



WEISS KOREA OPPORTUNITY FUND

HALF-YEARLY FINANCIAL REPORT

and Unaudited Condensed
Financial Statements

for the period ended 30 June 2023

For more information visit

www.weisskoreaopportunityfund.com



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Source: Hyundai Motor Company

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COMPANY OVERVIEW

COMPANY PERFORMANCE

Performance Summary

Statistics as at 30 June 2023

Total Net Assets¹ £119M (As at 31 December 2022: £127m)	Net Asset Value (“NAV”) Per Share² £1.72 (As at 31 December 2022: £1.83)	Mid-Market Share Price £1.80 (As at 31 December 2022: £1.81)
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Financial Highlights

2023 NAV Return^{3,4} -3.4% (Since inception: 116.8% ⁵)	2023 Benchmark Return^{6,7} 6.7% (Since inception: 61.0%)	
Portfolio Discount* 53.1% (31 December 2022: 51.7%)	Share Price Premium/Discount⁸ 4.5% (31 December 2022: -1.6%)	Fund Dividend Yield⁹ 3.0% (31 December 2022: 3.5%)
Average Trailing 12-Month P/E Ratio of Preference Shares Held¹⁰ 4.2x (31 December 2022: 4.0x)	P/B Ratio of Preference Shares Held¹¹ 0.3 (31 December 2022: 0.3)	Annualised Total Expense Ratio¹² 2.1% (31 December 2022: 2.0%)

*Portfolio Discount

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

As at close of business on 18 September 2023, the latest published NAV per Share was £1.68 and the Share Price was £1.64.



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.

INVESTMENT OBJECTIVE AND DIVIDEND POLICY

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

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

INVESTMENT POLICY

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

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

From time to time, the Company may purchase certain credit default swaps on the sovereign debt of South Korea and put options on the iShares MSCI South Korea ETF ("EWY") as general market and portfolio hedges, but did not hedge its exposure to interest rates or foreign currencies during the period ended 30 June 2023 (2022: Nil). Please see additional information about the nature of these hedges in the Investment Manager's Report within.

Investment Process

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

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

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

We expect to remain close to fully invested as long as the opportunity set remains attractive.

WHY SOUTH KOREA?

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

- Ranked 1st in the Bloomberg Innovation Index for eight of the last nine years.¹³
- Filed the highest number of patent applications relative to GDP in 2022.¹⁴
- Has an exceptionally high credit rating on its sovereign debt. South Korea was rated higher than Japan and the U.K. by Moody's, S&P, and Fitch.¹⁵
- Ranked 6th largest exporter in the world in 2022.¹⁶
- Ranked 13th largest economy by GDP in the world in 2022.¹⁷
- Ranked 5th in the World Bank's Ease of Doing Business Report in 2020.¹⁸
- Ranked in the top 10% in each of reading, mathematics and science Programme for International Student Assessment (PISA) test scores in 2018.¹⁹

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

Although its population is ageing, the general education level of South Korea's work force is increasing. South Korean students are among the top performing students in the Programme for International Student Assessment tests.¹⁹ This provides a pool of talent that can be tapped for future growth.

Index Name ²⁰	P/E Ratio	P/B Ratio
Nifty Index (India)	20.1	3.5
S&P 500 (US)	20.4	4.3
Nikkei 225 (Japan)	20.5	2.0
FTSE 100 (UK)	10.6	1.7
Shanghai Composite (China)	11.2	1.4
Hang Seng Index (HK)	9.5	1.0
TAIEX (Taiwan)	18.1	2.1
KOSPI 200 (S. Korea)	15.4	0.9

WHY SOUTH KOREA? (continued)

The South Korean stock market appears fundamentally cheap relative to other equity markets. This cheap valuation can be largely explained by the historically poor corporate governance displayed by the major South Korean conglomerates. However, events over the last several years indicate a trend of awareness and improvements in corporate governance. There has been a large increase in publicly traded South Korean companies subject to activist demands in 2023, relative to previous years, with many of

these demands coming from local investors. One underlying thesis of our strategy is that improved corporate governance will attract more investors to South Korea. The Investment Manager's Report sets out some examples of improvements in corporate governance that have taken place during the most recent six months. In turn, over time, we believe that this is likely to narrow the discount of the preference shares held in WKOF's portfolio, thus increasing the value of WKOF's holdings.

KOREAN PREFERENCE SHARES

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

The majority of Korean preference shares were issued in the mid-1990s, when the Korean government pressured chaebols (family-owned Korean conglomerates) to raise equity and reduce debt within their capital structures. By issuing non-voting shares, the founders of the Korean companies were able to raise equity capital without diluting their voting control. The additional payment as a percentage of par value that preference shares paid out to investors, albeit nominal today, was sufficiently large relative to the dividends in the 1990s to attract investors. Today, there are 118 Korean preference shares outstanding with an aggregate market capitalisation of approximately £40 billion.^{21,22}

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

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

TOP 10 HOLDINGS

1

LG CHEM LTD., PFD.

16.5% OF WKOF NAV DISCOUNT TO COMMON SHARE: -47%

Korea's largest chemical company by market capitalisation, LG Chem manufactures and sells petrochemical products and advanced materials, including plastics and EV batteries.²³ Its EV battery business and subsidiary, LG Energy Solution is the second largest EV battery maker in the world.²⁴ In 2022, LG Chem generated over £34bn in revenue globally.²⁵



Source: LG Energy Solution.



Source: Hyundai Motor Company

HYUNDAI MOTOR COMPANY, 2ND PFD.

15.3% OF WKOF NAV DISCOUNT TO COMMON SHARE: -47%

Hyundai Motor Company is one of Korea's leading car manufacturers by market share, producing and selling more than 3.9 million units globally in 2022. Hyundai plans on increasing its presence in the electric vehicle market, while targeting to sell over 4.3 million units in 2023.^{26,27}

2

3

LG ELECTRONICS INC., PFD.

10.4% OF WKOF NAV DISCOUNT TO COMMON SHARE: -57%

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 ranked second globally in terms of TV market share in 2022, capturing 16.7% of global TV sales.²⁸



Source: LG Electronics Inc.



Source: Hanwha Corporation

HANWHA CORPORATION 3RD PFD.

7.1% OF WKOF NAV DISCOUNT TO COMMON SHARE: -50%

Hanwha Corporation specialises in producing and trading chemicals, aerospace & defence products, and energy products. It also deals in the construction and financial services industry. A Fortune Global 500 company, Hanwha Corporation's subsidiaries include Korea's oldest life insurance company and Hanwha Solutions, a leading domestic manufacturer of solar cell panels.²⁹

4

5

MIRAE ASSET DAEWOO CO., LTD., 2ND PFD.

5.6% OF WKOF NAV DISCOUNT TO COMMON SHARE: -49%

Mirae Asset Daewoo is a South Korean financial services firm offering securities trading, equity underwriting, investment banking services, and wealth/asset management. It conducts business globally, including the United States, Canada, United Kingdom, and China.³⁰



Source: Mirae Asset Daewoo Co

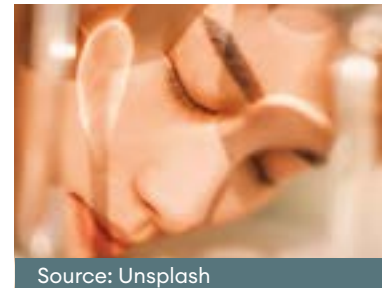
TOP 10 HOLDINGS (continued)

6

AMOREPACIFIC CORP., PFD.

5.5% OF WKOF NAV DISCOUNT TO COMMON SHARE: -68%

Amorepacific develops beauty and cosmetic products while operating over 30 brands, including Etude and Laneige. Amorepacific's portfolio of products ranges from perfume to dental care, including a premium tea brand.³¹



Source: Unsplash



Source: CJ CheilJedang Corp

CJ CHEILJEDANG CORP, PFD.

5.4% OF WKOF NAV DISCOUNT TO COMMON SHARE: -50%

CJ CheilJedang is a leading food company in 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.³²

7

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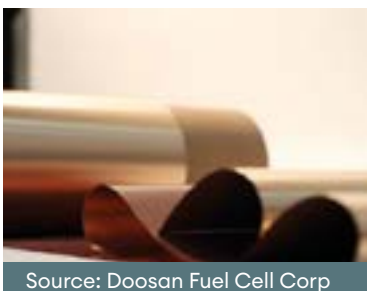
LG HOUSEHOLD & HEALTH CARE LTD., PFD.

3.3% OF WKOF NAV DISCOUNT TO COMMON SHARE: -59%

LG Household & Health Care operates within a number of industries, spanning from cleaning products to beauty care. Beginning with an acquisition of Coca-Cola's Korea bottling operation in 2007, LG Household & Health Care also established a beverage business segment, which now includes the distribution of tea, coffee, and juices.³³



Source: LG H&H Co., Ltd.



