WEISS KOREA OPPORTUNITY FUND LTD.

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

WEISS KOREA OPPORTUNITY FUND LTD.

CONTENTS

Company Performance

Performance Summary

	As at 31 December 2024 £	As at 31 December 2023 £
Total Net Assets[1]	96,960,467	116,849,704
Net Asset Value ("NAV") Per Share[1]	1.40	1.69
Mid-Market Share Price	1.36	1.68

Financial Highlights

	As at 31 December 2024	Since inception[2]
NAV Return[1,3]	(15.9%)	81.1%
Benchmark Return[4]	(18.5%)	41.2%

	As at 31 December 2024	31 December 2023
Portfolio Discount*	46.0%	49.7%
Share Price Discount[5]	(3.2%)	(0.4%)
Fund Dividend Yield[6]	3.8%	3.2%
Average Trailing 12-Month P/E Ratio of Preference Shares Held[7]	6.0x	4.8x
P/B Ratio of Preference Shares Held[8]	0.3	0.3
Annualised Total Expense Ratio[9]	2.0%	2.1%

***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 12 May 2025, the latest published NAV per Share was £1.57 and the Share Price was £1.38.

WEISS KOREA OPPORTUNITY FUND LTD.

Company Summary

The Company
Weiss Korea Opportunity Fund Ltd. ("WKOF" or the "Company") was incorporated with limited liability in Guernsey as a registered closed-ended investment company on 12 April 2013. The Company's shares were admitted to trading on 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 and the Commodity Futures Trading Commission in the United States of America.

Managed Wind-down of the Company
Following shareholder approval at the Company's Extraordinary General Meeting on 14 April 2025 (the "EGM"), the Company has entered a managed wind-down process (the "Managed Wind-down"). This process will result in the return of capital to shareholders (as realisations allow) and, subject to the approval of shareholders, the ultimate winding up and liquidation of the Company. Further background information regarding the Managed Wind-down can be found in the Chairman's statement on page 8.

Investment Objective and Dividend Policy
With effect from 14 April 2025, the Company's investment objective is to realise all existing assets in its portfolio in an orderly manner.

Prior to 14 April 2025, the Company's investment objective was to provide Shareholders with an attractive return on their investment, predominantly through long-term capital appreciation. The Company was geographically focused on South Korean companies. Specifically, the Company invested primarily in listed preference shares issued by companies incorporated in South Korea, which in many cases traded at a discount to the corresponding common shares of the same companies. Following the Company's admission to AIM, the Investment Manager assembled a portfolio of South Korean preference shares that it believed were undervalued and could appreciate based on the criteria that it selected. The Company, in accordance with its former investment policy, was also able to 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 did not have any concentration limits.

The Company intends to return to Shareholders all dividends received, net of withholding tax, with respect to dividends received for the year ended 31 December 2024. However, as the Company's underlying assets are realised over time and the portfolio diminishes in size, the Board, in consultation with the Investment Manager, may decide it is in the best interest of Shareholders to cease payment of dividends and to use any dividends received on the Company's remaining assets for the redemption of Shares and the return of capital to Shareholders.

Investment Policy
With effect from 14 April 2025, the Company will pursue its investment objective by effecting an orderly realisation of its assets in a manner that aims for a balance between seeking to obtain the best achievable value for those assets and making timely returns of capital to Shareholders. The Company does not intend to make any new investments during the realisation period. However, proceeds may be invested in liquid cash-equivalent securities, including money market funds, short-dated corporate bonds, government bonds or bank cash deposits (and/or funds holding such investments), pending returns being made in cash to shareholders (net of provisions for the Company's costs and expenses).

Prior to 14 April 2025, the Company was permitted to purchase certain credit default swaps on the sovereign debt of South Korea and put options on the iShares MSCI South Korea ETF ("EWY") 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 2024 (2023: Nil). Please see additional information about the nature of these hedges in the Investment Manager's Report on page 10.

Under the new investment policy which took effect from 14 April 2025, the Company is not permitted to purchase credit default swaps or other hedging instruments. Any hedging instruments currently held by the Company will be realised in an orderly manner as part of the Managed Wind-down.

WEISS KOREA OPPORTUNITY FUND LTD.

Top 10 Holdings as at 31 December 2024

1. **LG ELECTRONICS INC., PRF.**
   14% OF WKOF NAV DISCOUNT TO COMMON SHARE: -51%

   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.[10]

2. **SAMSUNG KODEX 200 ETF.**
   10% OF WKOF NAV DISCOUNT TO COMMON SHARE: N/A

   WKOF will utilise South Korean equity exposure via an ETF (exchange traded fund) as a substitute for cash to provide liquidity for the Company during the Managed Wind-down process.

3. **HANWHA CORPORATION 3RD PRF.**
   8% OF WKOF NAV DISCOUNT TO COMMON SHARE: -44%

   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 South Korea's oldest life insurance company and Hanwha Solutions, a leading domestic manufacturer of solar cell panels.[11]

4. **CJ CHEILJEDANG CORP, PRF.**
   8% OF WKOF NAV DISCOUNT TO COMMON SHARE: -51%

   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.[12]

5. **LG HOUSEHOLD & HEALTH CARE LTD., PFD ("LG H&H")**
   7% OF WKOF NAV DISCOUNT TO COMMON SHARE: -55%

   LG H&H is a major South Korean consumer goods company that manages cosmetics, household goods and beverages business. It is also the exclusive manufacturer and distributer of Coca Cola brand products in South Korea. [13]

6. **AMOREPACIFIC CORP., PRF.**
   6% OF WKOF NAV DISCOUNT TO COMMON SHARE: -69%

   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.[14]

7. **MIRAE ASSET SECURITIES CO., LTD., 2ND PRF.**
   6% OF WKOF NAV DISCOUNT TO COMMON SHARE: -52%

   Mirae Asset Securities Co., Ltd is the largest investment banking and stock brokerage company by market cap 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.[15]

Top 10 Holdings as at 31 December 2024 (continued)

8. DOOSAN CORPORATION PRF.
6% OF WKOF NAV DISCOUNT TO COMMON SHARE: -59%

Doosan operates as a diversified manufacturing and service company. Doosan conducts electronic components production, logistics equipment manufacturing, information technology consulting, and other businesses. Doosan provides services worldwide.[16]

9. LG CHEM LTD., PRF.
4% OF WKOF NAV DISCOUNT TO COMMON SHARE: -36%

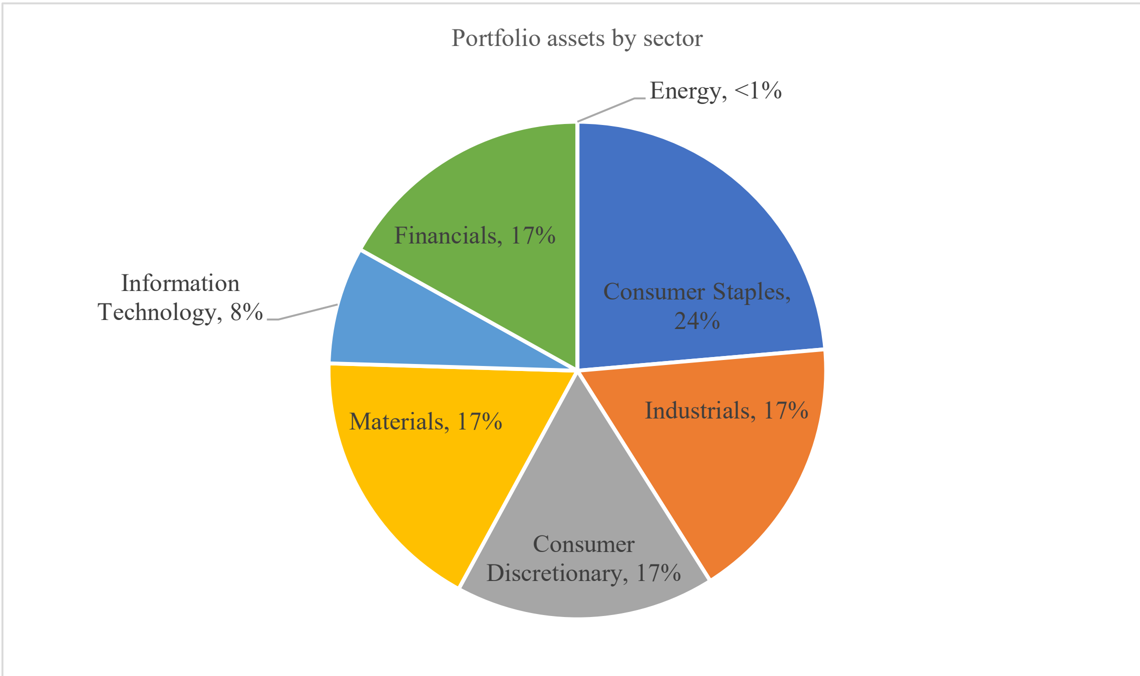
South Korea's largest chemical company by market capitalisation, LG Chem manufacturers and sells petrochemical products and advanced materials, including plastics and EV batteries.[17,18]

