WEISS
ASSET MANAGEMENT

WEISS KOREA OPPORTUNITY FUND LTD.

ANNUAL REPORT

and Audited Financial Statements

for the year ended 31 December 2023

For more information visit

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www.weisskoreaopportunityfund.com

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COMPANY OVERVIEW

FINANCIAL HIGHLIGHTS

As at 31 December 2023

Total Net Assets[1]	Net Asset Value ("NAV") Per Share[2]	Mid-Market Share Price
£116,849,704	**£1.69**	**£1.68**
(As at 31 December 2022: £127,080,493)	(As at 31 December 2022: £1.83)	(As at 31 December 2022: £1.81)

2023 NAV Return[3, 4]	2023 Benchmark Return[6,7]
-5.5%	**14.8%**
(Since inception: 112.2%)[5]	(Since inception: 73.2%)

Portfolio Discount*	Share Price Discount[8]	Fund Dividend Yield[9]
49.7%	**-0.4%**	**3.2%**
(31 December 2022: 68.0%)	(31 December 2022: -1.6%)	(31 December 2022: 3.5%)

Average Trailing 12-Month P/E Ratio of Preference Shares Held[10]	P/B Ratio of Preference Shares Held[11]	Annualised Total Expense Ratio[12]
4.8x	**0.3**	**2.1%**
(31 December 2022: 4.0x)	(31 December 2022: 0.3)	(31 December 2022: 2.0%)

*Portfolio Discount

The portfolio discount represents the discount of WKOF's actual NAV to the value of what the NAV would be if WKOF held the respective common shares of issuers rather than preference shares on a one-to-one basis.

As at close of business on 30 April 2024, the latest published NAV per Share was £1.80 and the Share Price was £ 1.73.

COMPANY SUMMARY
THE COMPANY

Weiss Korea Opportunity Fund Ltd. (“WKOF” or the “Company”) was incorporated with limited liability in Guernsey as a closed-ended investment company on 12 April 2013. The Company’s shares were admitted to trading on the Alternative Investment Market (“AIM”) of the London Stock Exchange (the “LSE”) on 14 May 2013.

The Company is managed by Weiss Asset Management LP (the “Investment Manager” or “WAM”), a Boston-based investment management company registered with the Securities and Exchange Commission in the United States of America.

INVESTMENT OBJECTIVE AND DIVIDEND POLICY

The Company’s investment objective is to provide Shareholders with an attractive return on their investment, predominantly through long-term capital appreciation. The Company is geographically focused on South Korean (“Korean”) companies. Specifically, the Company invests primarily in listed preference shares issued by companies incorporated in South Korea (“Korea”), which in many cases trade at a discount to the corresponding common shares of the same companies. Since the Company’s admission to the AIM, the Investment Manager has assembled a portfolio of South Korean preference shares that it believes are undervalued and could appreciate based on the criteria that it selects. The Company may, in accordance with its investment policy, also invest some portion of its assets in other securities, including exchange-traded funds, futures contracts, options, swaps and derivatives related to South Korean equities, and cash and cash equivalents. The Company does not have any concentration limits.

The Company intends to return to Shareholders all dividends received, net of withholding tax, on an annual basis.

INVESTMENT POLICY

The Company is geographically focused on South Korean companies. Some of the considerations that affect the Investment Manager's choice of securities to buy and sell may include the discount at which a preference share is trading relative to its respective common share, dividend yield and its liquidity, among other factors. Not all of these factors will necessarily be satisfied for particular investments.

Preference shares are selected by the Investment Manager at its sole discretion, subject to the overall control of the Board of Directors of the Company (the "Board").

From time to time, the Company may purchase certain credit default swaps on the sovereign debt of South Korea and put options on certain South Korean equity exchange traded funds ("ETFs") and indices as general market and portfolio hedges, but it did not hedge its exposure to interest rates or foreign currencies during the year ended 31 December 2023 (2022: Nil). Please see additional information about the nature of these hedges in the Investment Manager's Report within.

INVESTMENT PROCESS

The Investment Manager monitors the discounts and yields on the universe of South Korean preference shares as well as events or catalysts that could affect preference share discounts leading to material price changes.

Multiple criteria are used to rank and calculate the returns for each preference share, including but not limited to:

- The discount that the preference share is trading at relative to its common share
- Expected dividend yield
- Future catalysts or events
- Management quality
- Fundamentals of the Company
- Market impact from entering and exiting our position

The Investment Manager expects the Company to remain close to fully invested as long as the opportunity set remains attractive.

WHY SOUTH KOREA?

The future of the South Korean economy looks promising. The global success of companies like Hyundai, LG Electronics and Amorepacific stimulates other areas of the South Korean economy both through the demand for intermediary goods and the demand for services by the workers at these companies. In addition, South Korea has emerged as one of the world's most innovative countries as it:

- Filed the highest number of patent applications relative to GDP in 2022.[13]
- High credit rating on its sovereign debt. South Korea was rated higher than Japan by Moody's, S&P, and Fitch[14].
- Ranked 6th largest exporter in the world in 2022.[15]
- Ranked 13th largest economy by GDP in the world in 2022.[16]
- Students in South Korea scored above the OECD average in mathematics, reading, and science on their Programme for International Student Assessment (PISA) test scores in 2022.[17]

South Korean companies are thus a key part of the value chain in some of the world's most exciting industries, such as electric vehicles, 5G technology and smartphones. The country also boasts a high GDP per capita, one of the lowest government debt/ GDP ratios of any country, large foreign exchange reserves, and low levels of unemployment.

Although its population is ageing, the general education level of South Korea's work force is increasing. South Korean students are consistently among the top performing students in the Programme for International Student Assessment tests[17]. This provides a pool of talent that can be tapped for future growth.

The South Korean stock market appears fundamentally cheap relative to other equity markets. This cheap valuation can be largely explained by the historically poor corporate governance displayed by the major South Korean conglomerates. However, events over the last several years indicate a trend of awareness and improvements in corporate governance. There was a large increase in publicly traded Korean companies subject to activist demands in 2023, relative to previous years, with many of these demands coming from local investors. One underlying thesis of our strategy is that improved corporate governance will attract more investors to Korea. The Investment Manager's Report sets out some examples of improvements in corporate governance that have taken place during the most recent six months. Over time, we believe that this is likely to narrow the discount of the preference shares held in WKOF's portfolio, thus increasing the value of WKOF's holdings.

Index Name	P/E Ratio	P/B Ratio	Dividend yield
Nifty Index (India)	24.4	3.1	1.3%
S&P 500 (US)	23.4	4.5	1.5%
Nikkei 225 (Japan)	20.4	1.9	1.9%
FTSE 100 (UK)	10.7	1.7	3.9%
Shanghai Composite (China)	11.3	1.3	2.8%
Hang Seng Index (HK)	9.2	1.0	4.1%
TAIEX (Taiwan)	18.2	2.1	3.4%
KOSPI 200 (Korea)	**11.6**	**1.0**	**1.6%**

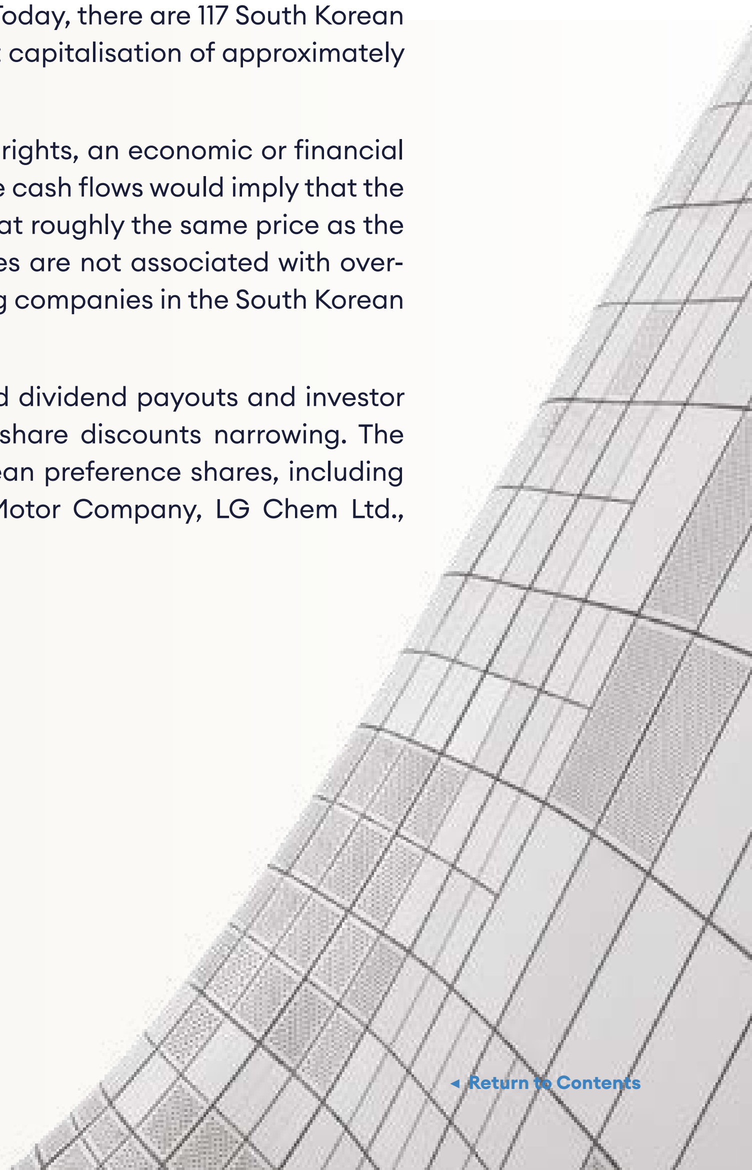
SOUTH KOREAN PREFERENCE SHARES

Many of the largest companies in the South Korean market issue preference shares in addition to their common shares. These preference shares are equity shares that receive the same dividend per share as the voting common shares plus an additional percentage of the preference shares' par value per share. In return for this higher dividend, preference shares are non-voting in normal circumstances, although they do have voting rights in certain situations. Many of these preference shares trade at significant discounts to the corresponding common shares despite receiving a slightly higher dividend amount as the common shares. Therefore, they provide preference shareholders with relatively higher yields than the corresponding common shares.

The majority of South Korean preference shares were issued in the mid-1990s, when the South Korean government pressured chaebols (family-owned South Korean conglomerates) to raise equity and reduce debt within their capital structures. By issuing non-voting shares, the founders of the South Korean companies were able to raise equity capital without diluting their voting control. The additional payment as a percentage of par value that preference shares paid out to investors, albeit nominal today, was sufficiently large relative to the dividends in the 1990s to attract investors. Today, there are 117 South Korean preference shares outstanding with an aggregate market capitalisation of approximately £42 billion.[18]

Although preference shares typically do not have voting rights, an economic or financial model that values equity on the discounted value of future cash flows would imply that the preference shares of these companies should be trading at roughly the same price as the corresponding common shares. Further, preference shares are not associated with over-priced speculative companies; rather, many of the leading companies in the South Korean economy have preference shares outstanding today.

Ongoing corporate governance improvements, increased dividend payouts and investor activism continue to serve as catalysts for preference share discounts narrowing. The Company invests in a portfolio of discounted South Korean preference shares, including South Korean market heavyweights such as Hyundai Motor Company, LG Chem Ltd., Amorepacific Corp. and LG Electronics Inc.



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TOP 10 HOLDINGS AS AT 31 DECEMBER 2023

1

HYUNDAI MOTOR COMPANY, 2ND PRF.

16% OF WKOF NAV DISCOUNT TO COMMON SHARE: **-44%**

Hyundai Motor Company is one of South Korea's leading car manufacturers by market share, producing and selling more than 3.9 million units globally in 2022. Hyundai plans on increasing its presence in the electric vehicle market, while targeting to sell over 4.3 million units in 2023.[19]

Source: iStockphoto

Source: LG Electronics Inc.

LG ELECTRONICS INC., PRF.

2

10% OF WKOF NAV DISCOUNT TO COMMON SHARE: **-55%**

LG Electronics is a household brand in home appliances, with various product lines including washing machines, televisions, refrigerators, and smart phones. According to market research firm Omdia, the company has a significant portion of TV market share, capturing 16.6% of global TV sales in 2023.[20]

3

LG CHEM LTD., PRF.

8% OF WKOF NAV DISCOUNT TO COMMON SHARE: **-38%**

South Korea's largest chemical company by market capitalisation, LG Chem manufacturers and sells petrochemical products and advanced materials, including plastics and EV batteries. Its EV battery business and subsidiary, LG Energy Solution, is the world's largest EV battery maker in the world.[21] In 2023, LG Chem generated over £34.5bn in revenue globally.[22]

Source: LG Energy Solution.

Source: Hanwha Corporation

HANWHA CORPORATION 3RD PRF.

4

7% OF WKOF NAV DISCOUNT TO COMMON SHARE: **-46%**

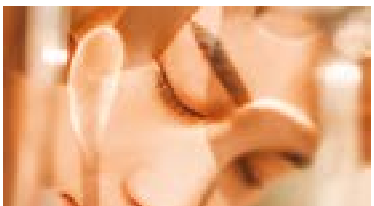
Hanwha Corporation specialises in producing and trading chemicals, aerospace & defence products, and energy products. It also deals in the construction and financial services industries. A Fortune Global 500 company, Hanwha Corporation's subsidiaries include Korea's oldest life insurance company and Hanwha Solutions, a leading domestic manufacturer of solar cell panels.[23]

5

AMOREPACIFIC CORP., PRF.

7% OF WKOF NAV DISCOUNT TO COMMON SHARE: **-75%**

Established in 1945, Amorepacific develops beauty and cosmetic products while operating over 30 brands, including Mamonde and Laneige. Amorepacific's portfolio of products includes perfume, skin care, make up, hair care, oral care and body care products. The brand also includes a premium tea product.[24]



Source: Unsplash

TOP 10 HOLDINGS AS AT 31 DECEMBER 2023 (continued)

6 CJ CHEILJEDANG CORP, PRF.

6% OF WKOF NAV **DISCOUNT TO COMMON SHARE: -59%**

CJ CheilJedang is a leading food company in South Korea, focused on processing food ingredients into groceries such as refined sugar, flour, and processed meats. The company also operates a number of food brands that specialise in home meal replacements and snacks, including names like Bibigo and Petitzel. CJ CheilJedang also operates in the bio industry and produces plant-based protein and amino acids.[25]

Source: CJ CheilJedang Corp

Source: Mirae Asset Securities

7 MIRAE ASSET SECURITIES CO., LTD, 2ND PRF.

5% OF WKOF NAV **DISCOUNT TO COMMON SHARE: -52%**

Mirae Asset Securities Co., Ltd is the largest investment banking and stock brokerage company by market capitalisation in South Korea. It offers securities trading, equity underwriting, investment banking services, and wealth management. Mirae Asset conducts business globally, including the United States, United Kingdom, Brazil and China.[26]

8 SAMSUNG KODEX 200 ETF.

4% OF WKOF NAV **DISCOUNT TO COMMON SHARE: N/A**

WKOF will utilise South Korean equity exposure via an ETF as a substitute for cash as it builds new positions to continue offering South Korean equity exposure to its investors.

Source: iStockphoto

Source: iStockphoto.

9 HYUNDAI MOTOR COMPANY, 3RD PRF.

4% OF WKOF NAV **DISCOUNT TO COMMON SHARE: -45%**

Hyundai Motor Company is one of Korea's leading car manufacturers by market share, producing and selling more than 3.9 million units globally in 2022. Hyundai plans on increasing its presence in the electric vehicle market, while targeting to sell over 4.3 million units in 2023.[19]

10 CJ CORPORATION, 1ST PRF.

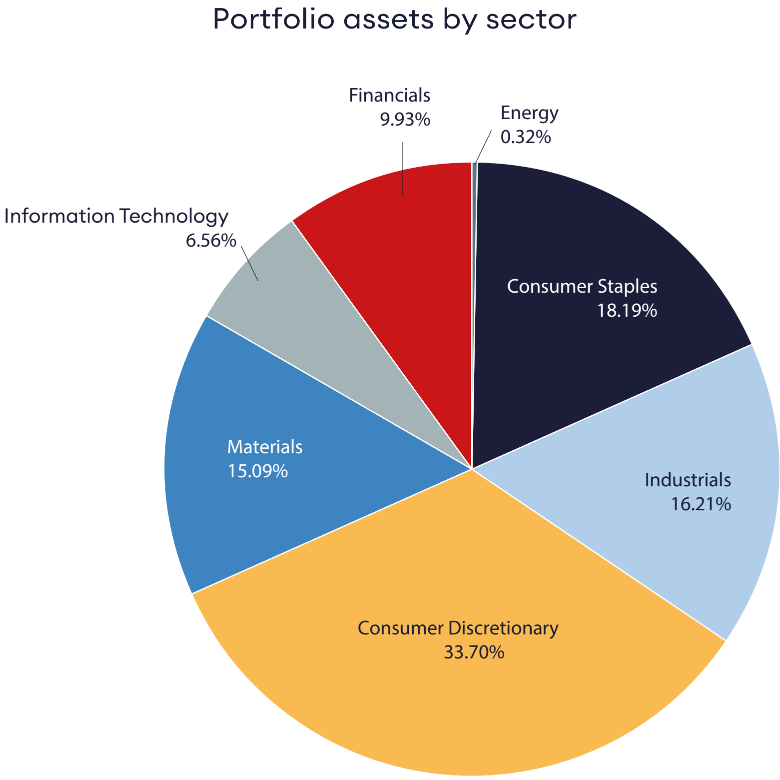
3% OF WKOF NAV **DISCOUNT TO COMMON SHARE: -45%**

CJ Corporation is a conglomerate in the following businesses: food and food services, retail, logistics, entertainment and media, infrastructure and life sciences.[27]

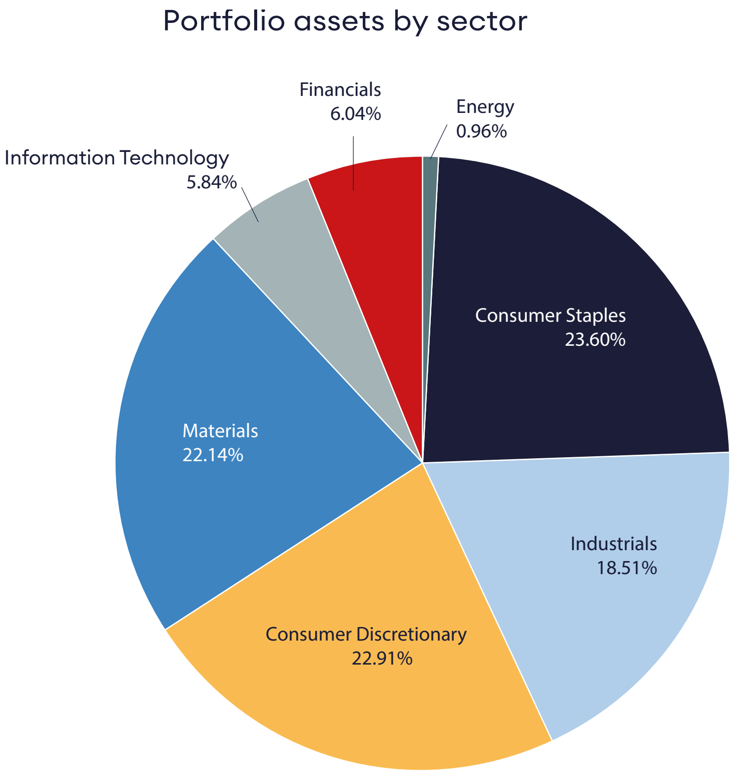
Source: iStockphoto

HOLDINGS BY PORTFOLIO SECTOR

The Fund's holdings by portfolio sector as at 31 December 2023 taken from Northern Trust data:



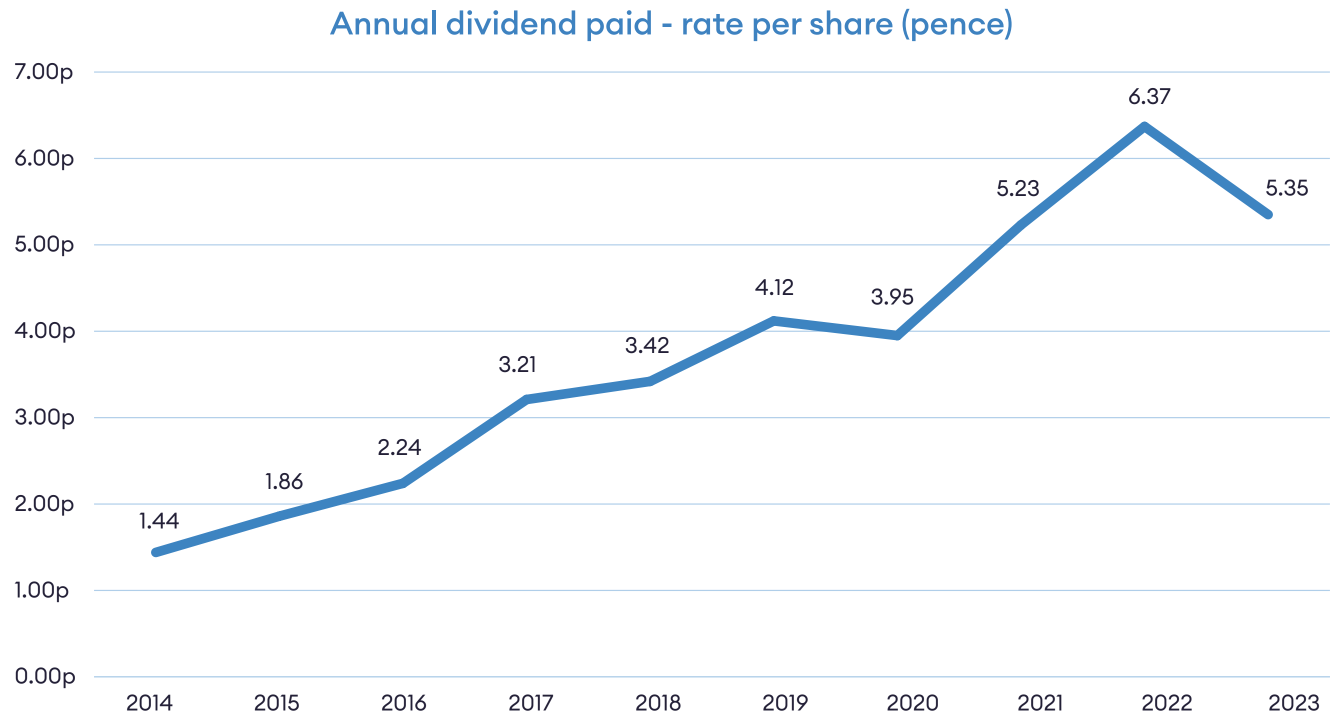
As at 31 December 2022:



TOTAL RETURN PERFORMANCE AND DIVIDEND RECORD

The Fund's total return performance since inception is shown below:

The Fund's historic dividend record since inception is shown below:



STRATEGIC REPORTS

CHAIR'S REVIEW

For the year ended 31 December 2023

Investment Performance

Against a backdrop of weakening economic data in China and a 'theme-driven stock frenzy' in the Korean market, WKOF's NAV in pounds Sterling ("GBP") declined by 5.5%, including reinvested dividends[28] during the period from 1 January 2023 to 31 December 2023. In comparison, the reference MSCI South Korea 25/50 Net Total Return Index (the "Korea Index")[29] appreciated by 14.8%. Since the admission of WKOF to the AIM in May 2013, NAV has increased by 112.2%, including reinvested dividends[28], compared to the Korea Index returns of 73.2%, a cumulative outperformance of 39% since inception.

Dividend

During the year, the Directors declared an interim dividend yield of 5.3517 pence per share on 2 May 2023, equating to a 3.2% net dividend yield over the past 12 months, to distribute the income received by WKOF in respect of the year ended 31 December 2022. This dividend was paid to all Shareholders on 9 June 2023.

The Company's policy is to pay a single dividend, which incorporates all dividends received (net of withholding tax), on an annual basis. As discussed in the Investment Manager's report below, there are changes afoot in Korean corporate governance. One of the initiatives aims to address Korean companies' unique approach to the declaration of dividends, whereby a dividend is declared but its quantum is not announced at the same time. The proposal is that both the time and amount of the dividend ought to be declared together. Some of the companies in which we are invested have already proactively implemented this, such as Hyundai Motors. The impact of this change is that the dividends receivable in 2023 (that is those declared) are significantly lower than in previous years. This is because those companies that have moved to the new process have declared their dividends post year-end. At the time of writing, most of these companies have declared and (in most cases) already paid out their dividends. The board therefore intends to take into account all dividends received up to 30 April 2024 when declaring the Company's own dividend.

As things currently stand, the Board expects to adopt a similar approach for future periods but will keep the dividend policy and process under review.

Share Buybacks

The Board is authorised to repurchase up to 40% of WKOF's outstanding Ordinary Shares in issue as of 31 December 2023. To date, WKOF has repurchased 12.6% of Ordinary Shares issued at admission and continues to have the intention to repurchase shares if they trade at a significant discount to NAV in the future. The share price traded in line with the NAV over the period. We will also keep shareholders informed of any share repurchases through public announcements.

Realisation Opportunity

WKOF offers shareholders the regular opportunity to elect to realise all, or a part, of their shareholding in WKOF (the "Realisation Opportunity") once every two years, on the anniversary of WKOF's admission date. As we said in our Half-Yearly Financial Report, we were pleased to see that only 41,496 shares were tendered (0.06% of WKOF's shares) as this displayed positive shareholder support. The next Realisation Opportunity will take place in 2025, and we hope that shareholders

CHAIR'S REVIEW (continued)

will continue to show their support for WKOF and the long-term opportunity it offers.

Board Composition

This is my first Annual Report as Chairman, and I wish to extend, again, our thanks to Norman Crighton, who successfully steered WKOF from its IPO until last year. Your current board has a diverse range of skills and experiences, brings fresh perspectives, and are well qualified to act in the best interests of shareholders to enable the continued success of WKOF. Although not a requirement of the AIM listing rules, your Board is nonetheless compliant with the diversity and inclusion targets as set out in Chapter 15 of the FCA's Listing Rules, as well as the AIC Code of Corporate Governance and remains committed to corporate governance best practices as recommended in the Hampton-Alexander and Davies reviews.

Your Investment Manager

Following a pause during COVID, I am pleased to report that your Investment Manager has been increasingly engaging with South Korean companies on governance matters, very much in support of the government's 'Corporate Value-Up initiative'. During the reporting period, your Investment Manager held a number of meetings with portfolio companies in the portfolio and expects to continue doing so in the future.

Value for Money

Your Board continues to keep all costs under review and we are very mindful that the ongoing charges for the year were approximately 2.1%. We strive to keep the cost of investing as low as possible for shareholders, with the investment management fee of 1.5% making up the bulk of the costs. The Realisation Opportunity added approximately £124,000 of expense for the year, but the Board believes that this periodic redemption facility is very much in the best interest of all shareholders. The Board scrutinised all other overheads during the year, cutting back where no obvious value was being generated, to ensure that shareholders receive value for money.

Responsible Investing

As an AIM quoted investment company, WKOF is not subject to the FCA Listing Rule requirement to comply with TCFD (Task Force on Climate-related Financial Disclosures). Your Investment Manager, as a US asset manager, is also not subject to the TCFD requirements. However, your Board is a keen supporter of the ambitions of TCFD, as it will improve disclosure around climate related issues. As a result, WKOF's reporting on Responsible Investing will evolve in line with regulatory requirements and remain an area of focus for the Board in the coming years.

Outlook

2023's relative and absolute performance was disappointing for WKOF, but there are reasons to be optimistic about the future performance, not least given the recent uplift in performance following the end of the reporting period (and as detailed in the Investment Manager's Report). While investors will most likely remain sceptical of material change occurring in South Korea, at least in the short-term, the government appears to have introduced incentives to enact real change. Domestic retail ownership of stocks has greatly increased, and Korea has the recent success of corporate governance changes in Japan as a playbook for similar announcements and activities. We believe WKOF offers an attractive way for patient, value-oriented investors to gain exposure to the economic benefits of what we hope is an increasingly modernised and shareholder friendly investment environment in South Korea.

I look forward to communicating with you about WKOF's activities in the future. If any Shareholders wish to speak with the Board, please contact Singers, and we will be happy to answer any questions you may have.

Krishna Shanmuganathan
Chair
2 May 2024

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2023

WKOF Performance Attribution

At the end of December 2023, WKOF held a portfolio of 32 South Korean preference shares. As a reminder, the economic rights of South Korean preference shares are generally the same or slightly better than the corresponding common shares, yet the preference shares often trade at substantial discounts to the common shares. WKOF's returns, on a currency-neutral basis, are driven by five primary factors:

- The performance of the South Korean equity market generally as indicated by the Korea Index;
- The discounts of the preference shares WKOF holds narrowing or widening relative to their corresponding common shares;
- The performance of the common shares (which correspond to the preference shares held by WKOF) relative to the performance of the South Korean equity market;
- Excess dividend yields of the preference shares held by WKOF; and
- Fees, expenses and other factors.

INVESTMENT MANAGER'S REPORT (continued)

In order to compare WKOF's relative return to the South Korea Index, we report the attribution of these aforementioned factors to WKOF's performance. The following table provides this performance attribution for the year ended 31 December 2023 and for the period since the inception of WKOF in May 2013 to 31 December 2023.

Return Component[30]	**2023**	**Since Inception**
The Korea Index	14.8%	73.2%
Discount Narrowing (Widening) of Preferred Shares Owned	1.8%	66.2%
WKOF Common Shares vs. The Korea Index	-20.4%	-29.3%
Excess Dividend Yield of Preferred Shares Owned	1.7%	16.7%
Fees, Expenses and Others	-3.4%	-14.6%
NAV Performance	**-5.5%**	**112.2%**

Performance Attribution Table

WKOF's investment thesis at inception was based on the likelihood that WKOF's NAV would perform well, largely due to (i) decreases in the large discounts of the preference shares held by WKOF relative to their corresponding common shares and (ii) the related excess dividend yields caused by these large discounts. This has, indeed, generally been the case as these two factors have collectively been the main contributors to WKOF's outperformance relative to the South Korea Index since inception. At present, we continue to remain confident in both of these theses.

In September 2013, shortly after inception, the preference shares held by WKOF traded at a 55.5% discount to their corresponding common shares and the dividend yield was 1.7%. As at 31 December 2023, the discount and dividend yield were 49.7% and 3.2%, respectively. We are focused on returns since inception because we believe that due to high levels of idiosyncratic volatility, any data that is gathered over a one-year period is unlikely to be a reliable guide for future performance.

As displayed above in the attribution table, WKOF under-performed the South Korea Index during 2023 due to negative attribution via common share selection return. We believe it is primarily a result of thematic-driven investors favouring growth-oriented common shares which typically have higher valuation metrics. While it has been a frustrating two years for WKOF on an absolute basis and relative to various South Korean equity indices, there is optimism that investors could begin rewarding certain low price-to-book equities due to investor optimism of corporate governance reform as discussed in greater detail below. While investor sentiment could change, it is encouraging to see a possible tailwind for low price-to-book securities like those held by WKOF.

INVESTMENT MANAGER'S REPORT (continued)

Review of the South Korean Macro Environment

There is increasing concern that North Korea could carry out some form of destabilising provocation against South Korea in 2024, and, as a result, WKOF has increased its exposure to Korean sovereign bond credit default swap protection. While it seems highly unlikely that an attack would occur that could trigger a large-scale military conflict, we consider that there is an increased likelihood of some form of action intended to sow political division in Korea and increase national security distractions in China and the US. In recent months, political and military tension in the Korean Peninsula have continued to escalate, as North Korea has exhibited signs of increased aggression. In January, North Korea fired artillery shells towards the border islands of South Korea, tested more ballistic missiles and followed such provocations with a declaration that "South Korea [is] its principal enemy". In February 2024, North Korea's parliament announced it had abolished laws that allow for economic cooperation with South Korea, further signalling an ongoing deterioration of the relationship between the Koreas. This announcement followed the discovery that North Korea demolished The Monument to the Three Charts, a 30-meter monument that had stood as a symbol of unification between the Koreas since 2001.[31] With upcoming legislative elections and presidential elections in South Korea and in the United States, respectively, North Korea is expected to intensify their provocations throughout the year.[32]

South Korea's economy, the fourth largest in Asia, expanded 1.4% in 2023. While this year's growth was the country's lowest since 2020, the growth during the fourth quarter suggests that the domestic economy remains on the road to recovery.[33] In 2023, South Korea's annual exports declined by 7.4% while annual imports decreased by 12.1%. The decline in exports has partially been attributed to decreased demand from China, to which exports fell by 2.9% year over year.[34] After stagnating for sixteen months, chip exports began to rise in November 2023 with exports jumping by 21.8% on a year on year basis during December.[33]

South Korea's 3.5% policy interest rate or bank base rate, which has been unchanged since January 2023, remains at its 15-year high.[35] Following the Bank of Korea's ("BOK") November 2023 meeting, it raised its inflation target from 2.4% to 2.6% and, once again decided to leave its policy interest rate unchanged following its most recent meeting in January. In the 2023 Half-Yearly Report, we discussed the Bank of Korea's concern about levels of household debt, which stood at 103% of GDP as of 30 June 2023. At 30 September 2023, South Korea's household debt hit a new record, despite the restrictive interest rate policy described above, so will most likely remain an area of focus for the BOK. Governor Rhee has previously suggested that, should household debt levels continue to rise, the BOK might consider subsequent rate hikes.[36]

Valuation of Major Indices

Index Name	P/E Ratio	P/B Ratio	Dividend Yield
Nifty Index (India)	24.4	3.1	1.3%
S&P 500 (US)	23.4	4.5	1.5%
Nikkei 225 (Japan)	20.4	1.9	1.9%
FTSE 100 (UK)	10.7	1.7	3.9%
Shanghai Composite (China)	11.3	1.3	2.8%
Hang Seng Index (HK)	9.2	1.0	4.1%
TAIEX (Taiwan)	18.2	2.1	3.4%
KOSPI 200 (Korea)	11.6	1.0	1.6%
WKOF Portfolio Holdings	**4.2**	**0.4**	**2.7%**

INVESTMENT MANAGER'S REPORT (continued)

South Korean equities and the portfolio holdings of WKOF continue to offer apparent valuation discounts relative to other countries' equity markets as represented by the price-to-earnings ratios ("P/E ratios") and price-to-book ratios ("P/B ratios") listed in this report.

As previously discussed, WKOF's portfolio discount as at 31 December 2023 was 50%. This is calculated as the weighted average discount of the preference shares owned by WKOF relative to the prices of such preference shares' corresponding common shares. In addition, the KOSPI 200 has depressed valuation multiples as shown above relative to the average of other major indices.

Portfolio Discussion and Korean Corporate Governance

Investors who read our reports have become accustomed to the valuation table on the previous page which displays South Korean equities trading at highly discounted valuations relative to other developed markets, as well as certain emerging markets. These discounts have persisted for an extended period of time and investors may rightfully wonder what might cause a change. While South Korea has been a challenging region for investors to put their capital, there are signs that material change may be on the horizon. Due to the existing low valuations of South Korean companies, as well as comparatively low levels of foreign stock ownership of such companies, improvements in international perceptions of Korea could have a material impact on Korean equity valuations. In particular, securities which trade at steep valuation discounts due to concerns over the issuers' corporate governance could benefit from market-wide improvements in corporate governance.

International concerns about South Korean corporate governance practices typically focus on the following issues:

- Laws and regulations, which contain fewer minority protections relative to developed markets, allow controlling shareholders of publicly traded companies to favour their own interests over those of minority shareholders;
- A lack of truly independent directors on the boards of many publicly traded companies due to directors only being required to maintain a standard of being "loyal" to the company, not shareholders (source: Article 382-3 of the Commercial Act);
- Wealthy families are often controlling shareholders of publicly traded companies and may have an incentive to depress the valuations of the publicly traded stocks they control to avoid high inheritance taxes (which can be as high as 60%) when they transfer wealth to the next generation of the family;
- Stocks bought back by companies are often held in treasury without cancellation which is dilutive to earnings per share; this practice also maintains a defensive currency that issuers can readily use to dilute minority shareholders in the future;
- Payout ratios to shareholders, even by profitable companies with large cash positions, are often materially lower than in other countries; and
- Minority shareholders may be at risk of a controlling shareholder forcing them to swap their shares of the company they own with another less attractive company the controlling shareholder owns or be diluted through an unattractive new stock offering.

As mentioned in our prior reports, there are reasons for optimism that the above corporate governance regime may be ending.

The recently announced government-sponsored 'Corporate Value-up Programme' could be the start of more pronounced long-term changes in corporate governance in South Korea. Japan has enacted similar corporate governance reforms over the past decade which, having had limited early success, seem to be now yielding results. For example, when the Tokyo Stock Exchange "named and shamed" companies whose publicly traded equities were trading below book value, approximately 40% of affected companies

INVESTMENT MANAGER'S REPORT (continued)

subsequently submitted plans for improvement and share buybacks hit a record high. Despite GDP in Japan contracting in both the third and fourth quarters last year, company profits in the fourth quarter increased by 46% year-on-year (Source: Grant's Interest Rate Observer, February 2024).

While details will not be available until June 2024, the general goals of the Korean governance programme appear to be:

- Encouraging companies to improve corporate governance standards through incentives and tax benefits;
- Creating an index of companies, the "Korea Premium Index," composed of best practicing companies similar to Japan's JPX Prime 150 Index and exchange traded funds;
- Encouraging pension funds and domestic institutional investors to track the new index; and
- Requiring listed companies to disclose plans to enhance corporate value through the revised Corporate Governance Disclosures and key valuation metrics.

If improvements are made in corporate governance, we are hopeful it will have a positive impact on WKOF's future performance. As shown in the table on the right, WKOF's Top 10 Holdings are primarily comprised of companies with low price-to-book ratios.

Issuer Name	Portfolio Weight	Common Share Price-to-Book Ratio
Hyundai Motor Company, 2nd Prf.	16%	0.45
LG Electronics Inc., Prf.	10%	0.85
LG Chem Ltd., Prf.	8%	1.10
Hanwha Corporation 3rd Prf.	7%	0.18
Amorepacific Corp., Prf.	7%	1.73
CJ CheilJedang Corp, Prf.	6%	0.67
Mirae Asset Securities Co., Ltd., 2nd Prf.	5%	0.34
Samsung Kodex 200 ETF	4%	N/A
Hyundai Motor Company, 3rd Prf.	4%	0.45
CJ Corporation, 1st Prf.	3%	0.47
Top 10 Holdings	**70%**	

Domestic retail investors now represent a large shareholder base for South Korean stocks. The number of retail investors has grown from 6 to 14 million since 2020 - an increase of 135%, which represents approximately 33% of the voting public in South Korea. (Source: Goldman Sachs, "Korea Value in Action", 7 February 2024). With legislative and presidential elections occurring this year and in 2027, respectively, there is arguably a political incentive to enact reforms that benefit retail and minority shareholders. Three more recent examples of such reforms are:

- A draft plan was released to improve the dividend pay-out process of South Korean companies. In South Korea, dividend amounts are disclosed after the ex-date of dividends, which effectively precludes shareholders from knowing the per-share dividend before becoming eligible to receive those dividends. By contrast, the international market standard is to announce dividend amounts prior to the dividend record date for additional clarity on dividend payouts. All else being equal, the new practice is likely to provide greater insight into indicative dividend payouts prior to South Korean issuers' dividend record dates, thereby allowing investors to

INVESTMENT MANAGER'S REPORT (continued)

capture attractive yield opportunities with more information about upcoming dividend payouts;

- A 30 year old rule requiring foreign investors to register with authorities in order to trade local shares was abolished, and a requirement to report transaction details of firms trading shares through an omnibus account was relaxed from two days after settlement to once a month;
- South Korean companies with market capitalisations greater than KRW 10 trillion (roughly 7-8 billion GBP market capitalisations) and foreign ownership greater than 5% will be required to provide disclosures in English starting in 2024.

