

# Product Disclosure Sheet

*Brokerage Service – Sukuk*

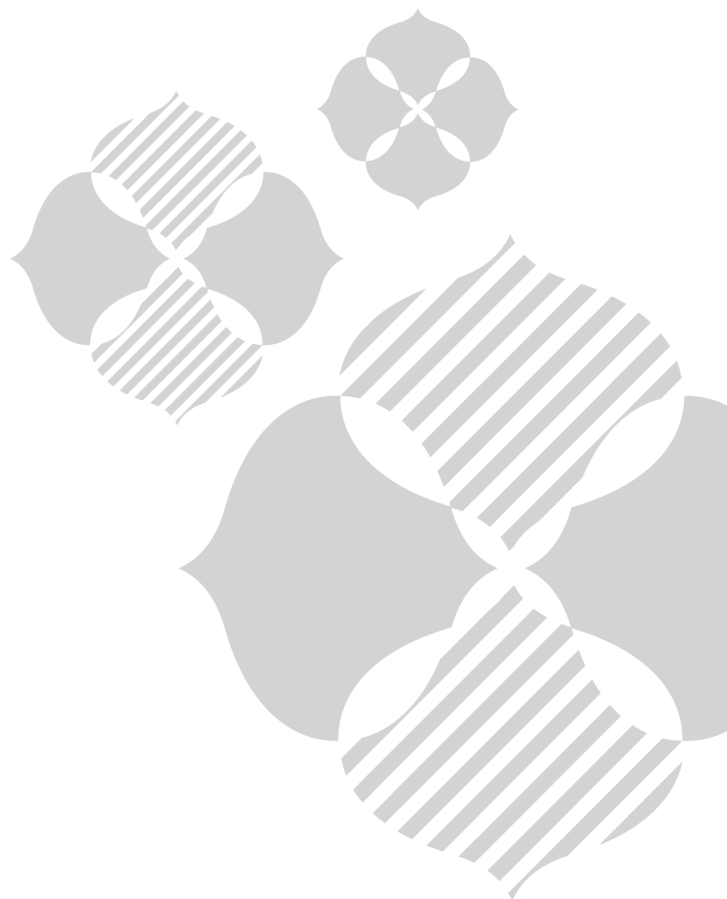


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| <b>PRODUCT DISCLOSURE SHEET</b><br>Please read this Product Disclosure Sheet together with the Terms and Conditions before using this service. | <b>BROKERAGE SERVICE (“SERVICE”)</b><br>The information provided in this product disclosure sheet is valid as at 1 October 2026. |
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## PART A: GENERAL

### 1. What is this Service?

BIBD Securities Sdn Bhd (“BIBDS”) acts as a broker and provides you with the access to Shariah-compliant Sukuk, including:

- Initial Public Offerings (IPOs)/Primary market Sukuk issuances
- Local Sukuk issuances
- Foreign Sukuk issuances
- Secondary market Sukuk trading (over-the-counter)

### 2. Who is this Service suitable for?

This Brokerage Service is intended for investors who:

- wish to invest in **Shariah-compliant Sukuk**
- are seeking **regular profit income**, medium- to long-term investment, or portfolio diversification
- understand and are willing to accept the risks associated with Sukuk investments, including credit, market and liquidity risks
- have successfully completed BIBDS' suitability assessment and risk profiling
- meet the eligibility requirements and minimum investment amount of the relevant Sukuk

This Brokerage Service may not be suitable for investors seeking short-term returns or who are unable to tolerate fluctuations in the value of their investment.

### 3. What is the applicable Shariah concept?

The Shariah concept applicable is *Wakalah Bil Ujrah* (agency with fee).

The investors (“Muwakkil”) appoint BIBDS (“Wakil”) to:

- transmit and execute Sukuk buy/sell orders,
- subscribe to Sukuk issuances on behalf of the investors, and
- debit/credit the investors' Investment Account and Trading Account (BIBD's current or savings account) for settlement purposes.

BIBDS shall earn a Wakalah fee for the services rendered and may impose or waive such fees at its sole discretion.

