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China Industrial Securities International Financial Group Limited

興證國際金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6058)

DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTIONS OF NOTES

THE SUBSCRIPTIONS

On 14 March 2024 (after trading hours), CISI Investment, an indirect wholly-owned subsidiary of the Company, has subscribed through the lead managers to the offers of the Notes by the Issuer, and such orders were confirmed and CISI Investment has been allocated with the Notes in an aggregate subscription amount of US\$22,000,000 (equivalent to approximately HK\$172,700,000) on 14 March 2024 (after trading hours), at a total consideration of approximately US\$21,967,960 (equivalent to approximately HK\$172,448,486), exclusive of transaction costs.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscriptions exceeds 5% but is less than 25%, the Subscriptions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

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The orders to subscribe

Date: 14 March 2024

Parties: 1. CISI Investment as subscriber

2. The lead managers to the offers of the Notes by the Issuer

To the best of the information, knowledge and belief of the Directors, the lead managers and their respective ultimate beneficial owners are Independent Third Parties.

The Subscriptions were funded from its internal resources.

Principal terms of the Notes

Principal terms of each of the Notes being subscribed are set out in the tables below:

Subscription of Notes A

Issuer:	Volkswagen Group of America Finance, LLC
Guarantor:	Volkswagen Aktiengesellschaft
Guarantee:	The Guarantor will unconditionally and irrevocably guarantee the payment of principal, premium, if any, interest and additional amounts, if any, payable in respect of the Notes
Aggregate Principal Amount:	US\$650,000,000
Subscription Amount:	US\$5,000,000 (equivalent to approximately HK\$39,250,000)
Consideration:	US\$5,000,000 (equivalent to approximately HK\$39,250,000)
Issue Price:	100% of the principal amount of the Notes
Denominations:	US\$200,000 and integral multiples of US\$1,000 in excess thereof
Interest:	Floating rate, SOFR + 83 basis points
Issue Date:	22 March 2024
Maturity Date:	20 March 2026

Subscription of Notes B

Issuer:	Volkswagen Group of America Finance, LLC
Guarantor:	Volkswagen Aktiengesellschaft
Guarantee:	The Guarantor will unconditionally and irrevocably guarantee the payment of principal, premium, if any, interest and Additional Amounts, if any, payable in respect of the Notes

Aggregate Principal Amount:	US\$1,000,000,000
Subscription Amount:	US\$5,000,000 (equivalent to approximately HK\$39,250,000)
Consideration:	approximately US\$4,994,500 (equivalent to approximately HK\$39,206,825)
Issue Price:	99.89% of the principal amount of the Notes
Denominations:	US\$200,000 and integral multiples of US\$1,000 in excess thereof
Interest:	Fixed rate 5.30% per annum
Issue Date:	22 March 2024
Maturity Date:	22 March 2027

Subscription of Notes C

Issuer:	Volkswagen Group of America Finance, LLC
Guarantor:	Volkswagen Aktiengesellschaft
Guarantee:	The Guarantor will unconditionally and irrevocably guarantee the payment of principal, premium, if any, interest and Additional Amounts, if any, payable in respect of the Notes
Aggregate Principal Amount:	US\$1,000,000,000
Subscription Amount:	US\$5,000,000 (equivalent to approximately HK\$39,250,000)
Consideration:	approximately US\$4,979,200 (equivalent to approximately HK\$39,086,720)
Issue Price:	99.584% of the principal amount of the Notes
Denominations:	US\$200,000 and integral multiples of US\$1,000 in excess thereof
Interest:	Fixed rate 5.25% per annum
Issue Date:	22 March 2024
Maturity Date:	22 March 2029

Subscription of Notes D

Issuer:	Volkswagen Group of America Finance, LLC
Guarantor:	Volkswagen Aktiengesellschaft
Guarantee:	The Guarantor will unconditionally and irrevocably guarantee the payment of principal, premium, if any, interest and Additional Amounts, if any, payable in respect of the Notes
Aggregate Principal Amount:	US\$850,000,000
Subscription Amount:	US\$7,000,000 (equivalent to approximately HK\$54,950,000)
Consideration:	approximately US\$6,994,260 (equivalent to approximately HK\$54,904,941)
Issue Price:	99.918% of the principal amount of the Notes
Denominations:	US\$200,000 and integral multiples of US\$1,000 in excess thereof
Interest:	Fixed rate 5.40% per annum
Issue Date:	22 March 2024
Maturity Date:	20 March 2026

Other principal terms the Notes being subscribed are set out below:

Ranking:	<p>The Notes will be unsecured senior obligations of the Issuer and will: (i) rank pari passu in right of payment with all of the Issuer's existing and future unsecured senior indebtedness; (ii) rank senior in right of payment to all of the Issuer's existing and future subordinated indebtedness; (iii) be effectively subordinated in right of payment to all of the Issuer's secured indebtedness, to the extent of the value of the assets securing such indebtedness; and (iv) be effectively subordinated in right of payment to all existing and future indebtedness and other liabilities of each of the Issuer's subsidiaries.</p> <p>The Guarantee will be senior unsecured debt obligations of the Guarantor and will rank pari passu in right of payment with all of its other senior and unsecured debt obligations.</p>
Tax Redemption:	<p>The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the noteholders (which notice shall be irrevocable), if: (i) the Issuer or the Guarantor has or will become obliged to pay Additional Amounts (as defined in the Terms and Conditions) as a</p>

result of any change in, or amendment to, the laws or regulations of any Tax Jurisdiction (as defined in the Terms and Conditions), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the offering memorandum (or, in the case of a successor to the Issuer or the Guarantor that is organized in or a resident for tax purposes of a jurisdiction other than the United States of America or Germany, the date of such succession), and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it; provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Amounts were a payment in respect of the Notes to be redeemed (or the Guarantee, as the case may be) then due. The Notes will be redeemed at a price equal to 100% of the principal amount of the Notes to be redeemed then outstanding plus accrued and unpaid interest on the principal amount being redeemed (and all Additional Amounts, if any) to (but excluding) the date of redemption.

Ratings: The Guarantor's long-term credit ratings are: A3 (stable) (Moody's Investors Service Ltd.), BBB+ (stable) (Standard & Poor's Ratings Services) and A- (stable) (Fitch Ratings).

INFORMATION OF THE ISSUER AND THE GUARANTOR

According to the offering circular of the Notes, the Issuer is a company incorporated in Delaware of the United States of America with limited liability. The Issuer is an indirect wholly-owned subsidiary of the Guarantor. The first-largest shareholder of the Issuer is Porsche Automobil Holding SE holding 31.9%. The principal activity of the Issuer is acting as an issuing company within the debt markets to support the funding requirements of the Guarantor's group. The Guarantor's group's business activities comprise two divisions: the automotive division and the financial services division. The automotive division is composed of three business areas: passenger cars, commercial vehicles and power engineering and the financial services division combines dealer and customer financing, vehicle leasing, direct banking and insurance activities as well as fleet management and mobility services.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Issuer and its respective ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE GROUP

The Group is principally engaged in the provision of brokerage services, margin financing services, corporate finance services, asset management services and financial products and investments.

REASONS AND BENEFITS FOR THE SUBSCRIPTIONS

The Group subscribed the Notes for investment purpose. The investment strategy of the Group is, among others, to generate stable return to the Group within an acceptable risk level by investing in a broad diversification of portfolio, including but not limited to stocks, bonds, funds, structured

products and derivatives in different business sectors to broaden its revenue streams and to seek sustainable business which increase value for its shareholders. In addition, the Group has sought an opportunity to balance and diversify its investment portfolio when opportunities arose and would, from time to time, realise its investment which to do so will be in the best interests of the Group.

The Directors consider that the Subscriptions provide the Group with an opportunity to balance and diversify its investment portfolio, as well as to generate stable return to the Group within an acceptable risk level. The Subscriptions are in line with the Group's investment strategy.

The Directors consider the terms of the Subscriptions and the Terms and Conditions are on normal commercial terms which are fair and reasonable and the Subscriptions are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscriptions exceeds 5% but is less than 25%, the Subscriptions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the meanings set out below:

“Board”	the board of Directors
“CISI Investment”	CISI Investment Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company. Its principal business is investment
“Company”	China Industrial Securities International Financial Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 6058)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Volkswagen Aktiengesellschaft, information of which is stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons

“Issuer”	Volkswagen Group of America Finance, LLC, information of which is stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	Notes A, Notes B, Notes C and Notes D
“Notes A”	US\$650,000,000 Floating Rate Guaranteed Notes due 2026 issued by the Issuer and unconditionally and irrevocably guaranteed by the Guarantor, information of each of the Issuer and the Guarantor are stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“Notes B”	US\$1,000,000,000 5.30% Guaranteed Notes due 2027 issued by the Issuer and unconditionally and irrevocably guaranteed by the Guarantor, information of each of the Issuer and the Guarantor are stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“Notes C”	US\$1,000,000,000 5.25% Guaranteed Notes due 2029 issued by the Issuer and unconditionally and irrevocably guaranteed by the Guarantor, information of each of the Issuer and the Guarantor are stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“Notes D”	US\$850,000,000 5.40% Guaranteed Notes due 2026 issued by the Issuer and unconditionally and irrevocably guaranteed by the Guarantor, information of each of the Issuer and the Guarantor are stated in the section headed “INFORMATION OF THE ISSUER AND THE GUARANTOR” in this announcement
“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of the issued shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	the subscriptions of the Notes by CISI Investment on 14 March 2024
“Terms and Conditions”	the terms and conditions of the Notes
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

In this announcement, amounts in US\$ are translated into HK\$ on the basis of US\$1.00 = HK\$7.85. The conversion rate is for illustration purposes only and should not be taken as a representation that US\$ could actually be converted into HK\$ at such rate or at all.

By Order of the Board
China Industrial Securities International Financial Group Limited
Xiong Bo
Chairman

Hong Kong, 15 March 2024

As at the date of this announcement, the Board comprises one non-executive Director, namely Mr. Xiong Bo (Chairman), one executive Director, namely Ms. Zhang Chunjuan, and three independent non-executive Directors, namely Ms. Hong Ying, Mr. Tian Li and Mr. Qin Shuo.