There have already been slow but meaningful improvements to corporate governance in South Korea (albeit from low standards) and pressure continues to mount to improve standards:

- While South Korea still ranks eighth for corporate governance in its region according to the Asian Corporate Governance Association, it also had the largest absolute change in corporate governance score after Japan (Japan was +5.3 vs South Korea +4.2) since 2000 of any country in its region;
- Over 45 companies received proactive shareholder proposals from institutional shareholders in 2022 versus less than five instances just five years ago (Source: Insignia; Goldman Sachs, "Korea Value in Action", 7 February 2024);
- It was the third largest market for activism in 2023 with 77 activist campaigns – up from 10 campaigns in 2020. (Source: Grant's Interest Rate Observer, February 2024); and
- Payout ratios of companies listed on the KOSPI increased to 44% in 2023 from 32% the year prior (Source: FactSet, Korea Exchange, Goldman Sachs Investment Research).

If corporate governance in South Korea is improving and potentially accelerating, why has the large weighted-average discount of South Korean preference shares held by WKOF persisted or even widened?

A leading cause is our deliberate portfolio rebalancing as the Company has rotated from preference shares where discounts have tightened towards ones with wider discounts. For example, the Company's largest portfolio position at one point was Samsung Electronics, which had a discount wider than 40% over the life of the fund. As of the end of February 2024, the discount stands at 21% and has never reverted higher than 25% since 2018. Samsung Electronics provides an example of positive corporate governance reform having a material impact on the preference shares tightening and investors benefiting. However, with limited upside due to a narrower discount level, we believe other preference shares with wider discounts offer better prospective risk-adjusted returns over the longer-term.

Similarly, we reduced our exposure to LG Chem during 2023. It stood as the largest position in the portfolio (approximately 15% of NAV) in 2022 and now accounts for just under 8% of NAV. The discount of its preference shares tightened throughout 2023, finishing the year at 38%, demonstrating reduced scope for upside potential. It was therefore, replaced as the largest position by Hyundai Motors' preference shares during the year. Not only were these preference shares trading at a wider-than-average 48% discount at mid-year, they also offered an attractive 10% dividend yield. A similar rationale has led us to increase the Company's position in LG Electronics preference shares, which were trading at a 57% discount at mid-year.

We have observed that discounts in the most liquid preference shares appear to be tightening. This is not to say that corporate governance has improved universally for all South Korean companies or that past trends in preference share discounts will always repeat themselves in larger discount securities. However, when discounts widen for reasons that

INVESTMENT MANAGER'S REPORT (continued)

are hard to explain with sound economic principles, we will patiently capture attractive investment opportunities as they present themselves. We are aware that a major goal of WKOF is to enable long-term investors to benefit from the large discounts of South Korean preference shares relative to their underlying common shares and will continue to manage the portfolio to that end.

Hedging

WKOF pursues its investment strategy with a portfolio that is generally long-only. However, as further described in WKOF's Annual Report and Audited Financial Statements for the year ended 31 December 2017 and in subsequent Annual Reports, the Board approved a hedging strategy intended to reduce exposure to extreme events that would be catastrophic to its Shareholders' Investments in WKOF because of political tensions in Northeast Asia.

WKOF has limited its use of hedging instruments to purchases of credit default swaps ("CDS") and put options on certain Korean equity ETFs and indices – securities that we believe would generate high returns if South Korea experienced geopolitical disaster – which do not introduce material new risks into the portfolio. These catastrophe hedges are not expected to make money in most states of the world. We expect that WKOF's hedges will lose money most of the time but are tradeable prior to expiration. The table below provides details about the hedges as of 31 December 2023. Note that outside of the general market and portfolio hedges described herein, WKOF has generally not hedged interest rates or currencies.

CDS Notional Amount (GBP)	Cost Paid as a % of Notional Value per Annum (Spread)	Expiration Date
78,443,677	0.195%	6/20/2025

Concluding Remarks

To echo the Half-Yearly Report, we wish to again express our thanks to our long-term shareholders for their patience. We continue to remain disciplined and focused on attempting to capitalise on a rare economic anomaly in the form of Korean preference shares trading at steep discounts to the corresponding common shares despite largely equivalent economic rights. Discounts are similar to when WKOF was originally listed and valuations are at heavy discounts to global equities. This is in spite of slow but steady corporate governance reforms and the recent announcements of potentially more material changes ahead. We remain optimistic about WKOF's future risk-adjusted returns and continue to be one of its largest shareholders.

Weiss Asset Management LP
2 May 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Weiss Korea Opportunity Fund Ltd.

Our opinion is unmodified

We have audited the financial statements of Weiss Korea Opportunity Fund Ltd. (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2023, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"); and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2022):

	The risk	Our response
Valuation of financial assets at fair value through profit or loss ("Investments") £112,427,879; (2022: £120,764,446) Refer to pages 83 to 87 for the Audit and Risk Committee Report, note 2f accounting policy and notes 11 and 20 disclosures	**Basis:** As at 31 December 2023 the Company had invested 96.2% of its net assets in listed preferred shares issued by companies incorporated and listed in South Korea, which in certain cases may trade at a discount to the corresponding common shares of the same companies. The Company's listed investments are valued based on bid-market prices at the close of business of the relevant stock exchange on the reporting date obtained from third party pricing providers. **Risk:** The valuation of the Company's investments, given they represent the majority of the Company's net assets as at 31 December 2023, is considered to be the area which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	*Our audit procedures included but were not limited to:* **Control Evaluation:** We assessed the design and implementation of the relevant control over the valuation of Investments. **Use of KPMG Valuation Specialists:** We used our KPMG valuation specialists to independently price all investments to a third party data source and assess the trading volumes behind such prices. **Assessing disclosures:** We also considered the Company's investment valuation policies and their application as described in note 2f and the Company's disclosures (see note 11) in relation to the use of estimates and judgements regarding the valuation of Investments and in addition the fair value disclosures in note 20 for compliance with IFRS.

INDEPENDENT AUDITOR'S REPORT (continued)

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £2,260,000, determined with reference to a benchmark of net assets of £116,849,704 of which it represents approximately 2% (2022: 2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to £1,690,000 (2022: £1,770,000). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £113,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to affect the Company's financial resources or ability to continue operations over this period was availability of capital to meet operating costs and other financial commitments.

We considered whether this risk could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from this risk against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2c to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

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INDEPENDENT AUDITOR'S REPORT (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement (page 66 - 68) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (page 66 - 68) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between

INDEPENDENT AUDITOR'S REPORT (continued)

Corporate governance (continued)

the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 81 - 82, the directors are responsible for:

- the preparation of the financial statements including being satisfied that they give a true and fair view;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT (continued)

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

KPMG Channel Islands Limited
Chartered Accountants
Guernsey
2 May 2024

FINANCIAL STATEMENTS

Statement of Financial Position

As at 31 December 2023

	Notes	As at 31 December 2023 £	As at 31 December 2022 £
Assets			
Financial assets at fair value through profit or loss	**11,20**	112,427,879	120,764,446
Other receivables	**13**	1,627,052	4,598,722
Margin account	**14**	1,396,037	1,327,313
Cash and cash equivalents	**15**	3,364,287	2,890,620
Total assets		**118,815,255**	**129,581,101**
Liabilities			
Derivative financial liabilities	**12,20**	903,381	1,145,453
Due to broker		271,189	-
Other payables	**16**	790,981	1,355,155
Total liabilities		**1,965,551**	**2,500,608**
Net assets		**116,849,704**	**127,080,493**
Represented by:			
Shareholders' equity and reserves			
Share capital	**17**	33,912,856	33,986,846
Other reserves		82,936,848	93,093,647
Total Shareholders' equity		**116,849,704**	**127,080,493**
Net Assets Value per Ordinary Share	**6**	**1.6870**	**1.8336**

The Notes on pages 40 to 63 form an integral part of these Financial Statements.

The Financial Statements on pages 36 to 63 were approved and authorised for issue by the Board of Directors on 2 May 2024.

Krishna Shanmuganathan
Chair

Gill Morris
Director

Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	For the year ended 31 December 2023 £	For the year ended 31 December 2022 £
Income			
Net losses on financial assets at fair value through profit or loss	7	(4,498,384)	(37,206,667)
Net gains on derivative financial instruments through profit or loss	8	242,072	1,253,397
Net foreign currency (losses)/gains		(559,160)	632,948
Dividend income		2,490,245	5,088,748
Bank interest income		12,747	4,488
Total loss		**(2,312,480)**	**(30,227,086)**
Expenses			
Operating expenses	9	(3,586,733)	(3,696,545)
Total operating expenses		**(3,586,733)**	**(3,696,545)**
Loss for the year before dividend withholding tax		(5,899,213)	(33,923,631)
Dividend withholding tax		(548,479)	(1,119,942)
Loss for the year after dividend withholding tax		**(6,447,692)**	**(35,043,573)**
Loss and total comprehensive loss for the year		**(6,447,692)**	**(35,043,573)**
Basic and diluted loss per Share	5	**(0.0931)**	**(0.5056)**

All items derive from continuing activities.

Following review of the AIC SORP and its impact on the Statement of Comprehensive Income the Board have decided not to follow the recommended income and capital split. This is due to the fact that the Company's dividend policy is not influenced by its expense policy. See page 8 for details of the Company's dividend policy.

The Notes on pages 40 to 63 form an integral part of these Financial Statements.

Statement of Changes in Equity

For the year ended 31 December 2023

	Notes	Share capital £	Other reserves £	Total £
Balance as at 1 January 2023		**33,986,846**	**93,093,647**	**127,080,493**
Total comprehensive loss for the year		-	(6,447,692)	(6,447,692)
Transactions with Shareholders, recorded directly in equity				
Purchase of Realisation Shares	**17**	(73,990)	-	(73,990)
Distributions paid	**3**	-	(3,709,107)	(3,709,107)
Balance as at 31 December 2023		**33,912,856**	**82,936,848**	**116,849,704**

For the year ended 31 December 2022	Note	Share capital £	Other reserves £	Total £
Balance as at 1 January 2022		**33,986,846**	**132,554,299**	**166,541,145**
Total comprehensive loss for the year		-	(35,043,573)	(35,043,573)
Transactions with Shareholders, recorded directly in equity				
Distributions paid	**3**	-	(4,417,079)	(4,417,079)
Balance as at 31 December 2022		**33,986,846**	**93,093,647**	**127,080,493**

The Notes on pages 40 to 63 form an integral part of these Financial Statements.

Statement of Cash Flows

For the year ended 31 December 2023

	Notes	For the year ended 31 December 2023 £	For the year ended 31 December 2022 £
Cash flows from operating activities			
Loss and total comprehensive loss for the year		(6,447,692)	(35,043,573)
Adjustments for:			
Interest income		(12,747)	(4,488)
Net losses on financial assets at fair value through profit or loss	7	4,498,384	37,206,667
Exchange gains on cash and cash equivalents		(81,949)	(523,108)
Net gains on derivative financial instruments at fair value through profit or loss	8	(242,072)	(1,253,397)
Increase in receivables excluding dividends		(1,731)	(3,314)
Increase/(decrease) in other payables excluding withholding tax	16	89,974	(57,744)
Dividend income net of withholding taxes		(1,941,766)	(3,968,807)
Dividend received net of withholding taxes		4,261,019	4,265,673
Bank interest received		12,747	4,488
Purchase of financial assets at fair value through profit or loss		(18,040,415)	(10,431,005)
Proceeds from the sale of financial assets at fair value through profit or loss		22,149,787	11,811,591
Net cash generated from operating activities		**4,243,539**	**2,002,983**
Cash flows from investing activities			
Opening of derivative financial instruments		-	1,799,480
Closure of derivative financial instruments		-	(163,217)
(Increase)/decrease in margin account		(68,724)	54,100
Net cash generated from investing activities		**(68,724)**	**1,690,363**
Cash flows from financing activities			
Purchase of Realisation Shares	17	(73,990)	-
Distributions paid	3	(3,709,107)	(4,417,079)
Net cash used in financing activities		**(3,783,097)**	**(4,417,079)**
Net increase/(decrease) in cash and cash equivalents		391,718	(723,733)
Exchange gains on cash and cash equivalents		81,949	523,108
Cash and cash equivalents at the beginning of the year		2,890,620	3,091,245
Cash and cash equivalents at the end of the year		**3,364,287**	**2,890,620**

The Notes on pages 40 to 63 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. General information

Weiss Korea Opportunity Fund Ltd. ("WKOF" or the "Company") was incorporated with limited liability in Guernsey, as a closed-ended investment company on 12 April 2013. The Company's Shares were admitted to trading on AIM of the LSE on 14 May 2013.

The Investment Manager of the Company is Weiss Asset Management LP.

At the AGM held on 27 July 2016, the Board approved the adoption of the new Articles of Incorporation in accordance with Section 42(1) of the Companies (Guernsey) Law, 2008 (the "Law").

2. Material accounting policies

a. Statement of compliance

The Financial Statements of the Company for the year ended 31 December 2023 have been prepared in accordance with IFRS adopted by the European Union and the AIM Rules of the London Stock Exchange. They give a true and fair view and are in compliance with the Law. The Board has adopted the AIC Statement of Recommended Practice ("SORP") where this is consistent with the requirements of IFRS, in compliance with the Companies (Guernsey) Law, 2008 and appropriate for the Company's policies.

b. Basis of preparation

The Financial Statements are prepared in pounds sterling (£), which is the Company's functional and presentational currency. They are prepared on a historical cost basis modified to include financial assets and liabilities at fair value through profit or loss.

c. Going concern

The Company has continued in existence following the fourth Realisation Opportunity and will continue to operate as a going concern unless a determination to wind up the Company is made. Given this, the Directors will propose further realisation opportunities for Shareholders who have not previously elected to realise all of their Ordinary Shares. Such opportunities will be made using a similar mechanism to previously announced Realisation Opportunities. The next Realisation Opportunity will take place during May 2025. The Board and the Investment Manager believe the investment policy continues to be valid. See Note 17 for further details of the Realisation Opportunity.

The Company's investments are relatively liquid and the Company holds sufficient cash balances (or liquid investments) to meet its obligations as they fall due. The Board reviews its resources and obligations on a regular basis to ensure sufficient liquid assets are held.

Based on the fact that the assets currently held by the Company consist mainly of securities that are readily realisable, whilst the Directors acknowledge that the liquidity of these assets needs to be managed, the Directors believe that the Company has adequate financial resources to meet its liabilities as they fall due for at least twelve months from the date of this report, and that is appropriate for the Financial Statements to be prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Material accounting policies (continued)

d. Standards, amendments and interpretations not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on/after 1 January 2024, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

- Amendments to IAS 1 Presentation of Financial Statements (effective from 1 January 2024) - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current;
- IFRS S1, General requirements for disclosure of sustainability-related financial information (effective from 1 January 2024). This is subject to endorsement of the standards by local jurisdictions;
- IFRS S2, Climate-related disclosures (effective from 1 January 2024). This is subject to endorsement of the standards by local jurisdictions; and
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (effective from 1 January 2025) - Lack of Exchangeability.

e. Standards, amendments and interpretations effective during the year

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on 1 January 2023, and have been adopted in preparing these financial statements where relevant.

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective from 1 January 2023) - Definition of Accounting Estimates;
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (effective from 1 January 2023) - Disclosure of Material Accounting Policies; and
- Amendments to IAS 12 Income Taxes (effective from 1 January 2023) - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The adoption of these standards has not had a material impact on the financial statements of the Company.

f. Financial instruments

i) Classification

Financial assets are classified into the following categories: financial assets at fair value through profit or loss and amortised cost.

The classification depends on the business model in which a financial asset is managed and its contractual cash flows.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortised cost.

ii) Recognition and measurement

Financial assets at fair value through profit or loss ("investments")

Financial assets and derivatives are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Purchases and sales of investments are recognised on the trade date (the date on which the Company becomes a party to the contractual provisions of the instrument). Investments purchased are initially recorded at fair value, being the consideration given and excluding transaction or other dealing costs associated with the investment.

Subsequent to initial recognition, investments are measured at fair value. Gains and losses arising from changes in the fair value of investments and gains and losses on investments that are sold are recognised through profit or loss in the Statement of Comprehensive Income within net gains or losses on financial assets at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Material accounting policies (continued)

f. Financial instruments (continued)

ii) Recognition and measurement (continued)

Financial assets at fair value through profit or loss ("derivatives: credit default swaps and options")

Subsequent to initial recognition at fair value, credit default swaps and options are measured at fair value through profit and loss.

The fair values of the credit default swaps and options are based on traded prices. The valuation of the credit default swaps and options fair values means fluctuations will be reflected in the net gains or losses on derivative instruments through profit or loss.

Derivatives are presented in the Statement of Financial Position as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Other financial instruments

For other financial instruments, including other receivables and other payables, the carrying amounts as shown in the Statement of Financial Position approximate the fair values due to the short term nature of these financial instruments.

iii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence, the most advantageous market. Investments traded in active markets are valued at the latest available bid prices ruling at midnight, Greenwich Mean Time ("GMT"), on the reporting date. The Directors are of the opinion that the bid-market prices are the best estimate of fair value. Gains and losses arising from changes in the fair value of investments are shown as unrealised loss on investments in Note 11 and are recognised in the Statement of Comprehensive Income in the period in which they arise. Gains and losses arising from changes in the fair value of derivative financial instruments are shown as unrealised gain on derivative financial instruments at fair value through profit or loss in Note 12 and are recognised in the Statement of Comprehensive Income in the period in which they arise.

iv) Derecognition of financial instruments

A financial asset is derecognised when: (a) the contractual rights to receive cash flows from the asset have expired; or (b) the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset using the average cost method and the consideration received (including any new asset obtained, less any new liability assumed) is recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expired.

g. Net gains or losses on financial assets at fair value through profit or loss

Net gains or losses on financial assets at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences on financial instruments, but excludes dividend income.

h. Net gains or losses on derivative financial instruments through profit or loss

Net gains or losses on derivative financial instruments includes all realised and unrealised fair value changes on derivative contracts.

i. Other income

Dividend income from equity investments is recognised through profit or loss in the Statement of Comprehensive Income when the relevant investment is quoted ex-dividend. Interest income, including income arising from cash and cash equivalents is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Material accounting policies (continued)

j. Expenses

All expenses are accounted for on an accrual basis and are recognised in profit or loss. Expenses are charged to the other reserves where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.

k. Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents include bank overdrafts. Cash equivalents are short term, highly liquid investments with maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to insignificant changes in value other than cash collateral provided in respect of derivatives. Cash, deposits with banks, and bank overdrafts are stated at their principal amount.

l. Margin accounts

Margin accounts represent deposits with the sub-custodian, transferred as collateral against open derivative contracts. The Company's investment into traded derivative instruments requires the need to post and maintain margin accounts with set limits with the aim of minimising counterparty risk associated with these derivative instruments. Margin account balances are stated at their principal amount.

m. Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of these Shares are shown in equity as a deduction, net of tax, from the proceeds and disclosed in the Statement of Changes in Equity.

n. Foreign currency translations

Functional and presentation currency

The Financial Statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its "functional currency"). The Directors have considered the currency in which the original capital was raised, distributions will be made, and ultimately the currency in which capital would be returned in a liquidation.