#### 4. What are the benefits of investing in Sukuk?

- **Stable Income** - Sukuk typically offer periodic profit payments derived from Shariah-compliant assets or projects.
- **Capital Preservation** - Many Sukuk aim to return the principal amount at maturity, subject to issuer risk.
- **Lower Volatility** - Sukuk generally exhibit lower price fluctuations compared to equities.
- **Diversification** - Adding Sukuk to an investment portfolio may enhance diversification, complementing equities, cash, and other assets.
- **Shariah Compliance** - Sukuk adhere to Shariah principles, making them suitable for investors seeking ethical and Shariah compliant investments.

#### 5. What types of Sukuk are available under this Service?

##### Primary Market (Initial Public Offering) (IPO) Sukuk

- Sovereign, quasi-sovereign, corporate and supranational issuances
- Offered via prospectus or information memorandum
- Subject to issuer allocation rules

##### Secondary Market Sukuk

- Over-the-counter negotiation-based trades
- Dependent on market liquidity and broker availability

##### Local Sukuk

- Sukuk issued within Brunei Darussalam
- Typically settled via domestic registrar
- May have lower minimum investment amounts

##### Foreign Sukuk

- International Sukuk issued outside Brunei
- Settled through foreign clearing systems (e.g., Euroclear, Clearstream)
- Denominated in USD or other foreign currencies

##### Fractionalised Sukuk

- Enables investors to buy a proportional beneficial interest in an underlying Sukuk
- Allows access to lower minimum investment amounts
- Subject to eligibility and availability based on the specific Sukuk

## PART B: PRIMARY MARKET (IPO) SUKUK

### 1. What is an IPO Sukuk?

An **IPO Sukuk** refers to a Sukuk offering made available to investors during its **initial issuance** by the issuer. Investors subscribe for the Sukuk during the offer period before the Sukuk is listed or traded in the secondary market (if applicable).

### 2. How can I subscribe to an IPO Sukuk?

You may subscribe to an IPO Sukuk through BIBD Securities by:

- completing the required subscription and brokerage documentation;
- ensuring sufficient funds are available in your designated account; and
- submitting your subscription instruction within the stated offer period.

### 3. Is my IPO Sukuk subscription guaranteed?

No. **Subscription is not guaranteed.** All IPO Sukuk subscriptions are subject to:

- the issuer's final allocation decision
- the total demand received
- compliance with eligibility and minimum investment requirements

### 4. How does the allocation of IPO Sukuk work?

Allocation of IPO Sukuk is determined solely by the issuer (or its appointed lead arranger /bookrunner).

Allocation may be based on factors such as:

- total subscription demand
- investor category (e.g. retail, institutional)
- minimum and maximum allocation limits
- the issuer's allocation policy

### 5. What happens if the IPO Sukuk is oversubscribed?

If the IPO Sukuk is oversubscribed:

- investors may receive partial allocation
- in some cases, no allocation

Any unallocated subscription amount will be refunded in accordance with the issuer's timeline and procedures.

**6. Can my allocation be lower than my requested amount?**

Yes. It is common for investors to receive less than the amount applied for, especially when demand for the Sukuk exceeds supply of the issue. The allocation outcome may vary for each issuance.

**7. When will I know my allocation result?**

Allocation results are typically announced:

- after the close of the offer period
- once confirmed by the issuer or its appointed agent

You will be notified of your allocation outcome once BIBDS receives confirmation from the issuer.

**8. What happens to my funds if I receive partial or no allocation?**

- **Partial allocation:** Funds corresponding to the allocated amount will be invested, and the balance will be refunded
- **No allocation:** The full subscription amount shall be refunded

Refunds shall be made in accordance with the issuer's process and timelines.

**9. Can I cancel my IPO Sukuk subscription?**

Cancellation policies are subject to the issuer's terms. In many cases:

- subscriptions cannot be cancelled once submitted
- cancellations may only be allowed before a specific cut-off time

Please refer to the specific IPO Sukuk offering terms in the term sheet or prospectus.

**10. Will IPO Sukuk be tradable after issuance?**

This depends on the issuer and market structure

- some Sukuk may be listed or tradable in the secondary market
- others may be held to maturity with limited liquidity

There is no assurance of secondary market liquidity.

### 11. What are the key risks of investing in IPO Sukuk?

Key risks include:

- **Allocation Risk:** Receiving less than applied or no allocation
- **Credit Risk:** Issuer may fail to meet payment obligations
- **Liquidity Risk:** Limited or no secondary market trading
- **Market Risk:** Sukuk prices may fluctuate after issuance
- **Shariah Risk:** Sukuk may be deemed Shariah non-compliant, requiring disposal

Full risk details are set out in the relevant Sukuk prospectus.