10. SAMSUNG ELECTRO-MECHANICS CO., LTD., PRF.
4% OF WKOF NAV DISCOUNT TO COMMON SHARE: -54%

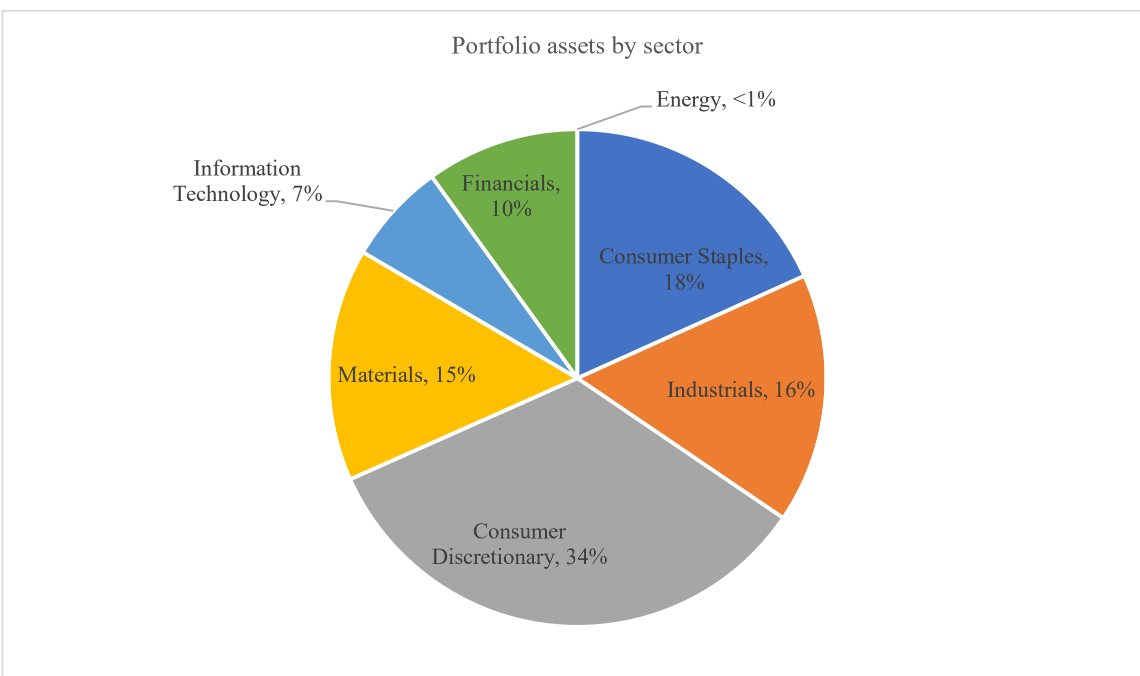
Samsung Electro-Mechanics Co., Ltd. manufactures a variety of electronic components used in computers, audio and video products, industrial electronics, and telecommunication equipment. The Company's products include multi-layer boards and capacitors, optical Pick Ups, deflection yokes (DY), keyboards, speakers, and light emitting diode (LED) products.[19]

Holdings by Portfolio Sector

The Fund's holdings by portfolio sector as at 31 December 2024 taken from Northern Trust data:

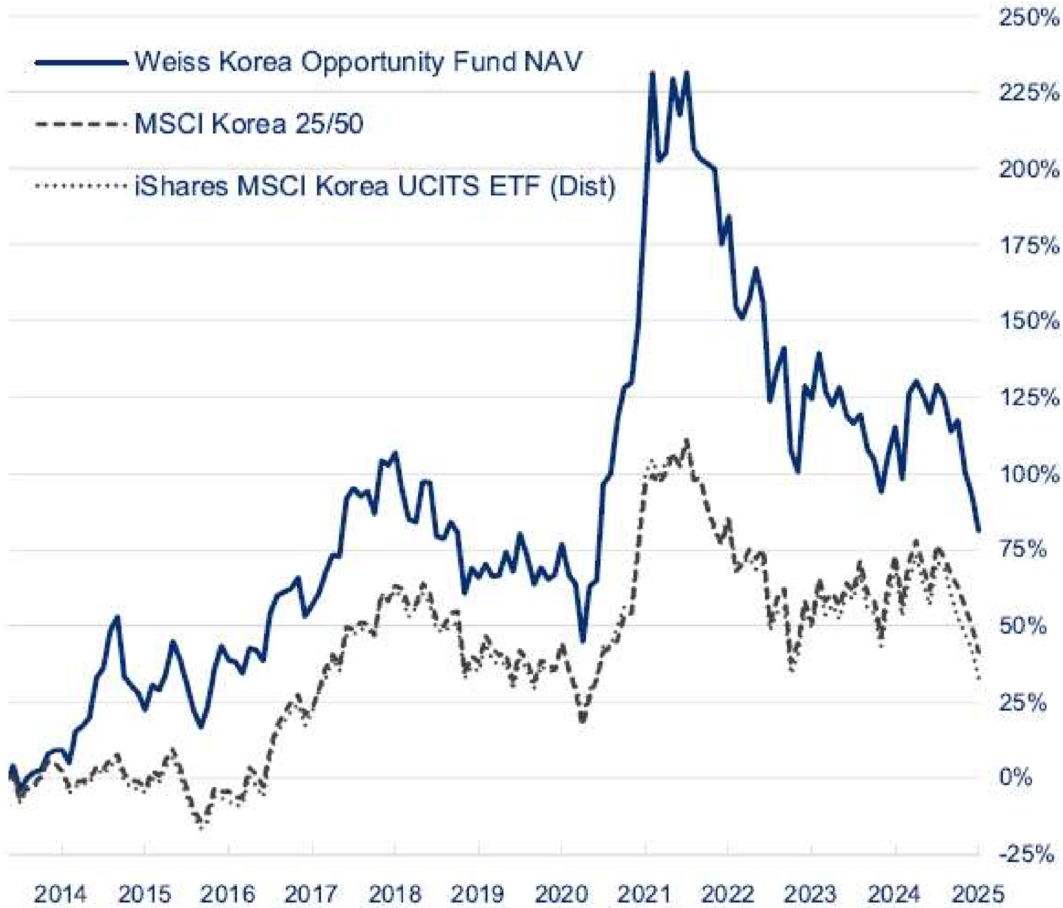


As at 31 December 2023:

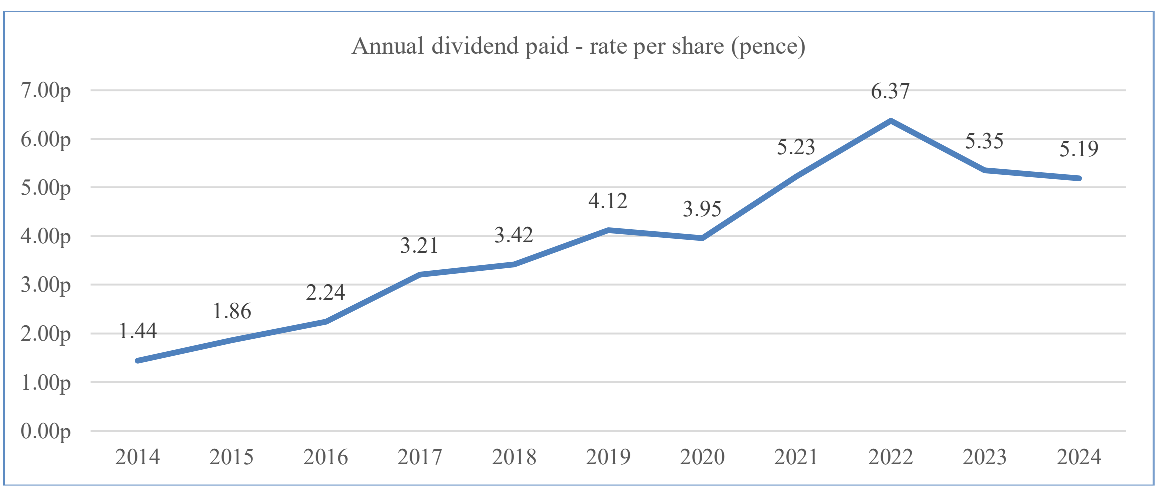


Total Return Performance and Dividend Record

The Fund's total return performance since inception is shown below. Going forward, as the Company's investment objective is now to realise all existing assets in the Company's portfolio in an orderly manner, comparison with the Korea Index may become less meaningful than it has been historically.



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



Chair's Review

For the year ended 31 December 2024

Investment Performance

During the period from 1 January 2024 to 31 December 2024, WKOF's NAV in pounds Sterling ("GBP") decreased by 15.9%, including reinvested dividends[3], out-performing the reference MSCI South Korea 25/50 Net Total Return Index (the "Korea Index")[4] by 2.6%. Since the admission of WKOF to AIM in May 2013, NAV has increased by 81.1%, including reinvested dividends,[3] compared to the Korea Index returns of 41.2%, a cumulative outperformance of 39.9% since inception.

Dividend

The Directors declared an interim dividend yield of 5.1851 pence per share in May 2024, to distribute the income received by WKOF in respect of the year ended 31 December 2023. This equates to a 3.8% net dividend yield over the past 12 months. The dividend was paid to all Shareholders on 24 June 2024.

