

	Company					Total US\$
	IDR US\$	MYR US\$	SGD US\$	THB US\$	VND US\$	
<b>2021</b>						
<b>Financial assets</b>						
Amounts due from related parties and subsidiaries	1,668,400	-	3,677,837	-	100,000	5,436,237
Cash and short-term deposits	38,439	-	178,193	-	-	216,632
<b>Financial liabilities</b>						
Derivative financial instrument	-	-	334,787	-	-	334,787
Amounts due to related parties and subsidiaries	1,490,609	59,673	6,197,787	-	-	7,748,069
Loans from third parties	-	-	-	5,656,575	-	5,656,575

	Company		
	IDR US\$	SGD US\$	Total US\$
<b>2020</b>			
<b>Financial assets</b>			
Amounts due from related parties and subsidiaries	941,638	-	941,638
Cash and short-term deposits	30,607	1,613,699	1,644,306
<b>Financial liabilities</b>			
Derivative financial instrument	-	186,504	186,504
Amounts due to related parties and subsidiaries	4,505,996	(437,468)	4,068,528
Loans from third parties	-	4,715,922	4,715,922

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

25 Financial risk management (continued)

(c) **Foreign exchange risk (continued)**

If the IDR, MYR, SGD, EUR, THB and VND changes against the respective functional currencies of the Group's entities by 10% with all other variables before tax, the effects arising from the net financial assets/(liabilities) denominated in foreign currencies are as follows:

	Increase/ (decrease) in %	Effect on Group loss before tax US\$	Effect on Company loss before tax US\$
<b>2021</b>			
IDR	+/- 10	(2,693,571)	(16,762)
MYR	+/- 10	(207,674)	5,425
SGD	+/- 10	2,354,545	727,121
EUR	+/- 10	1,167,990	-
THB	+/- 10	(428,182)	(3,326)
VND	+/- 10	(1,141,628)	(9,091)
<b>2020</b>			
IDR	+/- 10	(3,031,617)	(321,250)
MYR	+/- 10	(70,303)	-
SGD	+/- 10	1,423,562	(259,205)
EUR	+/- 10	448,649	-
THB	+/- 10	(65,564)	-
VND	+/- 10	(4,569)	-

(d) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from the cash and short term deposits. The Group and the Company's loans from customers, investment securities and loans and borrowings are not subject to interest rate risk because they were contracted at fixed interest rates and are not subject to repricing in future. If interest rates of cash and short term deposits had been 100 basis points lower/higher with all other variables held constant, the Group's loss before tax would have been US\$150,959 (2020 : US\$149,162) higher/lower, arising mainly as a result of lower/higher interest income from floating interest rate.

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 26 Capital management

The Group's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to continue to maintain its future development and growth of the business.

The Group defines "capital" as all components of equity and accumulated losses. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

#### 27 Fair value of assets and liabilities

##### (a) **Fair value hierarchy**

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

**NOTES TO FINANCIAL STATEMENTS**  
**Year ended 31 December 2021**

27 Fair value of assets and liabilities (continued)

(b) **Fair value measurements**

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group			Total US\$
	Quoted prices in active markets for identical instruments (Level 1) US\$	Significant observable inputs other than quoted prices (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	
<b>2021</b>				
<b>Financial assets</b>				
Investment securities	-	-	850,018	850,018
<b>Financial liabilities</b>				
Derivative financial instrument	-	334,787	-	334,787
<b>2020</b>				
<b>Financial assets</b>				
Investment securities	-	-	850,000	850,000
<b>Financial liabilities</b>				
Derivative financial instrument	-	420,374	-	420,374
	Company			
	Quoted prices in active markets for identical instruments (Level 1) US\$	Significant observable inputs other than quoted prices (Level 2) US\$	Significant unobservable inputs (Level 3) US\$	Total US\$
<b>2021</b>				
<b>Financial assets</b>				
Investment securities	-	-	850,018	850,018
<b>Financial liabilities</b>				
Derivative financial instrument	-	803,790	-	803,790
<b>2020</b>				
<b>Financial assets</b>				
Investment securities	-	-	850,000	850,000
<b>Financial liabilities</b>				
Derivative financial instrument	-	851,894	-	851,894

## FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES

### NOTES TO FINANCIAL STATEMENTS Year ended 31 December 2021

#### 27 Fair value of assets and liabilities (continued)

##### (b) ***Fair value measurements (continued)***

The carrying amounts of the following financial assets and liabilities approximate their fair values due to their short-term nature: amounts due from related parties, interest receivables, other receivables, cash and short-term deposits, and other payables.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2020 : Nil).

##### *Level 2 fair value measurements*

The investment securities was valued based on the placement in the protected mutual funds which is insured by the PT Bank Sinarmas Tbk.

The fair value of the forward currency contract is based on the valuation provided by the financial institution that is the counterparty of the transaction. The quote is derived by discounting estimated future cash flows based on the term and maturity of the contract and using market interest rates for a similar instrument at the reporting date.