Source: Doosan Fuel Cell Corp

DOOSAN FUEL CELL CO., LTD., 1P

3.3% OF WKOF NAV DISCOUNT TO COMMON SHARE: -70%

One of the largest fuel cell manufacturers by market capitalisation, Doosan Fuel Cell produces and sells stationary fuel cell products globally. The company is focused on sustainable electricity and heat generation. Its products are targeted towards residential, commercial, and industrial use.³⁴

9

10

SK CHEMICALS CO., LTD., NEW PREF

3.2% OF WKOF NAV DISCOUNT TO COMMON SHARE: -53%

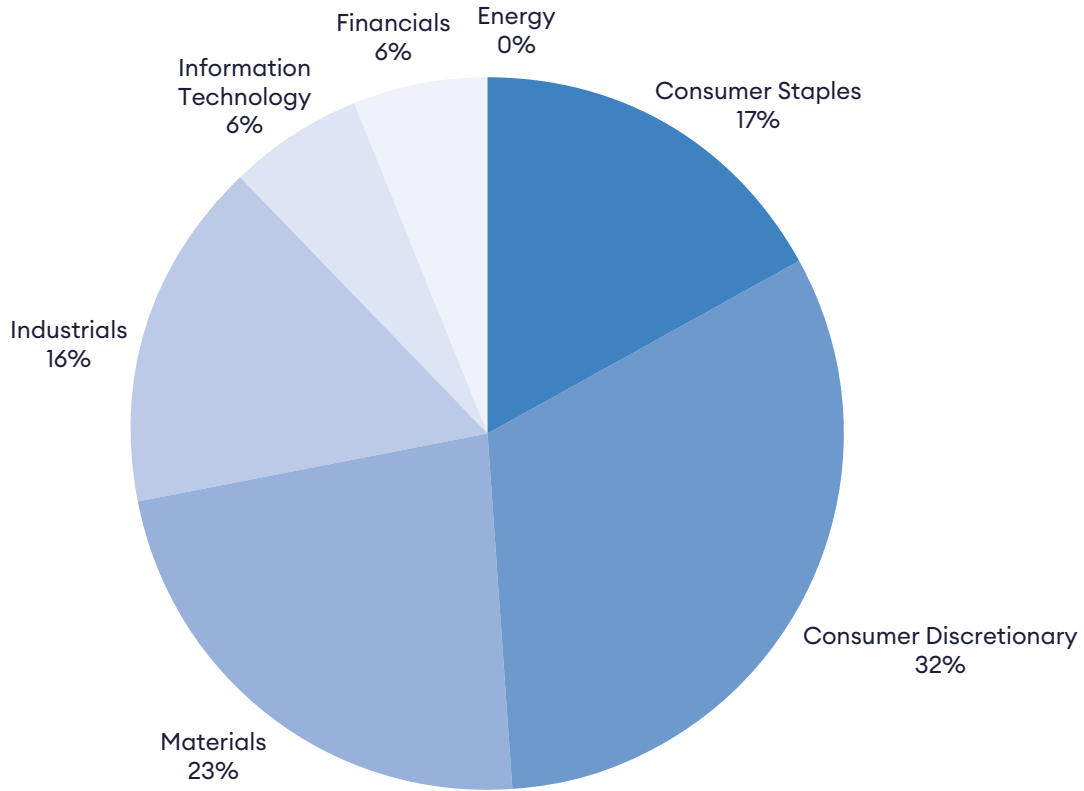
SK Chemicals focuses on the production of environmentally friendly materials and life science products. Green chemicals include bio-based material used in the production of polyurethane, as well as amorphous resin for containers and home appliances.³⁵ Its life science segment spans treatments for the common cold to asthma treatments.



Source: SK Chemicals Co. Ltd.

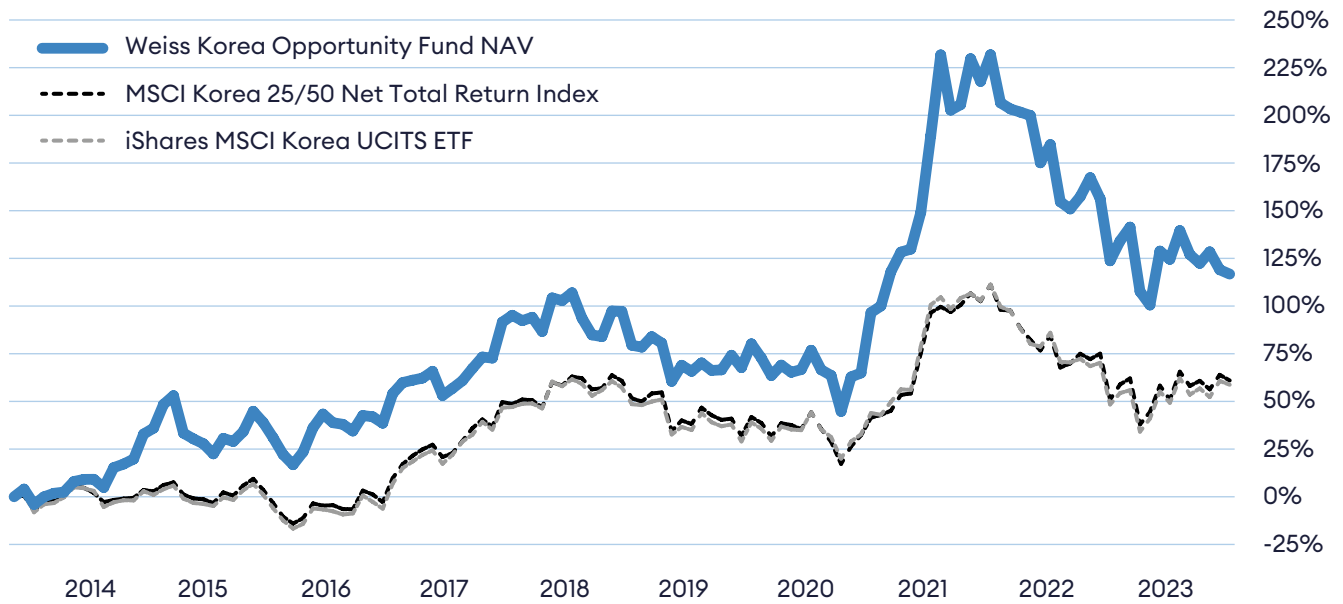
HOLDINGS BY PORTFOLIO SECTOR

The Fund's holdings by portfolio sector as at 30 June 2023 taken from Northern Trust data:

