

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

**IMPORTANT:** You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following applies to the offering circular dated April 12, 2023 as supplemented by the pricing supplement dated September 22, 2023 following this page (the “Offering Circular”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

**Confirmation of your Representation:** In order to be eligible to view the following Offering Circular or make an investment decision with respect to the securities, investors must be non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. By accepting this e-mail and accessing the following Offering Circular, you shall be deemed to have represented to us (1) that you and any customers you represent are non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act and that the electronic e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to the delivery of such Offering Circular by electronic transmission.

You are reminded that the following Offering Circular has been delivered to you on the basis that you are a person into whose possession the following Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the following Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Manager (as described in the Offering Circular) or any affiliate of a Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or such affiliate on behalf of Korea Ocean Business Corporation (“Issuer”) in such jurisdiction.

The Offering Circular is for distribution only to persons who (i) are outside the United Kingdom; (ii) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); (iii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the

issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “Relevant Persons”). The Offering Circular is directed only at Relevant Persons and must not be acted or relied upon by persons who are not Relevant Persons. Any investment or investment activity to which the Offering Circular relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The following Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Issuer, the Managers nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard-copy version available to you upon request to the Managers.

For the avoidance of doubt, the Issuer’s website does not form part of the Offering Circular.

You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply via e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. You are responsible for protecting this e-mail against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**The distribution of the Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession the Offering Circular comes are required by the Managers and the Issuer to inform themselves about, and to observe, any such restrictions.**



**KOREA OCEAN BUSINESS CORPORATION**

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

**Issue of U.S.\$80,000,000 Floating Rate Senior Unsecured Notes due 2028  
under the U.S.\$5,000,000,000 Medium Term Note Program**

THE NOTES TO WHICH THIS PRICING SUPPLEMENT RELATES (THE “NOTES”) HAVE NOT BEEN 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, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE NOTES WILL BE OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S.

IN CONNECTION WITH THIS ISSUE, THE STABILIZATION MANAGER (OR ANY PERSON ACTING ON BEHALF OF THE STABILIZATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILIZATION MANAGER (OR PERSON ACTING ON BEHALF OF THE STABILIZATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

*Lead Manager*

**STANDARD CHARTERED BANK (TAIWAN) LIMITED**

*Co-Managers*

**BANK SINOPAC CO., LTD.**

**SINOPAC SECURITIES CORPORATION**

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**

The date of this pricing supplement is September 22, 2023.

**KOREA OCEAN BUSINESS CORPORATION**

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

**Issue of U.S.\$80,000,000 Floating Rate Senior Unsecured Notes due 2028  
under the U.S.\$5,000,000,000 Medium Term Note Program**

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 program offering circular dated April 12, 2023 (the “**Offering Circular**”). This Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

The Notes have not been registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, 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 Law of Korea and the regulations 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.

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 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds (the “**TPEX Rules**”) of the Republic of China (“**ROC**”). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to an aforementioned professional investor.

**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the “SFA”)** – the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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|--------------------------------------|---|
| 1. Issuer:                           | Korea Ocean Business Corporation        |
| LEI Code:                            | 988400706OU5BSJ8ZG26                    |
| 2. (i) Series Number:                | 2                                       |
| (ii) Tranche Number:                 | 1                                       |
| (iii) Re-opening:                    | No                                      |
| 3. Specified Currency or Currencies: | United States Dollars (“U.S.\$”)        |
| 4. Aggregate Nominal Amount:         |   |
| (i) Series:                          | U.S.\$80,000,000                        |
| (ii) Tranche:                        | U.S.\$80,000,000                        |
| 5. (i) Issue Price:                  | 100.00% of the Aggregate Nominal Amount |
| (ii) Use of proceeds:                | For general corporate purpose           |