The fair value of warrants and put option of convertible loan were calculated using The Black-Scholes pricing model. The Black-Scholes model requires the consideration of certain variables such as volatility, risk tree rate, expected dividend yield, expected option life, market price and exercise price for the calculation of fair value of the option.

##### *Level 3 fair value measurements*

The fair value of the loans to customers, loans payable, and amounts due to related parties are derived based on the interest rates set out in the agreements between the Company, and the borrowers and lenders.

The investment securities fair value is based on the discounted cash flow and the recent transactions between knowledgeable, willing parties and adjusted for the discount for lack of marketability of the investment.

## **FUNDING ASIA GROUP PTE. LTD. AND ITS SUBSIDIARIES**

### **NOTES TO FINANCIAL STATEMENTS**

**Year ended 31 December 2021**

#### 28 Subsequent events

On 7 February 2022, the Company has executed a Share Sale Agreement with several existing and new investors to raise a total of USD 115,000,153.03 in consideration of issuing 4,516,291 units Series C+ Preference Shares and 1,127,609 units of Series C2 Preference Shares at the price of US\$25.6272 per share.

On 18 February 2022, the Company increase its shareholding in PT Buana Sejahtera Multidina from 24% to 80% resulted in change of investment in associate to subsidiary.

On 22 February 2022, the Company has completed the subscription of 375,913,029 shares in PT Bank Index Selindo ("Bank Index") for a consideration of IDR340,328,488,978, equivalent to US\$22,743,847.

As of 22 June 2022, the Directors has approved the acquisition of CardUp Pte. Ltd. including it's subsidiaries CardUp India Private Limited, CardUp Malaysia Sdn. Bhd and CardUp HK Limited. The acquisition is not completed as of the date of the financial statements..

#### 29 Authorisation of financial statements

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 22 July 2022.

## Funding Asia Group Pte Ltd and Subsidiaries

### Balance Sheet

	As at 31-Dec-20 Group US\$
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	2,370,202
Accumulated Depreciation on Property, plant and equipment	(989,155)
Intangible assets	2,773,750
Accumulated Depreciation on Intangible assets	(535,663)
Goodwill	-
Deferred Tax Asset	-
Long term investments	3,287,910
Long Term Deposits, Prepayments and Other receivables	4,453
Loan to customers - Long Term	1,215,840
Long Term Other receivable	-
<b>Total Non Current Assets</b>	<b>8,127,337</b>
<b>Current assets</b>	
Loan to customers	62,007,650
Loan to customers - Impairment provision	(1,998,108)
Interest Income receivables	-
Deposits, Prepayments and Other receivables	7,180,802
Investment securities	-
Amount due from related parties - Non FS	1,496,659
Cash and short term deposits	14,916,214
<b>Total Current Assets</b>	<b>83,603,217</b>
<b>Total assets</b>	<b>91,730,554</b>
<b>Equity and Liabilities</b>	
<b>Current liabilities</b>	
Short Term Loans and borrowings	41,600,926
Amount due to related parties - Directors	4,433,534
Amount due to related parties - Non FS	15,307,884
Accrued and other payables	4,174,859
Income Tax payable	3,520
Other liabilities	-
Derivative	233,870
<b>Total Current Liabilities</b>	<b>65,754,593</b>
<b>Net current assets</b>	<b>17,848,624</b>
<b>Non-current liabilities</b>	
Advance for share Capital in FAG	999,992
Long Term Loans and borrowings	4,977,666
Post Employment Benefit obligation	715,943
Other payables - Rental	266,614
<b>Total Non Current Liabilities</b>	<b>6,960,215</b>
<b>Total liabilities</b>	<b>72,714,808</b>
<b>Net assets</b>	<b>19,015,746</b>
<b>Equity</b>	
<i>Attributable to equity holders of the Company</i>	
Share capital	61,705,143
Accumulated losses	(48,584,046)
Reserves	5,755,366
<b>Total equity</b>	<b>18,876,464</b>
<b>Non-controlling interests</b>	<b>139,281</b>
<b>Total equity</b>	<b>19,015,745</b>
<b>Total Equity and Liabilities</b>	<b>91,730,553</b>

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## Funding Asia Group Pte Ltd and Subsidiaries