On the reporting date, the Directors believe that pounds sterling best represents the functional currency of the Company.

o. Foreign currency presentation

For the purpose of the Financial Statements, the results and financial position of the Company are expressed in pounds sterling, which is the presentational currency of the Company. Monetary assets and liabilities, denominated in foreign currencies, are translated into pounds sterling at the exchange rate at the reporting date. Non-monetary assets denominated in foreign currencies that are measured at fair value are translated in pounds sterling at the exchange rate at the date on which the fair value was determined. Realised and unrealised gains or losses on currency translation are recognised in 'Net foreign currency (losses)/gains' in the Statement of Comprehensive Income.

p. Treasury shares

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is deducted through share capital. The difference between the total consideration and the total nominal value of all Shares purchased is recognised through other reserves, which is a distributable reserve.

If such Shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised as an increase in equity and the resulting surplus or deficit on the transaction is transferred to or from other reserves.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Material accounting policies (continued)

p. Treasury shares (continued)

Where the Company cancels treasury shares, no further adjustment is required to the share capital account at the time of cancellation. Shares held in treasury are excluded from calculations when determining NAV per Share and loss per Share.

q. Operating segments

The Board has considered the requirements of IFRS 8 'Operating Segments' and is of the view that the Company is engaged in a single segment of business, being an investment strategy tied to listed preference shares issued by companies incorporated in Korea. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company.

The key measure of performance used by the Board to assess the Company's performance and to allocate resources is the total return on the Company's NAV, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in these Audited Financial Statements.

The Board of Directors is charged with setting the Company's investment strategy in accordance with the investment policy. They have delegated the day to day implementation of this strategy to the Company's Investment Manager but retain responsibility to ensure that adequate resources of the Company are directed in accordance with their decisions. The investment decisions of the Investment Manager are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Board. The Investment Manager has been given full authority to act on behalf of the Company, including the authority to purchase and sell securities and other investments on behalf of the Company and to carry out other actions as appropriate to give effect thereto.

Whilst the Investment Manager may make the investment decisions on a day to day basis regarding the allocation of funds to different investments, any changes to the investment strategy or major allocation decisions have to be approved by the Board, even though they may be proposed by the Investment Manager.

The Board therefore retains full responsibility as to the major decisions made on an ongoing basis. The Investment Manager will always act under the terms of the Admission Document which cannot be significantly changed without the approval of the Board of Directors and where necessary, Shareholders.

r. Other receivables

Other receivables are amounts due in the ordinary course of business. Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

s. Other payables

Other payables are obligations to pay for services that have been acquired in the ordinary course of business. Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

t. Due from and due to brokers

Amounts due from and due to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date, respectively.

u. Dividend distribution

Dividend distribution to the Company's Shareholders is recognised as a liability in the Company's Financial Statements and disclosed in the Statement of Changes in Equity in the period in which the dividends are proposed and approved by the Board.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Material accounting policies (continued)

v. Taxation

The Company has been granted Exempt Status under the terms of The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to income tax in Guernsey. Its liability is an annual fee of £1,200 (2022: £1,200).

The amounts disclosed as taxation in the Statement of Comprehensive Income relate solely to withholding tax levied in South Korea on distributions from South Korean companies at an offshore rate of 22%.

w. Other reserves

Total comprehensive income/loss for the year is transferred to other reserves. Other reserves are made up of operating gains/losses.

3. Dividends to Shareholders

Dividends, if any, will be paid annually each year. An annual dividend of 5.3517 pence per Share (£3,709,107) was approved on 2 May 2023 and paid on 9 June 2023 in respect of the year ended 31 December 2022. An annual dividend of 6.3732 pence per Share (£4,417,079) was approved on 12 May 2022 and paid on 10 June 2022 in respect of the year ended 31 December 2021.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Financial Statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Annual Financial Statements:

Functional currency

As disclosed in Note 2o, the Company's functional currency is the pound sterling. Pound sterling is the currency in which the original capital was raised, distributions will be made, and ultimately the currency in which capital would be returned in a liquidation.

5. Basic and diluted loss per Share

The total basic and diluted loss per Share of £0.0931 (31 December 2022: £0.5056) for the Company has been calculated based on the total loss after tax for the year of £6,447,692 (31 December 2022: £35,043,573) and the weighted average number of Ordinary Shares in issue during the year of 69,265,582 (for the year ended 31 December 2022: 69,307,078).

6. Net Asset Value per Ordinary Share

The NAV of each Ordinary Share of £1.6870 (as at 31 December 2022: £1.8336) is determined by dividing the net assets of the Company attributed to the Ordinary Shares of £116,849,704 (as at 31 December 2022: £127,080,493) by the number of Ordinary Shares in issue at 31 December 2023 of 69,265,582 (as at 31 December 2022: 69,307,078 Ordinary Shares in issue).

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Net gain or loss on financial assets at fair value through profit or loss

	For the year ended 31 December 2023 £	For the year ended 31 December 2022 £
Realised gain on investments	7,251,946	6,061,684
Realised loss on investments	(1,516,733)	(7,858,918)
Unrealised gains on investments	8,444,523	1,023,263
Unrealised losses on investments	(18,678,120)	(36,432,696)
Net loss on financial assets at fair value through profit or loss	**(4,498,384)**	**(37,206,667)**

8. Net gain or loss on derivative financial instruments at fair value through profit or loss

	For the year ended 31 December 2023 £	For the year ended 31 December 2022 £
Realised gain on options	-	245,221
Realised loss on options	-	(15,545)
Realised gain on credit default swaps	-	1,119,517
Realised loss on credit default swaps	-	(823,670)
Unrealised gain on options	-	136,822
Unrealised gain on credit default swaps	242,072	591,052
Net gain on financial derivatives at fair value through profit or loss	**242,072**	**1,253,397**

9. Operating expenses

	For the year ended 31 December 2023 £	For the year ended 31 December 2022 £
Investment management fee (Note 18c)	1,821,624	2,058,546
Professional fees	232,038	246,967
Transaction costs[1]	141,764	83,894
Derivative expense[1]	748,766	802,039
Custodian fees	59,002	63,314
Audit fees	51,545	45,224
Administration and Secretarial fees	128,622	113,882
Directors' fees (Note 18a)	118,815	116,774
Sundry expenses*	284,557	165,905
Total operating expenses	**3,586,733**	**3,696,545**

1. Excluded from the Total Expense Ratio calculation.

* Includes Realisation Opportunity expenses of £123,750 (31 December 2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Operating segments

Information on realised gains and losses derived from sales of investments is disclosed in Note 7 of the Financial Statements. The Company is domiciled in Guernsey. Substantially, all of the Company's income is from its investment in listed preference shares issued by companies incorporated in South Korea.

The Company is likely to have a high degree of portfolio concentration as Korean preference shares are concentrated with a small number of issuers.

11. Financial assets at fair value through profit or loss

	As at 31 December 2023 £	As at 31 December 2022 £
Cost of investments at beginning of the year	145,672,008	149,112,223
Purchases of investments in the year	18,311,604	10,167,914
Proceeds from disposal of investments in the year	(22,149,787)	(11,810,895)
Net realised gains/(losses) on investments in the year	5,735,213	(1,797,234)
Cost of investments held at end of the year	147,569,038	145,672,008
Unrealised loss on investments	(35,141,159)	(24,907,562)
Financial assets at fair value through profit or loss	**112,427,879**	**120,764,446**

Financial assets are valued at the bid-market prices ruling as at the close of business at the Statement of Financial Position date, net of any accrued interest which is included in the Statement of Financial Position as an income related item. The Directors are of the opinion that the bid-market prices are the best estimate of fair value in accordance with the requirements of IFRS 13 'Fair Value Measurement'. Movements in fair value are included in the Statement of Comprehensive Income.

12. Derivative financial instruments

	As at 31 December 2023 £	As at 31 December 2022 £
Cost of derivatives at beginning of the year	(1,835,637)	(724,897)
Opening of derivatives in the year	-	(1,799,480)
Closure of derivatives in the year	-	163,217
Realised gain on closure of derivatives in the year	-	525,523
Net cost of derivatives held at end of the year	(1,835,637)	(1,835,637)
Unrealised gain on derivative financial instruments at fair value through profit or loss	932,256	690,184
Net fair value on derivative financial instruments at fair value through profit or loss	**(903,381)**	**(1,145,453)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Derivative financial instruments (continued)

The following are the composition of the Company's derivative financial instruments at year end:

As at 31 December 2023

Credit Default Swaps on South Korean Sovereign Debt	Notional Value (GBP)	Total Cost to Expiration (GBP)	Annual Cost (GBP)	Price Paid as % of Notional Value (per annum)	Expiration Date	Total Duration (Years)
3 year CDS	£78m	217,836	148,064	0.195%	2025	3.0

As at 31 December 2022

Credit Default Swaps on South Korean Sovereign Debt	Notional Value (GBP)	Total Cost to Expiration (GBP)	Annual Cost (GBP)	Price Paid as % of Notional Value (per annum)	Expiration Date	Total Duration (Years)
3 year CDS	£82m	601,974	182,384	0.23%	2025	3.0

The Company purchased certain credit default swaps on the sovereign debt of South Korea as general market and portfolio hedges, but generally did not hedge its exposure to interest rates or foreign currencies during the year ended 31 December 2023 (2022: Nil).

As the Company's investments are heavily concentrated in South Korean securities, the Company has entered into certain portfolio hedge positions which are intended to provide some level of protection against potential adverse geopolitical and macroeconomic conditions in South Korea. The Company's purchases of credit default swaps and put options as described in this Note 12 reflect its belief that such securities will provide the foregoing protection without introducing material new risks into the Company's portfolio.

13. Other receivables

	As at 31 December 2023 £	As at 31 December 2022 £
Dividends receivable	1,619,596	4,592,997
Prepaid expenses	7,456	5,725
Total other receivables	**1,627,052**	**4,598,722**

The Directors consider that the carrying amount of receivables approximate their fair value due to the short term nature.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Margin account

	As at 31 December 2023 £	As at 31 December 2022 £
Margin account	1,396,037	1,327,313

The margin account for 2023 and 2022 represent a margin deposit of collateral held by Goldman Sachs & Co. LLC and BNP Paribas Securities Corp. in relation to the credit default swaps. The carrying value of the margin account approximates the fair values due to the short term nature.

15. Cash and cash equivalents

	As at 31 December 2023 £	As at 31 December 2022 £
Cash at bank	3,364,287	2,890,620

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying value of cash at bank approximates the fair values due to the short term nature.

16. Other payables

	As at 31 December 2023 £	As at 31 December 2022 £
Investment management fees payable (Note 18c)	136,205	155,320
Administration fee payable	25,848	27,243
Custody fee payable	15,389	15,178
Co-sec and Listing fee payable	16,403	8,228
Audit fees payable	24,125	43,500
Withholding tax payable	356,311	1,010,459
Other payables	216,700	95,227
Total other payables	**790,981**	**1,355,155**

The Directors consider that the carrying amount of payables approximate their fair value

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Share capital

The share capital of the Company consists of an unlimited number of Ordinary Shares of no par value.

	As at 31 December 2023	As at 31 December 2022
Authorised		
Unlimited Ordinary Shares at no par value	-	-
Issued at no par value		
69,265,582 (2022: 69,307,078) Ordinary Shares at no par value	-	-

Reconciliation of number of Shares

	As at 31 December 2023 No. of shares	As at 31 December 2022 No. of shares
Ordinary Shares at the beginning of the year	69,307,078	69,307,078
Purchase of Realisation Shares	(41,496)	-
Total Ordinary Shares in issue at the end of the year	**69,265,582**	**69,307,078**

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Share capital (continued)

Treasury Shares

	As at 31 December 2023 No. of shares	As at 31 December 2022 No. of shares
Treasury Shares at the beginning of the year	11,710,747	11,437,662
Prior year adjustment for repurchase of Ordinary Shares	3	-
Redesignation of Realisation Shares	41,496	273,085
Total Shares at the end of the year	**11,752,246**	**11,710,747**

	As at 31 December 2023 £	As at 31 December 2022 £
Share capital at the beginning of the year	33,986,846	33,986,846
Purchase of Realisation Shares	(73,990)	-
Total Share capital at the end of the year	**33,912,856**	**33,986,846**

Ordinary Shares

The Company has a single class of Ordinary Shares, which were issued by means of an initial public offering on 14 May 2013, at 100 pence per Share.

The rights attached to the Ordinary Shares are as follows:

a) The holders of Ordinary Shares shall confer the right to all dividends in accordance with the Articles of Incorporation of the Company.

b) The capital and surplus assets of the Company remaining after payment of all creditors shall, on winding-up or on a return (other than by way of purchase or redemption of own Ordinary Shares) be divided amongst the Shareholders on the basis of the capital attributable to the Ordinary Shares at the date of winding up or other return of capital.

c) Shareholders present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting have on a show of hands, one vote and, on a poll, one vote for every Share.

d) On 13 March 2023, being 61 days before the Subsequent Realisation Date, the Company published a circular pursuant to the Realisation Opportunity, entitling the Shareholders to serve a written notice during the election period (a "Realisation Election") requesting that all or a part of their Ordinary Shares be re-designated to Realisation Shares, subject to the aggregate NAV of the continuing Ordinary Shares on the last business day before the Reorganisation Date being not less than £50 million.

e) On 12 May 2023, 41,496 Ordinary Shares, which represented 0.06% of the Company's issued Ordinary Share capital were redesignated as Realisation Shares.

On 24 May 2023, the Company announced that, due to the very limited number of elections received for the Realisation Opportunity, all Realisation Shares were compulsory redeemed utilising the Company's existing cash reserves, with an accompanying record date of 26 May 2023 ("Redemption Date"). The Redemption price was 177.62 pence per Realisation Share, equivalent to the unaudited Net Asset Value per Realisation Share as at 15 May 2023.

All Realisation Shares that were redeemed have been re-designated as Ordinary Shares and held in Treasury.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Share capital (continued)

Treasury Shares (continued)

Share buyback and cancellation

During the year ended 31 December 2023, the Company purchased Nil shares (31 December 2022: Nil) of its own Shares at a consideration of £Nil (31 December 2022: £Nil) under its general buyback authority originally granted to the Company in 2014.

The Company has 69,265,582 Ordinary Shares in issue as at 31 December 2023 (as at 31 December 2022: 69,307,078). The Company has 11,752,246 Treasury Shares in issue as at 31 December 2023 (as at 31 December 2022: 11,710,747).

At the AGM held on 20 July 2023, Shareholders approved the authority of the Company to buy back up to 40% of the issued Ordinary Shares (excluding Treasury Shares) to facilitate the Company's discount management. Any Ordinary Shares bought back may be cancelled or held in treasury.

18. Related-party transactions and material agreements

Related-party transactions

a) Directors' remuneration and expenses

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £150,000 per annum. Effective 20 July 2023, Norman Crighton retired from the Board and Krishna Shanmuganathan was appointed as the Chair. As at 31 December 2023, the annual Directors' fees comprise £36,500 payable to Krishna Shanmuganathan as the Chair, £34,000 to Gill Morris as Chair of the Audit and Risk Committee and £31,500 to Wendy Dorey as Chair of the Management Engagement Committee ("MEC"). (For additional information refer to the Directors' Remuneration Report on page 88).

During the year ended 31 December 2023, Directors' fees of £118,815 (year ended 31 December 2022: £116,774) were charged to the Company and £Nil remained payable at the end of the year (as at 31 December 2022: £Nil).

b) Shares held by related parties

The Directors who held office at 31 December 2023 and up to the date of this Report held the following number of Ordinary Shares beneficially:

	As at 31 December 2023		As at 31 December 2022	
	Ordinary Shares	% of issued share capital	Ordinary Shares	% of issued share capital
Krishna Shanmuganathan	-	-	-	-
Gillian Morris	3,934	0.01%	3,934	0.01%
Wendy Dorey	2,552	0.00%	2,552	0.00%

There have been no other changes in the interests of the above Directors during the year.

The Investment Manager is principally owned by Dr Andrew Weiss and certain members of the Investment Manager's senior management team. As at 31 December 2023, Dr Andrew Weiss, his immediate family members and the Donor Advised Fund held an interest in 7,316,888 Ordinary Shares (as at 31 December 2022: 7,010,888) representing 10.56% (as at 31 December 2022: 10.12 %) of the Ordinary issued share capital of the Company.

As at 31 December 2023, employees and partners of the Investment Manager other than Dr Andrew Weiss, their respective immediate family members or entities controlled by them or their immediate family members held an interest in 390,408 Ordinary Shares (as at 31 December 2022: 3,594,333) representing 0.6% (as at 31 December 2022: 5.19 %) of the Ordinary issued Share Capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Related-party transactions and material agreements (continued)

Material agreements

c) Investment management fee

The Company's Investment Manager is Weiss Asset Management LP. In consideration for its services provided by the Investment Manager under the Investment Management Agreement (IMA) dated 8 May 2013, the Investment Manager is entitled to an annual management fee of 1.5 % of the Company's NAV accrued daily and payable within 14 days after each month end. The Investment Manager is also entitled to reimbursement of certain expenses incurred by it in connection with its duties. The IMA will continue in force until terminated by the Investment Manager or the Company, giving to the other party thereto not less than 12 months' notice in writing. For the year ended 31 December 2023, investment management fees and charges of £1,821,624 (31 December 2022: £2,058,546) were charged to the Company and £136,205 (31 December 2022: £155,320) remained payable at the year end.

d) Company Secretary, Administrator and Designated Manager

Administration fees are payable to Northern Trust International Fund Administration Services (Guernsey) Limited monthly in arrears at a rate of 0.06% of the Net Asset Value of the Company below £100 million, 0.04% on Net Assets between £100 million and £200 million and 0.025% on Net Assets in excess of £200 million as at the last business day of the month subject to a minimum of £60,000 for each year. In addition, an annual fee of £25,000 will be charged for corporate governance and company secretarial services. During the year, administration and secretarial fees of £128,622 (31 December 2022: £113,882) were charged to the Company, of which £25,848 (31 December 2022: £27,243) remained payable at the end of the year.

e) Custodian and Principal Bankers

Custody fees are payable to Northern Trust (Guernsey) Limited monthly in arrears at a rate of 0.04% of the NAV of the Company subject to a minimum of £18,000 for each year. During the year, custody fees of £59,002 (31 December 2022: £63,314) were charged to the Company, of which £15,389 (31 December 2022: £15,178) remained payable at the end of the year.

19. Financial risk management

The Company's objective in managing risk is the creation and protection of Shareholder value. Risk is inherent in the Company's activities, but it is managed through an ongoing process of identification, measurement, and monitoring.

The main risks arising from the Company's financial instruments are operational risk, market risk, foreign currency risk, interest rate risk, credit risk, and liquidity risk. The techniques and instruments utilised for the purposes of efficient portfolio management are those which are reasonably believed by the Board to be economically appropriate to the efficient management of the Company.