In line with the previous financial year, the Board intends to take into account all dividends received up to, and including, 30 April 2025 when declaring the Company's own dividend.

Strategic Review

At the beginning of November 2024, the Board was notified by its investment manager that it believed the opportunity set and strategy for the fund continuing in its current form was less attractive than it had been in the past, including at the Company's inception in 2013. Moreover, it did not think that circumstances were likely to improve in the foreseeable future. As a result, the Board announced a strategic review on 4 November 2024.

The Board assessed a number of proposals, including a change of investment mandate and/or a potential combination of WKOF's assets with another suitable investment company or fund, as an alternative to a Managed Wind-down. The Board confirms that the short-listed proposals were thoroughly assessed and meetings were held with interested parties in late January 2025, with further detailed discussions continuing with one preferred party through February 2025. However, due to the complexities associated with the short-listed proposals that came to light in the detailed discussions, combined with the differing views received from shareholders, on 27 February 2025, the Board announced the decision that a Managed Wind-down was the fairest proposal and would be in the best interests of shareholders as a whole.

Managed Wind-down

On 19 March 2025, a Circular was sent to all Shareholders setting out the details of the proposed Managed Wind-down, explaining the new investment objective and policy (in place of the existing investment objective and policy) to reflect the realisation strategy, the Company ceasing to make new investments during the realisation period and the adoption of the new Articles to permit the Directors to return capital to Shareholders pursuant to the Managed Wind-down by way of compulsory redemptions of Shares to facilitate the implementation of the Managed Wind-down.

Shareholders overwhelmingly approved the Managed Wind-down at an Extraordinary General Meeting on 14 April 2025.

During the Managed Wind-down process, the Company will be managed with the intention of realising all of the assets in its portfolio in an orderly manner that aims to achieve a balance between seeking to obtain the best achievable value for those assets and making timely returns of capital to Shareholders. Returns of capital to shareholders will be made by way of compulsory redemptions of shares and are anticipated to be made as, and when, sufficient cash is realised to make it economically expedient to do so. The first return of capital is expected to be made by the end of June 2025.

The Board intends to maintain the trading of Shares on the AIM for as long as the Directors believe it to be practicable during the Managed Wind-down, subject to the ability of the Company to continue to comply with its obligations under the AIM Rules.

The Board considers that the inclusion of a viability statement in the Financial Statements would not provide additional benefit to the Company's stakeholders given that the Company has entered a Managed Wind-down which aligns with the UK Corporate Governance Code.

Chair's Review (continued)

For the year ended 31 December 2024

Share buybacks

The Board is also authorised to repurchase up to 40% of WKOF's outstanding Ordinary Shares in issue as of 31 December 2024. Whilst historically the Company has bought back shares where the share price discount to net asset value per share has reached high single digit percentages (with 12.6% of Shares issued at admission having been repurchased to date), and remains authorised to do so in its discretion, looking forward the Board does not anticipate buying back shares given the Company is now in Managed Wind-down and will be regularly returning capital to shareholders by way of a compulsory redemption of Shares.

Krishna Shanmuganathan
Chair

14 May 2025

Investment Manager's Report

For the year ended 31 December 2024

Managed Wind-down of the Fund

In November 2024, we notified WKOF's Board of Directors that we believed that the opportunity set and strategy for the fund continuing in its current form was less attractive than it has been in the past, including at WKOF's inception in 2013, and that we did not think this change in circumstances was likely to improve in the foreseeable future. Our assessment was based on a number of factors:

- Several large and more liquid preference shares have had their discounts narrow to the point where they are no longer attractive investments for the fund. Consequently, the pool of more liquid preference shares available for investment has decreased.
- South Korea's continued efforts to open its financial markets to foreign investors mean that the fund's holdings can now be replicated in more cost-effective ways than through the fund itself.
- It was felt that given the above and the performance over the least 2 years, more shareholders would be likely to consider taking up the next realisation opportunity. If this were to happen, the overhead cost per share to investors would increase.

As discussed in the Chair's Review of this Annual Report, the Board subsequently commenced a strategic review to consider the future of the Company and explore the strategic options available, including a change of investment mandate and/or a potential combination of the Company's assets with another suitable investment company or fund. The shortlisted proposals were thoroughly assessed and meetings were held with interested parties in late January 2025, with further detailed discussions continuing with one preferred party through February 2025. However, due to the complexities associated with the shortlisted proposals that came to light in the detailed discussions, combined with differing views of Shareholders, the Board reached the decision that a Managed Wind-down was the fairest proposal and would be in the best interests of the Company and its Shareholders as a whole.

WKOF Performance Attribution

At the end of December 2024, WKOF held a portfolio of 30 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 Korean equity market generally as indicated by the South 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.

In order to compare WKOF's relative return to the Korea Index, we report the attribution of these aforementioned factors to WKOF's performance. The following table provides this performance attribution for the last 12 months and for the period since the inception of WKOF in May 2013 to 31 December 2024.

Performance Attribution Table

Return Component[20]	2024	Since Inception
The Korea Index	-18.5%	41.2%
Discount Narrowing of Preferred Shares Owned	9.2%	97.6%
WKOF Common Shares vs. The Korea Index	-1.1%	-47.3%
Excess Dividend Yield of Preferred Shares Owned	1.3%	15.0%
Fees, Expenses and Others	-6.8%	-25.4%
NAV Performance	**-15.9%**	**81.1%**

Investment Manager's Report (continued)
For the year ended 31 December 2024

Macro and Corporate Governance update

In our 2024 Half Yearly Report, we mentioned that investors might gain more clarity on South Korea's Corporate Value-Up Programme (CVUP) by the end of the year. However, despite some periods of optimism, the CVUP still lacks clarity and effectiveness. A large part of this was due to increased political turmoil in South Korea towards the end of 2024.

President Yoon declared martial law, which was later revoked, leading to two impeachment proceedings. After President Yoon was impeached, the National Assembly also sought to impeach acting President and former Prime Minister Duck-soo Han for his role in the martial law order and his lack of cooperation during the impeachment process; however, he has since been reinstated.

This political instability has temporarily hindered the government's ability to function effectively and damaged the nation's international reputation. The economic impact is already being felt in South Korea's heavily export-oriented economy. Most notably, the South Korean won has depreciated significantly against the U.S. dollar, prompting the National Pension Service to implement a "strategic currency hedging" practice using up to 48.2 billion U.S. dollars in foreign currency reserves. Additionally, there were net foreign outflows of 9.7 billion USD from the South Korean stock market in the fourth quarter. In December alone, during the brief declaration of martial law and the ensuing impeachment process, foreign investors sold 3.86 billion USD worth of South Korean securities, marking the largest monthly foreign outflow since March 2020. Furthermore, although acting President Choi has publicly supported the Corporate Value-Up Programme, it remains unclear how committed the post-Yoon South Korean government is to corporate governance reforms.

The "Korea Value-Up Index" is considered one of the three main components of the Corporate Value-Up Programme (CVUP). According to the Korea Exchange (KRX), this index is designed to highlight local companies that follow best practices in corporate governance and take steps to enhance shareholder value. Some investors consider the development of this index encouraging, especially if the National Pension Service (NPS), South Korea's largest pension fund, decide to use it as a long-term benchmark.

However, when the KRX launched the Value-Up Index on September 25, which included 100 listed companies from the KOSPI and KOSDAQ, it was criticised for being an underwhelming selection with inconsistent standards. In response, the KRX announced plans to actively reconsider the standards used for selecting companies in the index.

One potentially positive development in corporate governance this year is that lawmakers have voted to expand the fiduciary duties of corporate boards to include responsibilities to shareholders, not just the company. The National Assembly, controlled by the opposition, passed a bill to amend the commercial code, but it faces possible veto by Acting President Choi Sang-mok. Proponents argue that the reform will restore market confidence and align corporate actions with shareholder interests. Opponents, including the ruling party and business groups, believe the change will lead to an increase in shareholder lawsuits and negatively impact the national economy.[21]

Finally, protectionist trade policies under the Trump administration pose significant risks to the profitability of South Korea's leading companies. The U.S. government raised concerns about trade imbalances with countries including South Korea and announced its intention to use tariffs to address them.[22] Duties were imposed on steel and aluminium—directly affecting manufacturers such as POSCO (currently not a WKOF holding). Separately, broader "reciprocal" tariffs of 25% on South Korea were announced in April before being reduced to 10% temporarily. Given South Korea's economic reliance on large conglomerates ("chaebols"), these trade actions could have ripple effects across the broader economy. The complex network of subsidiaries and supply chains within chaebols means that tariffs on one part of the group can indirectly impact the entire organisation.

Investment Manager's Report (continued)

For the year ended 31 December 2024

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 the MSCI Korea 25/50 Index, securities we believe would generate high returns if Korea experienced geopolitical disaster, and 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, as with any insurance policy, WKOF's hedges will lose money most of the time. The table below provides details about the hedges as of 31 December 2024. Note that outside of the general market and portfolio hedges described herein, WKOF has generally not hedged interest rates or currencies. Please also note that WKOF's exposure to these hedging instruments will gradually reduce as the Managed Wind-down progresses.