### Income Statement

	For period ending as on 31-Dec-20 Group US\$
Interest Income	9,806,102
Non Interest Income	6,483,420
<b>Total Revenue</b>	<b>16,289,522</b>
<b>Other income</b>	<b>1,767,734</b>
Finance Costs	5,756,702
Expected Credit Loss	(678,152)
Loan Write off expense	4,267,124
<b>Other items of expense</b>	
Sales/On-boarding Cost (O&S)	253,459
Employee Compensation & Benefit expenses	14,736,191
Referral fees	725,245
Staff Welfare	26,116
Bank Fees	51,714
Sales and Marketing Expenses	349,201
Professional Service	1,764,715
Travel Cost	151,563
Software	1,419,437
Operating lease expenses	844,412
Depreciation	829,229
Loss / (Income) from Associates	13,276
Loss/ (gain) on disposal	22,498
General office expenses	233,881
<b>Total operating Expenses</b>	<b>21,420,937</b>
<b>Operating margin</b>	<b>(12,709,355)</b>
Forex (Gain)/Loss	1,269,522
Other expenses	262,312
<b>Total non operating expenses</b>	<b>1,531,834</b>
<b>Loss before tax</b>	<b>(14,241,189)</b>
Income tax expense	11,761
<b>Loss for the financial period</b>	<b>(14,252,950)</b>
<b>Other comprehensive loss</b>	
<i>Items that are or may be reclassified subsequently to profit or loss</i>	
Foreign currency translation	(141,681)
<b>Other comprehensive loss for the financial period, net of tax</b>	<b>(141,681)</b>
<b>Total comprehensive loss for the financial period</b>	<b>(14,111,269)</b>
<b>Loss attributable to:</b>	
Owners of the Company	(13,978,426)
Non-controlling interest share	(274,524)
	<b>(14,252,950)</b>
<b>Total comprehensive loss attributable to:</b>	
Owners of the Company	(13,806,983)
Non-controlling interest	(304,286)
	<b>(14,111,269)</b>

Cash Flow Statement			
Period	1-Jan-20	to	31-Dec-20
Particulars	Amount		Source
	2019 Group USD	2020 Group USD	
<b>Cash flows from operating activities</b>			
Profit/(loss) before taxation	(19,288,528)	(14,252,950)	P&L
Adjustments for:			P&L
Depreciation expense	171,378	1,223,557	BS Movement
Loss on disposal of securities investment	-	-	P&L
Loss on sale of fixed assets	-	22,498	P&L
Impairment of loans	2,146,998	(658,615)	BS Movement
Post employment benefits expense	301,486	228,891	BS Movement
Employee share option program	2,150,144	2,947,281	BS Movement
Deferred tax income	-	-	
Provision of loss on short-term investment	-	-	
Capital reserve exercise	-	-	
OCI-Employee benefits	-	-	
OCI-Translation reserve	(32,321)	236,830	EquityMovement & PL
Interest income on investments and deposits	(232,995)	(95,299)	P&L
Unrealised hedging loss	44,099	189,771	BS Movement
Unrealised forex gain/loss	(77,240)	1,136,104	BS Movement
<b>Operating cash flows before changes in working capital</b>	<b>(14,816,979)</b>	<b>(9,021,931)</b>	
Changes in working capital:			
Loan to customers	(31,543,040)	(11,666,350)	BS Movement
Amount due from related parties	7,915,397	(212,767)	BS Movement
Amount due to related parties - Directors	1,283,892	(35,879)	BS Movement
Amount due to related parties - Non FS	-	9,675,737	BS Movement
Interest Income receivables	(1,884,431)	553,499	BS Movement
Deposits, Prepayments and Other receivables	(2,452,177)	(1,242,409)	BS Movement
Short Term Loans and borrowings	22,115,973	6,698,892	BS Movement
Accrued and other payables	3,938,745	(618,650)	BS Movement
Other payables - Rental	28,685	266,614	BS Movement
Income Tax payable	-	(9,701)	BS Movement
Other Liabilities	-	-	BS Movement
<b>Cash flows from operating activities</b>	<b>(15,413,936)</b>	<b>(5,612,945)</b>	
Interest income	-	-	P&L
Interest paid	-	-	P&L
<b>Net cash flows generated from/(used in) operating activities</b>	<b>(15,413,936)</b>	<b>(5,612,945)</b>	
<b>Cash flows from investing activities</b>			
Net cash inflow from acquisition of subsidiary (insignificant ownership)	(850,000)	(2,437,910)	BS Movement
Net purchase of plant and equipment	(435,142)	(1,480,094)	BS Movement
Net increase in intangible assets	-	(2,773,750)	
Loss on sale of fixed assets	-	(22,498)	
Disposal of plant and equipment	-	-	
Sale/(Purchase) of investment securities	137,324	7,208	BS Movement
Proceeds from interest income on investments and deposits	232,995	95,299	P&L
<b>Net cash flows from/ (used in) investing activities</b>	<b>(914,823)</b>	<b>(6,611,745)</b>	
<b>Cash flows from financing activities</b>			
Proceeds from NCI additional investment	648,576	303,632	Equity movement
Long Term Loans and borrowings	14,045,362	(7,328,979)	
Advance for share capital received	5,781,798	(4,781,806)	
Share capital raised during the year	-	27,249,376	
<b>Net cash flows from/ (used in) financing activities</b>	<b>20,475,736</b>	<b>15,442,223</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,146,977</b>	<b>3,217,534</b>	
Effect of changes in exchange rates on cash and cash equivalents	77,241	328,235	Manual calculation
Cash and cash equivalents at beginning of period	7,146,227	11,370,445	BS
<b>Cash and cash equivalents at end of period</b>	<b>11,370,445</b>	<b>14,916,214</b>	
Per BS	11,370,445	14,916,214	
Difference	(0)	0	