Operational risks

The Company is exposed to the risk arising from any failures of systems and controls in the operations of the Investment Manager, Administrator, and the Custodian. The Board and its Committees regularly review reports from the Investment Manager and the Administrator on their internal controls. The Administrator will report to the Investment Manager any valuation issues which will be brought to the Board for final approval as required.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's activities expose it primarily to the market risks of changes in market prices, interest rates, and foreign currency exchange rates. The Company's investments are heavily concentrated in Korean securities. As the Company's investments are heavily concentrated in South Korean securities, the Company has entered into certain portfolio hedge positions which are intended to provide some level of protection against potential adverse geopolitical and macroeconomic conditions in South Korea.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial risk management (continued)

Market risk (continued)

Market price risk

The Company's NAV is sensitive to movements in market prices. As at 31 December 2023, if market prices had been 10% higher or 10% lower with all other variables held constant, then the increase/decrease in NAV would have been £11,242,788 (as at 31 December 2022: 5% £12,076,445). Actual trading results may differ from the above sensitivity analysis and those differences may be material.

Were there to be a major change in the political or economic environment in South Korea, the movement in market prices may be significantly and materially higher than the above. Refer to pages 78 to 80 for a discussion of potential political and economic changes.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company does not hedge its exposure to foreign currency (predominantly Korean won (KRW)) and NAV per Share will fluctuate with movements in foreign exchange rates.

As at 31 December 2023, the Company held the following assets and liabilities in foreign currencies:

Amounts in Sterling	EUR	KRW	As at 31 December 2023 USD	EUR	KRW	As at 31 December 2022 USD
Assets						
Monetary assets	210	117,304,148	1,403,458	438	126,495,129	2,903,730
Total	**210**	**117,304,148**	**1,403,458**	**438**	**126,495,129**	**2,903,730**
Liabilities						
Monetary liabilities	-	(627,500)	(903,381)	-	(1,010,459)	(1,145,453)
Total	**-**	**(627,500)**	**(903,381)**	**-**	**(1,010,459)**	**(1,145,453)**

Amounts in the above table are based on the carrying value of monetary assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial risk management (continued)

Foreign currency risk (continued)

The table below summarises the sensitivity of the Company's monetary and non-monetary assets and liabilities to changes in foreign exchange movements at 31 December 2023.

Currency	Reasonable possible shift in rate 2023	As at 31 December 2023 £	Reasonable possible shift in rate 2022	As at 31 December 2022 £
KRW				
Monetary assets	+/- 10%	11,730,415	+/- 10%	12,649,513
Monetary liabilities	+/- 10%	(62,750)	+/- 10%	(101,046)
US Dollars				
Monetary assets	+/- 10%	140,346	+/- 10%	(114,545)
Monetary liabilities	+/- 10%	(90,338)	+/- 10%	290,373

Interest rate risk

The Company holds limited cash and margin balances in interest-bearing accounts of £4,760,324 as at 31 December 2023 (as at 31 December 2022: £4,217,933) and does not invest in interest-bearing securities and instruments. Accordingly, interest rate risk is considered very low.

The tables below summarise the Company's exposure to interest rate risk as of 31 December 2023:

	Floating rate £	Fixed rate £	Non-Interest bearing £	Total As at 31 December 2023 £
Financial Assets				
Investments designated at fair value through profit or loss	-	-	112,427,879	112,427,879
Other receivables	-	-	1,627,052	1,627,052
Margin account	1,396,037	-	-	1,396,037
Cash and cash equivalents	3,364,287	-	-	3,364,287
Total	**4,760,324**	**-**	**114,054,931**	**118,815,255**

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial risk management (continued)

Interest rate risk (continued)

	Floating rate £	Fixed rate £	Non-Interest bearing £	Total As at 31 December 2023 £
Financial Liabilities				
Derivative financial liabilities	-	-	(903,381)	(903,381)
Due to broker	-	-	(271,189)	(271,189)
Other payables	-	-	(790,981)	(790,981)
Total	**-**	**-**	**(1,965,551)**	**(1,965,551)**

The table below summarises the Company's exposure to interest rate risk as of 31 December 2022:

	Floating rate £	Fixed rate £	Non-Interest bearing £	Total As at 31 December 2022 £
Financial Assets				
Investments designated at fair value through profit or loss	-	-	120,764,446	120,764,446
Other receivables	-	-	4,598,722	4,598,722
Margin account	1,327,313	-	-	1,327,313
Cash and cash equivalents	2,890,620	-	-	2,890,620
Total	**4,217,933**	**-**	**125,363,168**	**129,581,101**

	Floating rate £	Fixed rate £	Non-Interest bearing £	Total As at 31 December 2022 £
Financial Liabilities				
Derivative financial liabilities	-	-	(1,145,453)	(1,145,453)
Other payables	-	-	(1,355,155)	(1,355,155)
Total	**-**	**-**	**(2,500,608)**	**(2,500,608)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial risk management (continued)

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. Credit risk is limited to the carrying value of financial assets at 31 December 2023 as follows:

	As at 31 December 2023 £	As at 31 December 2022 £
Financial assets at fair value through profit or loss	112,427,879	120,764,446
Other receivables	1,627,052	4,598,722
Cash and cash equivalents	3,364,287	2,890,620
Margin account	1,396,037	1,327,313
Total	**118,815,255**	**129,581,101**

	Credit Rating Agency	As at 31 December 2023 £	As at 31 December 2022 £
Goldman Sachs & Co. LLC is a wholly-owned subsidiary of The Goldman Sachs Group, Inc.	Standard & Poor's Moody's	A+ Unavailable	A+ Unavailable
Northern Trust (Guernsey) Limited which is a wholly owned subsidiary of The Northern Trust Corporation ("TNTC")	Standard & Poor's Moody's	A+ A2	A+ A2

The main concentration of credit risk to which the Company is exposed arises from the Company's investments in listed preference shares issued by companies incorporated in South Korea, which in most cases trade at a discount to the corresponding common shares of the same companies. There is also counterparty risk on these instruments as they are held with Northern Trust (Guernsey) Limited as custodian to the Company. Credit risk also arises from the other receivables which represent dividends receivable on some of these equity investments.

The Company is also exposed to counterparty credit risk on credit default swaps, options, cash and cash equivalents, amounts due from brokers and other receivable balances. The credit risk from cash and cash equivalents is managed as cash is placed within a margin account held with Goldman Sachs & Co. LLC a wholly-owned subsidiary of The Goldman Sachs Group, Inc.

Other cash and cash equivalents are held with Northern Trust (Guernsey) Limited which is a wholly owned subsidiary of The Northern Trust Corporation ("TNTC"). TNTC is publicly traded and a constituent of the S&P 500. Due from broker amounts relate to trades awaiting settlement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. Given the relatively short settlement period, and the high credit quality of the brokers used, the risk here is considered to be minimal. The Company's policy is to minimise its exposure to counterparties with perceived higher risk of default by dealing with counterparties with a high credit rating as shown in the table above.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous. The Company's investments are relatively liquid and the Company holds sufficient cash balances (or liquid investments) to meet its obligations as they fall due. The Board reviews its resources and obligations on a regular basis to ensure sufficient liquid assets are held. Further details relating to the Board assessment of liquidity risk is included in note 2c and the Directors' Report under Principal Risks and Uncertainties.

The table below analyses the maturity profile of the Company's financial assets in order to provide a complete view of the Company's contractual commitments and liquidity.

	Less than 1 month £	1-3 months £	3-12 months £	Total As at 31 December 2023 £
Financial assets at fair value through profit or loss	-	112,427,879	-	112,427,879
Other receivables	-	1,627,052	-	1,627,052
Margin account	-	1,396,037	-	1,396,037
Cash and cash equivalents	3,364,287	-	-	3,364,287
Total	**3,364,287**	**115,450,968**	**-**	**118,815,255**

	Less than 1 month £	1-3 months £	3-12 months £	Total As at 31 December 2022 £
Financial assets at fair value through profit or loss	-	120,764,446	-	120,764,446
Derivative financial assets	-	-	-	-
Other receivables	-	4,598,722	-	4,598,722
Margin account	-	1,327,313	-	1,327,313
Cash and cash equivalents	2,890,620	-	-	2,890,620
Total	**2,890,620**	**126,690,481**	**-**	**129,581,101**

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial risk management (continued)

Liquidity risk (continued)

As at 31 December 2023, the Company had no significant financial liabilities other than payables arising directly from investing activity:

	Less than 1 month £	1-3 months £	3-12 months £	Total As at 31 December 2023 £
Derivative financial liabilities	(903,381)	-	-	(903,381)
Due to broker	(271,189)	-	-	(271,189)
Other payables	(434,670)	(356,311)	-	(790,981)
Total	**(1,609,240)**	**(356,311)**	**-**	**(1,965,551)**

	Less than 1 month £	1-3 months £	3-12 months £	Total As at 31 December 2022 £
Derivative financial liabilities	(1,145,453)	-	-	(1,145,453)
Other payables	(344,696)	(1,010,459)	-	(1,355,155)
Total	**(1,490,149)**	**(1,010,459)**	**-**	**(2,500,608)**

Capital risk management

The Company's objective when managing capital is to maintain an optimal capital structure in order to reduce the cost of capital. The Company may borrow capital, but as at 31 December 2023 there were no borrowings (as at 31 December 2022: £Nil). The Board considers the below gearing ratio to be adequate, since total borrowings refer only to amounts due to brokers, derivative liabilities, and other payables.

The gearing ratio below is calculated as total liabilities divided by total equity.

	As at 31 December 2023 £	As at 31 December 2022 £
Total assets	118,815,255	129,581,101
Less: Total liabilities	(1,965,551)	(2,500,608)
Net Asset Value	**116,849,704**	**127,080,493**
Gearing Ratio	1.68%	1.97%

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Financial risk management (continued)

Capital risk management (continued)

Share buybacks

The Directors have general Shareholder authority to purchase in the market up to 40% of the Ordinary Shares in issue from time to time following Admission. The Directors intend to seek annual renewal of this authority from Shareholders at each general meeting of the Company.

Pursuant to this authority, and subject to Guernsey law and the discretion of the Directors, the Company may repurchase Ordinary Shares in the market on an ongoing basis at a discount to NAV with a view to increasing the NAV per Ordinary Share and assisting in controlling the discount to NAV per Ordinary Share in relation to the price at which such Ordinary Shares may be trading.

Purchases by the Company will be made only at prices below the estimated prevailing NAV per Ordinary Share based on the last published NAV but taking account of movements in investments, stock markets, and currencies, in consultation with the Investment Manager and at prices where the Directors believe such purchases will result in an increase in the NAV per Ordinary Share of the remaining Ordinary Shares.

The Directors will consider repurchasing Ordinary Shares when the price per Ordinary Share plus the pro forma cost to the Company per Share repurchased is less than 95% of the NAV per Ordinary Share. The pro forma cost per Share should include any brokerage commission payable and costs of realising portfolio securities to fund the purchase. The Directors may, at their discretion, also consider repurchasing Ordinary Shares at a smaller discount to NAV per Ordinary Share, provided that such purchase would increase the NAV per Ordinary Share for any continuing Shareholders.

Realisation Opportunity

On 13 March 2023, the Company announced that pursuant to the Realisation Opportunity, Shareholders who were on the register as at the record could elect, during the Election Period, to redesignate all or part (provided that such part be rounded up to the nearest whole Ordinary Share) of their Ordinary Shares as Realisation Shares, subject to the aggregate NAV of the continuing Ordinary Shares at the close of business on the last Business Day before the Realisation Date being not less than £50 million.

Elections were received from Shareholders totalling of 41,496 Ordinary Shares, representing approximately 0.06 per cent of the Company's issued share capital.

Due to the limited number of elections received for the Realisation Opportunity, all Realisation Shares were redeemed utilising the Company's cash reserves. All Realisation Shares that were redeemed have been re-designated as Ordinary Shares and held in Treasury.

Unless, it has already been determined that the Company will be wound up, every two years after the Realisation the Directors will propose further realisation opportunities for Shareholders who have not previously elected to realise their Ordinary Shares using a similar mechanism to that described above.

If the weighted average discount on the Portfolio is less than 25% over any 90-day period, then the Directors shall propose an ordinary resolution for the winding up of the Company. If one or more Realisation Elections are duly made and the NAV of the continuing Ordinary Shares at the close of business on the last Business Day before the Reorganisation Date is less than £50 million, the Directors may propose an ordinary resolution for the winding up of the Company and may pursue a liquidation of the Company instead of splitting the Portfolio into the Continuation Pool and the Realisation Pool.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Fair value measurement

IFRS 13 'Fair Value Measurement' requires the Company to establish a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under IFRS 13 'Fair Value Measurement' are set as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the transfers have occurred. During the year ended 31 December 2023, financial assets of £Nil were transferred from Level 1 to Level 2 (for the year ended 31 December 2022: £Nil).

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include Korean preference shares and exchange traded options.

The Company holds investments in derivative financial instruments which are classified as Level 2 within the fair value hierarchy. These consist of credit default swaps with a fair value of (£903,381) (as at 31 December 2022: (£1,145,453)). The Company held no investments in derivative financial instruments classified as Level 1 within the fair value hierarchy (as at 31 December 2022: £Nil).

The fair value of credit default swaps is determined by estimating future default probabilities using market standard models. The principal input into the model is the credit curve. Credit spreads are observed directly from broker data or third party vendors. The significant model inputs are observable in the marketplace or set in the contract.

The following tables presents the Company's financial assets and liabilities by level within the valuation hierarchy as of 31 December 2023:

	Level 1 £	Level 2 £	Level 3 £	Total As at 31 December 2023 £
Financial assets/(liabilities) at fair value through profit or loss:				
Korean preference shares	112,427,879	-	-	112,427,879
Financial derivative liabilities	-	(903,381)	-	(903,381)
Total net assets	**112,427,879**	**(903,381)**	**-**	**111,524,498**

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Fair value measurement (continued)

	Level 1 £	Level 2 £	Level 3 £	Total As at 31 December 2022 £
Financial assets/(liabilities) at fair value through profit or loss:				
Korean preference shares	120,764,446	-	-	120,764,446
Financial derivative liabilities	-	(1,145,453)	-	(1,145,453)
Total net assets	**120,764,446**	**(1,145,453)**	**-**	**119,618,993**

Cash and cash equivalents include cash in hand and deposits held with banks.

Amounts due to brokers and other payables represent the contractual amounts and obligations due by the Company for settlement of trades and expenses. Amounts due from brokers and other receivables represent the contractual amounts and rights due to the Company for settlement of trades and income.

21. NAV reconciliation

The Company announces its NAV to the LSE daily, on each UK business day. The following is a reconciliation of the NAV per Share attributable to participating Shareholders as presented in these Financial Statements, using IFRS to the NAV per Share reported to the LSE:

	As at 31 December 2023		As at 31 December 2022	
	NAV £	NAV per Participating Share £	NAV £	NAV per Participating Share £
Net Asset Value reported to the LSE	118,740,038	1.7143	127,405,980	1.8383
Adjustment to accruals	47,184	0.0007	(3,136)	(0.0001)
Adjustment for dividend income	(1,937,518)	(0.0280)	(322,351)	(0.0046)
Net Assets Attributable to Shareholders per Financial Statements	**116,849,704**	**1.6870**	**127,080,493**	**1.8336**

The published NAV per Share of £1.7143 (as at 31 December 2022: £1.8383) is different from the accounting NAV per Share of £1.6870 (as at 31 December 2022: £1.8336) due to the adjustments noted above.

The adjustment above for dividend income for the year ended 31 December 2023 was a result of:

1) changes from estimated dividend rates to final dividend rates;
2) changes in dividend policies by a number of issuers in connection with the governance reforms, discussed in the Chair's Review, which resulted in ex-dividend dates being moved from before the year end into 2024 so that the relevant dividend income is now recognised in the subsequent year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Subsequent events

These Financial Statements were approved for issuance by the Board on 2 May 2024. Subsequent events have been evaluated until this date.

In light of the high levels of inflation it was resolved effective 1 January 2024 that the Directors fees would increase as follows: Chair from £36,500 to £38,800, Audit Chair from £34,000 to £36,125 and MEC Chair from £31,500 to £33,500.

Refer to the Chair's Review and Note 21 for detail regarding the post year end dividend declaration by companies.

No further subsequent events have occurred.

GOVERNANCE

REPORT OF THE DIRECTORS

For the year ended 31 December 2023

The Directors of the Company present their Annual Report and Audited Financial Statements for the year ended 31 December 2023.

Principal Activity

The Company was incorporated with limited liability in Guernsey on 12 April 2013 as a company limited by shares and as an authorised closed-ended investment company. The Company's Shares were admitted to trading on the AIM of the LSE on 14 May 2013. As an existing closed-ended fund, the Company is deemed to be granted an authorised declaration in accordance with Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended and Rule 6.2 of the Authorised Closed Ended Investment Schemes Rules and Guidance 2021 on the same date as the Company obtained consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinance 1959 to 1989.

Investment Objective and Investment Policy

The investment objective and investment policy of the Company is to provide Shareholders with an attractive return on their investment, predominantly through long-term capital appreciation, by investing primarily in listed South Korean preference shares. The full investment objective and investment policy are detailed on page 8 of the Annual Report.

Going Concern

The Company has continued in existence following the fourth Realisation Opportunity and will continue to operate as a going concern unless a determination to wind up the Company is made. Given this, the Directors will propose further realisation opportunities for Shareholders who have not previously elected to realise all of their Ordinary Shares. Such opportunities will be made using a similar mechanism to previously announced Realisation Opportunities. The next Realisation Opportunity will take place during May 2025. The Board and the Investment Manager believe the investment policy continues to be valid. See Note 17 for further details of the Realisation Opportunity.

The Company's investments are relatively liquid and the Company holds sufficient cash balances (or liquid investments) to meet its obligations as they fall due. The Board reviews its resources and obligations on a regular basis to ensure sufficient liquid assets are held.

Based on the fact that the assets currently held by the Company consist mainly of securities that are readily realisable, whilst the Directors acknowledge that the liquidity of these assets needs to be managed, the Directors believe that the Company has adequate financial resources to meet its liabilities as they fall due for at least twelve months from the date of this report, and that is appropriate for the Financial Statements to be prepared on a going concern basis.

Viability Statement

In accordance with the UK Corporate Governance Code (July 2018) (the "UK Code"), published by the Financial Reporting Council in 2018, the Board has assessed the prospects of the Company over the three year period to 31 December 2026 (the "Viability Period").

The Board and the Investment Manager believe that the investment opportunity provided by the Company remains compelling, but the viability of the Company is clearly contingent on the investment opportunity remaining in place, a matter which the Board monitors on an ongoing basis. As the Korean

REPORT OF THE DIRECTORS (continued)

Viability Statement (continued)

preference shares held by the Company trade at a discount compared with common shares for the same companies, the Company remains attractive to long term investors over the Viability Period.

A period of three years has been chosen for the purposes of the assessment of viability as the Board believes that this reflects a suitable time horizon for reviewing the Company's circumstances and strategy, taking into account the investment policy, liquidity of investments, potential impact of economic cycles, nature of operating costs, dividends and availability of funding.

The Directors consider that three years is a sufficient investment time horizon to be relevant to shareholders and that choosing a longer time period can present difficulties given the lack of longer term economic visibility.

The Board has monitored the developments of the Ukraine and Middle East conflict and considered the impacts they have had to date and continue to assess the impacts they may have in the future. There remains continued uncertainty on their development and scale such that predicting the impact with any certainty remains challenging. The Board will continue to assess the position.

The Board's assessment of the Company over the Viability Period has been made with reference to the Company's current financial position and prospects, the Company's strategy, and risk appetite, having considered the Company's principal risks and uncertainties detailed below. The Board has also considered the Company's likely cash flows and the liquidity of its portfolio.

It is noted that the Company currently has no gearing, though borrowing is permitted under its constitution. In the event that the Company did consider taking on debt, the Board would carefully assess the Company's ability to meet the debt obligations as they become due.

It is possible to imagine a number of scenarios, such as war, pandemic or political events, which could severely impact the liquidity of the Company's investments.