CDS Notional Amount (GBP)	Cost Paid as a % of Notional Value per Annum (Spread)	Expiration Date
79,617,834	0.238%	20/06/2025

Concluding Remarks

Thank you to our long-term shareholders. We are proud of WKOF's performance during the nearly 12 years the Company has been listed on AIM, during which we have continually sought to do what is in the best interest of shareholders. For the reasons outlined above, we believe the Managed Wind-down is in the best interest of shareholders, and will seek to manage the portfolio accordingly.

Weiss Asset Management LP

14 May 2025

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 2024, 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. These financial statements have not been prepared on the going concern basis for the reason set out in Note 2(c).

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2024, 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.

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 2023):

Independent Auditor's Report (continued)
To the Members of Weiss Korea Opportunity Fund Ltd.

	The risk	Our response
Valuation of financial assets at fair value through profit or loss ("Investments") £94,780,296; (2023: £112,427,879) Refer to pages 53 to 56 for the Audit Committee Report, note 2f accounting policy and notes 11 and 20 disclosures.	***Basis:*** As at 31 December 2024 the Company had invested 97.75% 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 2024, 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 engaged 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.

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

Materiality for the financial statements as a whole was set at £1,940,000, determined with reference to a benchmark of net assets of £96,960,467 of which it represents approximately 2% (2023: 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% (2023: 75%) of materiality for the financial statements as a whole, which equates to £1,455,000 (2023: £1,690,000). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

Independent Auditor's Report (continued)
To the Members of Weiss Korea Opportunity Fund Ltd.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £97,000, 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.

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)
To the Members of Weiss Korea Opportunity Fund Ltd.

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' explanation in Note 2(c) as to why a viability statement has not been presented given the Company is now in Managed Wind-down and how they have determined that there is a reasonable expectation that the Company retains sufficient liquidity at all times and there is not expected to be any impact on solvency; and
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated.

Corporate governance disclosures

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

Independent Auditor's Report (continued)
To the Members of Weiss Korea Opportunity Fund Ltd.

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 52, 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.

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

KPMG Channel Islands Limited

Chartered Accountants

Guernsey

14 May 2025

Statement of Financial Position

As at 31 December 2024

	Notes	As at 31 December 2024 £	As at 31 December 2023 £
Assets			
Financial assets at fair value through profit or loss	**11,20**	94,780,296	112,427,879
Other receivables	**13**	913,777	1,627,052
Margin account	**14**	1,041,581	1,396,037
Cash and cash equivalents	**15**	1,224,127	3,364,287
Total assets		**97,959,781**	**118,815,255**
Liabilities			
Derivative financial liabilities	**12,20**	283,591	903,381
Due to broker		-	271,189
Other payables	**16**	715,723	790,981
Total liabilities		**999,314**	**1,965,551**
Net assets		**96,960,467**	**116,849,704**
Represented by:			
Shareholders' equity and reserves			
Share capital	**17**	33,912,856	33,912,856
Other reserves		63,047,611	82,936,848
Total Shareholders' equity		**96,960,467**	**116,849,704**
Net Assets Value per Ordinary Share	**6**	**1.3998**	**1.6870**

The Notes on pages 22 to 41 form an integral part of these Financial Statements.

The Financial Statements on pages 18 to 41 were approved and authorised for issue by the Board of Directors on 14 May 2025.

Krishna Shanmuganathan
Chair

Gill Morris
Director

Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	For the year ended 31 December 2024 £	For the year ended 31 December 2023 £
Income			
Net loss on financial assets at fair value through profit or loss	7	(16,403,274)	(4,498,384)
Net gain on derivative financial instruments at fair value through profit or loss	8	619,646	242,072
Net foreign currency losses		(373,493)	(559,160)
Dividend income		4,180,485	2,490,245
Bank interest income		3,951	12,747
Total loss		**(11,972,685)**	**(2,312,480)**
Expenses			
Operating expenses	9	(3,405,984)	(3,586,733)
Total operating expenses		**(3,405,984)**	**(3,586,733)**
Loss for the year before dividend withholding tax		**(15,378,669)**	**(5,899,213)**
Dividend withholding tax		(919,084)	(548,479)
Loss for the year after dividend withholding tax		**(16,297,753)**	**(6,447,692)**
Loss and total comprehensive loss for the year		**(16,297,753)**	**(6,447,692)**
Basic and diluted loss per Share	5	**(0.2353)**	**(0.0931)**

All items derive from continuing activities.

Following review of the AIC SORP and its impact on the Statement of Comprehensive Income, the Board has 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 3 for details of the Company's dividend policy.

The Notes on pages 22 to 41 form an integral part of these Financial Statements.

Statement of Changes in Equity
For the year ended 31 December 2024

For the year ended 31 December 2024	Notes	Share capital £	Other reserves £	Total £
Balance as at 1 January 2024		**33,912,856**	**82,936,848**	**116,849,704**
Total comprehensive loss for the year		-	(16,297,753)	(16,297,753)
Transactions with Shareholders, recorded directly in equity				
Distributions paid	3	-	(3,591,484)	(3,591,484)
Balance as at 31 December 2024		**33,912,856**	**63,047,611**	**96,960,467**

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)
Redemption of Realisation Shares	3	-	(3,709,107)	(3,709,107)
Balance as at 31 December 2023		**33,912,856**	**82,936,848**	**116,849,704**

The Notes on pages 22 to 41 form an integral part of these Financial Statements.

WEISS KOREA OPPORTUNITY FUND LTD.

Statement of Cash Flows
For the year ended 31 December 2024

	Notes	For the year ended 31 December 2024 £	For the year ended 31 December 2023 £
Cash flows from operating activities			
Loss and total comprehensive loss for the year		(16,297,753)	(6,447,692)
Adjustments for:			
Interest income		(3,951)	(12,747)
Net loss on financial assets at fair value through profit or loss	**7**	16,403,274	4,498,384
Exchange losses/(gains) on cash and cash equivalents		359,527	(81,949)
Net gain on derivative financial instruments at fair value through profit or loss	**8**	(619,646)	(242,072)
(Decrease)/increase in receivables excluding dividends		3,074	(1,731)
Increase in other payables excluding withholding tax	**16**	81,000	89,974
Dividend income net of withholding taxes		(3,261,401)	(1,941,766)
Dividend received net of withholding taxes		3,815,344	4,261,019
Bank interest received		3,951	12,747
Purchase of financial assets at fair value through profit or loss		(49,779,905)	(18,040,415)
Proceeds from the sale of financial assets at fair value through profit or loss		50,753,022	22,149,787
Net cash generated from operating activities		**1,456,536**	**4,243,539**
Cash flows from investing activities			
Closure of derivative financial instruments		(141)	-
Decrease/(increase) in margin account		354,456	(68,724)
Net cash generated/(used in) from investing activities		**354,315**	**(68,724)**
Cash flows from financing activities			
Purchase of Realisation Shares	**17**	-	(73,990)
Distributions paid	**3**	(3,591,484)	(3,709,107)
Net cash used in financing activities		**(3,591,484)**	**(3,783,097)**
Net (decrease)/increase in cash and cash equivalents		(1,780,633)	391,718
Exchange (losses)/gains on cash and cash equivalents		(359,527)	81,949
Cash and cash equivalents at the beginning of the year		3,364,287	2,890,620
Cash and cash equivalents at the end of the year		**1,224,127**	**3,364,287**

The Notes on pages 22 to 41 form an integral part of these Financial Statements.

Notes to the Financial Statements
For the year ended 31 December 2024

1. General information
The Company was incorporated with limited liability in Guernsey, as a registered closed-ended investment company on 12 April 2013. The Company's Shares were admitted to trading on AIM of the London Stock Exchange ("LSE") on 14 May 2013.

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

At the Annual General Meeting ("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 2024 have been prepared in accordance with International Financial Reporting Standards ("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
On 19 March 2025, a Circular was sent to all Shareholders setting out the details of the proposed Managed Wind-down, explaining the new investment objective and policy (in place of the existing investment objective and policy) to reflect the realisation strategy and the Company ceasing to make new investments during the realisation period; and the adoption of the new Articles to, among other things, permit the Directors to return capital to Shareholders pursuant to the Managed Wind-down by way of compulsory redemptions of Shares, in order to facilitate the implementation of the Managed Wind-down.

Shareholders overwhelmingly approved the Managed Wind-down at an Extraordinary General Meeting on 14 April 2025.

Under the Managed Wind-down process, the Company will be managed with the intention of realising all of the assets in its portfolio in an orderly manner that aims to achieve a balance between seeking to obtain the best achievable value for those assets and making timely returns of capital to Shareholders. Returns of capital to shareholders are anticipated to be made as, and when, sufficient cash is realised to make it economically expedient to do so. A first return of capital is expected to be made by the end of June 2025.