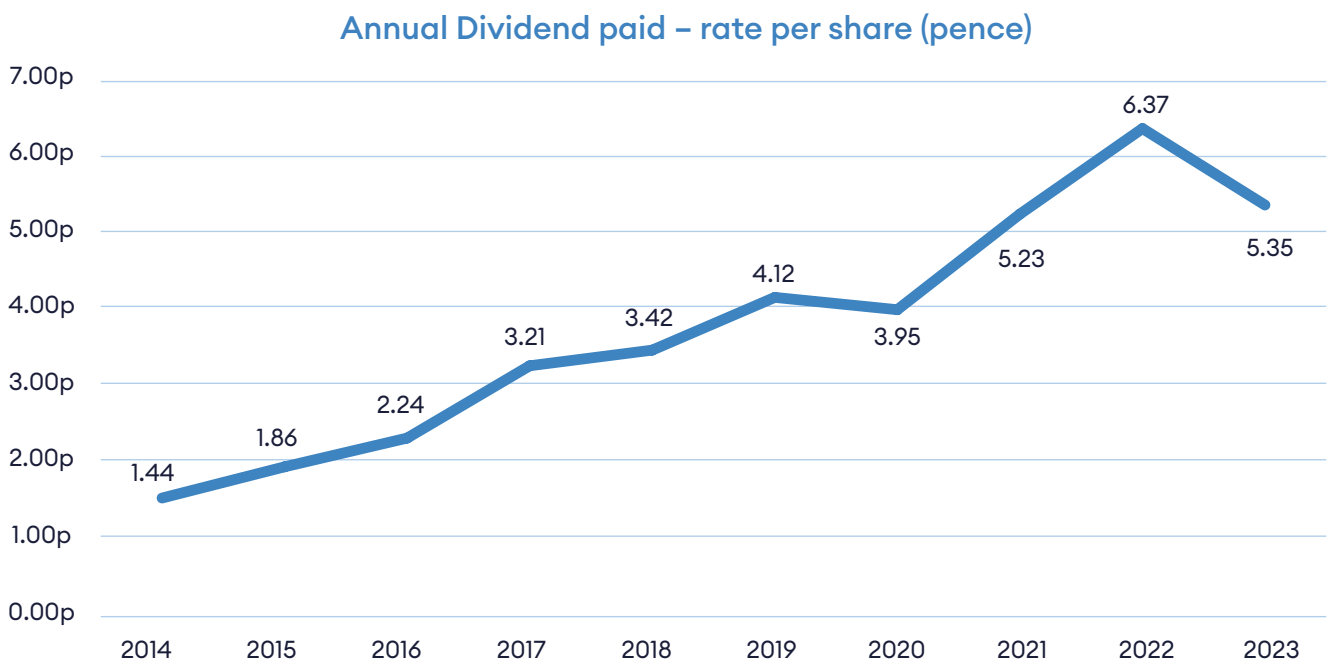


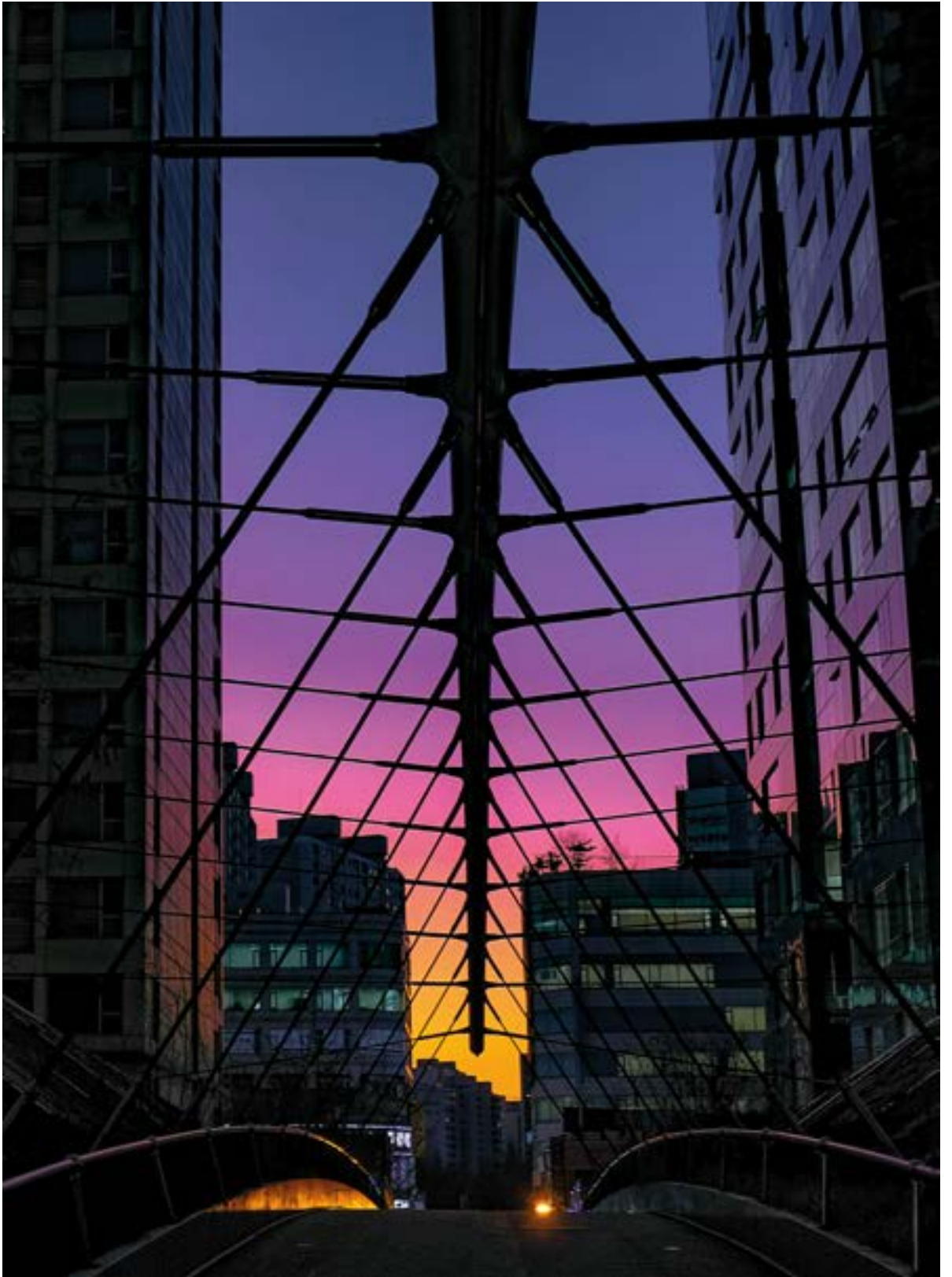
TOTAL RETURN PERFORMANCE AND DIVIDEND RECORD

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



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





STRATEGIC REPORTS

CHAIR'S REPORT

For the period ended 30 June 2023

As mentioned in the 2022 Annual Report Chair's Report, Norman Crighton has stepped down as Chair of WKOF, having served for 10 years. The Directors and Investment Manager would like to thank him for his efforts and dedication and wish him all the best in his future endeavours.

As the new WKOF Chair, I am pleased to provide the 2023 Interim Report. During the period from 1 January 2023 to 30 June 2023 (the "Period"), WKOF's Net Asset Value ("NAV") in pounds sterling ("GBP") declined by 3.4%, including reinvested dividends,³⁶ compared to the reference MSCI South Korea 25/50 Net Total Return Index ("the Korea Index"),³⁷ which appreciated by 6.7% in GBP. Since the admission of WKOF to AIM in May 2013, the Net Asset Value has increased by 116.8% including reinvested dividends³⁸ compared to the Korea Index returns of 61.0%, a cumulative outperformance of 55.8% since inception.

Although the short-term absolute and relative performance has been disappointing – and your Investment Manager provides more detail in their report relating to this recent underperformance – the long-term performance is impressive with an annualised return of 7.9% since inception. The Board believes that the portfolio discount and the overarching WKOF thesis remains compelling. The "see through" discount of the portfolio (the weighted average discount of the preference shares WKOF owns relative to the corresponding common shares of the same companies) was at 53.1%, close to the largest discount since WKOF joined AIM over 10 years ago. WKOF owns securities of companies which, in aggregate, have solid businesses in their industries, healthy balance sheets, and are making positive corporate governance improvements.

The Directors declared an interim dividend of 5.3517 pence per Share on 2 May 2023, equating to a 3.0% net dividend yield over the past 12 months, to distribute the income received by WKOF in respect of the year ended 31 December 2022. This dividend was paid to all Shareholders on 9 June 2023. To date, WKOF has repurchased 12.6% of Ordinary Shares issued at admission and continues to have the intention to repurchase shares if they trade at a significant discount to Net Asset Value in the future. The share price traded in line with the NAV over the period and no shares were repurchased in the period.

WKOF offers Shareholders the regular opportunity to elect to realise all, or a part, of their shareholding in WKOF (the "Realisation Opportunity") once every two years, on the anniversary of WKOF's admission date. The latest Realisation Opportunity occurred in May 2023. We were pleased to see that only 41,496 shares were tendered (0.06% of WKOF's shares). The Directors wish to thank our Shareholders for their patience and long-term perspective as evidenced by the limited number of shares tendered.

I look forward to communicating with you about WKOF's activities in the future including the continued efforts to maintain the highest governance and regulatory standards. If any Shareholder wishes to speak with the Board, please contact our Broker, Singer Capital Markets, and we will be happy to answer any questions you may have.

Krishna Shanmuganathan

Chair

15 September 2023

INVESTMENT MANAGER'S REPORT

For the period ended 30 June 2023

On a year-to-date basis as at June 2023, WKOF's NAV in GBP declined by 3.4%, including reinvested dividends,³⁸ compared to the reference MSCI South Korea 25/50 Net Total Return Index,³⁷ which appreciated by 6.7% in GBP.³⁷ Since inception, the NAV performance to 30 June 2023, including reinvested dividends, was +116.8%, continuing to outperform relative to the Korea Index, which returned +61.0% over the same period.

As displayed in the performance attribution table below, the underperformance of the underlying common shares of the companies owned by WKOF as compared to the top positions by index weight in the Korea Index, contributed to 10.4% of WKOF's underperformance in the period ended 30 June 2023. This can partially be explained by the significant share price increases of memory semiconductor manufacturers, Samsung Electronics ("SEC") and SK Hynix ("Hynix"), relative to the index as part of the sentiment-driven global AI rally. SEC's common shares, which made up approximately 35.2% of the Korea Index, returned 19.8% in GBP, while Hynix's common shares, which made up approximately 5.9% of the Korea Index, returned 40.6% in GBP.²¹ At present, WKOF does not have a position in SEC's preference shares as they trade at very narrow discounts and are thus inconsistent with WKOF's investment thesis. WKOF also does not hold a position in Hynix because Hynix has not issued a series of preference shares. These are noteworthy examples offered due to their prominence in the Korea Index and the magnitude of their performance. However, we caution investors that there are many other differences in composition between WKOF's portfolio and the portfolio of the Korea Index and note that these are only two reasons that a security may be included in the Korea Index but excluded from WKOF's portfolio.

WKOF Performance Attribution

At the end of June 2023, WKOF held a portfolio of 35 South Korean ("Korean") preference shares. As a reminder, the economic rights of 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;
- The performance of the common shares (which correspond to the preference shares held by WKOF) relative to the performance of the Korean equity market;
- The discounts of the preference shares WKOF holds narrowing or widening relative to their corresponding common shares;
- Excess dividend yields of the preference shares held by WKOF; and
- Fees, expenses and other factors.

INVESTMENT MANAGER'S REPORT (continued)

In order to compare WKOF's relative return to the 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 30 June 2023.

Performance Attribution Table

Return Component ²⁰	Year-to-Date	Last 12 Months	Since Inception
The Korea Index	6.7%	6.6%	61.0%
WKOF common Shares vs the Korea Index	-10.4%	-10.0%	-14.1%
Discount Narrowing (Widening) of Preferred Shares Owned	0.8%	0.4%	63.7%
Excess Dividend Yield of Preferred Shares Owned	1.3%	1.4%	16.4%
Fees, Expenses and Others	-1.8%	-1.5%	-10.2%
NAV Performance	-3.4%	-3.1%	116.8%

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

In September 2013, shortly after inception, the preference shares held by WKOF traded at a 55.5% discount to their corresponding common shares and the dividend yield was 1.7%. As at 30 June 2023, the discount and dividend yield were 53.1% and 3.0%, respectively. Finally, we are focused on returns since inception because we believe that due to high levels of idiosyncratic volatility, any data that is gathered over a one-year period is unlikely to be a reliable guide for future performance.

INVESTMENT MANAGER'S REPORT (continued)

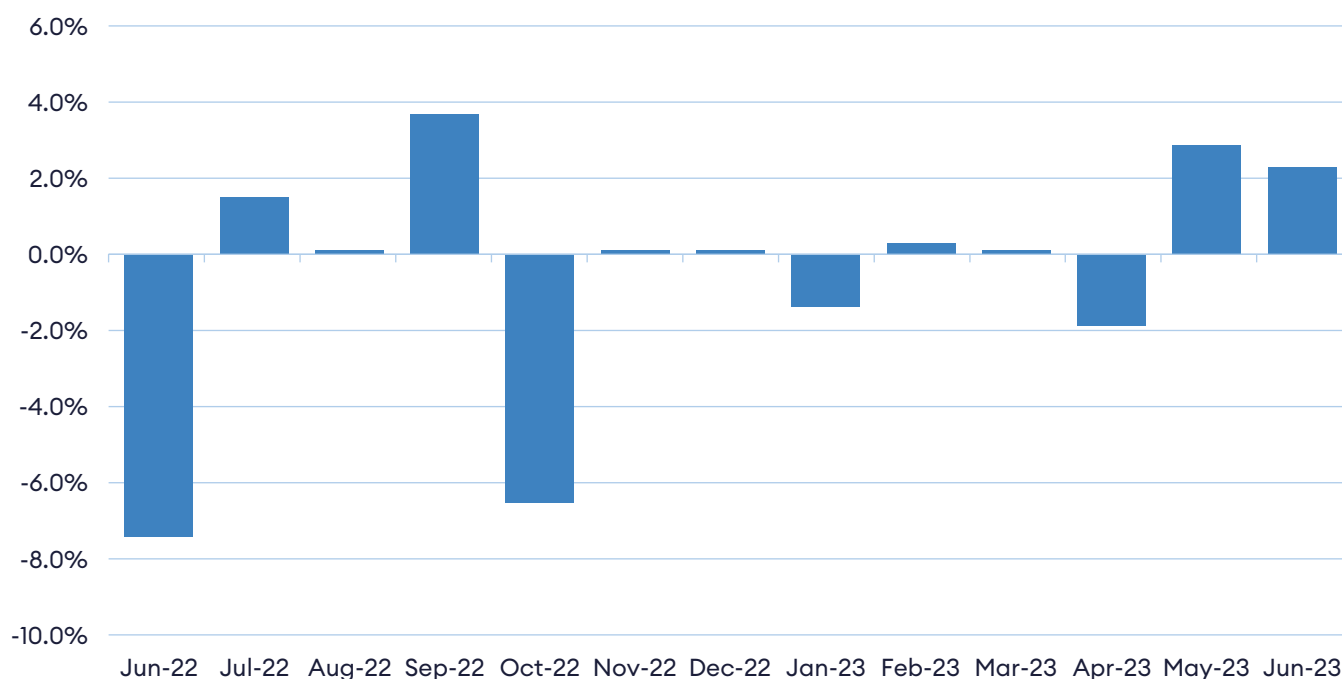
Review of the South Korean Macro Environment

In the first half of 2023, the performance of Korean equity markets materially outpaced the country's recovery in broader economic conditions.

