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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 DISPOSALS OF NOTES**

#### **THE DISPOSALS**

The Board announces that on 15 March 2024, CISI Investment has disposed of the Notes in an aggregate principal amount of US\$22,000,000 (equivalent to approximately HK\$172,700,000) at a total consideration of approximately US\$21,979,570 (equivalent to approximately HK\$172,539,625) on the open market.

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals exceeds 5% but is less than 25%, the Disposals 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 DISPOSALS**

Details of each of the disposals of Notes are set out below:

#### **Disposal of Notes A**

Date	:	15 March 2024
Seller	:	CISI Investment
Issuer	:	Volkswagen Group of America Finance, LLC (“the Issuer”)

Guarantor	:	Volkswagen Aktiengesellschaft (“ <b>the Guarantor</b> ”)
Aggregate principal amount of Notes A being disposed of	:	US\$5,000,000 (equivalent to approximately HK\$39,250,000)
Total Consideration of Notes A being disposed of	:	Approximately US\$5,002,680 (equivalent to approximately HK\$39,271,038)
Maturity date	:	20 March 2026
Interest	:	Floating rate, SOFR + 83 basis points

### **Disposal of Notes B**

Date	:	15 March 2024
Seller	:	CISI Investment
Issuer	:	Volkswagen Group of America Finance, LLC
Guarantor	:	Volkswagen Aktiengesellschaft
Aggregate principal amount of Notes B being disposed of	:	US\$5,000,000 (equivalent to approximately HK\$39,250,000)
Total Consideration of Notes B being disposed of	:	Approximately US\$4,999,050 (equivalent to approximately HK\$39,242,543)
Maturity date	:	22 March 2027
Interest	:	Fixed rate 5.30% per annum

### **Disposal of Notes C**

Date	:	15 March 2024
Seller	:	CISI Investment
Issuer	:	Volkswagen Group of America Finance, LLC
Guarantor	:	Volkswagen Aktiengesellschaft
Aggregate principal amount of Notes C being disposed of	:	US\$5,000,000 (equivalent to approximately HK\$39,250,000)
Total Consideration of Notes C being disposed of	:	Approximately US\$4,984,000 (equivalent to approximately HK\$39,124,400)
Maturity date	:	22 March 2029

Interest : Fixed rate 5.25% per annum

### **Disposal of Notes D**

Date : 15 March 2024

Seller : CISI Investment

Issuer : Volkswagen Group of America Finance, LLC

Guarantor : Volkswagen Aktiengesellschaft

Aggregate principal amount of Notes D being disposed of : US\$7,000,000 (equivalent to approximately HK\$54,950,000)

Total Consideration of Notes D being disposed of : Approximately US\$6,993,840 (equivalent to approximately HK\$54,901,644)

Maturity date : 20 March 2026

Interest : Fixed rate 5.40% per annum

### **INFORMATION OF THE COUNTERPARTY**

As the Disposals were conducted on the open market, the identity of the purchaser(s) of the Notes cannot be ascertained. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the connected persons of the Company nor their associates has purchased the Notes which were being disposed of by CISI Investment under the Disposals.

### **INFORMATION OF THE ISSUER AND THE GUARANTOR**

According to the public information available to the Directors, 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.

### **BASIS OF DETERMINATION OF THE CONSIDERATION**

Since the Disposals were conducted on the open market at the prevailing market price, the Directors

consider that the Disposals are on normal commercial terms and their terms including the consideration are fair and reasonable.

## **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 DISPOSALS**

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 Disposals were in line with the Group's principal activities on financial products and investments. Having consider the performance of the price of the Notes, the Board is of the opinion that the Disposals represent a good opportunity for the Group to exit the investment in the Notes. Taking into account the financial effect of the Disposals as disclosed in the paragraph headed "**Financial Effect of the Disposals**" below, the Board is of the view that the Disposals are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSALS**

The Group recorded a gain of approximately US\$11,610 (equivalent to approximately HK\$91,139), being the difference between the subscriptions cost of the Notes and the proceeds received from the Disposals. The actual amount of gain or loss as a result of the Disposals to be recorded by the Group will be subject to review and final audit by the auditors of the Company.

## **INTENDED USE OF PROCEEDS**

The Company intends that the proceeds of the Disposals of approximately US\$21,979,570 (equivalent to approximately HK\$172,539,625) will be applied towards the Group's general working capital. The Company may also apply the proceeds for new investment should any suitable investment opportunities arise.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals exceeds 5% but is less than 25%, the Disposals 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:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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)
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“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
“Director(s)”	the director(s) of the Company
“Disposals”	the disposals of the Notes by CISI Investment on 15 March 2024.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Shareholder(s)”	Registered holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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.*