### 12. What should I consider before subscribing to an IPO Sukuk?

Before subscribing, you should:

- read the Prospectus or Information Memorandum carefully
- understand the allocation mechanism and risks
- ensure the investment suits your risk profile and objectives
- seek independent advice if necessary

## PART C: SECONDARY MARKET SUKUK

### 1. What is secondary market Sukuk?

Secondary market Sukuk refers to Sukuk that are bought and sold after their initial issuance (IPO). Investors trade these Sukuk with other investors in the market, rather than subscribing directly from the issuer.

### 2. How are secondary market Sukuk traded?

Secondary market Sukuk are typically traded **over-the-counter (OTC)** rather than through a central exchange. Trades are executed based on bilateral negotiation, commonly through a Request-for-Quote (RFQ) process with counterparties.

### 3. How do I place a buy or sell order for secondary market Sukuk?

You may place a buy or sell order through BIBD Securities by:

- specifying the Sukuk, quantity, and preferred price or yield (if applicable)
- confirming the quoted terms provided through the RFQ process

Orders are subject to market availability and acceptance by counterparties.

**4. Is execution of my order guaranteed?**

No. **Execution is not guaranteed.** Secondary market Sukuk trading depends on:

- market liquidity;
- availability of counterparties
- price or yield agreed between buyer and seller

Orders may be partially executed or not executed at all.

**5. How is pricing determined for secondary market Sukuk?**

Pricing is influenced by market conditions, issuer credit quality, remaining tenor, and demand and supply.

**6. When does settlement take place?**

Settlement cycles vary depending on the market and custodian, typically ranging from **T+1 to T+5**. Settlement timing may differ for local and foreign Sukuk.

**7. Can I sell my Sukuk before maturity?**

Yes, subject to market liquidity and availability of buyers. There is **no assurance** that Sukuk can be sold at a desired price or within a specific timeframe.

**8. What happens if the market is illiquid?**

In illiquid market conditions:

- quotes may not be available
- bid-ask spreads may widen
- transactions may not be executed

Investors should be prepared to hold the Sukuk until maturity if liquidity is limited.

**9. What are the key risks of secondary market Sukuk?**

Key risks include:

- **Liquidity Risk:** Difficulty in buying or selling Sukuk
- **Market Risk:** Price fluctuations due to changes in profit rates or market conditions
- **Credit Risk:** Issuer default or downgrade
- **Settlement Risk:** Delays or failures in settlement
- **Currency Risk:** For foreign-currency-denominated Sukuk
- **Shariah Risk:** Potential Shariah non-compliance determination requiring disposal

Full risk details are set out in the relevant Sukuk prospectus.

#### 10. Who is secondary market Sukuk suitable for?

Secondary market Sukuk may be suitable for investors who:

- seek income-generating Shariah-compliant investments
- understand fixed-income pricing and liquidity risks
- have investment horizons aligned with Sukuk tenor

#### 11. What should I consider before trading secondary market Sukuk?

You should:

- understand the Sukuk structure and pricing mechanism
- assess liquidity and exit options
- consider market and credit risks
- ensure suitability based on your investment objectives and risk profile

### PART D: FRACTIONALISED SUKUK

#### 1. What is a Fractionalised Sukuk?

A Fractionalised Sukuk allows investors to invest in small portions (fractions) of a Sukuk instead of purchasing the full face value. This structure makes Sukuk investments more accessible and affordable for retail investors.

#### 2. How does the Fractionalised Sukuk structure work?

- The Sukuk is issued in standard denominations by the issuer
- The Sukuk is held under a nominee structure on behalf of retail investors
- Investors hold a beneficial interest in a fraction of the Sukuk, proportional to their investment amount

#### 3. What is BIBDS's role as nominee?

BIBDS acts as the nominee holder of the Sukuk for retail investors.