The Board has assumed that the regulatory and fiscal regimes under which the Company operates will continue in broadly the same form during the Viability Period. The Board speaks with its Broker and legal advisers on a regular basis to understand issues impacting the Company's regulatory and fiscal structure.

The Board have carried out a robust assessment of the principal risks and uncertainties outlined below and they confirm they have a reasonable expectation that the Company will be able to continue in operation to serve Shareholders appropriately and meet its liabilities as they fall due over the three year period to 31 December 2026.

The Board, however, remain conscious that, should either:

(a) the aggregate Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the next Realisation Date, (this being May 2025) be less than £50 million; or

(b) the mean Weighted Average Discount on the Portfolio is less than 25% over any 90 day period.

The Board will need to reassess the Company's position and may propose an ordinary resolution for the winding up of the Company.

Notice period of Investment Manager

The Board has assumed that the Investment Manager will remain in place during the Viability Period. However, the Board acknowledges the risk of the Investment Manager serving a twelve month notice period under the Investment Management Agreement ("IMA"). To mitigate this risk, the Board meets and communicates regularly with the Investment Manager to review its performance and the Board's relationship with the Investment Manager.

REPORT OF THE DIRECTORS (continued)

Viability Statement (continued)

Failure of the Custodian to carry out its obligations to the Company

The Company's assets are held in accounts maintained by the Company's Custodian. Failure by the Custodian to carry out its obligations to the Company in accordance with the terms of the Custodian Agreement could have an impact on the viability of the Company. To mitigate this risk, the Board regularly receives reports from the Custodian, and through the Management and Engagement Committee, monitors the relationship with the Custodian.

Loss of license or listing

The Board has assumed that the Company will retain its regulatory status and listing throughout the Viability Period. The Company Secretary, Administrator, and Broker report to the Board at least quarterly on regulatory matters and confirm compliance with listing and other regulatory requirements.

Failure to implement and poor execution of the investment strategy

The Company maintains an investment policy as discussed on page 9. The policy states that the Company must invest primarily in listed Korean preference shares, and also states that investments in other types of securities are allowed as long as the investments track South Korean companies or the South Korean market as a whole. Failure to implement the investment strategy or poor execution by the Investment Manager would have an effect on the viability of the Company. The Board ensures that the policy is being implemented in the quarterly Board Meetings, where the Investment Manager presents reports to the Board detailing the current portfolio and investment performance.

The risks specifically associated with the South Korean economic and political climate are discussed on pages 22 to 24.

Based on the Company's processes for monitoring operating costs, the share price discount, the Investment Manager's compliance with the investment objective, asset allocation, the portfolio risk profile, liquidity risk, and the robust assessment of the principal risks and uncertainties facing the Company, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the Viability Period to 31 December 2026.

International Tax Reporting

For purposes of the US Foreign Accounts Tax Compliance Act, the Company registered with the US Internal Revenue Service ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI") in November 2014, received a Global Intermediary Identification Number (2A7KNV.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS") is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development ("OECD"), which has been adopted by Guernsey and which came into effect on 1 January 2016.

The Board takes the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Results and Dividends

The results for the year ended 31 December 2023 are set out in the Statement of Comprehensive Income on page 37. An annual dividend of 5.3517 pence per Share (£3,709,107) was approved on 2 May 2023 and paid on 9 June 2023 in respect of the year ended 31 December 2022. An annual dividend of 6.3732 pence per Share (£4,417,069) was approved on 12 May 2022 and paid on 10 June 2022 in respect of the year ended 31 December 2021.

REPORT OF THE DIRECTORS (continued)

Results and Dividends (continued)

The Board expects to declare an annual dividend in May 2024 for the year ended 31 December 2023 based on the dividends received in respect of the preference shares that the Company holds declared and received by 30 April 2024.

Shareholder Information

Further Shareholder information can be found in the Summary Information set out on pages 100 and 101.

Investment Management

The Investment Manager of the Company is Weiss Asset Management LP, a Delaware limited partnership formed on 10 June 2003 (the "Investment Manager"). The key terms of the IMA and specifically the fee charged by the Investment Manager are set out in Note 18 of the Financial Statements. The Board believes that the investment management fee is competitive with other investment companies with similar investment mandates.

The Board reviews, on an ongoing basis, the performance of the Investment Manager and considers whether the investment strategy utilised is likely to achieve the Company's investment objective.

Having considered the portfolio performance and investment strategy, the Board has unanimously agreed that the interests of the Shareholders as a whole are best served by the continuing appointment of the Investment Manager on the terms agreed.

Directors

The details of the Directors of the Company during the year and at the date of this Report are set out on pages 92 to 93.

Directors' Interests

The Directors who held office at 31 December 2023 and up to the date of this Report held the following numbers of Ordinary Shares beneficially:

	As at 31 December 2023		As at 31 December 2022	
	Ordinary Shares	**% of issued share capital**	**Ordinary Shares**	**% of issued share capital**
Krishna Shanmuganathan	-	-	-	-
Gillian Morris	3,934	0.01%	3,934	0.01%
Wendy Dorey	2,552	0.00%	2,552	0.00%

REPORT OF THE DIRECTORS (continued)

Substantial Interests

Disclosure and Transparency Rules ("DTRs") are now comprised in the Financial Conduct Authority handbook. Section 5, the only section of the DTRs which applies to AIM-listed companies, requires substantial Shareholders to make relevant holding notifications to the Company. The Company must then disseminate this information to the wider market. Details of major Shareholders in the Company are shown below.

		As at 31 December 2023	
Shareholders	**Country**	**Shares**	**% of issued share capital**
City of London Investment Mgt Co	UK	13,214,147	19.08%
Degroof Petercam Asset Mgt	Belgium	10,125,000	14.62%
Dr Andrew M Weiss	USA	7,316,888	10.56%
Merrill Lynch, Pierce, Fenner & Smith	USA	7,000,005	10.11%
Wells Fargo & Company	USA	4,900,000	7.07%
JBF Capital	USA	4,260,636	6.15%

		As at 31 December 2022	
Shareholders	**Country**	**Shares**	**% of issued share capital**
City of London Investment Mgt Co	UK	14,496,421	20.92%
Degroof Petercam Asset Mgt	Belgium	10,125,000	14.61%
Merrill Lynch, Pierce, Fenner & Smith	USA	7,000,000	10.10%
Dr Andrew M Weiss	USA	5,316,888	7.67%
JBF Capital	USA	4,259,300	6.15%
Mount Capital	UK	2,534,000	3.66%

There have been no significant changes to the substantial shareholdings at 2 May 2024.

REPORT OF THE DIRECTORS (continued)

Corporate Governance

The Company does not have a Main Market Listing on the LSE, and as such, the Company is not required to comply with the UK Code as issued by the Financial Reporting Council. However, the Board is committed to high standards of corporate governance and has implemented a framework for corporate governance which it considers to be appropriate for an investment company in order to comply with the main principles of the UK Code. By complying with the main principles of the UK Code, the Company is deemed to comply with the Code of Corporate Governance (the "GFSC Code") issued by the Guernsey Financial Services Commission.

The Board has considered the principles and recommendations of the UK Code and considers that reporting against the UK Code will provide better information to Shareholders. To ensure ongoing compliance with these principles, the Board receives a report from the Company Secretary at each quarterly meeting, identifying how the Company is in compliance and identifying any changes that might be necessary.

The Board considers that it has maintained procedures during the year ended 31 December 2023 and up to the date of this Report to ensure that it complies with the UK Code, except as explained elsewhere in this Annual Report and Audited Financial Statements.

The Company became a member of the Association of Investment Companies (the "AIC") in February 2021.

Role of the Board

The Board is the Company's governing body and has overall responsibility for maximising the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of Shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of investors. A summary of the Board's responsibilities is as follows:

- statutory obligations and public disclosure;
- strategic matters and financial reporting;
- risk assessment and management including reporting compliance, governance, monitoring, and control; and
- other matters having a material effect on the Company.

The Board's responsibilities for the Annual Report are set out in the Statement of Directors' Responsibilities on page 81.

Although the Company is domiciled in Guernsey, the Board has considered the requirements of Section 172 of the Companies Act 2006 in the UK. Section 172 of the Companies Act requires that the Directors of the Company act in the way they consider, in good faith, is most likely to promote the success of the Company for the benefit of all stakeholders, including suppliers, customers and shareholders. The Board has engaged external companies to undertake the investment management, administrative, and custodial activities of the Company. Documented contractual arrangements are in place with these companies which define the areas where the Board has delegated responsibility to them.

The Board needs to ensure that the Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model, and strategy.

In seeking to achieve this, the Directors have set out the Company's investment objective and investment policy, have explained how the Board and its delegated committees operate, have explained how the Directors review the risk environment within which the Company operates, and have set appropriate risk controls. Furthermore, throughout the Annual Report and Audited Financial Statements, the Board has sought to provide further information to enable Shareholders to better understand the Company's business and financial performance.

REPORT OF THE DIRECTORS (continued)

Corporate Governance (continued)

Composition and Independence of the Board

The Board currently comprises three non-executive Directors, all of whom are considered independent of the Investment Manager. The Directors of the Company are listed on the Corporate Information section on page 102 and again on pages 92 and 93.

The Chair is Krishna Shanmuganathan. Biographies for Krishna and all other Directors appear on pages 92 and 93. In considering the independence of the Chair, the Board has taken note of the provisions of the UK Code relating to independence, and has determined that he is an Independent Director.

The Board believes it has a good balance of skills and experience to ensure it operates effectively. The Chair is responsible for leadership of the Board and ensuring its effectiveness.

As the Chair is an Independent Director, no appointment of a Senior Independent Director has been made. The Company has no employees and therefore there is no requirement for a Chief Executive or a whistleblowing policy.

The Company holds a minimum of four Board Meetings per year to discuss general management, structure, finance, corporate governance, marketing, risk management, compliance, asset allocation and gearing, contracts, and performance. The quarterly Board Meetings are the principal source of regular information for the Board, enabling it to determine policy and to monitor performance, compliance, and controls. These meetings are supplemented by communication and discussions throughout the year.

A representative of the Investment Manager, Administrator, and Company Secretary may attend each Board Meeting either in person, by video conference or by telephone, thus enabling the Board to fully discuss and review the Company's operations and performance. Each Director has direct access to the Investment Manager and Company Secretary and may, at the expense of the Company, seek independent professional advice on any matter.

The UK Corporate Governance Code limits the tenure of a Board member to nine years, with additional explanations to be provided should the recommendation be exceeded. Norman Crighton reached this length of service and retired from the Board on 20 July 2023.

REPORT OF THE DIRECTORS (continued)

Corporate Governance (continued)

Composition and Independence of the Board (continued)

Attendance at the Board and other Committee Meetings during the year was as follows:

	Number of meetings held	Norman Crighton	Gillian Morris	Krishna Shanmuganathan	Wendy Dorey
Quarterly Board Meetings	4	2	4	4	4
Audit and Risk Committee Meetings	3	-	3	3	3
Management Engagement Committee Meetings	1	-	1	1	1
Ad-hoc Board Meetings	7	3	6	5	7

Board Diversity

The Board considers the composition of the Board on an ongoing basis.

Composition, Succession and Evaluation

The Board of Directors and its Committees are currently considered to be adequately composed in order to be able to discharge their duties effectively. However, when considering new appointments in the future, the Board will ensure that a diverse group of candidates is considered in accordance with its Diversity Policy and that appointments are made against set objective criteria.

The Board members have been briefed about their ongoing responsibilities as Directors as part of each individual Director's induction process and the Board receives ongoing guidance in this regard on an "as needed" bases from the Company Secretary and legal advisers.

The composition of the Board, together with its performance and approach to succession planning is considered annually at the time of the Board's annual performance appraisal.

The performance of the Board, its committees and individual Directors (including the Chair) is evaluated annually through a self-assessment process coordinated by the Administrator which then circulates the findings. The Board will consider the need for, and the benefits of, having this process externally facilitated by an independent third party from time to time.

Re-election

The Articles of Incorporation provide that one-third of the Directors retire by a voluntary rotation basis at each Annual General Meeting ("AGM"). However, in order to meet the highest standards of corporate governance, the Directors have agreed to stand for election annually. The Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for re-election at, the next AGM following their appointment, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by a voluntary rotation basis at that meeting if it is an AGM.

REPORT OF THE DIRECTORS (continued)

Corporate Governance (continued)

Re-election (continued)

Although the Company looks at not retaining the Chair of the Board in the post beyond nine years from date of first appointment on the Board, the Board have not set such a formal policy in place since the Company shareholders decide, on an annual basis, whether or not to support the continuation of the Chair.

Board Performance

The Board undertakes an evaluation of its own performance and that of individual Directors on an annual basis. In order to review its effectiveness, the Board carries out a process of formal self-appraisal. The Board considers how it functions as a whole and also reviews the individual performance of its members. This process is conducted by the respective Chair reviewing each members' performance, contributions, and commitment to the Company by verbal discussion.

The Board considers it has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption.

In accordance with the UK Code, when 20% or more of Shareholder votes have been cast against a Board recommendation for a resolution, the Company should explain, when announcing voting results, what actions it intends to take to consult Shareholders in order to understand the reasons behind the result. An update on the views received from shareholders and actions taken should be published no later than six months after the Shareholder meeting. The Board should then provide a final summary in the Annual Report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what impact the feedback has had on the decisions the Board has taken and any actions or resolutions now proposed. During the year, no resolution recommended by the Board received more than 20% of votes against it.

Committees of the Board

The Board has established an Audit and Risk Committee and a Management and Engagement Committee. All Terms of Reference for both Committees are available from the Company Secretary upon request or on the Company's website, www.weisskoreaopportunityfund.com.

Audit and Risk Committee

The Company has established an Audit and Risk Committee with formally delegated duties and responsibilities within written terms of reference. The Audit and Risk Committee is chaired by Gill Morris. The Audit and Risk Committee meets formally at least twice a year. Due to the small size of the Board, the Board considers it appropriate that all Directors should be members of the Audit and Risk Committee.

Appointment to the Audit and Risk Committee is for a period of up to three years, which may be extended for two further three year periods.

The table on page 73 sets out the number of Audit and Risk Committee Meetings held during the year ended 31 December 2023 and the number of such meetings attended by each Audit and Risk Committee member.

A report of the Audit and Risk Committee detailing responsibilities and activities is presented on pages 83 to 87.

Management and Engagement Committee

The Company has established a Management and Engagement Committee with formally delegated duties and responsibilities within written terms of reference. The Management and Engagement Committee is chaired by Wendy Dorey. Due to the small size of the Board, the Board considers it appropriate that all Directors should be members of the Management and Engagement Committee.

REPORT OF THE DIRECTORS (continued)

Corporate Governance (continued)

Management and Engagement Committee (continued)

The principal duties of the Management and Engagement Committee are to review the performance of and contractual arrangements with the Investment Manager and all other service providers to the Company (other than the External Auditor).

During the Management and Engagement Committee meeting held on 16 November 2023, the quality of the services provided by the Investment Manager as well as the other service providers was reviewed. The Management and Engagement Committee also reviewed the fees of all other service providers (other than the External Auditor).

Nomination Committee

The Board does not have a separate Nomination Committee. The Board as a whole fulfils the function of a Nomination Committee. Any proposal for a new Director will be discussed and approved by the Board. The Board will determine whether an external search consultancy or open advertising is used in the appointments of non-executive Directors in the future.

Remuneration Committee

In view of its non-executive and independent nature, the Board considers that it is not appropriate for there to be a Remuneration Committee as anticipated by the UK Code because this function is carried out as part of the regular Board business. A Remuneration Report prepared by the Board is contained on page 88. Directors' remuneration is considered on an annual basis.

Environmental, Social and Governance Matters

As an investment company, WKOF's own direct environmental impact is minimal. Other than flights by the Chair to attend meetings, the Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Reporting and Directors' Reports) Regulations 2013 or the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The Company's operations are delegated to third party service providers, and the Company has no employees. The Board seeks assurances, at least annually, from its main counterparties that they comply with the provisions of the UK Modern Slavery Act 2015 and maintain adequate safeguards in keeping with the provisions of the Bribery Act 2010 and Criminal Finances Act 2017.

The Board and WAM recognise that governance issues have an effect on its investee companies. The Board supports WAM in its belief that good corporate governance will help deliver long term Shareholder value. Since inception of the Company, improved corporate governance has been one of the main drivers of value, as some South Korean companies have improved the efficiency of their balance sheets by buying back preference shares and improving dividend payouts. The Board and WAM will continue to support these changes in its investee companies and expect these governance improvements to continue in South Korea.

REPORT OF THE DIRECTORS (continued)

Corporate Governance (continued)

Geopolitical Risks

At the time of signing these Financial Statements, there is an increased level of global uncertainty associated with the conflicts in Ukraine and the Middle East. The long-term impacts of these conflicts, in addition to the continued uncertainty regarding regional conflicts in North Asia, are not yet known but are likely to result in increased market and economic volatility, which may in turn have an impact on the Company.

Internal Controls

The Board is ultimately responsible for establishing and maintaining the Company's system of internal controls and for maintaining and reviewing the system's effectiveness. The Company's risk matrix continues to be the basis of the Company's risk management process in establishing the Company's system of internal financial and reporting controls. The risk matrix is prepared and maintained by the Board, which initially identifies the risks facing the Company and then collectively assesses the likelihood of each risk, the impact of those risks, and the strength of the controls operating over each risk. The Company's system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve the Company's objectives, and by the internal controls' nature, can only provide reasonable and not absolute assurance against misstatement and loss. These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained, and the financial information for publication is reliable.

The UK Code requires Directors to conduct at least annually a review of the Company's system of internal controls, covering all controls including financial, operational, compliance, and risk management. The Board has evaluated the Company's system of internal controls. In particular, it has prepared a process for identifying and evaluating the significant risks affecting the Company and the policies by which these risks are managed. The process has resulted in a low to medium risk assessment.

The Board has delegated the management of the Company's investment portfolio, administration, registrar, and corporate secretarial functions, which includes the independent calculation of the Company's NAV and the production of the audited Annual Report and Financial Statements. Whilst the Board delegates these functions, it remains responsible for the functions it delegates and for the systems of internal controls. Formal contractual agreements have been put in place between the Company and providers of these services. On an ongoing basis, Board reports are provided at each quarterly Board Meeting from the Investment Manager, Administrator, Registrar, and Company Secretary, and a representative from the Investment Manager is asked to attend these meetings.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Investment Manager, Administrator, Registrar, and Company Secretary, which have their own internal audit and/or risk assessment functions.

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit and Risk Committee at its meetings and annually by the Board. The Board believes that the Company has adequate and effective systems in place to identify, mitigate, and manage the risks to which it is exposed.

Shareholder Engagement

The Directors welcome Shareholders' views and place great importance on communication with the Company's Shareholders. Shareholders wishing to meet with the Chair and other Board members should contact the Company's Administrator.

The Investment Manager and Broker maintain a regular dialogue with institutional Shareholders, the feedback from which is reported to the Board.

REPORT OF THE DIRECTORS (continued)

Corporate Governance (continued)

Shareholder Engagement (continued)

The Company's AGM provides a forum for Shareholders to meet and discuss issues of the Company and provides Shareholders with the opportunity to vote on the resolutions as specified in the Notice of AGM. The Notice of AGM and the results are released to the London Stock Exchange in the form of an announcement.

In addition, the Company maintains a website which contains comprehensive information, including links to regulatory announcements, share price information, financial reports, investment objective, and investor contacts.

Auditor

Following a competitive tender process, a resolution for the reappointment of KPMG Channel Islands Limited was proposed and approved at the AGM on 20 July 2023.

Disclosure of Information to the Independent Auditor

The Directors who hold office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's independent auditor is unaware, and that each Director has taken all the steps they ought to have taken as a Director to make themself aware of any relevant audit information and to establish that the Company's independent auditor is aware of that information.