On a year-to-date basis ending 30 June 2023, the benchmark Korea Index returned 14.4% and the KOSPI 200 Index returned 16.1%.²¹ To contextualise these returns, Korea was one of the best performing markets in Asia alongside Taiwan and Japan.³⁹ Looking into daily trade flow and volume, foreign investors were the largest net buyers, accumulating more than 12.3 trillion KRW net in the first half of 2023, according to the Korea Exchange.⁴⁰ However, unlike previous market cycles, the stock market gains were not evenly distributed across a wide range of sectors. While the information technology (including memory semiconductors) and materials (including EV batteries and other materials) sectors outperformed the Korea Index, the utilities, healthcare, financials, and consumer staples sectors generated negative returns. Foreign net buying was also concentrated in select sectors and names. For instance, out of the 12.3 trillion KRW in net buy flow by foreigners, 12.08 trillion KRW (roughly 98%) was focused on one issuer: Samsung Electronics.⁴¹

More broadly, the South Korean economy finally began to exhibit signs of a rebound during the second quarter of 2023. Korea's exports posted a meaningful rise during the final two months of the quarter, even escaping a trade deficit for the first time since February 2022.⁴² The improvement in the balance of trade was led by trade exports, which grew 7.9% and 13% in month-over-month terms in May and June, respectively.⁴³

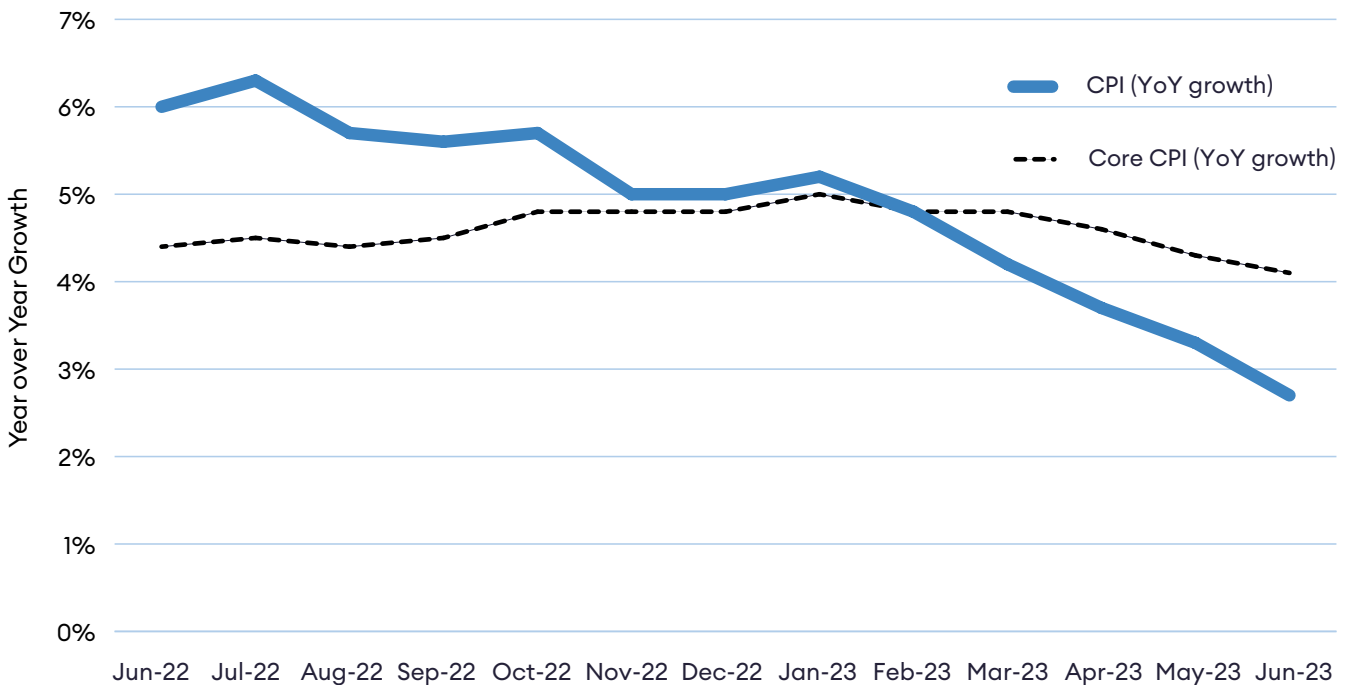
Exports Growth (MoM)



INVESTMENT MANAGER’S REPORT (continued)

Focusing exclusively on rebounding exports and the surge in a few risk asset prices, however, would present an incomplete view of the South Korean economy. As Governor Rhee noted at the most recent Bank of Korea Monetary Policy Board meeting on 13 July 2023, other macroeconomic indicators still require careful attention, such as persistent high core CPI inflation and significant household debt.⁴⁴ For instance, while year-on-year CPI increases moderated to 2.7% in June 2023 from a high of 6.3% in July 2022, core CPI increases remained in the 4% range in June 2023 from a high of 5% in January 2023, according to Statistics Korea.⁴⁵ Household debt remains at 103% of GDP, which is an area that the Bank of Korea is “closely monitoring”.⁴⁶

Inflation Statistics in Korea: June 2022 to June 2023



Housing price trends are another significant economic factor for investors in Korea to monitor. Korean households generally have a high exposure to property assets given that a significant percentage of household debt can be attributed to *jeonse*, which is a rental arrangement where tenants provide an interest-free loan to landlords instead of monthly rents. According to the Korea Economic Research Institute, *jeonse*, if counted as household debt, would account for 36% of all Korean household debt in 2022.⁴⁷ Property market shocks therefore would introduce volatility in overall household balance sheets.⁴⁸ For these reasons, we monitor changes in nationwide housing prices, which have dropped 8.6% from June 2022 to June 2023, according to the Real Estate Board in Korea.⁴⁹

To be clear, WKOF is not a macro fund, and consequently, this information is offered solely to help characterise WKOF’s performance relative to the market in which it is most active.

INVESTMENT MANAGER'S REPORT (continued)

Valuation of Major Indices²¹

Index Name	P/E Ratio	P/B Ratio	Dividend Yield
Nifty Index (India)	20.1	3.5	1.4%
S&P 500 (US)	20.4	4.3	1.6%
Nikkei 225 (Japan)	20.5	2.0	1.8%
FTSE 100 (UK)	10.6	1.7	4.2%
Shanghai Composite (China)	11.2	1.4	2.7%
Hang Seng Index (HK)	9.5	1.0	3.8%
TAIEX (Taiwan)	18.1	2.1	4.1%
KOSPI 200 (S. Korea)	15.4	0.9	1.9%
WKOF Portfolio Holdings⁵⁰	4.2	0.3	3.0%

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

As previously discussed, WKOF's current portfolio discount of the preference shares it owns relative to the corresponding common shares was 53.1%. In addition, the KOSPI 200 has depressed valuation multiples as shown above relative to the average of other major indices.

Portfolio Discussion

In this section, we will discuss WKOF's two largest positions by portfolio weight, highlight what we believe are compelling valuations and provide examples of what we believe to be shareholder-friendly activity that could potentially serve as catalysts for narrowing preference share discounts over time.

WKOF's portfolio discount changed from 51.7% at the end of December 2022 to 53.1% by 30 June 2023, as we rotated the portfolio to sell tighter discount names and buy wider discount names. We believe these levels present an attractive risk/reward profile when considering corporate governance risk or broad market multiples such as P/B or P/E.

INVESTMENT MANAGER'S REPORT (continued)

The largest position by portfolio weight was WKOF's position in the preference shares of LG Chem ("LGC").

As we discussed in previous correspondence, the preference shares of LGC appear cheap not only in terms of preference discounts, but also because of the large discount to NAV of the common shares of LGC itself due to LGC's 81.8% listed stake value in the world's second largest battery cell maker, LG Energy Solution ("LGES").^{51,52} As of 30 June 2023, LGC's common shares were trading at a roughly 60% NAV discount and LGC's preference shares were trading at a further 47% discount to the common shares.²¹

LGC is also undertaking initiatives that appear designed to demonstrate the value of its LGES stake to investors. For instance, on 12 July 2023, LGC decided to raise GBP £1.5 billion by issuing bonds exchangeable for LGC's LGES shares. The exchangeable bonds were issued at maturity interest rates of 1.25% and 1.6% for the five-year and seven-year bonds, respectively.⁵³ We are hopeful that continued use of LGC's stake in LGES in this manner will tend to reduce the substantial discount at which the LGES preference shares trade relative to LGES' common shares.