This means:

- The Sukuk is legally registered in BIBDS's name as nominee
- Investors remain the beneficial owners of their respective fractional holdings
- BIBDS holds the Sukuk on trust for investors and does not own the Sukuk for its own benefit
- BIBDS acts as proxy and collective representative for investors in Sukukholder meetings and corporate actions, in line with the agreed terms set out in the subscription form

**4. Why is a nominee structure used?**

A nominee structure is used to:

- Facilitate fractional ownership of Sukuk
- Simplify settlement, custody, and administration
- Allow retail investors to participate in Sukuk investments efficiently

**5. How do investors earn returns?**

Investors receive periodic profit distributions based on:

- The profit rate of the Sukuk
- The fraction of the Sukuk owned by the investor

**6. Can investors sell their Fractionalised Sukuk before maturity?**

Yes, subject to:

- Market availability and liquidity
- Pricing at the time of sale
- Acceptance of the order by BIBDS

Early sale may result in a gain or loss compared to the original investment amount.

**7. What are the key risks?**

Key risks include:

- **Issuer Risk:** risk that the issuer fails to meet its obligations
- **Market Risk:** changes in market conditions may affect prices
- **Credit Risk:** Issuer default or downgrade
- **Settlement Risk:** Delays or failures in settlement
- **Liquidity Risk:** ability to sell before maturity may be limited
- **Shariah Risk:** Sukuk may be deemed Shariah non-compliant, requiring disposal

Full risk details are set out in the relevant Sukuk prospectus.

**8. What should I consider before investing in Fractionalised Sukuk?**

You should:

- consider your investment objectives
- the issuer's credit risks
- liquidity
- fees and charges
- nominee structure

## PART E: MINIMUM INVESTMENT & FEE

### 1. What is the minimum investment amount for Sukuk?

The minimum investment amount varies depending on the Sukuk issuance:

| Sukuk Type           | Minimum Investment                       | Remarks                                                                    |
|----------------------|------------------------------------------|----------------------------------------------------------------------------|
| Local Sukuk          | Subject to issuer requirements           | Generally lower minimums compared to foreign Sukuk                         |
| Foreign Sukuk        | Subject to issuer or market denomination | May require larger minimums (e.g. USD 200,000 for institutional issuances) |
| Fractionalised Sukuk | Lower minimums may apply                 | Where fractional trading is supported                                      |

Availability of Fractionalised Sukuk and specific minimum amounts will be advised at the point of trade.

### 2. What fees and charges apply to Sukuk investments?

The minimum investment amount varies depending on the Sukuk issuance:

| Transaction Type | Fee                                                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Buy and Sale     | Local Sukuk issuance: 1% of the face value<br>Foreign Sukuk issuance: 2% of the face value                                                       |
| Transfer Out     | A fee of \$100 (in the respective currency) per security transfer applies if you request to transfer your Sukuk holdings to another institution. |

## PART F: ILLUSTRATION OF BUY & SELL CALCULATIONS AND ACCRUED PROFIT

### 1. What is the buy price when I buy Sukuk?

When you buy Sukuk, the total amount you pay usually consists of two main components:

- Clean Price** - the quoted market price of the Sukuk (excluding accrued profit)
- Accrued Profit** - the profit earned from the last profit payment date up to your purchase date

Total Buy Amount = Clean Price + Accrued Profit + Applicable Fees

## 2. What is “clean price”?

The clean price is the quoted price of the Sukuk in the market. It:

- reflects the market value of the Sukuk
- does not include accrued profit
- is usually quoted as a percentage of the face value

## 3. What is “accrued profit”?

**Accrued profit** is the profit that has accumulated on the Sukuk **since the last profit payment date**.

When you buy Sukuk between profit payment dates:

- The seller has already earned some profit
- You compensate the seller for this earned profit

This ensures that:

- The seller receives profit up to the sale date
- You will receive the full profit payment at the next profit distribution date

## 4. How is accrued profit calculated?

Accrued profit is calculated based on:

- The face value of the Sukuk
- The annual profit rate
- The number of days elapsed since the last profit payment

**Accrued Profit** = Face Value × Profit Rate × (Days Accrued / Profit Period Days)

## 5. Can you show a simple buy example?

Assumptions:

- Face value: B\$10,000
- Annual profit rate: 4.00%
- Profit payment frequency: Semi-annual (every 180 days)
- Days since last profit payment: 60 days
- Clean price: 100.50%
- Transaction fee: 1% of face value

**Step 1: Clean Price Amount**

$$100.50\% \times \text{B\$}10,000 = \text{B\$}10,050.00$$

**Step 2: Accrued Profit**

$$\text{B\$}10,000 \times 4.00\% \times (60 \div 180) = \text{B\$}133.33$$

**Step 3: Transaction Fee**

$$1\% \times \text{B\$}10,000 = \text{B\$}100.00$$

**Total Buy Amount**

$$\text{B\$}10,050.00 + \text{B\$}133.33 + \text{B\$}100.00 = \text{B\$}10,283.33$$

**6. What happens when I receive the next profit payment?**

At the next profit payment date:

- You will receive the full profit amount for the entire period
- This includes the portion you previously paid as accrued profit

In simple terms:

You will pay the accrued profit upfront and it will be returned to you at the next profit payment date.