Signed on behalf of the Board by:

Krishna Shanmuganathan
Chair
2 May 2024

Gill Morris
Director
2 May 2024

STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

For the year ended 31 December 2023

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit and Risk Committee at its meetings and annually by the Board. The Board believes that the Company has adequate and effective systems in place to identify, mitigate, and manage the risks to which it is exposed.

Emerging Risks

In order to recognise any new risks that may impact the Company and to ensure that appropriate controls are in place to manage those risks, the Audit and Risk Committee undertakes a regular review of the Company's Risk Matrix. This review took place on four occasions during the year.

Geopolitical Risks

Risks to global growth have been heightened as a result of the conflicts in Ukraine and the Middle East . The level of tension between North and South Korea fluctuates. There is a heightened risk of malicious cyber activity. Through the Management Engagement Committee, the Company asks its service providers to confirm that they have appropriate safeguards in place to mitigate the risk of cyber-attacks and remote working (including minimising the adverse consequences arising from any such attack), that they provide regular updates to the Board on cyber security, and conduct ongoing monitoring of industry developments in this area. None of the Service Providers have reported any problems regarding cyber security when questioned by the MEC.

Principal Risks and Uncertainties

In respect of the Company's system of internal controls and reviewing its effectiveness, the Directors:

- are satisfied that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency, or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems, including material financial, operational, and compliance controls (including those relating to the financial reporting process) and no significant failings or weaknesses were identified.

The principal risks and uncertainties which have been identified and the steps which are taken by the Board to mitigate them are as follows:

Investment Risks

The Company is exposed to the risk that its portfolio fails to perform in line with its investment objective and policy if markets move adversely or if the Investment Manager fails to comply with the investment policy. The Board reviews reports from the Investment Manager at the quarterly Board Meetings, with a focus on the performance of the portfolio in line with its investment policy. The Administrator is responsible for ensuring that all transactions are in accordance with the investment restrictions.

STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES (continued)

Principal Risks and Uncertainties (continued)

Operational Risks

The Company is exposed to the risk arising from any failures of systems and controls in the operations of the Investment Manager, Administrator, and the Custodian. The Board and its Committees regularly review reports from the Investment Manager and the Administrator on their internal controls. The Administrator will report to the Investment Manager any valuation issues which will be brought to the Board for final approval as required.

Accounting, Legal and Regulatory Risks

The Company is exposed to the risk that it may fail to maintain accurate accounting records, fail to comply with requirements of its Admission Document, and fail to meet listing obligations. The accounting records prepared by the Administrator are reviewed by the Investment Manager. The Administrator, Broker, and Investment Manager provide regular updates to the Board on compliance with the Admission Document and changes in regulation.

Discount Management

The Company is exposed to Shareholder dissatisfaction through inability to manage the share price discount to NAV. The Board and its Broker monitor the share price discount (or premium) continuously and have engaged in share buybacks from time to time to help minimise any such discount. The Board believes that it has access to sufficiently liquid assets to help manage the share price discount. The Company's discount management programme is described within Note 17.

Liquidity of Investments

The South Korean preference shares typically purchased by the Company generally have smaller market capitalisations and lower levels of liquidity than their common share counterparts. These factors, among others, may result in more volatile price changes in the Company's assets as compared to the Korean stock market or other more liquid asset classes. This volatility could cause the NAV to go up or down dramatically.

In order to realise its investments, the Company will likely need to sell its holdings in the secondary market, which could prove difficult if adequate liquidity does not exist at the time and could result in the values received by the Company being significantly less than their holding values. The liquidity of the market for preference shares may vary materially over time. There can be no guarantee that a liquid market for the Company's assets will exist or that the Company's assets can be sold at prices similar to the published NAV. Illiquidity could also make it difficult or costly for the Company to purchase securities, and this could result in the Company holding more cash than anticipated.

Furthermore, it is possible that South Korea could impose currency-exchange or capital controls on foreign investors, making it difficult or impossible for the Company to repatriate funds. The Investment Manager considers the liquidity of secondary trading in assessing and managing the liquidity of the Company's investments. The Board reviews the Company's resources and obligations on a regular basis with a view to ensuring that sufficiently liquid assets are held for the expected day to day operations of the Company. However, if the Company were required to liquidate a substantial portion of its assets at a single time, it is likely that the market impact of the necessary sale transactions would impact the value of the portfolio materially.

Fraud Risk

The Company is exposed to fraud risk. The Audit and Risk Committee continues to monitor the fraud, bribery, and corruption policies of the Company. The Board receives an annual confirmation from all service providers that there have been no instances of fraud or bribery.

STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES (continued)

Principal Risks and Uncertainties (continued)

Financial Risks

The financial risks, including market, credit, and liquidity risks, faced by the Company are set out in the financial statements within Note 19. These risks and the controls in place to reduce the risks are reviewed at the quarterly Board Meetings.

Climate Risks

Climate change is a growing area of focus for regulators, companies, investors and other stakeholders. Climate related risks include both physical risks from global warming and extreme weather events as well as transition risks (e.g. increased regulation) and litigation risks. Climate risks are incorporated in the ESG analysis under environmental factors in the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

For the year ended 31 December 2023

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law.

Under Company law the Directors must not approve the Financial Statements unless they are satisfied that the Financial Statements give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable the Directors to ensure that the Financial Statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal controls as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Directors confirm that they have complied with the above requirements in preparing the Annual Report and Financial Statements and that to their best knowledge and belief:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

DIRECTORS' RESPONSIBILITY STATEMENT (continued)

We consider the Annual Report and Financial Statements, taken as a whole, to be fair, balanced, and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model, and strategy.

The Board of Directors confirms that, throughout the period covered by the Financial Statements, the Company complied with the GFSC Code through its compliance with the UK Code.

On behalf of the Board,

Krishna Shanmuganathan
Chair
2 May 2024

Gill Morris
Director
2 May 2024

AUDIT AND RISK COMMITTEE REPORT

For the year ended 31 December 2023

On the following pages, we present the Audit and Risk Committee's Report for 2023, setting out the responsibilities of the Audit and Risk Committee ("the Committee") and its key activities in 2023.

The Committee has reviewed the Company's financial reporting, significant areas of judgement and estimation within the Company's Financial Statements, the independence and effectiveness of the External Auditor, and the internal control and risk management systems of the Company's service providers. The Committee considered whether the Annual Report and Financial Statements are fair, balanced, and understandable and whether they provided the necessary information for Shareholders to assess the Company's performance, business model, and strategy before recommending them to the Board for approval. In order to assist the Committee in discharging these responsibilities, regular reports are received from the Investment Manager, Administrator, and External Auditor.

Following a competitive tender process and its review of the independence and effectiveness of the Company's External Auditor, the Committee has recommended to the Board that KPMG Channel Islands Limited be reappointed as Auditor with a change to the audit lead, which was approved at the AGM on 20 July 2023. The FRC Ethical Standards require that the audit engagement leaders on listed entities are rotated at least every 5 years. Andy Salisbury served 5 years as the Company's audit engagement leader and has rotated off. He is replaced by Fiona Babbe for the year ended 31 December 2023.

A member of the Committee will continue to be available at each AGM to respond to any Shareholder questions on the activities of the Committee.

AUDIT AND RISK COMMITTEE REPORT (continued)

Responsibilities

The Committee reviews and recommends the approval of the Financial Statements of the Company to the Board and is the forum through which the External Auditor reports to the Board of Directors. The External Auditor and the Committee will meet together without representatives of either the Administrator or Investment Manager being present at least once a year.

The role of the Committee includes:

- monitoring the integrity of the published Financial Statements of the Company;
- reviewing and reporting to the Board on the significant issues, judgements, and estimates made in the preparation of the Company's published Financial Statements;
- monitoring and reviewing the quality and effectiveness of the External Auditor and their independence;
- considering and making recommendations to the Board on the appointment, reappointment, replacement, and remuneration of the Company's External Auditor;
- reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery, and corruption; and
- monitoring and reviewing the internal control and risk management systems of the service providers.

The Committee's full terms of reference can be obtained by contacting the Company's Secretary or on the Company's website, www.weisskoreaopportunityfund.com.

Key Activities of the Committee

The following sections discuss the assessments made by the Audit and Risk Committee during the year:

Financial Reporting

The Committee's review of the Annual Report and Audited Financial Statements focused on the following significant areas:

Valuation of Investments

The Company's financial investments had a fair value of £112,427,879 as at 31 December 2023 and represent the majority of the net assets of the Company. The majority of the investments are listed and traded, and the valuation is by reference to the fair value measurement required by IFRS. The Committee considered the fair value of the investments held by the Company as at 31 December 2023 to be reasonable from a review of the information provided by the Investment Manager and Administrator. All prices have been confirmed by the Administrator to independent pricing sources as at 31 December 2023.

The Investment Manager and Administrator confirmed to the Committee that they were not aware of any material misstatements including matters relating to the Financial Statements' presentation, nor were they aware of any fraud or bribery relating to the Company's activities. Furthermore, the External Auditor reported to the Committee that no material misstatements were found in the course of their work.

Following a review of the presentations and reports from the Administrator and consulting where necessary with the External Auditor, the Committee is satisfied that the Financial Statements appropriately address the critical judgements and key estimates made in the preparation of the Financial Statements (both in respect to the amounts reported and the disclosures). The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised and challenged and are sufficiently robust.

AUDIT AND RISK COMMITTEE REPORT (continued)

Financial Reporting (continued)

Risk Management

The Committee continue to manage the Company's risks. All risks are reviewed and assessed at least once a year with key risks or a sub-section thereof being presented to the Board and discussed at most Board meetings. Where necessary, actions to improve controls or mitigation of risks are implemented. The last Board meeting at which risks were discussed was held on 16 November 2023. Following the review, minor amendments were made.

Fraud, Bribery and Corruption

The Committee continues to monitor the fraud, bribery, and corruption policies of the Company. The Board receives a confirmation from all service providers that there have been no instances of fraud or bribery.

The External Auditor

Independence, Objectivity and Fees

The independence and objectivity of the External Auditor is reviewed by the Committee, which also reviews the terms under which the External Auditor is appointed to perform non-audit services. The Committee has established pre-approval policies and procedures for the engagement of the External Auditor to provide audit and assurance services.

The External Auditor may not provide a service which:

- places them in a position to audit their own work;
- creates a mutuality of interest;
- results in the External Auditor developing close relationships with service providers of the Company, in respect of services to the Company;
- results in the External Auditor functioning as a manager or employee of the Company; and
- puts the External Auditor in the role of advocate of the Company.

As a general rule, the Company does not utilise the External Auditor for internal audit purposes, secondments, or valuation advice. Services such as tax compliance, tax structuring, private letter rulings, accounting advice, quarterly reviews, and disclosure advice are normally permitted but will be pre-approved by the Committee.

The following table summarises the remuneration payable to KPMG Channel Islands Limited and to other KPMG member firms for audit and non-audit services:

KPMG Channel Islands Limited	**For the year ended 31 December 2023 £**	**For the year ended 31 December 2022 £**
Annual audit	50,000	43,500
KPMG LLP		
Tax fees (UK Reporting Fund Status)	12,000	12,000

AUDIT AND RISK COMMITTEE REPORT (continued)

The External Auditor (continued)

Independence, Objectivity and Fees (continued)

For the year ended 31 December 2023, the Company has engaged KPMG LLP to provide tax services, a separate entity to KPMG Channel Islands Limited.

The Committee does not consider KPMG Channel Islands Limited's independence to be under threat. In making this assessment, the Committee has concluded that the non-audit fees, disclosed above, do not relate to prohibited services. In approving the non-audit services, the Committee considered the safeguards put in place by KPMG Channel Islands Limited to reduce the threats to independence and objectivity to an acceptable level.

The Committee has examined the scope and results of the audit, its cost effectiveness, and the independence and objectivity of the External Auditor, with particular regard to non-audit fees, and considers KPMG Channel Islands Limited, as External Auditor, to be independent of the Company.

Performance and Effectiveness

During the year, when considering the effectiveness of the External Auditor, the Committee has taken into account the following factors:

- The audit plan presented to it before the audit;
- Changes in audit personnel;
- The post audit report including variations from the original plan, if any;
- The External Auditor's report on independence; and
- Feedback from both the Investment Manager and Administrator.

Further to the above, at the conclusion of the 2023 audit fieldwork, the Committee performed specific evaluation of the performance of the External Auditor through discussion with the Administrator and Investment Manager, as well as the audit team itself.

There were no significant adverse findings from this evaluation.

Reappointment of External Auditor

Following a competitive tender process, a resolution for the reappointment of KPMG was proposed and approved at the AGM on 20 July 2023.

Internal Control and Risk Management Systems

After consultation with the Investment Manager, Administrator, and External Auditor, the Committee has considered the impact of the risk of the override of controls by its service providers, the Investment Manager, and Administrator.

The Committee reviews externally prepared assessments of the control environment in place at the Administrator, with the Administrator providing a Service Organisation Controls Report on a bi-annual basis. The Committee noted that the Management and Engagement Committee received a self-assessment from the Investment Manager and no issues were identified in this. Additionally, representatives of the Investment Manager meet with the Board of Directors annually to discuss and review the controls in place at the Investment Manager. No significant failings or weaknesses were identified in these reviews.

The Committee has also reviewed the need for an internal audit function. The Committee has decided that the systems and procedures employed by the Investment Manager, as well as the Administrator's internal audit function provide sufficient assurance that a sound system of internal controls, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

AUDIT AND RISK COMMITTEE REPORT (continued)

Internal Control and Risk Management Systems (continued)

In finalising the Financial Statements for recommendation to the Board for approval, the Committee is satisfied that, taken as a whole, the Annual Report and Financial Statements are fair, balanced, and understandable. The Board has accepted this approval.

For any questions on the activities of the Committee not addressed in the foregoing, a member of the Committee remains available to attend each AGM to respond to such questions.

The Committee Report was approved by the Board on 2 May 2024 and signed on behalf of the Committee by:

Gill Morris
Director
2 May 2024

DIRECTORS' REMUNERATION REPORT

For the year ended 31 December 2023

Introduction

An ordinary resolution for the approval of the Directors' Remuneration Report was put to the Shareholders at the AGM held on 20 July 2023.

Remuneration Policy

All Directors are non-executive and a Remuneration Committee has not been established. The Board as a whole considers matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of the Board's consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors, and be sufficient to attract, retain, and motivate Directors of a quality required to run the Company successfully. The Chair of the Board is paid a higher fee in recognition of his additional responsibilities, as is the Chair of the Committee. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies. The Directors of the Company are remunerated for their services at such a rate as the Directors determine, provided that the aggregate amount of such fees does not exceed £150,000 per annum.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors.

None of the Directors have a service contract with the Company, but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. Directors hold office until they retire by rotation or cease to be a Director in accordance with the Articles of Incorporation, by operation of law, or until they resign.

DIRECTORS' REMUNERATION REPORT (continued)

Remuneration

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. No Director has been paid additional remuneration outside their normal Directors' fees and expenses.

As at 31 December 2023, Directors' fees were: £36,500 payable to the Chair of the Board, £34,000 to the Chair of Audit and Risk Committee, and £31,500 to the Directors.

The Directors paid during the year were as follows:

	For the year ended 31 December 2023 £	For the year ended 31 December 2022 £
Krishna Shanmuganathan	33,815	17,466
Gillian Yvonne Morris	34,000	32,500
Wendy Dorey	31,500	9,308
Norman Crighton	19,500	35,000
Robert King	-	22,500
	118,815	**116,774**

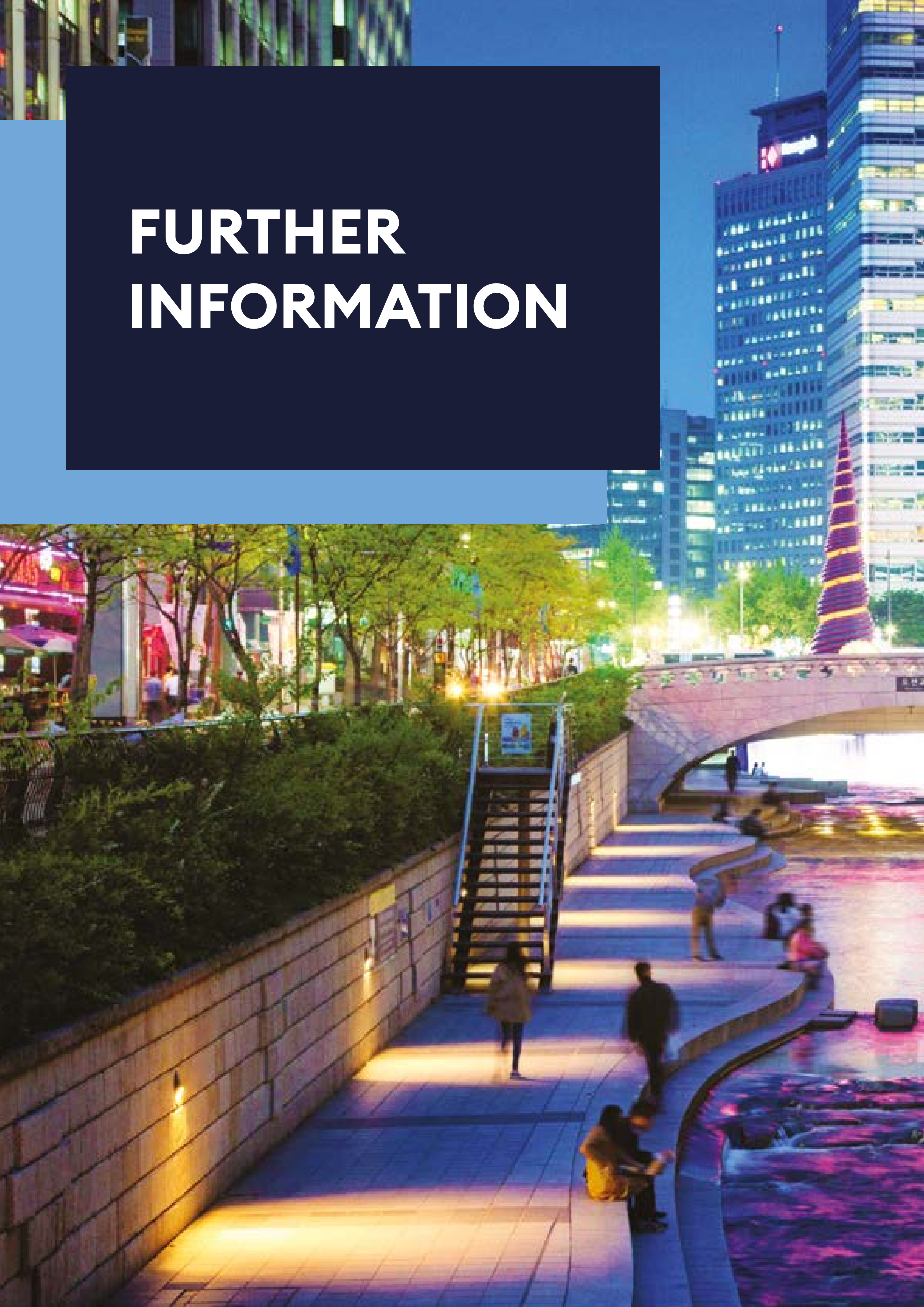
Robert King resigned from the Board on 30 September 2022 and Norman Crighton retired from the Board on 20 July 2023. There have been no other changes in the interests of the above directors during the year.