As of 30 June 2023, the second largest position by portfolio weight was the preference shares issued by Hyundai Motors ("HMC"), which was also the case as of year-end 2022. In April 2023, HMC updated its shareholder return policy with two material changes that we view as shareholder friendly.⁵⁴ HMC increased visibility into its dividend plan by stating that it will start paying out quarterly dividends, a practice also employed by Samsung Electronics, and will start using a minimum payout ratio of 25% of its net profit as opposed to its prior practice of 30-50% of free cash flow.⁵⁵ HMC expressed that the impetus behind this change stems from the request from shareholders to address the difficulty in accurately projecting consolidated free cash flow of HMC due to its financial subsidiary, HMC Capital, which provides auto financing for HMC consumers among other financial services.⁵⁶ In addition to increasing dividend visibility, HMC committed to share repurchase plans for both common and preference shares.

The average discount of HMC's preference shares relative to its common shares tightened during April 2023 from 49% at the beginning of the month to 46% but, by 30 June 2023, the first series of HMC's preference shares had widened slightly to a 47% discount. That having been said, this is wider than historical five-year average levels.²¹ In addition, based on local sell-side analysts' estimates of HMC's full-year dividend per share, as of 30 June 2023 the first series of preference shares traded at a forward yield of 9%.⁵⁷

Korean Corporate Governance

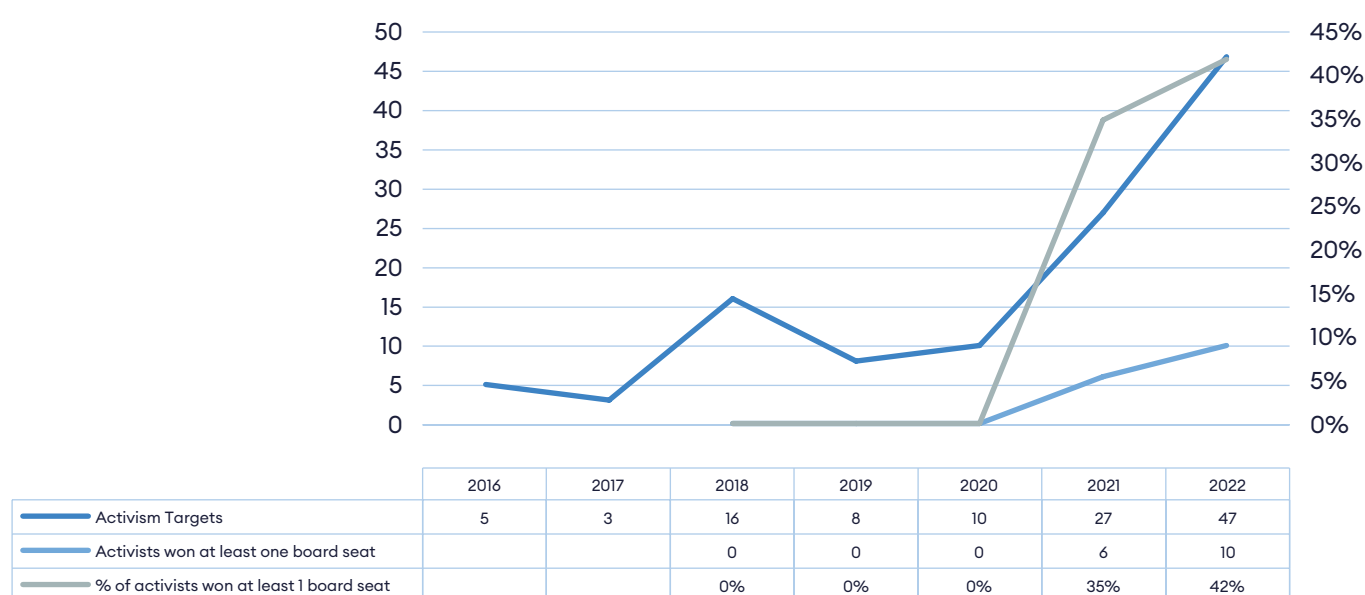
As we noted in the 2022 Annual Report, we continue to observe early but positive signs in the realm of corporate governance in South Korea. The source of activist demands, volume of requests and success rates of adding board members to target boards all appear to exhibit positive directionality. We have also witnessed the Korean government more actively pursuing corporate governance reforms as described later in the report.

Much of the support in favour of reform is now originating within Korea, particularly from domestic activist funds and the Korean government. This is new, as historically such support mostly arose from non-Korean investors and organisations which were ineffectively attempting to exert shareholder-friendly pressure. According to Insightia, which publishes regular reports on the state of shareholder activism in Asia, approximately 75-80% of activism campaigns launched in South Korea in 2022 were "by funds based in Korea or run by Korean fund managers," which is an increase from the 60% Insightia reported for 2019.⁵⁸ We believe this dynamic is likely to make companies more agreeable to positive reforms.

INVESTMENT MANAGER'S REPORT (continued)

We are also encouraged by the volume and success of activist campaigns seeking to add board members to the boards of targeted companies. The absolute number of campaigns increased more than 480% from 2019 to 2022. The success of these campaigns is also increasing; in 2020, no activists were successful in putting one or more of their nominees on the target company's board, whereas in 2022, 10 campaigns succeeded on this measure.

South Korean Companies Publicly Subjected to Activist Demands



Finally, during the first half of 2023, the Korean government put forward two proposals which we believe could be positive for Korean preference shares.

One specific proposal that is being discussed by the Korean legislators is reconsidering to whom the board of directors has fiduciary duties. Currently, Article 382-3 of the Commercial Act in Korea states that the directors have a fiduciary duty towards “the company”.⁵⁹ There are currently at least two proposed changes to this language being discussed in the National Assembly in 2023, and both proposals suggest that the language be amended to include all “shareholders”.⁶⁰ If the Commercial Act Article 382-3 is revised accordingly later in the year, the implications are likely to be positive for minority shareholders in Korean companies.

INVESTMENT MANAGER'S REPORT (continued)

Secondly, in January 2023, the nation's top financial regulator, the Financial Services Commission ("FSC"), put forward a draft plan to improve the dividend pay-out process of Korean companies.⁶¹ In Korea, dividend amounts are disclosed after the ex-date of dividends, which effectively precludes shareholders from knowing the per-share dividend before becoming eligible to receive dividends. The plan of the FSC, although not finalised yet, is to allow shareholders to know the indicative dividend per share before the ex-date, thereby giving investors optionality to purchase shares with attractive dividend yields. If successfully implemented, the draft plan would be directly relevant for preference shareholders, as preference shares trading at material discounts to their corresponding common shares generate relatively larger dividend yields.

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 that we believe would generate high returns if Korea experienced geopolitical disaster – which do not introduce material new risks into the portfolio. These catastrophe hedges are not expected to make money in most states of the world. We expect that, 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 30 June 2023. Note that outside of the general market and portfolio hedges described herein, WKOF has generally not hedged interest rates or currencies.

Credit Default Swaps ("CDS") on South Korean Sovereign Debt	Notional Value (GBP)	Total Cost to Expiration (GBP)	Annual Cost (GBP)	Price Paid as a % of Notional Value (per annum)	Expiration Date	Duration (Years)
3-year CDS	79,242,440	(567,525)	(175,548)	0.23%	6/20/2025	3.0

INVESTMENT MANAGER'S REPORT (continued)

Concluding Remarks

It has been a frustrating 18+ months of performance for WKOF, and we wish to express our thanks to our long-term shareholders for their patience. While WKOF could experience periods of potentially significant under-performance in the future, it is our belief the original investment thesis for WKOF continues to exist at present.

Despite long-term outperformance of WKOF versus its benchmark, the preference shares that WKOF owns remain at deeply discounted levels relative to their common share counterparts, similar to when WKOF was listed approximately 10 years ago. This, in turn, creates an attractive relative dividend yield for the securities WKOF owns so shareholders are compensated for waiting for discounts to narrow. As highlighted in the report, we also believe a number of companies whose preference shares WKOF owns, are demonstrating their willingness to engage in shareholder-friendly activity and highlight the value of the assets they own, sometimes at steep discounts to those assets' NAVs. Finally, while progress has been achingly slow, the corporate governance regime in Korea appears to be improving at last.

We believe these long-term trends continue to make WKOF an attractive investment opportunity for long-term, value-oriented shareholders.

Weiss Asset Management LP

15 September 2023

**CONDENSED
FINANCIAL
STATEMENTS**

Condensed Statement of Financial Position

As at 30 June 2023

	Notes	As at 30 June 2023 (Unaudited) £	As at 31 December 2022 (Audited) £
Assets			
Financial assets at fair value through profit or loss	10	117,693,983	120,764,446
Other receivables		361,971	4,598,722
Due from broker		63,474	–
Margin account		312,568	1,327,313
Cash and cash equivalents		2,554,883	2,890,620
Total assets		120,986,879	129,581,101
Liabilities			
Derivative financial liabilities	11	1,109,294	1,145,453
Other payables		513,422	1,355,155
Total liabilities		1,622,716	2,500,608
Net assets		119,364,163	127,080,493
Represented by:			
Shareholders' equity and reserves			
Share capital	12	33,912,856	33,986,846
Other reserves		85,451,307	93,093,647
Total Shareholders' equity		119,364,163	127,080,493
Net Assets Value per Ordinary Share	7	1.7233	1.8336

The Notes on pages 36 to 45 form an integral part of these Condensed Financial Statements.

The Condensed Financial Statements on pages 32 to 45 were approved and authorised for issue by the Board of Directors on 15 September 2023.