6.	(i) Specified Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
	(ii) Calculation Amount:	U.S.\$1,000
7.	(i) Issue Date:	October 5, 2023
	(ii) Interest Commencement Date:	October 5, 2023
8.	Maturity Date:	October 5, 2028
9.	Interest Basis:	Compounded Daily SOFR + 0.97 per cent.
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put (other than Condition 8(d)(i))/Call Options:	Not Applicable
13.	Status of the Notes:	Senior
14.	Listing:	Singapore Exchange Securities Trading Limited (the “SGX-ST”)  Taipei Exchange (the “TPEX”)  Application will be made by the Issuer to the SGX-ST and the TPEX for the listing and trading of the Notes on the SGX-ST and the TPEX. For further information, see “Listing Application” section below.
15.	Method of distribution:	Syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16.	Fixed Rate Note Provisions:	Not Applicable
17.	Floating Rate Note Provisions:	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	Quarterly on January 5, April 5, July 5 and October 5 of each year commencing on January 5, 2024 subject to adjustment in accordance with the Business Day Convention specified below
	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Additional Business Center(s):	Seoul, Taipei, London and New York City
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying	Not Applicable

Agent):

(vi) Screen Rate Determination:

— Reference Rate:	SOFR Benchmark
— Interest Determination Date(s):	Fifth U.S. Government Securities Business Day prior to the last day of each Interest Period (which expression shall mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).
— Relevant Screen Page:	Not Applicable
— SOFR Benchmark:	Compounded Daily SOFR
— Compounded Daily SOFR:	SOFR Lag
— Lookback Days:	5 U.S. Government Securities Business Days
— SOFR Observation Shift Days:	Not Applicable
— SOFR Index <sub>Start</sub> :	Not Applicable
— SOFR Index <sub>End</sub> :	Not Applicable

(vii) ISDA Determination:

— Floating Rate Option:	Not Applicable
— Designated Maturity:	Not Applicable
— Reset Date:	Not Applicable

(viii) Margin(s): 0.97% per annum

(ix) Minimum Rate of Interest: Not Applicable

(x) Maximum Rate of Interest: Not Applicable

(xi) Day Count Fraction: Actual 360, adjusted

(xii) Fall back 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: Not Applicable

18. Zero Coupon Note Provisions: Not Applicable

19. Index Linked Interest Note Provisions: Not Applicable

20. Dual Currency Note Provisions: Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

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|---|------------------------------------|
| 21. Issuer Call:  | Not Applicable                     |
| 22. Investor Put (other than Condition 8(d)(i)):  | Not Applicable                     |
| 23. Final Redemption Amount of each Note:   | U.S.\$1,000 per Calculation Amount |
| 24. Early Redemption Amount of each Note 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(e)): | U.S.\$1,000 per Calculation Amount |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

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| 25. Form of Notes:   | Registered Notes:<br><br>Regulation S Global Note |
| 26. Additional Financial Center(s) or other special provisions relating to Payment Dates:  | Seoul, Taipei, London and New York City           |
| 27. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):   | Not Applicable                                    |
| 28. 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 Issuer to forfeit the Notes and interest due on late payment: | Not Applicable                                    |
| 29. Details relating to Installment Notes: amount of each installment, date on which each payment is to be made:   | Not Applicable                                    |
| 30. Redenomination applicable:   | Not Applicable                                    |
| 31. Other terms or special conditions:   | Not Applicable                                    |

**DISTRIBUTION**

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| 32. (i) If syndicated, names of Managers:                                      | <u>Lead Manager</u><br>Standard Chartered Bank (Taiwan) Limited<br><br><u>Co-Managers</u><br>Bank SinoPac Co., Ltd.<br>SinoPac Securities Corporation<br>The Shanghai Commercial & Savings Bank, Ltd. |
| (ii) Stabilization Manager (if any):   | Not Applicable  |
| 33. If non-syndicated, name of relevant Dealer:                                | Not Applicable  |
| 34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | Not Applicable  |