The Managed Wind-down process is being conducted in an orderly manner, with due consideration to regulatory obligations, contractual commitments, and shareholder interests. However, at this early stage, it is difficult to determine with any degree of certainty how long the process will take. The Financial Statements have therefore been prepared on a basis other than going concern. As a result, all assets are classified as current and are stated at their estimated recoverable amounts and all creditors are classified as falling due within one year. As the assets of the Company are already stated at amounts which approximate their fair value this has not resulted in any adjustment to the Net Asset Value of the Company and the Directors believe that fair value equates to recoverable amounts.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

2. Material accounting policies (continued)

c) Going concern (continued)

The Board have considered the liquidation costs of the Company and as this has been considered immaterial no provision has been included in these financial statements. A viability statement has not been prepared for the reasons outlined above, given the Company is now in Managed Wind-down. The Directors have set out the basis on which they have concluded they have adequate resources to accomplish this in an orderly manner, retaining sufficient liquidity to ensure there is no impact on solvency. The Managed Wind-down plan will ensure that the Company retains sufficient liquidity at all times and there is not expected to be any impact on solvency. Ongoing, realisation and liquidation costs will all be considered before a Compulsory Redemption of shares is made.

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 2025, and have not been early adopted in preparing these financial statements. The Company is still in the process of assessing the impact of the new accounting standards, particularly with respect to the requirements of IFRS 18.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability (effective from 1 January 2025);
- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective from 1 January 2026);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective from 1 January 2027); and
- IFRS 19 Subsidiaries without Public Accountability; Disclosures (effective from 1 January 2027).

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 2024, and have been adopted in preparing these financial statements where relevant.

- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current (effective from 1 January 2024);
- Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements (effective from 1 January 2024);

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

2. Material accounting policies (continued)

f) Financial instruments (continued)

ii) Recognition and measurement (continued)

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 fair value of financial assets at fair value through profit or loss.

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

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

The fair values of the credit default swaps are based on traded prices. The valuation of the credit default swaps fair values means fluctuations will be reflected in the net gains or losses on fair value of 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 loss on financial assets at fair value through profit or loss

Net loss 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.

2. Material accounting policies (continued)

h) Net gain on derivative financial instruments through profit or loss

Net gain 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.

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 from investments, income and derivatives are recognised in 'Net foreign currency losses 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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

2. Material accounting policies (continued)

p) Treasury shares (continued)

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.

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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

2. Material accounting policies (continued)

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.

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 £1,600 (2023: £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 5.1851 pence per Share (£3,591,484) was approved on 14 May 2024 and paid on 24 June 2024 in respect of the year ended 31 December 2023. 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.

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 Ordinary Share of £0.2353 (31 December 2023: £0.0931) for the Company has been calculated based on the total loss after tax for the year of £16,297,753 (31 December 2023: £6,447,692) and the weighted average number of Ordinary Shares in issue during the year of 69,265,582 (for the year ended 31 December 2023: 69,265,582).

6. Net Asset Value per Ordinary Share

The NAV of each Share of £1.3998 (as at 31 December 2023: £1.6870) is determined by dividing the net assets of the Company attributed to the Ordinary Shares of £96,960,467 (as at 31 December 2023: £116,849,704) by the number of Ordinary Shares in issue at 31 December 2024 of 69,265,582 (as at 31 December 2023: 69,265,582 Ordinary Shares in issue).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

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

	For the year ended 31 December 2024	For the year ended 31 December 2023
	£	£
Realised gain on investments	11,363,158	7,251,946
Realised loss on investments	(5,088,702)	(1,516,733)
Unrealised gains on investments	3,780,808	8,444,523
Unrealised losses on investments	(26,458,538)	(18,678,120)
Net loss on financial assets at fair value through profit or loss	(16,403,274)	(4,498,384)

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

	For the year ended 31 December 2024	For the year ended 31 December 2023
	£	£
Unrealised gain on credit default swaps	619,646	242,072
Net gain on financial instruments at fair value through profit or loss	619,646	242,072

9. Operating expenses

	For the year ended 31 December 2024	For the year ended 31 December 2023
	£	£
Investment management fee (Note 18c)	1,750,262	1,821,624
Professional fees	128,944	232,038
Transaction costs[1]	269,830	141,764
Derivative expense[1]	764,596	748,766
Custodian fees	66,719	59,002
Audit fees	56,090	51,545
Administration and Secretarial fees	136,064	128,622
Directors' fees (Note 18a)	108,425	118,815
Sundry expenses*	125,054	284,557
Total operating expenses	3,405,984	3,586,733

[1]. Excluded from the Total Expense Ratio calculation.
[*]. Includes Realisation Opportunity expense of £Nil (31 December 2023: £123,750).

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 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 South Korean preference shares are concentrated with a small number of issuers.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

11. Financial assets at fair value through profit or loss

	As at 31 December 2024 £	As at 31 December 2023 £
Cost of investments at beginning of the year	147,569,038	145,672,008
Purchases of investments in the year	49,508,713	18,311,604
Proceeds from disposal of investments in the year	(50,753,022)	(22,149,787)
Net realised gains on investments in the year	6,274,456	5,735,213
Cost of investments held at end of the year	152,599,185	147,569,038
Unrealised loss on investments	(57,818,889)	(35,141,159)
Financial assets at fair value through profit or loss	94,780,296	112,427,879

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 liabilities

	As at 31 December 2024 £	As at 31 December 2023 £
Cost of derivatives at beginning of the year	(1,835,637)	(1,835,637)
Closure of derivatives in the year	141	-
Net cost of derivatives held at end of the year	(1,835,496)	(1,835,637)
Unrealised gain on derivative financial liabilities at fair value through profit or loss	1,551,905	932,256
Net fair value on derivative financial instruments at fair value through profit or loss	(283,591)	(903,381)

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

As at 31 December 2024

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	£80m	88,110	188,071	0.238%	20/06/2025	3.0

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

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 2024 (2023: Nil).

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

12. Derivative financial liabilities (continued)

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 Korea. The Company's purchases of credit default swaps 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 2024 £	As at 31 December 2023 £
Dividends receivable	909,395	1,619,596
Prepaid expenses	4,382	7,456
Total other receivables	913,777	1,627,052

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

14. Margin account

	As at 31 December 2024 £	As at 31 December 2023 £
Margin account	1,041,581	1,396,037

The margin account for 2024 and 2023 represents a margin deposit of collateral held by Goldman Sachs & Co. LLC 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 2024 £	As at 31 December 2023 £
Cash at bank	1,224,127	3,364,287

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 2024 £	As at 31 December 2023 £
Investment management fees payable (Note 18c)	130,582	136,205
Administration fee payable	86,347	25,848
Custody fee payable	10,161	15,389
Co-sec and Listing fee payable	33,786	16,403
Audit fees payable	27,150	24,125
Withholding tax payable	200,053	356,311
Other payables	227,644	216,700
Total other payables	715,723	790,981

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

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 2024	As at 31 December 2023
Authorised		
Unlimited Ordinary Shares at no par value	-	-
Issued at no par value		
69,265,582 (2023: 69,265,582) Ordinary Shares at no par value	-	-

Reconciliation of number of Shares

	As at 31 December 2024 No. of Shares	As at 31 December 2023 No. of Shares
Ordinary Shares at the beginning of the year	69,265,582	69,307,078
Purchase of Realisation Shares	-	(41,496)
Total Ordinary Shares in issue at the end of the year	69,265,582	69,265,582

Treasury Shares	As at 31 December 2024 No. of Shares	As at 31 December 2023 No. of Shares
Treasury Shares at the beginning of the year	11,752,246	11,710,747
Prior year adjustment for repurchase of Ordinary Shares	-	3
Redesignation of Realisation Shares	-	41,496
Total Shares at the end of the year	11,752,246	11,752,246

Share capital account

	As at 31 December 2024 £	As at 31 December 2023 £
Share capital at the beginning of the year	33,912,856	33,986,846
Purchase of Realisation Shares	-	(73,990)
Total Share capital at the end of the year	33,912,856	33,912,856

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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

17. Share capital (continued)

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.

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.

Share buyback and cancellation

During the year ended 31 December 2024, the Company purchased Nil shares (31 December 2023: Nil) of its own Shares at a consideration of £Nil (31 December 2023: £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 2024 (as at 31 December 2023: 69,265,582). The Company has 11,752,246 Treasury Shares in issue as at 31 December 2024 (as at 31 December 2023: 11,752,246).

At the AGM held on 26 June 2024, 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.

As mentioned in the Chair's Review, looking forward the Board does not anticipate buying back shares given the Company is now in Managed Wind-down and will be regularly returning capital to shareholders by way of a compulsory redemption of Shares.

18. Related-party transactions and material agreements

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. As at 31 December 2024 the annual Directors' fees comprise £38,800 to Krishna Shanmuganathan as Chair, £36,125 to Gill Morris as Chair of the Audit and Risk Committee and £33,500 to Wendy Dorey as Chair of the Management Engagement Committee.

During the year ended 31 December 2024, Directors' fees of £108,425 (year ended 31 December 2023: £118,815) were charged to the Company and £Nil remained payable at the end of the year (as at 31 December 2023: £Nil).

b) Shares held by related parties

The Directors who held office at 31 December 2024 and up to the date of this Report held the following number of Ordinary Shares beneficially:

	As at 31 December 2024		As at 31 December 2023	
	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 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 team. As at 31 December 2024, Dr Andrew Weiss and his immediate family members held an interest in 7,316,888 Ordinary Shares (as at 31 December 2023: 7,316,888) representing 10.56% (as at 31 December 2023: 10.56%) of the Ordinary issued share capital of the Company.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

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

b) Shares held by related parties (continued)

As at 31 December 2024, 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 2023: 390,408) representing 0.6% (as at 31 December 2023: 0.6%) of the Ordinary issued share capital of the Company.