Krishna Shanmuganathan
Chair

Gill Morris
Audit Chair

Condensed Statement of Comprehensive Income

For the period ended 30 June 2023

	Notes	For the period ended 30 June 2023 (Unaudited) £	For the period ended 30 June 2022 (Unaudited) £
Income			
Net changes in fair value of financial assets at fair value through profit or loss	8	(1,851,203)	(34,996,104)
Net changes in fair value of derivative financial instruments through profit or loss	9	36,181	959,892
Net foreign currency (losses)/gains		(486,385)	487,824
Dividend income		392,104	445,389
Bank interest income		9,801	-
Total loss		(1,899,502)	(33,102,999)
Expenses			
Operating expenses		(1,947,468)	(1,863,490)
Total operating expenses		(1,947,468)	(1,863,490)
Loss for the period before dividend withholding tax		(3,846,970)	(34,966,489)
Dividend withholding tax	3	(86,263)	(98,403)
Loss for the period after dividend withholding tax		(3,933,233)	(35,064,892)
Loss and total comprehensive loss for the period		(3,933,233)	(35,064,892)
Basic and diluted loss per Share	6	(0.0568)	(0.5059)

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 8 for details of the Company's dividend policy.

The Notes on pages 36 to 45 form an integral part of these Condensed Financial Statements.

Condensed Statement of Changes in Equity

For the period ended 30 June 2023

For the period ended 30 June 2023 (Unaudited)	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 period		-	(3,933,233)	(3,933,233)
Transactions with Shareholders, recorded directly in equity				
Purchase of Realisation Shares	12	(73,990)	-	(73,990)
Distributions paid	4	-	(3,709,107)	(3,709,107)
Balance as at 30 June 2023		33,912,856	85,451,307	119,364,163

For the period ended 30 June 2022 (Unaudited)	Note	Share capital £	Other reserves £	Total £
Balance as at 1 January 2022		33,986,846	132,554,299	166,541,145
Total comprehensive loss for the period		-	(35,064,892)	(35,064,892)
Transactions with Shareholders, recorded directly in equity				
Distributions paid	4	-	(4,417,079)	(4,417,079)
Balance as at 30 June 2022		33,986,846	93,072,328	127,059,174

The Notes on pages 36 to 45 form an integral part of these Condensed Financial Statements.

Condensed Statement of Cash Flows

For the period ended 30 June 2023

	Notes	For the period ended 30 June 2023 (Unaudited) £	For the period ended 30 June 2022 (Unaudited) £
Cash flows from operating activities			
Loss and total comprehensive loss for the period		(3,933,233)	(35,064,892)
Adjustments for:			
Net change in fair value of financial assets held at fair value through profit or loss	8	1,851,203	34,996,104
Exchange losses/(gains) on cash and cash equivalents		1,147,298	(487,824)
Net change in fair value of derivative financial instruments held at fair value through profit or loss	9	(36,181)	(959,892)
Increase in receivables excluding dividends		(18,444)	(18,869)
Increase/(decrease) in other payables excluding withholding tax		92,894	(141,026)
Dividend income		(305,841)	(346,988)
Dividend received		3,626,410	3,938,692
Purchase of financial assets at fair value through profit or loss		(9,766,020)	(5,198,292)
Proceeds from the sale of financial assets at fair value through profit or loss		10,921,807	7,689,890
Net cash generated from operating activities		3,579,893	4,406,903
Cash flows from investing activities			
Opening of derivative financial instruments		20	1,799,402
Closure of derivative financial instruments		-	(163,217)
Decrease/(increase) in margin account		1,014,745	(1,027,558)
Net cash generated from investing activities		1,014,765	608,627
Cash flows from financing activities			
Repurchase of realisation Shares	12	(73,990)	-
Distributions paid	4	(3,709,107)	(4,417,079)
Net cash used in financing activities		(3,783,097)	(4,417,079)
Net increase in cash and cash equivalents		811,561	598,451
Exchange (losses)/gains on cash and cash equivalents		(1,147,298)	487,824
Cash and cash equivalents at the beginning of the period		2,890,620	3,091,245
Cash and cash equivalents at the end of the period		2,554,883	4,177,520

The Notes on pages 36 to 45 form an integral part of these Condensed Financial Statements.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2023

1. General information

The Company was incorporated with limited liability in Guernsey, as a closed-ended investment company on 12 April 2013. The Company's Shares were admitted to trading on AIM of the 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. Significant accounting policies

a. Statement of compliance

The Condensed Financial Statements of the Company for the period ended 30 June 2023 have been prepared in accordance with IFRS adopted by the European Union and the AIM Rules of the London Stock Exchange. They give a true and fair view and are in compliance with the Law.

b. Basis of preparation

The Condensed 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 at fair value through profit or loss.

The Condensed Financial Statements, covering the period from 1 January to 30 June 2023, are not audited.

The accounting policies adopted are consistent with those used in the Annual Report and Audited Financial Statements for the year ended 31 December 2022.

The Condensed Financial Statements do not include all the information and disclosures required in the Annual Report and Audited Financial Statements and should be read in conjunction with the Annual Report and Audited Financial Statements for the year ended 31 December 2022. The Auditor's Report contained within the Annual Report and Audited Financial Statements provided an unmodified opinion.

The preparation of the Condensed Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities at the date of these Condensed Financial Statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the Condensed Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

c. Going concern

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

2. Significant accounting policies (continued)

c. Going concern (continued)

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

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

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

3. Taxation

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

4. Dividends to Shareholders

Dividends, if any, will be paid annually each year. An annual dividend of 5.3517 pence per Share (£3,709,107) was approved on 2 May 2023 and paid on 9 June 2023 in respect of the year ended 31 December 2022. An annual dividend of 6.3732 pence per Share (£4,417,069) was approved on 12 May 2022 and paid on 10 June 2022 in respect of the year ended 31 December 2021.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Condensed 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 significant judgements, estimates, and assumptions made by management when applying the Company's accounting policies, as well as the key sources of estimation uncertainty, were the same for these Condensed Financial Statements as those that applied to the Annual Report and Audited Financial Statements for the year ended 31 December 2022.

6. Basic and diluted loss per Share

The total basic and diluted loss per Ordinary Share of £0.0568 (30 June 2022: £0.5059) for the Company has been calculated based on the total loss after tax for the period of £3,933,233 (for the period ended 30 June 2022: £35,064,892) and the weighted average number of Ordinary Shares in issue during the period of 69,296,302 (for the period ended 30 June 2022: 69,307,078).

7. Net Asset Value per Ordinary Share

The NAV of each Share of £1.7233 (as at 31 December 2022: £1.8336) is determined by dividing the net assets of the Company attributed to the Ordinary Shares of £119,364,163 (as at 31 December 2022: £127,080,493) by the number of Ordinary Shares in issue at 30 June 2023 of 69,265,582 (as at 31 December 2022: 69,307,078 Ordinary Shares in issue).

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

8. Net changes in fair value on financial assets at fair value through profit or loss

	For the period ended 30 June 2023 (Unaudited) £	For the period ended 30 June 2022 (Unaudited) £
Realised gain on investments	3,906,098	2,131,698
Realised loss on investments	(1,015,368)	(1,444,941)
Unrealised gains on investments	10,119,230	-
Unrealised losses on investments	(14,861,163)	(35,682,861)
Net changes in fair value on financial assets at fair value through profit or loss	(1,851,203)	(34,996,104)

9. Net changes in fair value on derivative financial instruments at fair value through profit or loss

	For the period ended 30 June 2023 (Unaudited) £	For the period ended 30 June 2022 (Unaudited) £
Realised gain on options	-	272,265
Realised loss on options	-	(42,589)
Realised gain on credit default swaps	-	1,157,384
Realised loss on credit default swaps	-	(861,537)
Unrealised gain on options	-	136,822
Unrealised gain on credit default swaps	36,181	297,547
Net changes in fair value on financial derivatives at fair value through profit or loss	36,181	959,892

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

10. Financial assets at fair value through profit or loss

	As at 30 June 2023 (Unaudited) £	As at 31 December 2022 (Audited) £
Cost of investments at beginning of the period/year	145,672,008	149,112,223
Purchases of investments in the period/year	9,766,020	10,167,914
Disposal of investments in the period/year	(10,985,280)	(11,810,895)
Net realised gains/(losses) on investments in the period/year	2,890,730	(1,797,234)
Cost of investments held at end of the period/year	147,343,478	145,672,008
Unrealised loss on investments	(29,649,495)	(24,907,562)
Financial assets at fair value through profit or loss	117,693,983	120,764,446

Financial assets are valued at the bid-market prices ruling as at the close of business at the Condensed Statement of Financial Position date, net of any accrued interest which is included in the Condensed 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 Condensed Statement of Comprehensive Income.

11. Derivative financial instruments at fair value through profit or loss

	As at 30 June 2023 (Unaudited) £	As at 31 December 2022 (Audited) £
Cost of derivatives at beginning of the period/year	(1,835,637)	(724,897)
Opening of derivatives in the period/year	(20)	(1,799,480)
Closure of derivatives in the period/year	-	163,217
Realised gain on closure of derivatives in the period/year	-	525,523
Net cost of derivatives held at end of the period/year	(1,835,657)	(1,835,637)
Unrealised gain on derivative financial instruments at fair value through profit or loss	726,363	690,184
Net fair value on derivative financial instruments at fair value through profit or loss	(1,109,294)	(1,145,453)

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

11. Derivative financial instruments at fair value through profit or loss (continued)

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

	As at 30 June 2023		As at 31 December 2022	
	Assets (Unaudited) £	Liabilities (Unaudited) £	Assets (Audited) £	Liabilities (Audited) £
Derivatives held for trading:				
Credit default swaps	-	(1,109,294)	-	(1,145,453)
Total	-	(1,109,294)	-	(1,145,453)

12. Share capital

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

	As at 30 June 2023 (Unaudited)	As at 31 December 2022 (Audited)
Authorised		
Unlimited Ordinary Shares at no par value	-	-
Issued at no par value		
69,265,582 (2022: 69,307,078) Ordinary Shares at no par value	-	-

Reconciliation of number of Shares

	As at 30 June 2023 (Unaudited) No. of Shares	As at 31 December 2022 (Audited) No. of Shares
Ordinary Shares at the beginning of the period/year	69,307,078	69,307,078
Purchase of Realisation Shares	(41,496)	-
Total Ordinary Shares in issue at the end of the period/year	69,265,582	69,307,078

