Korea Water Resources Corporation

(a statutory juridical corporation organized under the laws of the Republic of Korea)

Issue of US$100,000,000 Floating Rate Notes due 2022
under US$2,000,000,000 Euro Medium Term Notes Programme

THIS NOTE RELATING TO THE PRICING SUPPLEMENT HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND NEITHER THIS TEMPORARY GLOBAL NOTE NOR ANY PORTION HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.

IN CONNECTION WITH THE ISSUE OF THE NOTES, EACH OF THE JOINT LEAD MANAGERS (EACH A "**STABILISING MANAGER**") (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER(S)) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON SUCH STABILISING MANAGER(S) TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

Lead Manager

SG Securities (HK) Limited, Taipei Branch

Co-Managers

CTBC Bank Co., Ltd. **Mega International Commercial Bank Co., Ltd.** **President Securities Corporation**

SinoPac Securities Corporation **Taishin International Bank Co., Ltd.**

The date of this Pricing Supplement is July 19, 2019

PRICING SUPPLEMENT

19 July 2019

KOREA WATER RESOURCES CORPORATION
Issue of U.S.$100,000,000 Floating Rate Notes due 2022
under the US$2,000,000,000
Euro-Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 23 March 2018. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information regarding the Company and the offer of the Notes is only available on the basis of the combination of the Pricing Supplement and the Offering Circular.

The Notes may not be offered, delivered, or sold directly or indirectly in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Act of Korea and the rules and regulations promulgated thereunder) or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional investors" as defined under Paragraph 1, Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China ("**ROC**").

1.	Company:		Korea Water Resources Corporation
	(a)	Series Number:	07
	(b)	Tranche Number:	01
2.	Specified Currency or Currencies:		United States Dollar (U.S.$)
3.	Aggregate Nominal Amount:		U.S.$100,000,000
	(a)	Series:	U.S.$100,000,000
	(b)	Tranche:	U.S.$100,000,000
4.	Issue Price:		
	(a)		100% of the Aggregate Nominal Amount
	(b)	Net Proceeds:	U.S.$99,800,000
	(c)	Use of Proceeds:	General corporate purposes
	(d)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(e)	Calculation Amount:	U.S.$1,000
	(f)	Issue Date:	2 August 2019

	(g)	Interest Commencement Date:	Issue Date
5.	Maturity Date:		2 August 2022
6.	Interest Basis:		3-month U.S.$ LIBOR + 0.65% Floating Rate (further particulars specified below)
7.	Redemption/Payment Basis:		Redemption at par
8.	Change of Interest Basis or Redemption / Payment Basis:		Not Applicable
9.	Put/Call Options:		Not Applicable
10.	Listing:		Singapore Exchange Securities Trading Limited ("**SGX-ST**") Taipei Exchange, the ROC ("**TPEx**")
	(a)	Status of the Notes:	Senior
	(b)	Date of Board approval for issuance of Notes obtained:	December 26, 2018
11.	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	Fixed Rate Note Provisions		Not Applicable
13.	Floating Rate Note Provisions		Applicable
	(a)	Specified Interest Payment Dates:	2 February, 2 May, 2 August and 2 November in each year commencing on 2 November 2019 and ending on the Maturity Date, adjusted in accordance with the Modified Following Business Day Convention
	(b)	Business Day Convention:	Modified Following Business Day Convention
	(c)	Additional Business Centre(s):	London, New York, Hong Kong, Seoul, Taipei
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Fiscal Agent):	The Bank of New York Mellon, London Branch as Calculation Agent
	(f)	Screen Rate Determination:	
14.	Reference Rate:		3-month U.S.$ LIBOR
15.	Interest Determination Date(s):		Second Business Day prior to the start of each Interest Period
16.	Relevant Screen Page:		The display page designated LIBOR01 on Reuters at 11.00a.m. (London time) on the Interest Determination Date
	(a)	ISDA Determination:	Not Applicable

