WEISS KOREA OPPORTUNITY FUND LTD.

LEI 213800GXKGJVWN3BF511

(Classified Regulated Information, under DTR 6 Annex 1 section 1.1)Â

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ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2024

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Weiss Korea Opportunity Fund Ltd. (the â€œCompanyâ€) has today released its Annual Financial Report for the year ended 31 December 2024. The Report will shortly be available for inspection via the Company's website www.weisskoreaopportunityfund.com.

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FOR THE YEAR ENDED 31 DECEMBER 2024

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Â **Financial Highlights**	Â	Â	Â	Â	Â	Â	Â
Â	Â	Â	Â	Â	**As at 31 December 2024**	Â	**Â Since inception**
NAV Return	Â	Â	Â	Â	(15.9%)	Â	81.1%
Benchmark Return	Â	Â	Â	Â	(18.5%)	Â	41.2%
Â	Â	Â	Â	Â	Â	Â	Â
Â	Â	Â	Â	Â	**As at**	Â	Â
Â	Â	Â	Â	Â	**31 December 2024**	Â	**31 December 2023**
Portfolio Discount*	Â	Â	Â	Â	46.0%	Â	49.7%
Share Price Discount	Â	Â	Â	Â	(3.2%)	Â	(0.4%)
Fund Dividend Yield	Â	Â	Â	Â	3.8%	Â	3.2%
Average Trailing 12-Month P/E Ratio of Preference Shares Held					6.0x	Â	4.8x
P/B Ratio of Preference Shares Held		Â	Â	Â	0.3	Â	0.3
Annualised Total Expense Ratio		Â	Â	Â	2.0%	Â	2.1%

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***Portfolio Discount**

The portfolio discount represents the discount of WKOFâ€™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.

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As at close of business on 12 May 2025, the latest published NAV per Share was Â£1.57 and the Share Price was Â£1.38.

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Chairâ€™s Review

For the year ended 31 December 2024

Investment Performance

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

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Dividend

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

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

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Strategic Review

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

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

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Managed Wind-down

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

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

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

The Board intends to maintain the trading of Shares on the AIM for as long as the Directors believe it to be practicable during the Managed Wind-down, subject to the ability of the Company to continue to comply with its obligations under the AIM Rules.
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The Board considers that the inclusion of a viability statement in the Financial Statements would not provide additional benefit to the Companyâ€™s stakeholders given that the Company has entered a Managed Wind-down which aligns with the UK Corporate Governance Code.
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Share buybacks
The Board is also authorised to repurchase up to 40% of WKOFâ€™s outstanding Ordinary Shares in issue as of 31 December 2024. Whilst historically the Company has bought back shares where the share price discount to net asset value per share has reached high single digit percentages (with 12.6% of Shares issued at admission having been repurchased to date), and remains authorised to do so in its discretion, looking forward the Board does not anticipate buying back shares given the Company is now in Managed Wind-down and will be regularly returning capital to shareholders by way of a compulsory redemption of Shares.
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Krishna Shanmuganathan
Chair
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14 May 2025
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Investment Managerâ€™s Report
For the year ended 31 December 2024
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Managed Wind-down of the Fund
In November 2024, we notified WKOFâ€™s Board of Directors that we believed that the opportunity set and strategy for the fund continuing in its current form was less attractive than it has been in the past, including at WKOFâ€™s inception in 2013, and that we did not think this change in circumstances was likely to improve in the foreseeable future. Our assessment was based on a number of factors:

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

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As discussed in the Chairâ€™s Review of this Annual Report, the Board subsequently commenced a strategic review to consider the future of the Company and explore the strategic options available, including a change of investment mandate and/or a potential combination of the Companyâ€™s assets with another suitable investment company or fund. The shortlisted proposals were thoroughly assessed and meetings were held with interested parties in late January 2025, with further detailed discussions continuing with one preferred party through February 2025. However, due to the complexities associated with the shortlisted proposals that came to light in the detailed discussions, combined with differing views of Shareholders, the Board reached the decision that a Managed Wind-down was the fairest proposal and would be in the best interests of the Company and its Shareholders as a whole.
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WKOF Performance Attribution
At the end of December 2024, WKOF held a portfolio of 30 South Korean preference shares. As a reminder, the economic rights of South Korean preference shares are generally the same or slightly better than the corresponding common shares, yet the preference shares often trade at substantial discounts to the common shares.
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WKOFâ€™s returns, on a currency-neutral basis, are driven by five primary factors:

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

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

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

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Macro and Corporate Governance update
In our 2024 Half Yearly Report, we mentioned that investors might gain more clarity on South Koreaâ€™s Corporate Value-Up Programme (CVUP) by the end of the year. However, despite some periods of optimism, the CVUP still lacks clarity and effectiveness. A large part of this was due to increased political turmoil in South Korea towards the end of 2024.
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President Yoon declared martial law, which was later revoked, leading to two impeachment proceedings. After President Yoon was impeached, the National Assembly also sought to impeach acting President and former Prime Minister Duck-soo Han for his role in the martial law order and his lack of cooperation during the impeachment process; however, he has since been reinstated.
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This political instability has temporarily hindered the government's ability to function effectively and damaged the nationâ€™s international reputation. The economic impact is already being felt in South Korea's heavily export-oriented economy. Most notably, the South Korean won has depreciated significantly against the U.S. dollar, prompting the National Pension Service to implement a â€œstrategic currency hedgingâ€ practice using up to 48.2 billion U.S. dollars in foreign currency reserves. Additionally, there were net foreign outflows of 9.7 billion USD from the South Korean stock market in the fourth quarter. In December alone, during the brief declaration of martial law and the ensuing impeachment process, foreign investors sold 3.86 billion USD worth of South Korean securities, marking the largest monthly

foreign outflow since March 2020. Furthermore, although acting President Choi has publicly supported the Corporate Value-Up Programme, it remains unclear how committed the post-Yoon South Korean government is to corporate governance reforms.
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The â€œKorea Value-Up Indexâ€ is considered one of the three main components of the Corporate Value-Up Programme (CVUP). According to the Korea Exchange (KRX), this index is designed to highlight local companies that follow best practices in corporate governance and take steps to enhance shareholder value. Some investors consider the development of this index encouraging, especially if the National Pension Service (NPS), South Korea's largest pension fund, decide to use it as a long-term benchmark.
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However, when the KRX launched the Value-Up Index on September 25, which included 100 listed companies from the KOSPI and KOSDAQ, it was criticised for being an underwhelming selection with inconsistent standards. In response, the KRX announced plans to actively reconsider the standards used for selecting companies in the index.
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One potentially positive development in corporate governance this year is that lawmakers have voted to expand the fiduciary duties of corporate boards to include responsibilities to shareholders, not just the company. The National Assembly, controlled by the opposition, passed a bill to amend the commercial code, but it faces possible veto by Acting President Choi Sang-mok. Proponents argue that the reform will restore market confidence and align corporate actions with shareholder interests. Opponents, including the ruling party and business groups, believe the change will lead to an increase in shareholder lawsuits and negatively impact the national economy.
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Finally, protectionist trade policies under the Trump administration pose significant risks to the profitability of South Koreaâ€™s leading companies. The U.S. government raised concerns about trade imbalances with countries including South Korea and announced its intention to use tariffs to address them. Duties were imposed on steel and aluminiumâ€"directly affecting manufacturers such as POSCO (currently not a WKOF holding). Separately, broader â€œreciprocalâ€ tariffs of 25% on South Korea were announced in April before being reduced to 10% temporarily. Given South Koreaâ€™s economic reliance on large conglomerates (â€œchaebolsâ€), these trade actions could have ripple effects across the broader economy. The complex network of subsidiaries and supply chains within chaebols means that tariffs on one part of the group can indirectly impact the entire organisation.
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Hedging
WKOF pursues its investment strategy with a portfolio that is generally long-only. However, as further described in WKOFâ€™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 Shareholdersâ€™ Investments in WKOF because of political tensions in Northeast Asia.
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WKOF has limited its use of hedging instruments to purchases of credit default swaps (â€œCDSâ€) and put options on the MSCI Korea 25/50 Index, securities we believe would generate high returns if Korea experienced geopolitical disaster, and do not introduce material new risks into the portfolio. These catastrophe hedges are not expected to make money in most states of the world. We expect that, as with any insurance policy, WKOFâ€™s hedges will lose money most of the time. The table below provides details about the hedges as of 31 December 2024. Note that outside of the general market and portfolio hedges described herein, WKOF has generally not hedged interest rates or currencies. Please also note that WKOF's exposure to these hedging instruments will gradually reduce as the Managed Wind-down progresses.

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

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Concluding Remarks
Thank you to our long-term shareholders. We are proud of WKOFâ€™s performance during the nearly 12 years the Company has been listed on AIM, during which we have continually sought to do what is in the best interest of shareholders. For the reasons outlined above, we believe the Managed Wind-down is in the best interest of shareholders, and will seek to manage the portfolio accordingly.
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Weiss Asset Management LP
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14 May 2025
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Statement of Financial Position

As at 31 December 2024

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

Other reserves	63,047,611	82,936,848
Total Shareholders' equity	**96,960,467**	**116,849,704**
Net Assets Value per Ordinary Share	**1.3998**	**1.6870**

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

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Krishna ShanmuganathanÂ Â Â **Gill Morris**
ChairÂ Â Â Â Â Â Director

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Statement of Comprehensive Income

For the year ended 31 December 2024

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

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All items derive from continuing activities.

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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 Companyâ€™s dividend policy is not influenced by its expense policy.

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Statement of Changes in Equity

For the year ended 31 December 2024

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

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

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Statement of Cash Flows

For the year ended 31 December 2024

Â	**For the year ended 31 December 2024**	**For the year ended 31 December 2023**

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

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For further information, please contact:

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