**7. How is the sell price calculated when I sell Sukuk?**

When you sell Sukuk before maturity, your sale proceeds usually include:

1. **Clean Sale Price** - based on the market price at the time of sale
2. **Accrued Profit** - profit earned from the last profit payment date up to your sale date
3. **Less: Applicable Fees**

$$\text{Total Sale Proceeds} = \text{Clean Sale Price} + \text{Accrued Profit} - \text{Applicable Fees}$$

**8. Can you show a simple sell example?**

Assumptions:

- Face value: B\$10,000
- Clean sale price: 101.00%
- Days since last profit payment: 90 days
- Annual profit rate: 4.00%
- Transaction fee: 1% of face value

**Step 1: Clean Sale Price Amount**

$$101.00\% \times \text{B\$}10,000 = \text{B\$}10,100.00$$

**Step 2: Accrued Profit**

$$\text{B\$}10,000 \times 4.00\% \times (90 \div 180) = \text{B\$}200.00$$

**Step 3: Transaction Fee**

$$1\% \times \text{B\$}10,000 = \text{B\$}100.00$$

**Total Sale Proceeds**

$$\text{B\$}10,100.00 + \text{B\$}200.00 - \text{B\$}100.00 = \text{B\$}10,200.00$$

**9. Why can I make a gain or loss even if the profit rate is fixed?**

Even though the profit rate is fixed:

- Sukuk prices move with market conditions
- Prices may rise or fall due to global market rate movements, issuer credit quality, or market demand

As a result:

- You may sell at a higher or lower clean price than your buy price

**10. What should I keep in mind?**

- Prices shown are clean prices and exclude accrued profit
- Accrued profit is separately calculated and settled
- Fees reduce your net investment returns
- Selling before maturity may result in a gain or loss

## **PART G: ORDER MATCHING FOR LOCAL SUKUK**

**1. How are the buy and sell orders for local Sukuk being matched?**

Buy and sell orders are matched manually by the broker, rather than through an automated exchange trading system. This process applies to locally issued Sukuk that are not listed on a stock exchange.

Because there is no exchange order book, trades are matched based on available buy and sell interests, agreed prices, and market conditions.

## 2. How are buy and sell orders matched?

The matching process generally follows these steps:

1. Investors submit **buy or sell orders** with a specified price.
2. The broker will check whether there is a **corresponding offer**.
3. If both conditions are met, the order is matched and executed.
4. If not, the order remains **unmatched** until a suitable offer becomes available or the order expires.

## 3. Can my order be partially matched?

Yes. If the available sell or buy quantity is **less than your order size**, a **partial execution** may occur. The remaining quantity will remain unmatched until a suitable matching opportunity becomes available or the order expires.

## 4. What is the illustrative example of manual matching of Local Sukuk?

### Example 1: Successful Match

- Investor A submits a buy order at B\$102.00
- Investor B submits a sell order at B\$101.50
- ✓ Orders are matched at an agreed price (e.g. B\$101.50)
- ✓ Trade is successfully executed

### Example 2: Unsuccessful Match

- Investor C submits a buy order at B\$108.00
- No corresponding sell order is available at the specified price
- ✗ The order will **not be matched** and will remain unexecuted until a corresponding sell order becomes available or the order expires.

### Example 3: Partial Match

- Investor D submits a buy order for 1,000 units at B\$100.00
- Investor E submits a sell order for 600 units at B\$100.00
- ✓ 600 units are matched and executed
- ✓ The remaining 400 units **remain unmatched** until another corresponding sell order becomes available or the order expires.

## 5. What should investors consider before placing an order?

Investors should note that:

- Matching is not guaranteed
- Liquidity may be limited
- Orders may be partially executed or remain unexecuted until a suitable matching opportunity becomes available or the order expires.