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 2024, investment management fees and charges of £1,750,262 (31 December 2023: £1,821,624) were charged to the Company and £130,582 (31 December 2023: payable £136,205) remained due at the year end.

With effect from 1 October 2025, under the side letter to Management Agreement dated 14 April 2025, the Investment Manager shall be entitled to an annual management fee of 0.375 % of the Company's NAV accrued daily and payable within 14 days after each month end.

d) Company Secretary, Administrator and Designated Manager

Up to 30 June 2024, administration fees were payable to Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") 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 was charged for corporate governance and company secretarial services.

From 1 July 2024, administration fees are payable to the Administrator monthly in arrears at a rate of 0.09% of the Net Asset Value of the Company below £100 million, 0.075% on Net Assets between £100 million and £175 million and 0.035% on Net Assets in excess of £175 million as at the last business day of the month subject to a minimum of £115,000 for each year. In addition, an annual fee of £35,000 will be charged for corporate governance and company secretarial services. During the year, administration and secretarial fees of £136,064 (31 December 2023: £128,622) were charged to the Company, of which £86,347 (31 December 2023: £25,848) 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 £40,000 for each year. During the year, custody fees of £66,719 (31 December 2023: £59,002) were charged to the Company, of which £10,161 (31 December 2023: £15,389) remained payable at the end of the year.

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

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. 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.

Market price risk
The Company's NAV is sensitive to movements in market prices. As at 31 December 2024, 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 £9,478,030 (as at 31 December 2023: 10% £11,242,788). 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, the movement in market prices may be significantly and materially higher than the above. Refer to pages 50 and 51 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 2024, the Company held the following assets and liabilities in foreign currencies:

Amounts in Sterling	EUR	KRW	As at 31 December 2024 USD	EUR	KRW	As at 31 December 2023 USD
Assets						
Monetary assets	200	96,883,342	1,045,361	210	117,304,148	1,403,458
Total	200	96,883,342	1,045,361	210	117,304,148	1,403,458
Liabilities						
Monetary liabilities	-	(200,053)	(283,591)	-	(627,500)	(903,381)
Total	-	(200,053)	(283,591)	-	(627,500)	(903,381)

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

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 2024.

	Reasonable possible shift in rate 2024	As at 31 December 2024 £	Reasonable possible shift in rate 2023	As at 31 December 2023 £
Currency				
KRW				
Monetary assets	+/- 10%	9,688,334	+/- 10%	11,730,415
Monetary liabilities	+/- 10%	(20,005)	+/- 10%	(62,750)
US Dollars				
Monetary assets	+/- 10%	104,536	+/- 10%	140,346
Monetary liabilities	+/- 10%	(28,359)	+/- 10%	(90,338)

Interest rate risk

The Company holds limited cash and margin balances in interest-bearing accounts of £2,265,708 as at 31 December 2024 (as at 31 December 2023: £4,760,324) 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 2024:

	Floating rate £	Fixed rate £	Non-Interest bearing £	Total As at 31 December 2024 £
Financial Assets				
Financial assets at fair value through profit or loss	-	-	94,780,296	94,780,296
Other receivables	-	-	913,777	913,777
Margin account	1,041,581	-	-	1,041,581
Cash and cash equivalents	1,224,127	-	-	1,224,127
Total	2,265,708	-	95,694,073	97,959,781

	Floating rate £	Fixed rate £	Non-Interest bearing £	Total As at 31 December 2024 £
Financial Liabilities				
Derivative financial liabilities	-	-	(283,591)	(283,591)
Other payables	-	-	(715,723)	(715,723)
Total	-	-	(999,314)	(999,314)

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

19. Financial risk management (continued)

Interest rate risk (continued)

The tables below summarises 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				
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	4,760,324	-	114,054,931	118,815,255

	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)

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 2024 as follows:

	As at 31 December 2024 £	As at 31 December 2023 £
Other receivables	913,777	1,627,052
Cash and cash equivalents	1,224,127	3,364,287
Margin account	1,041,581	1,396,037
Total	3,179,485	6,387,376

	Credit Rating Agency	As at 31 December 2024 £	As at 31 December 2023 £
Goldman Sachs & Co.LLC is a wholly-owned subsidiary of The Goldman Sachs Group, Inc.	Standard & Poor's	A+	A+
	Moody's	Unavailable	Unavailable
Northern Trust (Guernsey) Limited which is a wholly owned subsidiary of The Northern Trust Corporation	Standard & Poor's	A+	A+
	Moody's	A2	A2

19. Financial risk management (continued)

Credit risk (continued)

There is also counterparty risk on instruments 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 the equity investments.

The Company is also exposed to counterparty credit risk on credit default swaps, cash and cash equivalents 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.

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.

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. 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 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.

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.

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 2024
	£	£	£	£
Financial assets at fair value through profit or loss	-	-	94,780,296	94,780,296
Other receivables	-	913,777	-	913,777
Margin account	-	1,041,581	-	1,041,581
Cash and cash equivalents	1,224,127	-	-	1,224,127
Total	1,224,127	1,955,358	94,780,296	97,959,781

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

19. Financial risk management (continued)

Liquidity risk (continued)

	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

As at 31 December 2024, the Company had no significant financial liabilities other than payables arising directly from investing activity:

	Less than 1 month	1-3 months	3-12months	Total As at 31 December 2024
	£	£	£	£
Derivative financial liabilities	(283,591)	-	-	(283,591)
Other payables	(515,670)	(200,053)	-	(715,723)
Total	(799,261)	(200,053)	-	(999,314)

	Less than 1 month	1-3 months	3-12months	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)

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 2024 there were no borrowings (as at 31 December 2023: £Nil). The Board considers the below gearing ratio to be adequate, since total borrowings refer only to derivative liabilities and other payables.

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

	As at 31 December 2024	As at 31 December 2023
	£	£
Total assets	97,959,781	118,815,255
Less: Total liabilities	(999,314)	(1,965,551)
Net Asset Value	96,960,467	116,849,704
Gearing Ratio	1.03%	1.68%

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. Previously, the Directors sought 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.

As mentioned in the Chair's Review, the Company is in Managed Wind-down and will be regularly returning capital to shareholders by way of compulsory redemption of Shares. The Board therefore does not anticipate buying back shares during this process.

Realisation Opportunity
Following the EGM, Shareholders will not be offered a voluntary realisation opportunity until 2027. However, it is anticipated that a first return of capital to Shareholders pursuant to the Compulsory Redemption Mechanism will be made by the end of June 2025 and that, in the absence of unforeseen circumstances and based on current and anticipated market conditions, the Investment Manager is currently estimating that all but the most illiquid assets in the portfolio could be realised by the time the 2027 voluntary realisation opportunity falls due.

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.

Notes to the Financial Statements (continued)

For the year ended 31 December 2024

20. Fair value measurement (continued)

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 2024, financial assets of £Nil were transferred from Level 1 to Level 2 (for the year ended 31 December 2023: £Nil).

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

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 (£283,591) (as at 31 December 2023: (£903,381)). The Company held no investments in derivative financial instruments classified as Level 1 within the fair value hierarchy (as at 31 December 2023: £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 2024:

	Level 1	Level 2	Level 3	Total as at 31 December 2024
	£	£	£	£
Financial assets/(liabilities) at fair value through profit or loss:				
Korean preference shares	94,780,296	-	-	94,780,296
Financial derivative liabilities	-	(283,591)	-	(283,591)
Total net assets	94,780,296	(283,591)	-	94,496,705

	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)

For the year ended 31 December 2024

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 2024		As at 31 December 2023	
	NAV	NAV per Participating Share	NAV	NAV per Participating Share
	£	£	£	£
Net Asset Value reported to the LSE	96,960,467	1.3998	118,740,038	1.7143
Adjustment to accruals	-	-	47,184	0.0007
Adjustment for dividend income	-	-	(1,937,518)	(0.0280)
Net Assets Attributable to Shareholders per Financial Statements	96,960,467	1.3998	116,849,704	1.6870

The published NAV per Share is £1.3998 (as at 31 December 2023: £1.7143) and the accounting NAV per Share is £1.3998 (as at 31 December 2023: £1.6870). The adjustment above for dividend income for the year ended 31 December 2023 was a result of, for certain securities, (1) changes from estimated dividend rates to final dividend rates and (2) changes in dividend policies by the issuers of preference shares held in the portfolio, in connection with the overall market reforms, which resulted in expected ex-dates for dividends being moved by such issuers from before the year end to after the year end, and therefore caused the income from such dividends to be recognised in subsequent calendar years. No adjustment was required for the current year.

22. Subsequent events

These Financial Statements were approved for issuance by the Board on 14 May 2025. Subsequent events have been evaluated until this date.