		Floating Rate Option:	Not Applicable
		Designated Maturity:	Not Applicable
		Reset Date:	Not Applicable
	(b)	Margin(s):	+ 0.65% per annum
	(c)	Minimum Rate of Interest:	0.00% per annum
	(d)	Maximum Rate of Interest:	Not Applicable
	(e)	Day Count Fraction:	Actual/360
	(f)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Applicable. See Appendix 1 for benchmark discontinuation provisions.
17.	Zero Coupon Note Provisions		Not Applicable
18.	Index Linked Interest Note Provisions		Not Applicable
19.	Dual Currency Interest Note Provisions		Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Company Call:	Not Applicable
21.	Investor Put:	Not Applicable
22.	Final Redemption Amount:	U.S.$1,000 per Calculation Amount
23.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8.5):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of Notes:	Registered Notes: Registered Global Note
25.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	London, New York, Hong Kong, Seoul, Taipei
26.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
27.	Details relating to Partly Paid Notes amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Company to forfeit the	Not Applicable

	Notes and interest due on late payment:	
28.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	Not Applicable
	(b) Instalment Date(s):	Not Applicable
29.	Redenomination applicable:	Not Applicable
30.	Other terms:	Not Applicable
31.	Additional U.S. federal income tax considerations:	Not Applicable
32.	Private Bank Rebate/Commission:	Not Applicable

DISTRIBUTION

	(a) If syndicated, names of Managers:	SG Securities (HK) Limited, Taipei Branch CTBC Bank Co., Ltd. Mega International Commercial Bank Co., Ltd. President Securities Corporation SinoPac Securities Corporation Taishin International Bank Co., Ltd.
	(b) Stabilising Manager(s) (if any):	Not Applicable
33.	If non-syndicated, name of relevant Dealer:	Not Applicable
34.	U.S. Selling Restrictions:	Reg. S Category 1
35.	Additional selling restrictions:	ROC Selling Restriction, see Appendix 2

Operational Information

36.	Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s):	Not Applicable
37.	Delivery:	Delivery against payment
38.	Additional Paying Agent(s) (if any):	Not Applicable
39.	ISIN:	XS2029669343
40.	Common Code:	202966934
41.	LEI:	The Legal Entity Identifier of the Issuer is 98840035IHSMZZ2TP220

LISTING AND ADMISSION TO TRADING APPLICATION

This Pricing Supplement comprises the pricing supplement required to list the issue of Notes described herein pursuant to the US$2,000,000,000 Euro-Medium Term Note Programme of Korea Water Resources Corporation.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company, the Programme or the Notes.

Application will be made to the TPEx for the listing of, and permission to deal in, the Notes by way of debt issues to professional investors as defined under Paragraph 1, Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the ROC only and such permission is expected to become effective on or about 2 August 2019.

TPEx is not responsible for the contents of this Pricing Supplement, the Offering Circular or any supplement or amendment thereto and no representation is made by TPEx as to the accuracy or completeness of this Pricing Supplement, the Offering Circular or any supplement or amendment thereto. TPEx expressly disclaims any and all liabilities for any losses arising from, or as a result of, the reliance on, all or part of the contents of this Pricing Supplement, the Offering Circular and/or any supplement or amendment thereto. Admission for listing and trading of the Notes on the TPEx is not to be taken as an indication of the merits of the Issuer or the Notes. No assurance can be given that such applications will be granted. If the Notes fail to or cease to be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the Notes.

RESPONSIBILITY

The Company accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of the Company:

By:.....

Duly authorised

APPENDIX 1
Benchmark Discontinuation Provisions

Condition 6.2 (Floating Rate Notes and Index Linked Interest Notes) shall be amended by inserting the below as limb (g):

(g) **LIBOR discontinuance**

If, on or prior to any Interest Determination Date, the Issuer (or one of its affiliates) determines that a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have occurred with respect to LIBOR, then the provisions set forth below under paragraph (i) below, which are referred to as the "**Benchmark Transition Provisions**", will thereafter apply to all determinations of the rate of interest payable on the Notes which have an original Reference Rate linked to LIBOR (the "**LIBOR Notes**"). In accordance with the Benchmark Transition Provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the amount of interest that will be payable for each Interest Period will be an annual rate equal to the sum of the Benchmark Replacement (as defined below) and the relevant Margin in respect of that Interest Period.

(i) *Benchmark Transition Provisions*

(A) *Benchmark Replacement*: If the Issuer (or one of its affiliates) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the LIBOR Notes in respect of such determination on such date and all determinations on all subsequent dates.

(B) *Benchmark Replacement Conforming Changes*: In connection with the implementation of a Benchmark Replacement, the Issuer (or one of its affiliates) will have the right to make Benchmark Replacement Conforming Changes from time to time.