Signed on behalf of the Board by:

Krishna Shanmuganathan
Chair
2 May 2024

Gill Morris
Director
2 May 2024

FURTHER INFORMATION



BOARD OF DIRECTORS

The Company had four non-executive Directors at the start of 2023 and reverted to three when Norman Crighton resigned at the AGM. He was replaced as Chair by Krishna Shanmuganathan.

Krishna Shanmuganathan

(aged 50)

Krishna Shanmuganathan is Chair of the Company. He is also Chairman of abrdn Asia Focus plc. Prior to his experience as a public company director, he founded and ran Scylax Partners, a provider of specialist advisory services. Prior to Scylax, Krishna was a managing partner at Hakluyt & Company (Asia), a risk advisory company, having established and led the Asia Pacific offices of the firm based in Singapore. Krishna has also held research and analyst roles at Fidelity International and Cambridge Associates after a successful and varied career in the Foreign & Commonwealth Office. Krishna has Masters degrees from University of Cambridge and University of London, is British and resident in the United Kingdom. Krishna was appointed to the Board in 2022.

Gillian Yvonne Morris

(aged 60)

Gill is the Chair of the Audit and Risk Committee, appointed in 2021. She is also the Audit Chair for Aurigny Air Services Limited and The International Stock Exchange Limited and a non-executive director of CICAP GP Limited.

She is a qualified Chartered Accountant (ICAEW) and Chartered Tax Adviser (CIOT) having trained with Touche Ross & Co in London. She has also worked for Touche Ross and KPMG in Australia and KPMG in Guernsey. In 1994, she joined Specsavers Optical Group Limited, headquartered in Guernsey. Gill held several positions in the Specsavers Group including director of Specsavers Finance (Guernsey) Limited as well as Director of Tax and Treasury and latterly as Director of Risk and Government Affairs.

Gill has held a number of scrutiny roles in local government She is currently treasurer for a number of local charities including the Institute of Directors in Guernsey. She is British, and a Guernsey resident.

BOARD OF DIRECTORS (continued)

Wendy Dorey

(aged 51)

Wendy has over 25 years' experience in the financial services industry, working for a number of leading asset managers including Robert Fleming, Friends Ivory & Sime, M&G Asset Management and BNY Mellon. She started her career in investment marketing and distribution, winning a number of awards for her campaigns to direct investors and the Intermediary market. She was latterly head of business strategy and planning for M&G, where she lead a number of corporate restructuring projects and product development initiatives.

Since becoming a resident of Guernsey, Wendy has taken on a portfolio of executive and non-executive roles. This includes being a Director of an investment consulting firm, as well as holding Non-Executive Directorships with a leading global Wealth Management firm and a premium-listed fund on the London Stock Exchange. She was also appointed as a Commissioner for the Guernsey Financial Services Commission (GFSC) in 2015.

Wendy is a Fellow of the Institute of Directors and qualified as a Chartered Director in 2020. She was, until May 2023, the Chair of the Guernsey Branch of the Institute of Directors. Wendy is British and was appointed to the Board in 2022.

Norman Crighton

(aged 57)

Norman was Chair of the Company. Norman Crighton is an experienced public company director having served on the boards of eight closed-end funds and one operating company over the past ten years. Currently Norman is also Non-Executive Chair of RM Infrastructure Income plc, AVI Japan Opportunity Trust plc and Harmony Energy Income Trust plc.

Norman has extensive fund experience having previously been Head of Closed-End Funds at Jefferies International and Investment Manager at Metage Capital Ltd. leveraging his 31 years of experience in investment trusts. His career in investment banking covered research, sales, market making and proprietary trading, servicing major international institutional clients over 15 years. His work in many countries included restructuring closed-end funds as well as several IPOs. During his time as a fund manager, Norman managed portfolios of closed-end funds on a hedged and unhedged basis covering developed and emerging markets.

Following on from his long-term promotion of best corporate governance practice, Norman has more recently been focusing on expanding his work into Environmental and Social issues. His work in the investment trust industry is backed up with a master's degree from the University of Exeter in Finance and Investment and a BA(Hons) in Applied Economics. Norman is British and resident in the United Kingdom. Norman was appointed to the Board in 2013 and retired on 20 July 2023.

WEISS ASSET MANAGEMENT

Weiss Asset Management ("WAM") is an investment management firm headquartered in Boston, MA registered with the U.S. Securities and Exchange Commission as an investment adviser. In addition to WKOF, WAM manages multiple investment vehicles, including private hedge funds, an institutional separate account and other opportunity funds.

The firm was founded by Dr. Andrew Weiss, an academic economist, who launched his first fund in 1991.

WAM employs deep fundamental and statistical analysis to find undervalued securities globally and seeks to maximise risk-adjusted returns for its investor base that includes charitable foundations, pension plans, endowments, hospitals, government entities and private investors.

WAM has been investing in the South Korean market for almost 25 years. Over this time, the firm has built out a dedicated night desk of 9 employees focused on trading its Asian strategies, as well as strong relationships with a number of Korean brokers.

The firm has 100+ employees and assets under management of approximately £2.6 billion.

Jack Hsiao

Managing Director

Jack joined WAM in February 2008; he is a Managing Director and a member of the Investment Committee. Prior to that, Jack interned at WAM from 2006-2008 while performing his undergraduate studies. Jack works from Boston and oversees all strategies in Asia including investments across preference shares, holding companies, bonds, distressed, value equities and other instruments. After graduating Valedictorian from his high school, Jack received his Bachelor degree in Economics from Harvard.

WEISS ASSET MANAGEMENT (continued)

Ethan Lim

Portfolio Manager

Ethan joined WAM in June 2015; he is a Portfolio Manager at the firm and is primarily responsible for managing the firm's investments in Korea, while overseeing the Asia team and other strategies during Asia hours. Prior to joining Weiss, Ethan interned at Goldman Sachs' Seoul office. Ethan graduated from Seoul National University, where he received a BS in Mechanical and Aerospace Engineering, a BA in Economics, and completed his Master's degree in Financial Engineering at Columbia University.

Andrew Weiss

Founder and Chief Executive Officer

Andrew is the Founder and Chief Executive Officer of WAM. Andrew received his Ph.D. in Economics from Stanford University, was elected a fellow of the Econometric Society in 1989 and is currently Professor Emeritus of Economics at Boston University.

Andrew's academic research interests have included markets with imperfect information, macroeconomics, development economics, and labour economics. He ranks in the top 1% of published economists by citations, and his co-authored paper "Credit Rationing in Markets with Imperfect Information" with Joseph Stiglitz was prominently featured in the Nobel Prize committee statement for Stiglitz's 2001 Nobel Prize Award.

Andrew began his career as an Assistant Professor at Columbia University and as a Research Economist in the Mathematics Centre at Bell Laboratories. He has lectured at numerous major universities and international organisations and is the author of numerous articles published in professional journals.

Andrew began managing the predecessor to WAM's existing domestic hedge fund in 1991 and founded WAM in 2003. Andrew and WAM's strategies have been featured in articles in Forbes, Time, and Outstanding Investor Digest, as well as newspaper articles in the U.S. and Europe.

Additionally, Andrew is a member of the Advisory Board of the University of California Centre for Effective Global Action, the Advisory Board for the Centre for Development Economics at Williams College and the Council on Foreign Relations. Andrew and his wife Bonnie are the founders of Child Relief International, a foundation dedicated to fighting poverty in less developed countries. Andrew is also a board member of the WAM Foundation, a non-profit focused on maximising the alleviation of suffering worldwide.

HOW TO INVEST IN WEISS KOREA OPPORTUNITY FUND

You can invest in the Fund through the following:

Via the nominated broker

The nominated broker is Singer Capital Markets.

The Board encourages all of its shareholders to exercise their rights and notes that many specialist platforms provide shareholders with the ability to receive company documentation, to vote their shares and to attend general meetings, at no cost.

Please refer to your investment platform for more details, or visit the Association of Investment Companies' ("AIC") website at www.theaic.co.uk/aic/shareholder-voting-consumer-platforms for information on which platforms support these services and how to utilise them.

Through a professional adviser

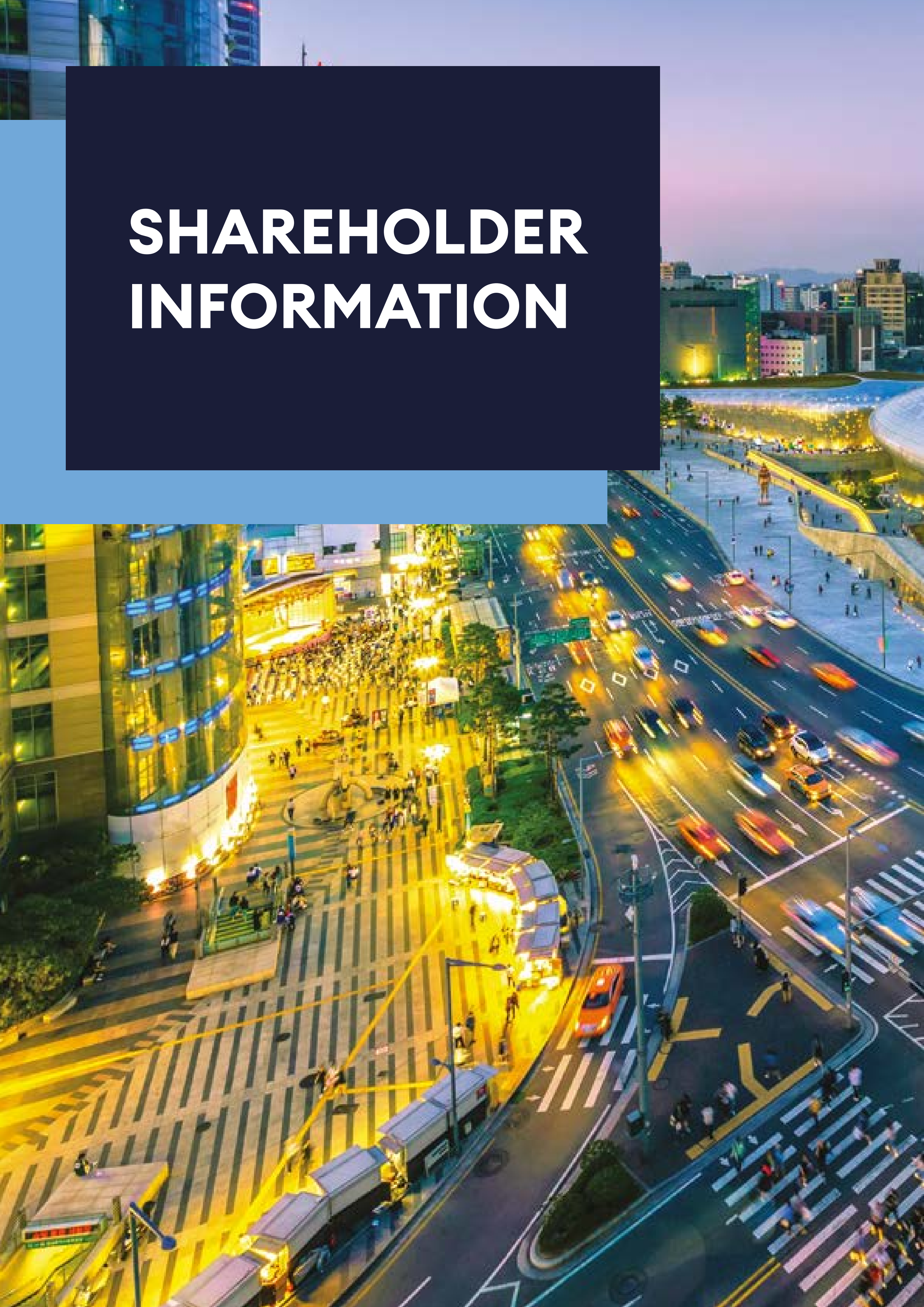
Professional advisers are usually able to access the products of all the companies in the market and can help you find an investment that suits your individual circumstances. An adviser will let you know the fee for their service before you go ahead.

You can find an adviser at unbiased.co.uk You may also buy investment trusts through stockbrokers, wealth managers and banks. You can find an adviser at unbiased.co.uk You may also buy investment trusts through stockbrokers, wealth managers and banks some of which are listed below:

- Hargreaves Lansdown
- Interactive Brokers
- AJ Bell
- Interactive Investor
- Barclays Wealth
- Equiniti Financial Services
- IQ Markets
- iDealing
- HSBC
- Halifax Share Dealing

To familiarise yourself with the Financial Conduct Authority ("FCA") adviser charging and commission rules, visit fca.org.uk.

SHAREHOLDER INFORMATION



AIFMD DISCLOSURES

The Company's Alternative Investment Fund Manager is Weiss Asset Management LP (the "AIFM").

Under the Alternative Investment Fund Managers Regulations 2013 (the "UK AIFM Regulations") and the FCA's Investment Funds sourcebook ("FUND"), the Company is a non-UK Alternative Investment Fund ("AIF") and the AIFM is an "above-threshold non-UK AIFM".

Accordingly, the AIFM has obligations pursuant to the UK AIFM Regulations and FUND to make certain disclosures to investors before they invest in the Company. These are set out in the AIFM's Supplemental Disclosure to the Admission Document dated May 2013 which can be found on the Company's website www.weisskoreaopportunityfund.com. The AIFM confirms that, apart from changes to the latest net asset value of the Company as set out on page 62, there have been no material changes to this information in the year ended 31 December 2023.

The AIFM is also required to make certain disclosures as to the remuneration it pays to its employees. The portion of the total amount of remuneration paid by the AIFM to its 84 employees attributable to the Company for the financial year ended 31 December 2023 was £736,184, consisting of £152,371 fixed and £583,813 variable remuneration.

The aggregate amount of remuneration for the 10 employees and/or members constituting senior management and those employees whose actions have a material impact on the risk profile of the Company was £480,373.

REALISATION OPPORTUNITY

In accordance with the Company's Articles of Incorporation and its Admission Document, the Company shall offer all Shareholders the right to elect to realise some or all of the value of their Ordinary Shares (the "Realisation Opportunity"), less applicable costs and expenses, on or prior to the fourth anniversary of Company's admission to AIM and, unless it has already been determined that the Company be wound-up, every two years thereafter, being 12 May 2023 (the "Realisation Date"). See Note 17 for further details.

On 13 March 2023, the Company announced that pursuant to the Realisation Opportunity, Shareholders who are on the register as at the record date may elect, during the Election Period, to redesignate all or part (provided that such part be rounded up to the nearest whole Ordinary Share) of their Ordinary Shares as Realisation Shares. The Election Period commenced on 12 April 2023 and closed at 1pm, 5 May 2023. Elections were received from Shareholders totalling of 41,496 Ordinary Shares, representing approximately 0.06 per cent of the Company's issued share capital.

Due to the limited number of elections received for the Realisation Opportunity, all Realisation Shares were redeemed utilising the Company's cash reserves, with an accompanying record date of 26 May 2023. The next realisation date will be in May 2025.

SHARE BUYBACKS

In addition to the Realisation Opportunity, the Company has authority to repurchase on the open market up to 40% of its outstanding Ordinary Shares. During the year ended 31 December 2023, the Company purchased Nil shares (2022: £Nil) of its own Shares at a consideration of £Nil (31 December 2022: £Nil) under its general buyback authority. For additional information on Share Buybacks refer to Note 17.

NET ASSET VALUE

Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") is responsible for calculating the Net Asset Value ("NAV") per Share of the Company. Since 4 April 2022, the unaudited NAV per Ordinary Share is calculated on a daily basis and at the month end by the Administrator, and is announced by a Regulatory News Service and is available through the Company's website www.weisskoreaopportunityfund.com.

CORPORATE INFORMATION

Directors (Non-Executive)

Krishna Shanmuganathan (Chair)
Gillian Yvonne Morris
(Audit and Risk Committee Chair)
Wendy Dorey (Management Engagement Chair)
Norman Crighton (retired 20 July 2023)

Registered Office

PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
GY1 3QL

Investment Manager and AIFM

Weiss Asset Management LP
222 Berkeley Street, 16th Floor
Boston, MA 02116
USA

English Legal Adviser to the Company

Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

Custodian and Principal Bankers

Northern Trust (Guernsey) Limited
PO Box 71
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
GY1 3DA

Company Secretary, Administrator and Designated Manager

Northern Trust International Fund
Administration Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St. Peter Port
Guernsey
GY1 3QL

Financial Adviser, Nominated Adviser and Broker

Singer Capital Markets
1 Bartholomew Lane
London
EC2N 2AX

Guernsey Legal Adviser to the Company

Mourant Ozannes (Guernsey) LLP
Royal Chambers
St. Julian's Avenue
St. Peter Port
Guernsey
GY1 4HP

Registrar

Link Market Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St. Sampson
Guernsey
GY2 4LH

Independent Auditor

KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St. Peter Port
Guernsey
GY1 1WR

Endnotes and Alternative Performance Measures

1,2,3 The NAV published in this annual report and audited financial statement will include dividends receivable as part of the NAV. Please refer to the Admission Document for more information regarding the announcement and payment of Korean dividends.

4,7 For WKOF, this return includes all dividends paid to WKOF's Shareholders and assumes that these dividends were reinvested in WKOF's Shares at the next date for which WKOF reports a NAV, at the NAV for that date. MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex date of the distribution. iShares MSCI Korea UCITS ETF also assumes reinvestment of dividends.

5 Since inception of Weiss Korea Opportunity Fund on 14 May 2013. The WKOF return since inception is calculated on the basis of the Net Asset Value per Ordinary Share and not on the price of WKOF shares on AIM. The value of WKOF NAV per share performance since inception represents a total return, inclusive of all dividends paid to WKOF shareholders since inception. The NAV per share may differ from the price at which shares of WKOF may be purchased or sold on AIM, and performance of NAV per share during any specific period may therefore not be reflective of the returns an investor would receive by investing in shares of WKOF during such period. For WKOF, this return includes all dividends paid to WKOF's Shareholders and assumes that these dividends were reinvested in WKOF's Shares at the next date for which WKOF reports a NAV, at the NAV for that date.

6,7 MSCI Korea 25/50 Net Total Return Index denominated in GBP. MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex-date of the distribution.

8 If the share price of an investment company is lower than the NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, the shares are said to be trading at a premium.

9 Calculated as the dividend per share over the last 12-months divided by the share price as of the date of this report.

10 The Average Trailing 12-Month P/E Ratio of Preference Shares Held is based on the consolidated diluted earnings per share over the trailing 12- month period as reported by Bloomberg, and is calculated as the total market value of WKOF's preference share portfolio on the report date divided by the total earnings allocable to WKOF based on WKOF's holdings on the report date. Investments with negative reported earnings are excluded.

11 P/B Ratio of Preference Shares Held is calculated as the weighted average price to book ratio of all preference shares held at 31 December 2023.

12 The annualised total expense ratio includes charges paid to the Investment Manager and other expenses divided by the average NAV for the year. See Note 9 for details of such expenses.

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14 Most recent sovereign credit ratings from Moody's, S&P, and Fitch as of 31 December 2023.

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18 Bloomberg LP. Data as of 31 December 2023.

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21 *LG Opens Plant to Produce EV Battery Chargers* (10 January 2024). Forbes.

22 *About Us. (2023). LG Chem.; Global EV battery usage in 2022 is 517.9GWh, up 71.8% from the previous year. (2023). SNE Research*.

23 Subsidiaries Info. (n.d.). Hanwha Corporation.

24 Brands. (n.d.). AmorePacific Group.

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27 cjamerica.com/about-us

28 This return includes all dividends paid to the Company's Shareholders and assumes that these dividends were reinvested in the Company's Shares at the next date for which the Company reports a NAV, at the NAV for that date.

29 MSCI Korea 25/50 Net Total Return Index denominated in GBP. MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex-date of the distribution.

30 Source: Bloomberg L.P. Weiss Asset Management LP Data retrieved as of 31 December 2023.

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