## PART H: SUKUK TRADING

### 1. How can I start investing in Sukuk?

To trade Sukuk, you must hold a current or savings account (“Trading Account”) with Bank Islam Brunei Darussalam Berhad (“BIBD”).

The table below illustrates the steps and required documents:

| No | Steps                                                  | Required Documents                                                                                                                                                                                                                 |
|----|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Open a current or savings account at any BIBD Branches | Original identity card or passport<br>Proof of employment* (latest salary slip, letter of employment or valid Staff ID)<br><br>*Required for first time account opening and any changes to the employment (for existing customers) |
| 2  | Visit BIBD Securities                                  | Original identity card or passport                                                                                                                                                                                                 |
| 3  | Start investing                                        | Upon completion of BIBDS’ required documents                                                                                                                                                                                       |

### 2. What is the eligibility to invest in Sukuk?

- Minimum age 18 years old and above
- Must undergo suitability assessment and risk profiling
- Must meet minimum investment amounts set by the issuer or market
- For foreign Sukuk, must meet any jurisdiction-specific requirements

### 3. How do I set the price for my order?

**Local Sukuk:** Prices can be set based on the market price of the Sukuk

**Foreign Sukuk:** Prices can be set based on the bid or ask price of the Sukuk

For quotation of the latest indicative price, you may contact our dealing desk at 2221470 / 2236207 or your Relationship Manager.

**4. What are the fees and charges that I have to pay?**

Please refer to the brokerage tariff published on BIBDS website.

**5. Will my order be fully executed?**

No, it is not a guarantee.

Sukuk trading depends on:

- Market liquidity
- Availability of counterparties
- Minimum tradable denomination set by the issuer

If the full order cannot be executed because the price or volume does not meet market or contract requirements, a partial execution may occur.

Orders are placed on a Good Till Date (GTD) basis of up to 28 days. If an order is only partially filled, the remaining balance will continue to be valid up to the same GTD as the original instruction, unless otherwise instructed by the investor.

Trading halts after 4:00 p.m. each trading day. Any unexecuted portion of the order will remain pending (subject to the GTD). If you wish to amend, cancel, or re-submit the remaining order, you may contact the trader accordingly.

**6. Can I modify or cancel my orders?**

Orders can be cancelled or modified provided that it has not been executed.

**7. What are the trading hours?**

| Mondays - Thursdays                         | Fridays                                     |
|---------------------------------------------|---------------------------------------------|
| 9.00am until 12.00pm<br>1.30pm until 4.00pm | 9.00am until 11.00am<br>2.45pm until 4.00pm |

**8. What are the modes to settle my trades?**

All trades are settled via your Trading Account. Please ensure your Trading Account balance is sufficient before placing a Buy order with BIBDS.

For Sell orders, the net amount of the Sales proceed will be credited to your Trading Account.

**9. What happens when I have insufficient funds in my Trading Account?**

The trade will not be executed if there are insufficient funds in your Trading Account.

**10. What are the settlement dates?**

Settlement date is the date when a trade is final, where the buyer must make payment to the seller while the seller delivers the assets to the buyer.

Settlement varies by market:

- Local Sukuk: T+1 to T+5
- Foreign Sukuk: T+1 to T+5

Settlement timelines may vary depending on the issuer, custodian, or clearing and settlement requirements.

**11. What happens after a transaction?**

Your monthly portfolio statement will be available on the BIBD NEXGEN Wallet or BIBD NEXGEN Online.

**12. How can I check my profit payments?**

Your profit payments will be credited to your Trading account. You may check your Trading account transaction history via your BIBD NEXGEN Wallet or BIBD NEXGEN Online.

Alternatively, you may also request a printed account statement at any BIBD branches.

**13. Can I transfer my Sukuk to another broker?**

Yes. You may approach BIBDS counter to request for the transfer.

**14. Where can I get assistance, further information or submit a complaint?**

If you require further information about the Brokerage Service, assistance with your Investment Account or transactions, or wish to submit a complaint, you may contact BIBDS through the following channels:

BIBD Securities Sdn Bhd  
1st Floor, Kompleks Setia Kenangan Kg Kiulap,  
Bandar Seri Begawan BS1518  
Brunei Darussalam

Contact number: +673 223 8181  
Email: [bibdsretail@bibd.com.bn](mailto:bibdsretail@bibd.com.bn)