



For Immediate Release

World's First Institutional Tokenised Sukuk Backed by a Sovereign-Linked Instrument Listed

Fusang, a digital stock exchange operator has listed the world's first institutional tokenised sukuk backed by a sovereign-linked instrument, opening up access to a short-term A-1 rated sukuk for global institutions and their clients.

Labuan, Malaysia, 30 October 2023: Fusang Exchange today announced the successful tokenisation and listing of a digital sukuk representing the corresponding underlying sukuk issued by the International Islamic Liquidity Management Corporation (IILM)*. IILM is an international organisation established to address liquidity management challenges faced by Islamic financial institutions globally and acts as the programme administrator of the underlying sukuk.

This tokenisation exercise is the world's first digitisation of an institutionally-issued sukuk and is expected to revolutionise the Islamic investment landscape by providing investors access to shariah-compliant high-quality liquid assets (HQLA).

The tokenisation and listing exercise was completely led by Fusang, utilising its proprietary Fusang Depository Receipt ("FDR") structure to "wrap" the underlying sukuk into a digital form. The FDR retains full transparency and certainty of investors' legal rights and adheres to Shariah standards set by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"). ZICO Shariah Advisory Services acted as the Shariah adviser for the issuance of these ERC-20 compliant tokens; the leading and most popular Ethereum standard for token issuance.

Similar to American Depository Receipts ("ADRs") and Hong Kong Depository Receipts ("HDRs"), FDRs represent a beneficial interest in an underlying security, which can then be listed, traded, and settled on Fusang Exchange. FDRs are fully redeemable for the underlying IILM sukuk and are secured by third-party independent custodians. FDRs ensure all parties have uniform legal rights and custodial arrangements.

Henry Chong, CEO of Fusang Exchange, said: "Fusang's next-generation tokenisation technology and standardised legal framework has created the world's first truly global digital stock exchange. Our institutional-only digital infrastructure is built to serve, not disrupt, traditional financial intermediaries by enabling trading, custody and clearing of tokenised assets through a fully-regulated ecosystem."

Chong added that Fusang is encouraged by the Malaysian Government's commitment to developing the Islamic financial market, as evidenced by announcements in the Malaysian Budget 2024 - which aligns with Fusang's aim to revolutionise Islamic financial markets via digital initiatives.

Fusang Exchange is a member-only network of regulated financial institutions - mirroring the operating structure of other non-digital stock exchanges - which facilitates the tokenisation, listing, trading, settlement, and custody of digital securities, all backed by real-world assets. Fusang Exchange itself is regulated and supervised by the Labuan Financial Services Authority, under the Ministry of Finance, Malaysia.



Mr Nik Mohamed Din Bin Nik Musa, Director General, Labuan Financial Services Authority said, "We are excited to see emerging technologies harnessed within a regulated environment, driving innovation in Islamic finance. We envisage the new Guidelines on Labuan Securities Token Offering would further spur the development of tokenised securities in Labuan. Leveraging on Labuan IBFC's robust regulatory environment, Fusang Exchange's innovation has provided the platform for listing of a unique tokenised structure cementing Malaysia's leadership role in Islamic digital financial services. This issuance bodes well with the recent Budget 2024, providing full tax exemption on Islamic Finance transactions by Labuan entities, aimed at positioning the jurisdiction as an Islamic finance hub."

Kelvin Ung, President of Fusang, said, "Fusang gives banks and brokers access to institutional Islamic investment products and greater global market distribution. This solves several legacy issues - namely opening up of institutional markets and providing seamless digital access to investable assets. We will continue to issue similar tokenised securities backed by government-linked assets, as we believe demand for high-quality liquid assets will continue in the current high interest rate environment. Global banks and brokers can now access these tokenised securities via Fusang Exchange."

"The future of Islamic finance has arrived - and it's digital, inclusive and borderless," Henry Chong added.

Ends.

****Disclaimer: This announcement is not intended to indicate participation, expressly or implicitly, on the part of IILM or any of its shareholders in this tokenisation exercise.***

About Fusang Exchange

Fusang Exchange is a global digital stock exchange built to enhance rather than replace traditional finance. Operating with full regulatory oversight, we provide institutional-grade trading, custody and settlement infrastructure for securities, alternative investments, and private assets. Our robust and secure infrastructure unlocks global liquidity for primary issuances and secondary trading. For more information, please visit www.fusang.co

About Labuan Financial Services Authority

Labuan Financial Services Authority (Labuan FSA) was established on 15 February 1996 under the Labuan Financial Services Authority Act 1996. Labuan FSA is the statutory body responsible for the regulation, supervision and development as well as administration of Labuan International Business and Financial Centre (Labuan IBFC). More information about Labuan FSA is available on its website www.labuanfsa.gov.my

Media Contact:

Farah Jaafar

media@fusang.co

farah.jaafar@fusang.co

Mobile: [+60123261216](tel:+60123261216)