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

12. Share capital (continued)

Treasury Shares

	As at 30 June 2023 (Unaudited) No. of Shares	As at 31 December 2022 (Audited) No. of Shares
Treasury Shares at the beginning of the period/year	11,710,747	11,437,662
Prior year adjustment for repurchase of Ordinary Shares	3	-
Redesignation of Realisation Shares	41,496	273,085
Total Shares at the end of the period/year	11,752,246	11,710,747

Share capital account

	As at 30 June 2023 (Unaudited) £	As at 31 December 2022 (Audited) £
Share capital at the beginning of the period/year	33,986,846	33,986,846
Purchase of Realisation Shares	(73,990)	-
Total Share capital at the end of the period/year	33,912,856	33,986,846

Ordinary Shares

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

The rights attached to the Ordinary Shares are as follows:

- a) The holders of Ordinary Shares shall confer the right to all dividends in accordance with the Articles of Incorporation of the Company.
- b) The capital and surplus assets of the Company remaining after payment of all creditors shall, on winding-up or on a return (other than by way of purchase or redemption of own Ordinary Shares) be divided amongst the Shareholders on the basis of the capital attributable to the Ordinary Shares at the date of winding up or other return of capital.
- c) Shareholders present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting have on a show of hands, one vote and, on a poll, one vote for every Share.
- d) On 13 March 2023, being 61 days before the Subsequent Realisation Date, the Company published a circular pursuant to the Realisation Opportunity, entitling the Shareholders to serve a written notice during the election period (a "Realisation Election") requesting that all or a part of their Ordinary Shares be re-designated to Realisation Shares, subject to the aggregate NAV of the continuing Ordinary Shares on the last business day before the Reorganisation Date being not less than £50 million.
- e) On 12 May 2023, 41,496 Ordinary Shares, which represented 0.06% of the Company's issued Ordinary Share capital were redesignated as Realisation Shares.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

12. Share capital (continued)

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

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

Share buyback and cancellation

During the period ended 30 June 2023, the Company purchased Nil shares (31 December 2022: Nil) of its own Shares at a consideration of £Nil (31 December 2022: £Nil) under its general buyback authority originally granted to the Company in 2014.

The Company has 69,265,582 Ordinary Shares in issue as at 30 June 2023 (as at 31 December 2022: 69,307,078). The Company has 11,752,246 Treasury Shares in issue as at 30 June 2023 (as at 31 December 2022: 11,710,750)

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

13. Related-party transactions and material agreements

Related-party transactions

a) Directors' remuneration and expenses

The Directors of the Company are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £150,000 per annum.

The Board increased their fees by £1,500 per Director, per annum effective 1 January 2023. The annual Directors' fees comprise £36,500 payable to Norman Crighton as the Chair, £34,000 to Gill Morris as Chair of the Audit Committee and £31,500 each to Krishna Shanmuganathan and Wendy Dorey. Effective 20 July 2023, Norman Crighton retired from the Board and Krishna was appointed as the Chair.

During the period ended 30 June 2023, Directors' fees of £66,750 (period ended 30 June 2022: £51,250) were charged to the Company and £3,000 remained payable at the end of the period (as at 31 December 2022: £Nil).

b) Shares held by related parties

The Directors who held office at 30 June 2023 and up to the date of this Report held the following number of Ordinary Shares beneficially:

	As at 30 June 2023		As at 31 December 2022	
	Ordinary Shares (Unaudited)	% of issued share capital (Unaudited)	Ordinary Shares (Audited)	% of issued share capital (Audited)
Norman Crighton	20,000	0.03%	20,000	0.03%
Gillian Morris	3,934	0.01%	3,934	0.01%
Krishna Shanmuganathan	-	-	-	-
Wendy Dorey	2,552	0.00%	2,552	0.00%

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

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

The Investment Manager is principally owned by Dr Andrew Weiss and certain members of the Investment Manager's senior management team. As at 30 June 2023, Dr Andrew Weiss and his immediate family members held an interest in 7,316,888 Ordinary Shares (as at 31 December 2022: 7,010,888) representing 10.56% (as at 31 December 2022: 10.12%) of the Ordinary issued share capital of the Company.

As at 30 June 2023, employees and partners of the Investment Manager other than Dr Andrew Weiss, their respective immediate family members or entities controlled by them or their immediate family members held an interest in 390,408 Ordinary Shares (as at 31 December 2022: 3,594,333) representing 0.6% (as at 31 December 2022: 5.19%) of the Ordinary issued share capital of the Company.⁶²

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 period ended 30 June 2023, investment management fees and charges of £964,912 (for the period ended 30 June 2022: £1,101,447) were charged to the Company and £154,662 (as at 31 December 2022: £155,320) remained payable at the period/year end.

14. Fair value measurement

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

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

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfers have occurred. During the period ended 30 June 2023, there were no transfers from Level 2 to Level 1 (for the year ended 31 December 2022: £Nil).

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

14. Fair value measurement (continued)

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

The Company holds investments in derivative financial instruments which are classified as Level 2 within the fair value hierarchy. These consist of credit default swaps with a fair value of £1,109,294 (as at 31 December 2022: £1,145,453). The Company held no investments in derivative financial instruments classified as Level 1 within the fair value hierarchy (as at 31 December 2022: £Nil).

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

The following table presents the Company's financial assets and liabilities by level within the valuation hierarchy as of 30 June 2023:

	Level 1 £	Level 2 £	Level 3 £	Total As at 30 June 2023 (Unaudited) £
Financial assets/(liabilities) at fair value through profit or loss:				
Korean preference shares	117,693,983	-	-	117,693,983
Financial derivative liabilities	-	(1,109,294)	-	(1,109,294)
Total net assets	117,693,983	(1,109,294)	-	116,584,689

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

Cash and cash equivalents included 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.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (continued)

15. 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 Condensed Financial Statements, using IFRS to the NAV per Share reported to the LSE:

	As at 30 June 2023		As at 31 December 2022	
	NAV (Unaudited) £	NAV per Participating Share (Unaudited) £	NAV (Audited) £	NAV per Participating Share (Audited) £
Net Asset Value reported to the LSE	119,387,031	1.7236	127,405,980	1.8383
Adjustment to accruals and cash	(11,262)	(0.0001)	(3,136)	(0.0001)
Adjustment for dividend income	(11,606)	(0.0002)	(322,351)	(0.0046)
Net Assets Attributable to Shareholders per Condensed Financial Statements	119,364,163	1.7233	127,080,493	1.8336

The published NAV per Share of £1.7236 (as at 31 December 2022: £1.8383) is different from the accounting NAV per Share of £1.7233 (as at 31 December 2022: £1.8336) due to the adjustments noted above.

16. Subsequent events

These Condensed Financial Statements were approved for issuance by the Board on 15 September 2023. Subsequent events have been evaluated until this date.

Effective 20 July 2023, Norman Crighton retired from the Board and Krishna Shanmuganathan was appointed as the Chair.

No further subsequent events have occurred.

GOVERNANCE



STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

For the period ended 30 June 2023

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

Emerging Risks

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

Geopolitical Risks

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

Principal Risks and Uncertainties

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

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

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

Investment Risks

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

STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES (continued)

Principal Risks and Uncertainties (continued)

Operational Risks

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

Accounting, Legal and Regulatory Risks

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

Discount Management

The Company is exposed to Shareholder dissatisfaction through 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 believes that it has access to sufficiently liquid assets to help manage the Share price discount. The Company's discount management programme is described within Note 18 of the Annual Report and Audited Financial Statements for the year ended 31 December 2022.

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. Illiquidity could also make it difficult or costly for the Company to purchase securities, and this could result in the Company holding more cash than anticipated. The Investment Manager considers the liquidity of secondary trading in assessing and managing the liquidity of the Company's investments. The Board reviews the Company's resources and obligations on a regular basis with a view to ensuring that sufficiently liquid assets are held for the expected day to day operations of the Company. However, if the Company were required to liquidate a substantial portion of its assets at a single time, it is likely that the market impact of the necessary sale transactions would impact the value of the portfolio materially.

Fraud Risk

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

STATEMENT OF PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES (continued)

Principal Risks and Uncertainties (continued)

Financial Risks

The financial risks, including market, credit, and liquidity risks, faced by the Company are set out in the annual report of the Company. 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.

DIRECTORS' RESPONSIBILITY STATEMENT

For the period ended 30 June 2023

The Directors are responsible for preparing the Unaudited Half-Yearly Financial Report (the "Condensed Financial Statements"), which have not been audited by an independent auditor, and confirm that to the best of their knowledge:

- these Condensed Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 "Interim Financial Reporting" issued by the European Union and the AIM Rules of the London Stock Exchange ("LSE");
- these Condensed Financial Statements include a fair review of important events that have occurred during the period and their impact on the Condensed Financial Statements, together with a description of the principal risks and uncertainties of the Company for the remaining six months of the financial period as detailed in the Investment Manager's Report; and
- these Condensed Financial Statements include a fair review of related party transactions that have taken place during the six-month period which have had a material effect on the financial position or performance of the Company, together with disclosure of any changes in related-party transactions in the last Annual Report and Audited Financial Statements which have had a material effect on the financial position of the Company in the current period.

The Directors confirm that the Condensed Financial Statements comply with the above requirements.

On behalf of the Board,

Krishna Shanmuganathan
Chair
15 September 2023

Gill Morris
Audit Chair

FURTHER INFORMATION

BOARD OF DIRECTORS

For the period ended 30 June 2023

The Company had four Directors during the period ended 30 June 2023 and reverted to 3 directors from 20 July 2023. All Directors are considered independent of the Investment Manager.



Krishna Shanmuganathan

(aged 49)

Krishna Shanmuganathan is the Chair of the Company. He is also the Chair of abrdn Asia Focus plc and founded Scylax Partners in 2016, 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. He holds a number of other non-executive appointments, including being on the advisory board of Serendipity Capital, former chairman of the trustees of St Jude India ChildCare Centres UK and a former trustee of Solefield School Educational Trust. Krishna has Master's degrees from University of Cambridge and University of London, is British and resident in the United Kingdom. Krishna was appointed to the Board in 2022.