On 27 February 2025, the Board announced that after extensive consultation with its advisers and shareholders evaluating the future strategy of the Company, and having received a number of proposals from third parties, they decided to put forward proposals for a Managed Wind-down of the Company (the "Managed Wind-down"). Shareholder approval of the Managed Wind-down will not result in an immediate liquidation of the Company, rather an orderly realisation of the Company's portfolio, with capital returned to shareholders once the Company's underlying investments are realised by the Investment Manager in a manner that seeks to maximise shareholder value.

On 19 March 2025, a Circular was sent to all Shareholders setting out the details of the proposed Managed Wind-down, explaining the new investment objective and policy (in place of the existing investment objective and policy) to reflect the realisation strategy, the Company ceasing to make new investments during the realisation period and the adoption of the new Articles to, among other things, permit the Directors to return capital to Shareholders pursuant to the Managed Wind-down by way of compulsory redemptions of Shares, to facilitate the implementation of the Managed Wind-down.

Shareholders overwhelmingly approved the Managed Wind-down at an Extraordinary General Meeting on 14 April 2025.

There were no other significant subsequent events impacting the Company to be disclosed after the year end and up to the date the financial statements have been approved for issue.

Report of the Directors
For the year ended 31 December 2024

The Directors of the Company present their Annual Report and Audited Financial Statements for the year ended 31 December 2024.

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
With effect from 14 April 2025, the Company's investment policy is to effect an orderly realisation of its assets in a manner that is consistent with the principles of good investment management. The Company has ceased making any new investments during the realisation period. However, realised cash may be invested in liquid cash-equivalent securities, including money market funds, short-dated corporate bonds, government bonds or bank cash deposits (and/or funds holding such investments), pending returns being made in cash to shareholders (net of provisions for the Company's costs and expenses).

Prior to 14 April 2025, the investment objective and investment policy of the Company was 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 3 of the Annual Report.

Going Concern
On 19 March 2025, a Circular was sent to all Shareholders setting out the details of the proposed Managed Wind-down, explaining the new investment objective and policy (in place of the existing investment objective and policy) to reflect the realisation strategy and the Company ceasing to make new investments during the realisation period; and the adoption of the new Articles to, among other things, permit the Directors to return capital to Shareholders pursuant to the Managed Wind-down by way of compulsory redemptions of Shares, in order to facilitate the implementation of the Managed Wind-down.

Under the Managed Wind-down process, the Company will be managed with the intention of realising all of the assets in its portfolio in an orderly manner that aims to achieve a balance between seeking to obtain the best achievable value for those assets and making timely returns of capital to Shareholders. Returns of capital to shareholders are anticipated to be made as, and when, sufficient cash is realised to make it economically expedient to do so. A first return of capital is expected to be made by the end of June 2025.

The Managed Wind-down process is being conducted in an orderly manner, with due consideration to regulatory obligations, contractual commitments, and shareholder interests. However, at this early stage, it is difficult to determine with any degree of certainty how long the process will take. The Financial Statements have therefore been prepared on a basis other than going concern. As a result, all assets are classified as current and are stated at their estimated recoverable amounts and all creditors are classified as falling due within one year. As the assets of the Company are already stated at amounts which approximate their fair value this has not resulted in any adjustment to the Net Asset Value of the Company and the Directors believe that fair value equates to recoverable amounts.

The Board have considered the liquidation costs of the Company and as this has been considered immaterial no provision has been included in these financial statements. A viability statement has not been prepared for the reasons outlined above, given the Company is now in Managed Wind-down. The Directors have set out the basis on which they have concluded they have adequate resources to accomplish this in an orderly manner, retaining sufficient liquidity to ensure there is no impact on solvency. The Board have approved a buffer to cover all costs (except transaction costs) for the next 3 calendar years. This buffer will be either cash or near cash. Ongoing, realisation and liquidation costs will all be considered before a Compulsory Redemption of shares is made.

Report of the Directors (continued)
For the year ended 31 December 2024

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 2024 are set out in the Statement of Comprehensive Income on page 19. An annual dividend of 5.1851 pence per Share (£3,591,484) was approved on 14 May 2024 and paid on 24 June 2024 in respect of the year ended 31 December 2023. 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. The Board expects to declare an annual dividend in May 2025 for the year ended 31 December 2024 based on dividends received primarily from investments in Korean preference shares.

Shareholder Information
Further Shareholder information can be found in the Summary Information set out on page 60.

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, as amended by the side letter dated 14 April 2025 are set out in Note 18 of the Financial Statements. The Board believes that the amended fee arrangements reflect the circumstances of the Managed Wind-down.

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, as amended by the Side Letter dated 14 April 2025.

Directors
The details of the Directors of the Company during the year and at the date of this Report are set out on page 58.

Directors' Interests
The Directors who held office at 31 December 2024 and up to the date of this Report held the following numbers of Ordinary Shares beneficially:

	As at 31 December 2024		As at 31 December 2023	
	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%

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.

Report of the Directors (continued)
For the year ended 31 December 2024

Substantial Interests (continued)

		As at 31 December 2024	
Shareholders	**Country**	**Shares**	**% of issued share capital**
City of London Investment Mgt Co	UK	14,541,631	20.99%
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	7,000,000	10.11%
Wells Fargo & Company	USA	5,150,000	7.44%
JBF Capital	USA	4,260,300	6.15%

		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	7,000,000	10.11%
Wells Fargo & Company	USA	4,900,000	7.07%
JBF Capital	USA	4,260,636	6.15%

There have been no significant changes to the substantial shareholdings at 14 May 2025.

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 2024 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 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.

Report of the Directors (continued)
For the year ended 31 December 2024

Role of the Board (continued)
The Board's responsibilities for the Annual Report are set out in the Statement of Directors' Responsibilities on page 52.

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.

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 61 and again on page 58.

The Chair is Krishna Shanmuganathan. Biographies for Krishna and all other Directors appear on page 58. 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.

Report of the Directors (continued)
For the year ended 31 December 2024

Corporate Governance (continued)
Attendance at the Board and other Committee Meetings during the year was as follows:

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

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. It is unlikely that there will be any new appointments in the Managed Wind-down period.

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.

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.

Report of the Directors (continued)

For the year ended 31 December 2024

Corporate Governance (continued)

Board Performance (continued)

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 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 46 sets out the number of Audit and Risk Committee Meetings held during the year ended 31 December 2024 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 53 to 56.

Management Engagement Committee

The Company has established a Management Engagement Committee with formally delegated duties and responsibilities within written terms of reference. The Management 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 Engagement Committee.

The principal duties of the Management 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 Engagement Committee meeting held on 20 November 2024, the quality of the services provided by the Investment Manager as well as the other service providers was reviewed. The Management Engagement Committee also reviewed the fees of all other service providers (other than the External Auditor). Updates to material agreements are summarised in Note 18 of the Financial Statements.

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 considers it unlikely that there will be any new appointments during the Managed Wind-down period.

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 57. Directors' remuneration is considered on an annual basis.

Report of the Directors (continued)

For the year ended 31 December 2024

Corporate Governance (continued)

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 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.

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.

Looking forwards, protectionist trade policies under the Trump administration pose significant risks to the profitability of South Korea's leading companies. The U.S. government raised concerns about trade imbalances with countries including South Korea and announced its intention to use tariffs to address them.[22] Duties were imposed on steel and aluminium—directly affecting manufacturers such as POSCO (currently not a WKOF holding). Separately, broader "reciprocal" tariffs of 25% on South Korea were announced in April before being reduced to 10% temporarily. Given South Korea's economic reliance on large conglomerates ("chaebols"), these trade actions could have ripple effects across the broader economy. The complex network of subsidiaries and supply chains within chaebols means that tariffs on one part of the group can indirectly impact the entire organisation.

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.

Report of the Directors (continued)

For the year ended 31 December 2024

Corporate Governance (continued)

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 Annual Report and audited 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.

Internal Controls

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.

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

The Independent Auditor, KPMG Channel Islands Limited, has indicated their willingness to continue in office. Accordingly, a resolution for their reappointment will be proposed at the forthcoming AGM.

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 themselves 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	**Gill Morris**
Chair	Director
14 May 2025	14 May 2025

Statement of Principal and Emerging Risks and Uncertainties
For the year ended 31 December 2024

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit and Risk Committee (the "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 Committee undertakes a regular review of the Company's Risk Matrix. This review took place on three occasions during the year.

Geopolitical Risks
Risks to global growth have been heightened as a result of the conflict in the Ukraine and the Middle East. The level of tension between North and South Korea fluctuates. Protectionist trade policies under the Trump administration pose significant risks to the profitability of South Korea's leading companies. The U.S. government raised concerns about trade imbalances with countries including South Korea and announced its intention to use tariffs to address them.[22] Duties were imposed on steel and aluminium—directly affecting manufacturers such as POSCO (currently not a WKOF holding). Separately, broader "reciprocal" tariffs of 25% on South Korea were announced in April before being reduced to 10% temporarily. Given South Korea's economic reliance on large conglomerates ("chaebols"), these trade actions could have ripple effects across the broader economy. The complex network of subsidiaries and supply chains within chaebols means that tariffs on one part of the group can indirectly impact the entire organisation.