(C) *Decisions and Determinations*: Any determination, decision or election that may be made by the Issuer (or one of its affiliates) pursuant to these Benchmark Transition Provisions, including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, will be made in the Issuer's (or such affiliate's) sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the LIBOR Notes, shall become effective without consent from the holders of the LIBOR Notes or any other party.

(ii) *Definitions*

As used in this Condition 6.2(g) (*LIBOR discontinuance*):

(A) "**Benchmark**" means, initially, LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

(B) "**Benchmark Replacement**" means the Interpolated Benchmark with respect to the then-current Benchmark, plus the Benchmark Replacement Adjustment for such Reference Rate; provided that if the Issuer (or one of its affiliates) cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer (or such affiliate) as of the Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;

(4) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;

(5) the sum of: (a) the alternate rate of interest that has been selected by the Issuer (or one of its affiliates) as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry- accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

(C) "**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer (or one of its affiliates) as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer (or one of its affiliates) giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

(D) "**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period", timing and frequency of determining rates and making payments of interest and other administrative matters) that the Issuer (or one of its affiliates) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer (or such affiliate) decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer (or such affiliate) determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer (or such affiliate) determines is reasonably necessary);

(E) "**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then- current Benchmark:

(1) in the case of paragraphs (1) or (2) of the definition of "**Benchmark Transition Event**", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

(2) in the case of paragraph (3) of the definition of "**Benchmark Transition Event**", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

(F) "**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

(G) "**Compounded SOFR**" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each interest period) being established by the Issuer (or one of its affiliates) in accordance with: the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that, if, and to the extent that, the Issuer (or one of its affiliates) determines that Compounded SOFR cannot be determined in accordance with the previous clause then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer (or one of its affiliates) giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time;

(H) "**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

(I) "**NY Federal Reserve's Website**" means the website of the NY Federal Reserve at http://www.newyorkfed.org, or any successor source;

(J) "**Interpolated Benchmark**" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for

the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

(K) "**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

(L) "**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor;

(M) "**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

(N) "**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, and (2) if the Benchmark is not LIBOR, the time determined by the Issuer (or its affiliate) in accordance with the Benchmark Replacement Conforming Changes;

(O) "**Relevant Governmental Body**" means the Federal Reserve Board and/or the NY Federal Reserve, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NY Federal Reserve or any successor thereto;

(P) "**SOFR**" with respect to any day means the secured overnight financing rate published for such day by the NY Federal Reserve, as the administrator of the benchmark, (or a successor administrator) on the NY Federal Reserve's Website;

(Q) "**Term SOFR**" means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body; and

(R) "**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

APPENDIX 2
Amendments to the Offering Circular

The Offering Circular is hereby amended as follows:

1. The following paragraphs will be added at the end of the section "*Risk Factors – Risks Relating to the Notes*" on page 18 of the Offering Circular:

Certain base rates described herein refer to "benchmarks," including LIBOR and EURIBOR, that may be discontinued or reformed, which may adversely affect the value of and return on floating rate Notes.

Certain base rates, including the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other rates or indices described herein, are deemed to be "benchmarks" and are the subject of ongoing national and international regulatory scrutiny and reform. Some of these reforms are already effective, while others are still to be implemented or formulated. These reforms may cause such benchmarks to perform differently than they performed in the past or to be discontinued entirely and may have other consequences that cannot be predicted. Any such consequences could adversely affect the value of and return on any floating rate Notes that refer, or are linked, to a "benchmark" to calculate interest or other payments due on those Notes.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

To the extent interest payments on a floating rate Note are linked to a specific "benchmark" that is discontinued or is no longer quoted, the applicable base rate will be determined using the alternative methods described in the Conditions. Any of these alternative methods may result in interest payments that are lower than or that do not otherwise correlate over time with the payments that would have been made on those Notes if the relevant "benchmark" was available in its current form. For the LIBOR Reference Rate, a Benchmark Replacement will be used to determine the interest rate if LIBOR is discontinued, as described in the Conditions. Any of the foregoing may have an adverse effect on the value of such Notes, and may cause adverse U.S. federal income tax consequences for holders of such Notes.

Interest on floating rate Notes linked to LIBOR will be calculated using a Benchmark Replacement selected by the Issuer if a Benchmark Transition Event occurs.