Gillian Yvonne Morris

(aged 60)

Gill is the Chair of the Audit Committee. She holds a number of other non-executive appointments including The International Stock Exchange, where she is also Audit Chair, and CICAP GP Limited. Gill has performed a number of roles in local government including the Public Accounts Committee, the Scrutiny Management Committee and the Tax Tribunal Panel. She is a qualified Chartered Accountant (ICAEW) and a Chartered Tax Advisor (CIOT). She started her career in London with Touche Ross & Co., worked for Touche Ross & Co. and KPMG in Australia before returning to Guernsey. After almost 3 years with KPMG in Guernsey, she joined Specsavers Optical Group Limited as their tax manager. Gill held several positions in the Specsavers Group including Director of Specsavers Finance (Guernsey) Limited and ultimately served as Director of Risk and Government Affairs until 2020. She is currently also the treasurer of the Guernsey branch of the Institute of Directors. Gill is British and resident in Guernsey. She was appointed to the Board in 2021.



Wendy Dorey

(aged 50)

Wendy is an experienced professional in the financial services industry, with key competencies in business strategy, financial regulation, risk management and investment marketing and distribution. She is currently a Director of Dorey Financial Modelling, an investment consulting firm, a Commissioner for the Guernsey Financial Services Commission, a Non-Executive Director for Schrodgers (CI) Limited and a Non-Executive Director for TwentyFour Select Monthly Income Fund Limited.

She has over 25 years' industry experience working for asset managers, pension consultants and retail banks in the UK, Guernsey and France. She has worked for a number of leading asset managers: BNY Mellon, M&G Asset Management, Friends Ivory & Sime and Robert Fleming/Save & Prosper. She has also consulted to the

Defined Contribution Consulting arm of the Punter Southall Group, and obtained retail banking experience at Lloyds Bank and Le Credit Lyonnais. A strong advocate of continuous learning, she assisted the Investment Association in developing a new syllabus for independent financial advisors and, in 2018, gained the Institute of Directors Certificate and Diploma in Company Direction. She was admitted as a Chartered Director and Fellow of the Institute of Directors in 2019 and was, until recently, the Chair of the Guernsey Branch of the Institute of Directors. Wendy was appointed to the Board in 2022.



Norman Crighton

(aged 57)

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

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

manager, Norman managed portfolios of closed-end funds on a hedged and unhedged basis covering developed and emerging markets.

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

WEISS ASSET MANAGEMENT

Weiss Asset Management 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 almost 25 years. Over this time, the firm has built out a dedicated night desk of 9 employees focused on trading its Asian strategies, as well as strong relationships with a number of Korean brokers.

The firm has 100+ employees and assets under management of approximately £2.3 billion.

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 Assistant Professor at Columbia University and as a Research Economist in the Mathematics Center 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 Center for Effective Global Action, the Advisory Board for the Center 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.



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's 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 and a BA in Economics, and completed his Master's degree in Financial Engineering at Columbia University.

HOW TO INVEST IN WEISS KOREA OPPORTUNITY FUND

You can invest in the Fund through the following:

Via the nominated broker

The nominated broker is Singer Capital Markets.

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

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

Through a professional adviser

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

You can find an adviser at unbiased.co.uk You may also buy investment trusts through stockbrokers, wealth managers and banks. To familiarise yourself with the Financial Conduct Authority ("FCA") adviser charging and commission rules, visit fca.org.uk.



SHAREHOLDER INFORMATION

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 period ended 30 June 2023, the Company purchased Nil shares (2022: Nil) of its own Shares at a consideration of £Nil (31 December 2022: £Nil) under its general buyback authority. For additional information on Share Buybacks refer to Note 20 of the Annual Report and Audited Financial Statements for the year ended 31 December 2022.

NET ASSET VALUE

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

CORPORATE INFORMATION

Directors (Non-Executive)

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

Registered Office

PO Box 255
 Trafalgar Court
 Les Banques
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 Guernsey
 GY1 3QL

Investment Manager and AIFM

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

English Legal Adviser to the Company

Stephenson Harwood LLP
 1 Finsbury Circus
 London
 EC2M 7SH

Custodian and Principal Bankers

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 PO Box 71
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 Les Banques
 St. Peter Port
 Guernsey
 GY1 3DA

Company Secretary, Administrator and Designated Manager

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

Financial Adviser, Nominated Adviser and Broker

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Guernsey Legal Adviser to the Company

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Registrar

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

Independent Auditor

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

Endnotes and Alternative Performance Measures

- 1,2,3 The NAV published in this annual report and audited financial statement will include dividends receivable as part of the NAV. Please refer to the Admission Document for more information regarding the announcement and payment of Korean dividends.
- 4,7 For WKOF, this return includes all dividends paid to WKOF's Shareholders and assumes that these dividends were reinvested in WKOF's Shares at the next date for which WKOF reports a NAV, at the NAV for that date. MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex date of the distribution. iShares MSCI Korea UCITS ETF also assumes reinvestment of dividends.
- 5 Since inception of Weiss Korea Opportunity Fund on 14 May 2013. The WKOF return since inception is calculated on the basis of the Net Asset Value per Ordinary Share and not on the price of WKOF shares on AIM. The value of WKOF NAV per share performance since inception represents a total return, inclusive of all dividends paid to WKOF Shareholders since inception. The NAV per share may differ from the price at which shares of WKOF may be purchased or sold on AIM, and performance of NAV per share during any specific period may therefore not be reflective of the returns an investor would receive by investing in shares of WKOF during such period. For WKOF, this return includes all dividends paid to WKOF's Shareholders and assumes that these dividends were reinvested in WKOF's Shares at the next date for which WKOF reports a NAV, at the NAV for that date.
- 6,7 MSCI Korea 25/50 Net Total Return Index denominated in GBP. MSCI total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex-date of the distribution.
- 8 If the share price of an investment company is lower than the NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, the shares are said to be trading at a premium.
- 9 Calculated as the dividend per share over the last 12-months divided by the share price as of the date of this report.
- 10 The Average Trailing 12-Month P/E Ratio of Preference Shares Held is based on the consolidated diluted earnings per share over the trailing 12-month period as reported by Bloomberg, and is calculated as the total market value of WKOF's preference share portfolio on the report date divided by the total earnings allocable to WKOF based on WKOF's holdings on the report date. Investments with negative reported earnings are excluded.
- 11 P/B Ratio of Preference Shares Held is calculated as the weighted average price to book ratio of all preference shares held at 30 June 2023.
- 12 The annualised total expense ratio includes charges paid to the Investment Manager and other expenses divided by the average NAV for the year.
- 13 Bloomberg L.P. (2022). Bloomberg Innovation Scores as of 12/31 since 2013. Retrieved from Bloomberg terminal.
- 14 *WIPO IP Facts and Figures 2022*. (n.d.). World Intellectual Property Organization.
- 15 Most recent sovereign credit ratings from Moody's, S&P, and Fitch as of 31 December 2022.
- 16 *Leading export countries worldwide in 2022*. (n.d.). Statista.
- 17 *GDP*. (n.d.). World Bank.
- 18 *Doing Business 2020*. (2020). World Bank.
- 19 *PISA 2018 Insights and Interpretations*. (n.d.). Organisation for Economic Co-operation and Development.
- 20 Source: Bloomberg L.P. Weiss Asset Management LP Data retrieved as of 30 June 2023.
- 21 Bloomberg LP. Data as of 30 June 2023.
- 22 Please note that the Annual Report as of December 31, 2022 erroneously stated that there were 121 series of South Korean preference shares outstanding. As of December 31, 2022, there were 118 Korean preference shares outstanding. In June 2022, three preference shares (Tongyang Inc, 3rd Pref; Dongbu Steel Co. LTD, Pref; Shinwon Corp, Pref) were delisted due to market listing rules. They were delisted for having less than 100,000 shares outstanding.
- 23 Market capitalization of the leading chemical companies worldwide in March 2023. (2022). Statista.
- 24 Global EV battery usage in 2022 is 517.9GWh, up 71.8% from the previous year. (2023). SNE Research.
- 25 About Us. (2022). LG Chem.
- 26 Market share of the top six car manufacturers in South Korea in 2022, based on sales volume. (2023). Statista.
- 27 Hyundai Motor Reports 2022 Global Sales and 2023 Goals. (2023). Hyundai.
- 28 Samsung maintains No.1 position in global TV market. (2023). The Korea Economic Daily.
- 29 Subsidiaries Info. (n.d.). Hanwha Corporation.
- 30 Global Business. (n.d.). Mirae Asset Securities

Endnotes and Alternative Performance Measures (continued)

- 31 Brands. (n.d.). AmorePacific Group.
- 32 Brands. (n.d.). CJ Cheijedang.
- 33 Company. (n.d.). LG H&H.
- 34 Technology and Products. (n.d.). Doosan Fuel Cell.
- 35 Our Business. (n.d.). SK Chemicals.
- 36 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.
- 37 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.
- 38 This return includes all dividends paid to the Company's Shareholders and assumes that these dividends were reinvested in the Company's Shares at the next date for which the Company reports a NAV, at the NAV for that date.
- 39 Bloomberg L.P. Data as of 30 June 2023. Valuation of Major Indices Table.
- 40 Market Data System. (n.d.). Korea Exchange.
- 41 *Foreigners who raised the KOSPI in the first half of the year (July 2023)* Economist Korea.
- 42 *South Korea Export Downturn Slows, Trade Balance Swings to Surplus (June 2023)*. Reuters
- 43 *Korea's ICT Exports reach \$16.1 billion in June (2023)*. Ministry of Trade, Industry, and Energy.
- 44 *Monetary Policy Discussion & Opening Remarks to the Press Conference (July 2023)*. Bank of Korea.
- 45 *Consumer Price Index in June 2023*. Statistics Korea.
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