Cyber Risks
There is a heightened risk of malicious cyber activity. Through the Management Engagement Committee (the "MEC"), 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 revised 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 revised investment policy. The Administrator is responsible for ensuring that all transactions are in accordance with the investment restrictions.

Operational Risks
The Company maintains an investment policy as discussed on page 3. Failure to implement the Managed Wind-down strategy or poor execution by the Investment Manager would have an effect on the performance 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 holdings and the progress of the Managed Wind-down and investment performance.

The risks specifically associated with the South Korean economic and political climate are discussed on page 48.

Statement of Principal and Emerging Risks and Uncertainties (continued)

For the year ended 31 December 2024

Principal Risks and Uncertainties (continued)

Operational Risks (continued)

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 Managed Wind-down period.

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 its 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 expects to make regular Compulsory Redemptions when it makes economic sense to do so and will continue to publish daily NAV which it is hoped will minimise any discount. It has therefore decided not to make Share Buybacks in the Managed Wind-down period (see note 17).

Liquidity of Investments

The 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 South 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. 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, along with a suitable cash buffer, 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 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.

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 Environmental, Social, and Governance ("ESG") analysis under environmental factors in the Directors' Report.

Directors' Responsibility Statement

For the year ended 31 December 2024

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. In the current year the financial statements have not been prepared on a going concern basis for the reasons set out in Note 2(c) to the Financial Statements.

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.

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.

Krishna Shanmuganathan	**Gill Morris**
Chair	Director
14 May 2025	14 May 2025

Audit and Risk Committee Report
For the year ended 31 December 2024

On the following pages, we present the Audit and Risk Committee's Report for 2024, setting out the responsibilities of the Audit and Risk Committee ("the Committee") and its key activities in 2024.

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 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, which the Board has submitted for approval to the Company's Shareholders.

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.

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 £94,780,296 as at 31 December 2024 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 2024 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 2024.

Audit and Risk Committee Report (continued)
For the year ended 31 December 2024

Key Activities of the Committee (continued)

Valuation of Investments (continued)
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.

Risk Management
The Committee continues 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 10 February 2025. 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 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.

Audit and Risk and Committee Report (continued)

For the year ended 31 December 2024

The External Auditor (continued)

Independence, Objectivity and Fees (continued)

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

	For the year ended 31 December 2024	For the year ended 31 December 2023
KPMG Channel Islands Limited	**£**	**£**
Annual audit	54,300	50,000
KPMG LLP		
Tax fees (UK Reporting Fund Status)	12,000	12,000

For the year ended 31 December 2024, 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 2024 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

Consequent to this review process, the Audit Committee has recommended to the Board that a resolution be put to the 2024 AGM for the reappointment of KPMG Channel Islands Limited as External Auditor. The Board has accepted this recommendation.

Audit and Risk Committee Report (continued)

For the year ended 31 December 2024

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 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.

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 14 May 2025 and signed on behalf of the Committee by:

Gill Morris
Director
14 May 2025

Directors’ Remuneration Report

For the year ended 31 December 2024

Introduction

An ordinary resolution for the approval of the Directors’ Remuneration Report was put to the Shareholders at the AGM held on 26 June 2024.

Remuneration Policy

All Directors are non-executive and a Remuneration Committee has not been established. The Board 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 £200,000 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.

Remuneration

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

As at 31 December 2024, Directors’ fees were: £38,800 payable to the Chair of the Board, £36,125 to the Chair of Audit and Risk Committee, and £33,500 to the Chair of the Management Engagement Committee.

The Directors paid during the year were as follows:

	For the year ended 31 December 2024 £	For the year ended 31 December 2023 £
Krishna Shanmuganathan	38,800	33,815
Gillian Yvonne Morris	36,125	34,000
Wendy Dorey	33,500	31,500
Norman Crighton	-	19,500
	108,425	118,815

Signed on behalf of the Board by:

Krishna Shanmuganathan
Chair
14 May 2025

Gill Morris
Director
14 May 2025

Board of Directors

The Company had 3 Directors during the year ended 31 December 2024. All Directors are considered independent of the Investment Manager.

Krishna Shanmuganathan (aged 51)
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 61)
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.

Wendy Dorey (aged 52)
Wendy is the Chair of the Management Engagement Committee, appointed in 2022. She 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 led a number of corporate restructuring projects and product development initiatives.

Since relocating to 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 Schroders International Ltd and TwentyFour Select Monthly Income Fund Ltd. She was also a Commissioner at the Guernsey Financial Services Commission (GFSC) from November 2015 – November 2024.

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. She is British and a Guernsey resident.

Weiss Asset Management

Weiss Asset Management is an investment management firm headquartered in Boston, MA registered with the U.S. Securities and Exchange Commission as an investment adviser and with the Commodity Futures Trading Commission as a commodity pool operator. In addition to WKOF, WAM manages multiple investment vehicles, including private hedge funds and an institutional separate account.

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 Korean market for over 20 years. Over this time, the firm has built out a dedicated night desk of 14 employees focused on trading its Asian strategies, as well as strong relationships with a number of Korean brokers. The firm has 125+ employees and assets under management of approximately $3.6 billion as of 31 December 2024.

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.

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.

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 2, there have been no material changes to this information in the year ended 31 December 2024.

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 144 employees attributable to the Company for the financial year ended 31 December 2024 was £465,755 consisting of £100,541 fixed and £365,214 variable remuneration.

The aggregate amount of remuneration for the 11 employees and/or members constituting senior management and those employees whose actions have a material impact on the risk profile of the Company was £319,671.

Realisation Opportunity
Following the EGM, Shareholders will not be offered a voluntary realisation opportunity until 2027. However, it is anticipated that a first return of capital to Shareholders pursuant to the Compulsory Redemption Mechanism will be made by the end of June 2025 and that, in the absence of unforeseen circumstances and based on current and anticipated market conditions, the Investment Manager is currently estimating that all but the most illiquid assets in the portfolio could be realised by the time the 2027 voluntary realisation opportunity falls due.

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 2024, the Company purchased Nil shares (2023: £Nil) of its own Shares at a consideration of £Nil (31 December 2023: £Nil) under its general buyback authority. For additional information on Share Buybacks refer to Note 17. The Board do not anticipate making any share buybacks during the wind down period to ensure that all shareholders are treated equitably.

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 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.

WEISS KOREA OPPORTUNITY FUND LTD.

Corporate Information

Directors (Non-Executive)
Krishna Shanmuganathan (Chair)
Gillian Yvonne Morris (Audit and Risk Committee Chair)
Wendy Dorey (Management Engagement Committee Chair)

Company Secretary, Administrator and Designated Manager
Northern Trust International Fund
Administration Services (Guernsey) Limited
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Investment Manager and AIFM
Weiss Asset Management LP
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Guernsey Legal Adviser to the Company
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English Legal Adviser to the Company
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Registrar
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(Previously named Link Market Services)
(Guernsey) Limited
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Guernsey
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Independent Auditor
KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
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Guernsey
GY1 1WR

Endnotes and Alternative Performance Measures

[1] 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 and the Circular in respect of the Managed Wind-down for more information regarding the announcement and payment of Korean dividends.

[2] 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.

[3] 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.

[4] 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.

[5] 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.

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

[7] 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.

[8] 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 2024.

[9] The annualised total expense ratio includes charges paid to the Investment Manager and other expenses divided by the average NAV for the year.

[10] "LG Leads Global OLED TV Market for 12th Consecutive Year." LG, 14 March 2025. Press Release. https://www.lg.com/us/lg-leads-global-oled-tv-market-for-12th-consecutive-year.

[11] Subsidiaries Info. (n.d.). Hanwha Corporation.

[12] Brands. (n.d.). CJ Cheijedang.

Endnotes and Alternative Performance Measures (continued)

[13] Bloomberg L.P. Weiss Asset Management LP Data retrieved as of 31 December 2024.

[14] Brands. (n.d.). AmorePacific Group.

[15] Global Business. (n.d.). Mirae Asset Securities.

[16] Bloomberg L.P. Weiss Asset Management LP Data retrieved as of 31 December 2024.

[17] "LG Chem Announces 2024 Financial Results." LG Corp., 4 February 2025. Press Release. https://lgcorp.com/media/release/28627.

[18] "2024 EV and ESS Battery Sales Volume by Makers." SNE Research, 25 February 2025. https://www.sneresearch.com/en/insight/release_view/381/page/0?s_cat.

[19] Bloomberg L.P. Weiss Asset Management LP Data retrieved as of 31 December 2024.

[20] Bloomberg L.P. Weiss Asset Management LP Data retrieved as of 31 December 2024.

[21] Lee, Youkyung. "South Korea Takes Step to Make Chaebols Answer to Investors." Bloomberg, 13 March 2025. https://www.bloomberg.com/news/articles/2025-03-13/south-korean-lawmakers-vote-to-expand-board-fiduciary-standard.

[22] "Trump pauses 'reciprocal' tariffs for 90 days, applies 10% baseline tariff to S. Korea." The Korea Herald, 10 April 2025. https://www.koreaherald.com/article/10461963.