As described in the Conditions, if during the term of the floating rate Notes linked to LIBOR, the Issuer (or one of its affiliates) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR, the Issuer (or such affiliate) in its sole discretion will select a Benchmark Replacement as the base rate in accordance with the benchmark transition provisions. The Benchmark Replacement will include a spread adjustment and technical, administrative or operational changes described in the benchmark transition provisions may be made to the interest rate determination if the Issuer (or such affiliate) determines in its sole discretion they are required.

The interests of the Issuer (or its affiliate) in making the determinations described above may be adverse to the interests of a holder of the floating rate Notes. The selection of a Benchmark Replacement, and any decisions made by the Issuer (or such affiliate) in connection with implementing a Benchmark Replacement with respect to any series of floating rate Notes, could result in adverse consequences to the applicable interest rate on the floating rate Notes, which could adversely affect the return on, value of and market for such Notes. Further, there is no assurance that the characteristics of any Benchmark Replacement will be similar to LIBOR or that any Benchmark Replacement will produce the economic equivalent of LIBOR.

The Secured Overnight Financing Rate ("SOFR") is a relatively new market index and as the related market continues to develop, there may be an adverse effect on the return on or value of certain floating rate Notes.

Under the benchmark transition provisions, if a Benchmark Transition Event and its related Benchmark Replacement Date occur with respect to LIBOR, then the rate of interest on LIBOR-linked floating rate Notes will be determined using SOFR (unless a Benchmark Transition Event and its related Benchmark Replacement Date also occur with respect to the Benchmark Replacements that are linked to SOFR, in which case the rate of interest will be based on the next-available Benchmark Replacement). In the following discussion of SOFR, when we refer to SOFR-linked Notes, we mean floating rate Notes at any time when the rate of interest on those Notes is or will be determined based on SOFR.

The Benchmark Replacements specified in the benchmark transition provisions include Term SOFR, a forward-looking term rate which will be based on the Secured Overnight Financing Rate. Term SOFR is currently being developed under the sponsorship of Federal Reserve Bank of New York (the "**NY Federal Reserve**"), and there is no assurance that the development of Term SOFR will be completed. If a Benchmark Transition Event and its related Benchmark Replacement Date occur with respect to LIBOR and, at that time, a form of Term SOFR has not been selected or recommended by the Federal Reserve Board, the NY Federal Reserve, a committee thereof or successor thereto, then the next-available Benchmark Replacement under the benchmark transition provisions will be used to determine the amount of interest payable on the floating rate Notes for the next applicable interest period and all subsequent interest periods (unless a Benchmark Transition Event and its related Benchmark Replacement Date occur with respect to that next-available Benchmark Replacement).

These replacement rates and adjustments may be selected or formulated by (i) the Relevant Governmental Body (such as the Alternative Reference Rates Committee of the NY Federal Reserve), (ii) the International Swaps and Derivatives Association, Inc., or (iii) in certain circumstances, the Issuer (or one of its affiliates). In addition, the Benchmark Transition Provisions expressly authorise the Issuer (or such affiliate) to make Benchmark Replacement Conforming Changes with respect to, among other things, the determination of Interest Periods and the timing and frequency of determining rates and making payments of interest. The application of a Benchmark Replacement and Benchmark Replacement Adjustment, and any implementation of Benchmark Replacement Conforming Changes, could result in adverse consequences to the amount of interest payable on floating rate Notes, which could adversely affect the return on, value of and market for such floating rate Notes. Further, there is no assurance that the characteristics of any Benchmark Replacement will be similar to the then-current Benchmark that it is replacing, or that any Benchmark Replacement will produce the economic equivalent of the then- current Benchmark that it is replacing.

The NY Federal Reserve began to publish SOFR in April 2018. Although the NY Federal Reserve has also begun publishing historical indicative SOFR going back to 2014, such prepublication historical data inherently involves assumptions, estimates and approximations. The holders of the Notes should not rely on any historical changes or trends in SOFR as an indicator of the future performance of SOFR. Since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. As a result, the return on and value of SOFR-linked Notes may fluctuate more than floating rate Notes that are linked to less volatile rates.