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|---|---|
| 35. Prohibition of sales to EEA retail investors: | Not Applicable                            |
| 36. Prohibition of sales to UK retail investors:  | Not Applicable                            |
| 37. Additional selling restrictions:              | ROC Selling Restrictions, see Appendix B. |

#### **OPERATIONAL INFORMATION**

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|--|---|
| 38. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable  |
| 39. Delivery:  | Delivery against payment  |
| 40. In the case of Registered Notes, specify the location of the office of the Registrar if other than New York:       | Citicorp International Limited, 9/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong |
| 41. Additional Paying Agent(s) (if any):   | Not Applicable  |
| 42. ISIN:  | XS2695399506  |
| Common Code:   | 269539950   |

#### **LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Program of Korea Ocean Business 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 Issuer, the Program or the Notes.

The TPEX is not responsible for the content of this document and the Offering Circular and any amendment and supplement thereto and no representation is made by TPEX to the accuracy or completeness of this document and the Offering Circular and any amendment and supplement thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Offering Circular and any amendment and supplement thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes. The Notes will be traded on the TPEX pursuant to the applicable rules of the TPEX. Effective date of listing of the Notes is on or about October 5, 2023



**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement, which, when read together with the Offering Circular referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
Duly authorized signatory  
Name: **669-82-00218**  
Title: **KOREA OCEAN BUSINESS CORPORATION**  
**YANGSOO-KIM**  
**38, Marine city 2-ro, Haeundae-gu, Busan**



## APPENDIX A – AMENDMENTS TO THE OFFERING CIRCULAR

*This section provides information that supplements or replaces certain information in the Offering Circular under the headings corresponding to the headings below. Capitalized terms used without definition in this section or elsewhere in this Pricing Supplement have the meanings given to such terms in the Offering Circular. If the information in this section differs from the information in the Offering Circular, potential investors should refer to the information in this section.*

### RISK FACTORS

#### Risks Relating to the Notes

##### *Additional Risks*

Application will be made for the listing of the Notes on the TPEX. No assurances can be given as to whether the Notes will be, or will remain, listing on TPEX or whether a trading market for the Notes will develop or as to the liquidity of any such trading market. 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.

### TAXATION

#### ROC Taxation

*The following is a general description of the principal ROC tax consequences for investors receiving interest in respect of, or disposing of, the Notes and is of a general nature based on the Issuer's understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.*

*This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold and re-sold to professional investors as defined under Paragraph 1 of Article 2-1 of the TPEX Rules only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.*

##### *Interest on the Notes*

As the Issuer of the Notes is not a 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 interest or deemed interest under the Notes to an 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 ROC Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder's AMT payable.

ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20% (unless the total taxable income for a fiscal year is NT\$120,000 or under), 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 0.1% securities transaction tax (“STT”) on the transaction price. However, Article 2-1 of the ROC Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from January 1, 2010 to December 31, 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before December 31, 2026. Starting from January 1, 2027, any sale of the Notes will be subject to STT at 0.1% 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 bonds are exempt from ROC income tax. Accordingly, ROC individual and corporate holders are not subject to ROC 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 5 years to offset against capital gains of 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.

## **BOOK-ENTRY CLERANCE SYSTEMS**

### ***ROC Settlement and Trading***

The Issuer has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation (“TDCC”) and has no intention to do so.

In the future, if the Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities bookentry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwanese bank, may settle the Notes through the account of TDCC with Euroclear or Clearstream if it applies to TDCC (by filling in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream to such TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position 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. For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, 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 Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the Taiwanese banks with which the holder has the foreign currency deposit account.

## APPENDIX B – ROC SELLING RESTRICTION

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 of Article 2-1 of the TPEX Rules of the ROC, which currently include:

- (a) a “professional institutional investor” as defined under Paragraph 2 of 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 of 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 NT\$50,000,000 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, the transaction amount of which is higher than NT\$3,000,000, and 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.