Also, since SOFR is a relatively new market index, SOFR-linked Notes likely will have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for Notes indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the notes may be lower than those of later- issued SOFR-linked Notes as a result. Similarly, if SOFR does not prove to be widely used in securities like the floating rate Notes, the trading price of those securities may be lower than those of Notes linked to rates that are more widely used. Notes indexed to SOFR may not be able to be sold or may not be able to be sold at prices that will provide a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

The NY Federal Reserve notes on its publication page for SOFR that use of SOFR is subject to important limitations, indemnification obligations and disclaimers, including that the NY Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice. There can be no guarantee that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the holders of the Notes. If the manner in which SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on the floating rate Notes and a reduction in their trading prices.

2. The following paragraphs will be added at the end of the section "*Taxation*" on page 98 of the Offering Circular:

ROC Taxation

The following summary of certain taxation provisions under ROC law is based on current law and practice and assumes that the Notes will be issued, offered, sold and re-sold, directly or indirectly, to professional investors as defined under Paragraph 1, Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the ROC only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.

Interest on the Notes

As the Issuer of the Notes is not an ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid by the Issuer on the Notes.

Payments of any interest or deemed interest under the Notes to a ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interest or deemed interest in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("AMT"), unless the sum of the interest or deemed interest and other non-ROC sourced income received by such holder and the person(s) who is (are) required to jointly file the tax return in a calendar year is below 1 million New Taiwan Dollars ("NT$"). If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder's AMT payable.

ROC corporate holders must include any interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT$500,000), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to a 0.1 per cent. securities transaction tax ("STT") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of Notes are exempt from income tax. Accordingly, ROC individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT

payable. Capital losses, if any, incurred by such holders could be carried over five years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business and a business agent in the ROC, they are not subject to income tax or AMT on any capital gains generated from the sale of the Notes.

3. The following paragraphs will be added at the end of the section "*Subscription and Sale*" on page 105 of the Offering Circular:

Republic of China

The Notes have not been, and shall not be, offered, sold or resold, directly or indirectly, to investors other than "professional investors" as defined under Paragraph 1, Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the Republic of China ("**ROC**"), which currently include:

(a) a "professional institutional investor" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC, which currently includes: (i) overseas or domestic banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3, Article 2 of the Financial Supervisory Commission Organization Act, (ii) overseas or domestic fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Future Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognised by the Financial Supervisory Commission of the ROC;

(b) a legal entity or fund having applied in writing to the securities firms for the status of a professional investor that meets all of the following three criteria: (i) its total assets exceed 50,000,000 New Taiwan Dollars ("**NT$**") according to its most recent CPA-audited or reviewed financial report, provided that the financial report of a non-ROC offshore legal entity is not required to be audited or reviewed by the CPA, (ii) the person authorized by the investor to handle trades has sufficient professional knowledge and trading experience in bonds, and (iii) it fully understands that the securities firm is exempted from certain responsibilities towards professional investors in connection with bond trading activities and agrees to sign up as a professional investor; and

(c) a natural person who has applied in writing to a securities firm for the status of professional investor and who meets all of the following three criteria: (i)(x) he/she has provided a proof of financial capacity of at least NT$30,000,000, or (y) he/she has made a single trade and the transaction amount of which is higher than NT$3,000,000, his/her total assets and investments booked at and made through such securities firm are higher than NT$15,000,000 and has provided a statement certifying that the value of his/her total assets exceeds NT$30,000,000, (ii) he/she has sufficient professional knowledge and trading experience in bonds, and (iii) he/she fully understands that the securities firm is exempted from certain responsibilities toward professional investors in connection with bond trading activities and agrees to sign up as a professional investor.

Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned professional investors.

ROC Trading and Settlement

Investors with a securities book-entry account with a ROC securities broker and a foreign currency deposit account with a ROC bank, may request the approval of the Taiwan Depository & Clearing Corporation ("**TDCC**") to the settlement of the Notes through the account of TDCC with Euroclear or Clearstream, Luxembourg and if such approval is granted by the TDCC, the Notes may be so cleared and settled. In such circumstances, TDCC will allocate the respective book-entry interest of such investors in the Notes to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

In addition, an investor may apply to TDCC (by filing in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream, Luxembourg to the TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second ROC business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one ROC business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.

4. The following consolidated audited financial statements of the Company in respect of the financial year ended 31 December 2018 shall be appended to the Offering Circular: