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If you have sold or otherwise transferred all your Ordinary Shares in Weiss Korea Opportunity Fund Ltd. (the “**Company**”), please send this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant securities laws in such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The content of this document has not been approved by an authorised person within the meaning of FSMA for the purposes of section 21 of FSMA. The London Stock Exchange has not itself examined or approved the contents of this document. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority (the “**Official List**”). The rules of AIM are less demanding than those of the Official List.

Weiss Korea Opportunity Fund Ltd.

*(a closed-ended investment scheme incorporated and registered in Guernsey
with limited liability under the Companies (Guernsey) Law, 2008, as amended with registered number 56535)*

Circular in respect of the Realisation Opportunity

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Registered Collective Investment Scheme Rules 2018 issued by the Guernsey Financial Services Commission (the “**Commission**”). The Commission has not reviewed this document but has relied upon specific warranties provided by the Administrator, the Company’s designated manager. The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Your attention is drawn in particular to the section titled “Factors for consideration” included in Part 1 of this document (*Letter from the Chairman*). Shareholders are advised to read this document in its entirety before making any decision as to whether or not to participate in the Realisation Opportunity.

If you are a holder of Ordinary Shares in certificated form and you wish to participate in the Realisation Opportunity please follow the instructions set out in paragraph 8.2.1 of Part 1 of this document (*Letter from the Chairman*) and complete the enclosed Form of Election and return it, along with the relevant Ordinary Share certificate(s), in accordance with the instructions printed thereon by post or, during normal business hours only, by hand, during the Election Period and in any event so as to be received by Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL by no later than 1.00 p.m. (London time) on 7 May 2021. If a Form of Election, with the accompanying Ordinary Share certificate(s), is not lodged so as to be received by the time mentioned in the instructions printed thereon, it will be invalid.

If you are a holder of Ordinary Shares in uncertificated form and you wish to participate in the Realisation Opportunity, please follow the instructions set out in paragraph 8.2.2 of Part 1 of this document (*Letter from the Chairman*) so as to ensure that a properly authenticated TTE Instruction in respect of the Ordinary Shares you wish to participate in the Realisation Opportunity is sent by you (or your CREST sponsor) to Euroclear during the Election Period and in any event by no later than 1.00 p.m. (London time) on 7 May 2021. If a TTE Instruction is not submitted so as to be received by the designated time, it will be invalid.

The Realisation Shares will not be listed or admitted to AIM. The Realisation Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”) or the relevant laws of any state, territory or other jurisdiction of the United States and may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, into, in or within the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act.

This document contains forward-looking statements including, without limitation, statements containing the words “believe”, “estimate”, “anticipate”, “expect”, “intend”, “may”, “will” or “should” or, in each case, their negative or other variation or comparable expressions, including references to assumptions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company or industry results, to be materially different from the future results, financial condition, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements in this document are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. No undertaking, representation, warranty or other assurance, expressed or implied, is made or given by or on behalf of the Company, N+1 Singer or any of their respective directors, officers, partners, employees, agents or advisers or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this document, and no responsibility or liability is accepted by any of them for any such information or opinions. Notwithstanding the aforesaid, nothing in this paragraph shall exclude liability for any undertaking, representation, warranty or other assurance made fraudulently. The forward-looking statements speak only as of the date of this document. Subject to any obligations under the AIM Rules, the Disclosure Guidance and Transparency Rules and MAR, the Company undertakes no obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

If you are in any doubt about the contents of this document you should consult your accountant, legal, professional or financial adviser.

15 March 2021

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2021
Publication of this document	15 March
Record Date for Realisation Opportunity	6.00 p.m. on 19 March
Election Period commences	14 April
Interim dividend declaration date	28 April
Latest time and date for receipt of Forms of Election and share certificates from Shareholders who hold their Ordinary Shares in certificated form	1.00 p.m. on 7 May
Latest time and date for receipt of TTE Instructions from Shareholders who hold their Ordinary Shares in uncertificated form	1.00 p.m. on 7 May
Ex-dividend date for interim dividend	10 May
Record date for interim dividend	11 May
Announcement of results of Realisation Opportunity	prior to or on 14 May
Redesignation of participating Ordinary Shares as Realisation Shares	14 May
Balance share certificates in respect of Ordinary Shares not realised despatched by post	week commencing 24 May

Any changes to the expected timetable set out above will be notified by the Company through a Regulatory Information Services provider. All references to times in this document are to London times.

The Company brings to the attention of Shareholders the non-standard timetable for the interim dividend. The expected ex-dividend date is Monday, 10 May 2021 and expected Record Date is Tuesday, 11 May 2021.

This is to align the dates between the Closing Date of the Election Period (7 May 2021), and the Realisation Date (14 May 2021). Further details relating to the timing of the interim dividend will be provided on publication of the Company's results for the twelve months ended 31 December 2020.

PART 1

Letter from the Chairman

Directors:

Norman Crighton (*Non-executive Chairman*)
Stephen Charles Coe (*Non-executive Director*)
Robert Paul King (*Non-executive Director*)

Registered Office:

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

15 March 2021

Dear Shareholder

Realisation Opportunity

1. Introduction

When the Company was launched in 2013, it committed to offer Shareholders the opportunity to elect to realise all or a part of their shareholding on or prior to the fourth anniversary of the Company's admission to AIM and, unless it has already been determined that the Company will be wound-up, every two years thereafter. The Company made available its first realisation opportunity in March 2017 and its second realisation opportunity in March 2019. The Company is proposing to make available a subsequent realisation opportunity (the "**Realisation Opportunity**") as described below.

The purpose of this document is to provide you with information regarding the Realisation Opportunity, how to participate in the Realisation Opportunity and details of how the Realisation Opportunity will affect the Company and its portfolio.

All of the Directors and personnel associated with the Investment Manager (who collectively own 11.6 per cent. of the Company's issued share capital as at 12 March 2021, being the latest practicable date prior to the publication of this document) intend to continue their investment in the Company and do not intend to participate in the Realisation Opportunity in respect of all or any part of their respective shareholdings.

Shareholders should read this document in full prior to making any decision as to whether or not to participate in the Realisation Opportunity.

2. Background to the Company and the Realisation Opportunity

The Company was incorporated with limited liability in Guernsey as a closed-ended investment company on 12 April 2013. The Company's Ordinary Shares were admitted to trading on AIM on 14 May 2013 ("**Admission**"). The Company is managed by Weiss Asset Management LP (the "**Investment Manager**").

The Company currently has one class of share in issue, the Ordinary Shares. The Ordinary Shares have been traded on AIM since Admission. As at 12 March 2021 (being the latest practicable date prior to the posting of this circular), the Company's issued share capital was 81,017,828 Ordinary Shares.

From Admission until 28 February 2021, the Company's Net Asset Value per Ordinary Share has increased by 186.4 per cent. compared to 96.9 per cent. for the MSCI South Korea Index. This is shown in Table 1 (*Performance Analysis*) of this document.

As at 28 February 2021, the Portfolio Discount on the Company's Korean preferred shares was 46.2 per cent.

The Directors will propose an ordinary resolution for the winding up of the Company if the Company's Portfolio Discount is less than 25 per cent. over any 90 day period, as described in the Admission Document.

In addition to the Realisation Opportunity, the Company has an active share repurchase program as part of its discount management strategy in order to provide liquidity to Shareholders. The Board is currently authorised to repurchase up to 40 per cent. of the Company's outstanding Ordinary Shares in issue as at 23 July 2020 (on which date the Company had 81,617,828 Ordinary Shares in issue) in aggregate and seeks to renew this authority annually. Since Admission, and as at the date of this document, the Company has repurchased 13,190,250 Ordinary Shares of the original 105,000,000 Ordinary Shares issued at Admission at a weighted average discount to the Company's Net Asset Value per Ordinary Share of 5.5 per cent.

As of 12 March 2021, the Company's closing share price was 254.0 pence, compared to the Company's latest published Net Asset Value per Ordinary Share of 248.83 pence as at that date, resulting in a premium to Net Asset Value per Ordinary Share of 2.1 per cent. The Board seeks annual authority from Shareholders to repurchase up to 40 per cent. of the Ordinary Shares outstanding per annum and the Board remains committed to actively repurchasing shares when the discount is larger than 5 per cent., net of transaction costs.

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 focussed on Korean companies, specifically investing primarily in listed preferred shares issued by companies incorporated in Korea which, in many cases, have traded and continue to 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 preferred 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 and other types of options, swaps and derivatives related to Korean equities, as well as cash and cash equivalents.

The return to an investor in the Company over the twelve-month period to 28 February 2021, calculated on the basis of the Company's Net Asset Value per Ordinary Share, was 83.6 per cent. compared to a return of 52.8 per cent. for the MSCI South Korea Index, as shown in Table 1 (*Performance Analysis*) below.

The return for the period from Admission to 28 February 2021 was 186.4 per cent. compared to a return of 96.9 per cent. for the MSCI South Korea Index over the same period, in each case calculated in Sterling, as also shown in Table 1 (*Performance Analysis*) below.

Table 1: Performance Analysis

	<i>Trailing 12 months¹</i>	<i>Since Admission²</i>
Company NAV/Ordinary Share ³	83.6 per cent.	186.4 per cent.
MSCI South Korea Index ⁴	52.8 per cent.	96.9 per cent.

1 Trailing 12 months to 28 February 2021.
 2 The Company's return since Admission is calculated on the basis of the initial Net Asset Value per Ordinary Share.
 3 MSCI South Korea Index total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex-dividend date of the distribution. The Company's performance figures include such distributions, but the distributions are not assumed to be reinvested in the Company when calculating the Company's performance.
 4 MSCI South Korea Index 25/50 Net Total Return Index, denominated in Sterling.

An attribution of the return components of performance for the last 12 months and since Admission is described in Table 2 (*Return Components*) below.

Table 2: Return Components

<i>Return Components</i>	<i>Trailing 12 Months¹</i>	<i>Since Admission</i>
MSCI South Korea Index ²	53.6 per cent.	83.1 per cent.
Company common shares vs. MSCI South Korea Index ³	17.5 per cent.	21.2 per cent.
Discount narrowing of preferred shares owned	12.3 per cent.	67.1 per cent.
Excess dividend yield of preferred shares owned	1.3 per cent.	15.3 per cent.
Currency (Korean won vs. Sterling)	-1.8 per cent.	8.2 per cent.
Announced preferred dividends not yet paid to the Company	0.0 per cent.	0.0 per cent.
Fees & expenses	-1.9 per cent.	-14.3 per cent.
Other	2.6 per cent.	5.8 per cent.
NAV Performance⁴	83.6 per cent.	186.4 per cent.

1 Trailing 12 months to 28 February 2021.

2 MSCI South Korea Index 25/50 Net Total Return Index, denominated in Korean won.

3 Performance of “Company common shares” is calculated as the return of a portfolio of common shares issued by the same issuers of the preferred shares the Company has owned, as if a hypothetical investor bought or sold an equal quantity of common shares at the same time as the Company purchased or sold its preferred share investments. The MSCI South Korea Index performance is calculated in Korean won and is used for comparison with the “Company common shares” before the inclusion of any dividends paid by its underlying companies.

4 MSCI South Korea Index total return indices are calculated as if any dividends paid by constituents are reinvested at their respective closing prices on the ex-dividend date of the distribution. The Company’s performance figures include such distributions, but the distributions are not assumed to be reinvested in the Company when calculating the Company’s performance.

The last 12 months return of the MSCI South Korea Index reflects a strong recovery from the lows in March 2020, being 52.8 per cent. to 28 February 2021, driven by a number of factors, including:

- a relatively controlled pandemic in South Korea;
- large fiscal and monetary stimulus packages deployed by the South Korean government; and
- surging demand from Korean retail investors for domestic stocks.

The Company’s gains over this period were attributable to:

- its long exposure to Korean equities;
- its overweight exposure to companies whose common shares have outperformed;
- dividends received from portfolio companies; and
- the narrowing of discounts of Korean preferred shares held by the Company.

In addition, the Investment Manager was able to take advantage of substantial increases in both trading volumes and the volatility of share discounts of preference shares over the last 12 months, which provided attractive trading opportunities.

The Realisation Opportunity forms an additional part of the Company’s discount management strategy and is intended to provide Shareholders with an opportunity to realise all or part of their investment in the Company. As stated in the Company’s Admission Document, and pursuant to the Company’s Articles, Shareholders are entitled to elect that all or a part of the Ordinary Shares held by them be redesignated as Realisation Shares on a one for one basis with effect from the Realisation Date (being the eighth anniversary of Admission). Subject to the aggregate Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Realisation Date being not less than £50 million, the Ordinary Shares held by those Shareholders who have elected to participate in the Realisation Opportunity will be redesignated as Realisation Shares on a one for one basis and the Company’s current asset portfolio will be split into two separate pools, as detailed further in this document.

In the Admission Document, the Company stated that the method to be used to return cash to Shareholders who elect to realise all or part of their Ordinary Shares was to be determined at the discretion of the Board and would be decided upon based on the relevant prevailing factors at the time of the Realisation. Having consulted with its advisers, the Board has determined that once the outcome of the Realisation Opportunity

and the number of elections made for Realisation Shares is known it will notify Shareholders of the proposed method of returning cash to the Realisation Shareholders. The cash received by the Company from the realisation of assets in the Realisation Pool will be returned to Realisation Shareholders net of realisation costs and expenses, as soon as practicable through any of the following means (or a combination thereof) at the discretion of the Directors: distributions, share repurchases and redemptions and/or any other methods which the Directors may think fit.

Further details about the Realisation Opportunity are set out in Part 2 of this document (*Further details of the Realisation Opportunity*).

3. Current and historical portfolio of the Company

The Investment Manager believes that an attractive long-term investment opportunity continues to exist in Korean preferred shares as a result, in part, of the following factors:

- many Korean preferred shares are currently trading at significant discounts to their respective common shares;
- as a result, the preferred shares’ price-to-earnings ratios are substantially lower and the dividend yields are higher than their respective common shares; and
- since Admission, the Investment Manager has assembled a portfolio of Korean preferred shares that it believes are undervalued and could appreciate based on its current investment criteria.

The Company was established to enable investors to benefit from the large discounts of Korean preference shares relative to their underlying ordinary shares. Since Admission, the Company’s Net Asset Value per Ordinary Share has increased by 186.4 per cent. Approximately 70 percentage points of this return is attributable to the discount narrowing of preference shares held, as described in Table 2 (*Return Components*) above.

Larger discount Korean preference shares in general are often less liquid than smaller discount Korean preference shares, but the Investment Manager believes that it is currently in the interest of Shareholders to trade off liquidity for what it believes to be a portfolio with higher expected returns. The Company’s portfolio turnover ratio for 2020 was 63.4 per cent. The Investment Manager plans to continue rebalancing the Company’s portfolio, over time, toward larger discount Korean preference shares consistent with its view on the most attractive portfolio. The Company’s Portfolio Discount was over 49 per cent. at 31 December 2020. This discount was the widest discount of the Company’s portfolio since September 2013, and the Investment Manager believes the Company is well-positioned for further outperformance.

The Company is not obliged to invest in any single company and the considerations affecting the Investment Manager’s choice of securities to buy and sell have principally included the discount at which a preferred share is trading relative to its respective common shares together with other factors including but not limited to its dividend yield, its liquidity, certain fundamental factors related to the issuer and its common shares weighting (if any) in the South Korea Stock Market.

As a result of the Company investing in Korean preferred shares that trade at a discount to their respective common shares, the Company’s investments have lower implied price-to-earnings metrics and higher dividend yields than the corresponding Korean common shares. Table 3 (*Statistics of Preferred Share Holdings*) below shows certain metrics for the Company’s portfolio as at 28 February 2021:

Table 3: Statistics of Preferred Share Holdings

Portfolio Discount ¹	46.2 per cent.
Average trailing 12-month P/E ratio of preferred shares held ²	9.4x
Trailing net dividend yield of preferred shares held ³	2.0 per cent.

1 The Portfolio Discount is calculated as one minus the quotient of (Net Asset Value divided by Look-Through Net Asset Value), expressed as a percentage. Look-Through Net Asset Value is calculated using a similar methodology used to calculate Net Asset Value, except that the market price per share of a corresponding Korean common share is substituted for the market price per share of each Korean preferred share.

Portfolio Discount corresponds to the “Weighted Average Discount” in the Admission Document.

- 2 This 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 the Company's preferred share portfolio on the report date divided by the total earnings allocable to the Company based on the Company's holdings on the report date. Investments with negative reported earnings are excluded.
- 3 This represents the weighted average dividend yield of the preferred shares owned by the Company over the 12 month period ending on the report date as reported by Bloomberg, after accounting for Korean taxes applicable to the Company and weighted by the market value of each investment on the report date. This figure does not estimate or forecast future dividend payments on the Company's investments.

As a result of Korean preferred shares trading at a discount to their corresponding common shares, the Investment Manager believes that long-term investment in certain Korean preferred shares is compelling compared to their respective common shares. However, the Investment Manager cannot predict or guarantee movements in Korean equities, Korean preferred shares or Korean preferred share discounts.

Korean preferred shares generally have smaller market capitalisations and lower levels of liquidity than their common share counterparts. These factors, among others, may result in more volatile price changes in the Company's assets as compared to the Korean stock market or other more liquid asset classes. This volatility could cause the Net Asset Value of the Company's assets to go up or down dramatically. In order for the Company to realise its investments, the Realisation Pool may need to sell its holdings in the secondary market. The liquidity of the Korean stock market may vary materially over time. There can be no guarantee that a liquid market for the Company's underlying assets will exist or that the Company's underlying assets can be sold at prices similar to the net asset value at the time they were acquired.

The time it will take the Company to sell the assets in the Realisation Pool will depend on the size of the Realisation Pool as well as current market conditions. It took the Company approximately three months to sell the assets in the realisation pool in respect of the Company's first realisation opportunity and approximately one month to sell the assets in the realisation pool in respect of the Company's second realisation opportunity. Notwithstanding the accelerated disposal of assets pursuant to the second realisation opportunity, there can be no certainty that the same timeframe will be met this time. It took the Company more than eight months to invest more than 90 per cent. of the £102.9 million net proceeds of its 14 May 2013 initial public offering in Korean preferred shares. As at 28 February 2021, the Company's net assets were £210.9 million and were, therefore, materially larger than at Admission.

This historical information is provided for **information** purposes only, and you should not rely on these statements in making any decision with respect to the Realisation Opportunity. Selling the underlying assets involves a number of risks and uncertainties. Actual timing and results could differ materially from those expressed or implied by any estimates contained herein. Depending on the size of the Realisation Pool, the Board and Investment Manager believe the full realisation process could take significantly more time than was required to sell assets in the realisation pool in respect of the Company's first and second realisation opportunities.

4. The Realisation Opportunity

4.1 Options for Shareholders and interim dividend

Pursuant to the Realisation Opportunity, Shareholders who are on the Register as at the Record Date will be provided with the opportunity to elect to redesignate all or part of their Ordinary Shares as Realisation Shares provided that they have continuously held their Ordinary Shares through to the end of the Election Period and, subject to the aggregate Net Asset Value of the continuing Ordinary Shares as at the close of business on the last Business Day before the Realisation Date being not less than £50 million.

The default option under the Realisation Opportunity is for Shareholders to continue their investment in the Company. Only those Shareholders who wish to elect to realise all or a part of their shareholding in the Company should complete and return a valid Form of Election/TTE Instruction to reach the Receiving Agent at Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL during the Election Period and by no later than 1.00 p.m. on 7 May 2021.

Details of the action to be taken by Shareholders in relation to the Realisation Opportunity are set out in paragraph 8 (*Action to be taken*) below.

The Directors intend to declare an interim dividend on 28 April 2021, with an ex-dividend date of 10 May 2021. This dividend will be payable to all Shareholders on the Register on 11 May 2021 and will be payable to them regardless of any election they make under the Realisation Opportunity.

4.2 ***Mechanics of the Realisation Opportunity***

Shareholders on the Register at the Record Date (other than certain Overseas Shareholders, as described in paragraph 8.5 of this Part 1), who have elected during the Election Period to redesignate all or part of their Ordinary Shares may be able to participate in the Realisation Opportunity. The Election Period for the Realisation Opportunity opens on 14 April 2021 and will close at 1.00 p.m. on 7 May 2021 following which the Company will calculate the number of Ordinary Shares to be redesignated as Realisation Shares.

Overseas laws and regulations may restrict the making of the Realisation Opportunity to Shareholders in certain jurisdictions outside the United Kingdom without compliance by the Company with certain filing, reporting or other requirements. It is the responsibility of each Overseas Shareholder to satisfy himself that the Realisation Opportunity may be made to him and that, if relevant, he may participate in the Realisation Opportunity, and that in so doing, he has complied with all relevant overseas filing, exchange control and other requirements and paid all taxes and fees which may be payable. The Realisation Opportunity is not being made in or into, or to certain Overseas Shareholders including those resident in Canada, Australia or Japan or where making the Realisation Opportunity would be prohibited by local law or regulation or require compliance by the Company with any filing, registration or other requirement. Notwithstanding any other provision of this document, the Company reserves the right to permit any Overseas Shareholder to participate in the Realisation Opportunity if the Directors, in their sole discretion, are satisfied at any time prior to the Closing Date that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question. Shareholders who are US Persons or who are holding Ordinary Shares on behalf of US Persons may participate in the Realisation Opportunity if they comply with the requirements set out in paragraph 8.5 below.

The rights attributable to the Realisation Shares are set out in the Company's Articles and no Shareholder authorisations are required in order to implement the Realisation Opportunity. The Realisation Shares will not be listed or admitted to AIM.

If any Shareholders elect to participate in the Realisation Opportunity, the Company's current portfolio (as detailed above) will be divided into two pools:

- (i) the Continuation Pool; and
- (ii) the Realisation Pool.

Each Pool will be accounted for as a separate sub-portfolio, with the value of the assets and liabilities in the Company's current portfolio being apportioned to the Realisation Pool *pro rata* to the number of participating Ordinary Shares in respect of which Realisation Elections have been validly received. Further details on the Continuation Pool and Realisation Pool are set out below.

If any Realisation Elections are made pursuant to the Realisation Opportunity and the Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Realisation Date is less than £50 million, then the relevant Realisation will not take place, no Ordinary Shares will be redesignated as Realisation Shares and the assets of the Company will not be divided into the Pools. In such event, the Directors may propose an ordinary resolution to wind up the Company or may make any alternative proposals for the future of the Company that the Board may consider appropriate with a view to returning cash to Shareholders.

Shareholders who validly make elections for the Realisation Opportunity in respect of all or part of their Ordinary Shares will hold Realisation Shares with effect from the Realisation Date on the terms set out in the Articles. A summary of the rights attaching to the continuing Ordinary Shares and the Realisation Shares with effect from the Realisation Date is set out in Part 2 of this document (*Further details of the Realisation Opportunity*).

The Realisation Opportunity will be conducted on the terms set out in this document and in accordance with the Articles. The Directors have absolute discretion to determine any procedural or administrative matter in respect of the Realisation Opportunity, including as to whether or not any Form of Election/TTE Instruction has been validly submitted.

4.3 **Share certificates and CREST**

Shareholders who wish to participate in the Realisation Opportunity and hold their Ordinary Shares in certificated form must submit their share certificate(s) and/or other documents of title in respect of such Ordinary Shares together with a completed Form of Election during the Election Period and in any event by no later than 1.00 p.m. on 7 May 2021.

Following the Realisation a new certificate for the balance of the Ordinary Shares comprised in the surrendered certificate will be sent by first class post in the week commencing 24 May 2021 to each holder without charge.

Realisation Shareholders will not be issued new share certificates in respect of their Realisation Shares.

4.4 **Overseas Shareholders**

Overseas laws and regulations may restrict the making of the Realisation Opportunity to Shareholders in certain jurisdictions outside the United Kingdom without compliance by the Company with certain filing, reporting or other requirements. It is the responsibility of each Overseas Shareholder to satisfy himself that the Realisation Opportunity may be made to him and that, if relevant, he may participate in the Realisation Opportunity and that, in so doing, he has complied with all relevant overseas filing, exchange control and other requirements and paid all taxes and fees which may be payable. The Realisation Opportunity is not being made in or into, or to certain Overseas Shareholders including those resident in Canada, Australia or Japan or where making the Realisation Opportunity would be prohibited by local law or regulation or would require compliance by the Company with any filing, registration or other requirement. Shareholders who are US Persons or who are holding Ordinary Shares on behalf of US Persons may participate in the Realisation Opportunity if they comply with the requirements set out in paragraph 8.5 below.

4.5 **Taxation**

The attention of Shareholders is drawn to Part 3 of this document (*Taxation*) which sets out a general and non-exhaustive summary of certain aspects of the United Kingdom tax consequences of making a Realisation Election. The summary is based on current law, and on the current published practice of HMRC. It does not constitute tax advice.

Should the information in Part 3 of this document (*Taxation*), in the opinion of the Board, change materially between the publication of this document and the latest time and date for receipt of Forms of Election or TTE Instructions (as applicable) at 1.00 p.m. on 7 May 2021, then such new material information will be provided to Shareholders via a Regulatory Information Service announcement.

Shareholders are strongly advised to seek independent professional advice as to the tax consequences for them of the Realisation Opportunity.

5. The Continuation Pool and the Realisation Pool

Pursuant to the Realisation Opportunity, Shareholders are being given the option of continuing their investment in the Company through the *pro rata* value of assets attributable to their Ordinary Shares remaining part of the Continuation Pool, or electing to realise all or part of their investment in the Company through the *pro rata* value of assets attributable to their Ordinary Shares becoming part of the Realisation Pool.

With effect from the opening of business on the Realisation Date, the Company's current portfolio will be divided between the Continuation Pool and the Realisation Pool. Each will be accounted for as a separate sub-portfolio, with the value of the assets and liabilities in the current portfolio being apportioned to the Realisation Pool *pro rata* to the number of Ordinary Shares in respect of which Realisation Elections have been validly received. The allocation of the assets and liabilities to be allocated to each Pool will be

determined by the Board in its sole discretion on a basis that it deems fair and reasonable and which it considers would be in the best interests of both the holders of Realisation Shares and the holders of Ordinary Shares.

The Board shall have absolute discretion to increase the proportion of cash to be allocated to each Pool if it considers that it would be in the best interest of both the holders of Realisation Shares and the holders of the Ordinary Shares to do so. If the Board, in its absolute discretion, determines it is necessary or desirable to retain cash for the Company's working capital purposes, it may decrease the proportion of cash to be so allocated.

With effect from the Realisation Date, the assets comprising the Realisation Pool will be managed by the Investment Manager as follows:

- (a) assets in the Realisation Pool will be managed in accordance with an orderly realisation programme with the aim of making progressive returns of cash to holders of Realisation Shares; and
- (b) the Board may authorise the sale of assets to the Continuation Pool from the Realisation Pool in order to return cash to holders of Realisation Shares.

The assets apportioned to the Continuation Pool will continue to be managed by the Investment Manager in accordance with the Company's investment policy.

Assets within the Realisation Pool and the Continuation Pool are likely to generate income to those respective Pools. The Directors may declare dividends in respect of each Pool as they think fit.

6. Costs of the Realisation Opportunity

The Company estimates that it will incur aggregate costs and expenses of approximately £111,200 in respect of the implementation of the Realisation Opportunity. All such costs and expenses will be incurred by the Company and will be allocated between the Pools as set out below.

All general costs and expenses of the Company following the implementation of the Realisation Opportunity, including the Management Fee, will be allocated *pro rata* between the Continuation Pool and the Realisation Pool. Any specific costs incurred in connection with a Pool following the Realisation will be charged to the relevant Pool. For example, the costs and expenses of realisation of the assets comprising the Realisation Pool will be attributed to the Realisation Pool.

7. Factors for consideration

In addition to the risk factors set forth in the Company's Admission Document, the Realisation Opportunity carries with it certain considerations for Shareholders which are described below. The Directors believe the risks set out below are of particular interest for potential participants in the Realisation Opportunity. The risks listed, however, do not necessarily comprise all those associated with the Realisation Opportunity and the Realisation Pool and are not intended to be presented in any assumed order of priority. In particular, the Company's performance may be materially adversely affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company.

Realisation Shares will not be listed or admitted to AIM

The Realisation Shares will not be listed or admitted to any stock exchange; therefore, no active market in the Realisation Shares will exist. The Ordinary Shares which are not redesignated as Realisation Shares will remain admitted to trading on AIM with the same ISIN number.

The cash distributed by the Realisation Pool may be lower than the Company's current Net Asset Value and lower than the Company's current market price

Realisation Shareholders may receive less than the current Net Asset Value of Ordinary Shares per Realisation Share for a variety of reasons outside the Company's control. Stock markets can experience price and volume fluctuations, along with general economic and political conditions, which could adversely

affect the cumulative distributions of the Realisation Pool. The Company will also incur costs such as trading commissions (approximately 30 basis points currently) and sales tax (approximately 30 basis points currently). The Company's Net Asset Value is generally reported using the last bid price, but bid-ask spreads can widen unexpectedly, especially for illiquid Korean preferred shares. Also, the Company's attempts to sell the assets in the Realisation Pool could impact the market or the Company could experience long delays if it has to sell a large amount relative to normal daily trading volume. Market impact could be significant and is expected to increase as the size of the Realisation Pool increases. Realisation costs could be larger than expected and, because they are fixed costs, could have a significant impact on the cumulative cash distributed per Realisation Share, especially if the Realisation Pool is small. The Investment Manager will use commercially reasonable efforts to maximise realisation proceeds, but there can be no guarantee that those efforts will be successful.

Shareholders who do not elect to participate in the Realisation Opportunity should be aware that the value of the Ordinary Shares could go down as well as up, and Shareholders may not recover their original investment.

It could take many months for all of the assets comprising the Realisation Pool to be sold

It is difficult to estimate how long it will take to sell all of the assets comprising the Realisation Pool and distribute cash to Shareholders holding Realisation Shares. Depending on the size of the Realisation Pool, the Board and Investment Manager believe the full realisation process could take significantly more time than was required to sell assets comprising the realisation pool in respect of the Company's first and second realisation opportunities.

Realisation Shareholders will not receive the same type of reporting information as the Continuation Pool

In order to protect the Realisation Pool and with a view to increasing the recoveries on the Realisation Shares, there will be no or limited disclosure about the Realisation Pool's portfolio, equity exposure or its cash levels. The Realisation Pool will not have separate monthly factsheets. The Company will not be publishing weekly net asset values in respect of the Realisation Pool but will do so on a monthly basis instead. There will be weekly net asset value updates and monthly factsheets in respect of the Continuation Pool.

Cumulative proceeds could be negatively affected by a large Realisation Pool

The sale of a significant amount of Korean preferred shares within the Realisation Pool in the public market, or the perception that such sales may occur, could materially affect the market price of the Company's underlying preferred shares.

Korean equity market risk

The value of the Company's assets will likely fluctuate as the Korean stock market fluctuates. Korean equity market indices could decline, perhaps severely. Such a decline would adversely affect the value of the Realisation Pool's assets and those of the Continuation Pool.

Currency risks

The Company primarily holds securities listed in Korea and denominated in local currency: the Korean won. Accordingly, fluctuations in the exchange rate between the Korean won and Sterling will affect, among other things, the Sterling value of cumulative distributions to the Realisation Shareholders and the value of the Continuation Pool.

Potential widening of discounts in Korean preferred shares

Although the Korean preferred shares held by the Company have similarities to the common shares of the same issuer, the Korean preferred shares typically trade at a discount to the corresponding common shares. This discount may persist and may increase in the future. Increasing discounts would negatively affect the value of the assets in both the Realisation Pool and the Continuation Pool.

Liquidity risk in Korean preferred shares

The Investment Manager's ability to sell certain Korean preferred shares may be constrained by a lack of liquidity or other market-related constraints. Korean preferred shares 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 Korean preferred shares allocated to the Realisation Pool when compared to other more liquid stocks on the South Korea Stock Market. This volatility could cause the Realisation Pool's and Continuation Pool's net asset values to go up or down dramatically. In order to realise its investments, the Realisation Pool will likely need to sell its holdings in the secondary market. The liquidity of the market may vary materially over time. There can be no guarantee that a liquid market for the Realisation Pool's underlying assets will exist or that the Realisation Pool's underlying assets can be sold at prices similar to their net asset value as reported by the Company. Equivalent risks would apply to the assets within the Continuation Pool.

The Realisation Pool's portfolio may lack diversity and its exposure will vary from the Korean equity index

During the sale of the Realisation Pool's assets, the Realisation Pool may have only a limited number of investments. The Realisation Pool will therefore not be as diversified as the Company's whole portfolio is today. The performance of the Realisation Pool could therefore depend on only a small number of positions. As underlying holdings are sold, the Realisation Pool's underlying stocks will vary from the Korean equity index.

The Realisation Pool could have proportionately larger cash balances than the Continuation Pool

The Realisation Pool may have less equity market exposure and could underperform in comparison to Korean markets or other stock indices if it holds significant cash balances during the realisation period.

The Realisation Pool and Continuation Pool may have different risk exposures

Whilst the value of the assets in each of the Realisation Pool and the Continuation Pool will reflect the *pro rata* elections made by Shareholders to realise or continue their investment in the Company, it is possible that the Realisation Pool and Continuation Pool may have different proportionate mixes of securities. This may lead to a divergence of performance, liquidity, discount, dividend yield and other features between each of the Realisation Pool and Continuation Pool relative to the other. Any allocation between the assets and liabilities comprising the Realisation Pool and the Continuation Pool will be made by the Board in its sole discretion on a basis that it deems fair and reasonable and which it considers would be in the best interest of both the holders of Realisation Shares and the holders of Ordinary Shares.

The Realisation Pool could adversely affect the Continuation Pool

The Realisation Pool will be selling securities that the Continuation Pool will own, and the Realisation Pool's activities could adversely affect the Continuation Pool in the short-term.

The Investment Manager will be working on other matters that are not related to the investment activities of the Company

The Company has no employees or facilities and depends upon the Investment Manager for the day-to-day management and operation of its portfolio. Additionally, there are no restrictions on the Investment Manager's ability to establish funds or other publicly traded entities that compete with the Company. The Investment Manager currently serves as the investment manager for funds and accounts other than the Company that may invest in the same securities as the Company. The Investment Manager has informed the Company that the investment professionals associated with the Investment Manager are actively involved in other investment activities not concerning the Company and will not devote all of their time to the Company's business and affairs.

Risk to Overseas Shareholders

Certain Overseas Shareholders may be ineligible to participate in the Realisation Opportunity as a result of restrictions posed by overseas laws and/or regulations.

Conflicts of interest for the Investment Manager

Many of the Company's key strengths derive from the experience and skills of the principals of the Investment Manager. As well as advising the Company, the Investment Manager and its affiliates and employees and principals (including Dr. Andrew Weiss) may engage in other activities, including providing investment management and advisory services to other funds and accounts and may also make direct investments. Certain of those other funds and accounts also invest in Korean preferred shares. Real and apparent conflicts of interest may arise as a result of the Investment Manager and its personnel acting for the Company and other companies operating or investing in or holding Korean preferred shares. The Investment Manager and its affiliates are not restricted from forming other investment vehicles, from entering into other management or advisory relationships, or from engaging in other business activities or from generating profits from such activities, even though such activities may be in competition with the Company and may involve substantial time and resources of the Investment Manager or such affiliates.

The Investment Manager also serves as the investment manager to one private funds and two institutional separately managed account (collectively, the "**Other Clients**"), which have different fee structures than that of the Company, but have investment strategies that overlap with that of the Company. The Other Clients currently have investments in certain Korean preferred shares, including Korean preferred shares currently owned by the Company and that may be allocated to the Realisation Pool and the Continuation Pool. The Continuation Pool may wish to buy or sell some of these same securities in the future, which may be at the same time that the Other Clients wish to buy or sell such securities and/or at the same time the Realisation Pool wishes to liquidate its holdings. Certain conflicts could emerge as a result.

From time to time, the Investment Manager may look to purchase the same securities on behalf of the Company and the Other Clients at the same time. In such case, the Investment Manager will seek to allocate executed trades among the Company and the Other Clients in a manner it believes to be fair and reasonable to the Company and the Other Clients. In addition, there may be times when the Investment Manager deems it advisable for the Company to transact in one direction (e.g. buy) when the Other Clients may be transacting in the other direction (e.g. sell) or vice versa. The Investment Manager may determine that in such cases it is advantageous for both the Company and the Other Clients to "cross trade" with each other without the use of a broker. The Investment Manager will only effect a cross trade when it determines that such cross trade is in the best interests of all parties involved. Any cross trade will be effected at an objectively determined price, such as the closing market price.

Subject to approval by the Board, affiliates of the Investment Manager may deal in Ordinary Shares of the Company on their own behalf.

Cross-class liabilities between the Ordinary Shares and the Realisation Shares

Each of the Continuation Pool and the Realisation Pool is treated separately for accounting purposes but are not deemed to be separate for liability purposes. Accordingly, a liability that attaches to the Ordinary Shares invested in the Continuation Pool may be borne by Realisation Shareholders who are invested in the Realisation Pool if the assets in the Continuation Pool are not sufficient to meet the liability, and *vice versa*.

Tax risks

Changes in tax law or practice (which could include changes having retrospective effect) or any change in the tax status of the Company (including the Company being treated as resident in or as having a taxable presence in any jurisdiction other than Guernsey or any failure to maintain or obtain HMRC approval of the Company (or any class of share in the Company) as a reporting offshore fund) may, depending on the circumstances, result in increased costs to the Company, could adversely affect returns to Shareholders and could affect the tax consequences for Shareholders investing in the Company.

COVID-19 Pandemic

The novel coronavirus disease known as COVID-19 ("**COVID-19**") was declared a global pandemic on 11 March 2020. COVID-19 has spread globally, causing governments and other parties in various jurisdictions to impose restrictions to mitigate the spread of the virus, including quarantines, closures and travel restrictions. Such restrictions have had a broader impact on the global and South Korean economies.

Continued uncertainty and a material deterioration in, or a material escalation in response to, the COVID-19 pandemic could have a material and sustained impact on valuations of the Korean preference shares held

in the Company's portfolio, as well as the underlying ordinary shares. Further, this could diminish investor demand for the preference shares and reduce liquidity, which could impact on the price achieved, and time taken to effect, the disposal of investment holdings in the Realisation Pool.

The Directors are making no recommendation to you as to whether to elect for the redesignation of all or part of your holding of Ordinary Shares to Realisation Shares. Whether or not you choose to do so will depend, among other things, on your view of the Company's prospects and your own individual circumstances, including your tax position, on which you should seek your own independent financial advice.

All of the Directors and personnel associated with the Investment Manager (who collectively own 11.6 per cent. of the Company's Ordinary Shares) intend to continue their investment in the Company and not participate in the Realisation Opportunity and therefore do not intend to make Realisation Elections in respect of all or any part of their respective shareholdings.

Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately seek their own personal independent financial advice from their independent professional adviser authorised under FSMA.

8. Action to be taken

8.1 To continue your investment in the Company

Shareholders who wish to continue their investment in the Company and do not wish to participate in the Realisation Opportunity in respect of any of their Ordinary Shares do not need to take any action. Such Shareholders, and Overseas Shareholders (save as otherwise provided at paragraph 8.5 below), will be deemed to have elected to continue their investment in the Company and participate in the Continuation Pool in respect of their entire holding of Ordinary Shares.

8.2 To participate in the Realisation Opportunity

8.2.1 Holders of Ordinary Shares in certificated form

If you are a holder of Ordinary Shares in certificated form, you will find enclosed with this document a personalised Form of Election in respect of the Realisation Opportunity. If you wish to participate in the Realisation Opportunity, please complete the Form of Election and return it, along with the representative Ordinary Share certificate(s) and/or any other documents of title, in accordance with the instructions printed thereon by post or, during normal business hours only, by hand so as to be received by Link Group, Corporate Actions, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL during the Election Period but no later than 1.00 p.m. on 7 May 2021. If a Form of Election, with the accompanying Ordinary Share certificate(s) and/or any other documents of title, is not lodged so as to be received by the time mentioned in the instructions printed thereon, it will be invalid. For the avoidance of doubt, Forms of Election received after 1.00 p.m. on 7 May 2021 will not be accepted.

If Shareholders hold Ordinary Shares in certificated form but under different designations, they should complete a separate Form of Election in respect of each designation.

If a replacement Form of Election is required due to loss or damage, applicants should contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Instructions on how to complete the Forms of Election are set out in the guidance notes attached thereto. Elections, once made, will be irrevocable unless the Board (in its sole discretion) agrees otherwise.

The Company reserves the absolute right to inspect (either itself or through its agents) all Forms of Election and may consider void and reject any Form of Election that does not, in the Company's sole judgment (acting reasonably), meet the requirements of the Realisation Opportunity. The Company also reserves the absolute right to waive any defect or irregularity in relation to the acceptance of the Realisation Opportunity by holders of Ordinary Shares,

including any Form of Election (in whole or in part) which is not entirely in order or which is received after the Closing Date or missing share certificate(s) and/or other document(s) of title or an indemnity acceptable to the Company in lieu thereof. None of the Company, the Receiving Agent, the Investment Manager nor any other person will be under any duty to give notification of any defects or irregularities in acceptances under the Realisation Opportunity or incur any liability for failure to give any such notification.

8.2.2 *Holders of Ordinary Shares in uncertificated form*

To elect to participate in the Realisation Opportunity in respect of Ordinary Shares held in uncertificated form (that is in CREST), you will not receive and must not complete nor return a Form of Election. Instead, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares in respect of which you wish to participate in the Realisation Opportunity to an escrow balance, specifying Link Group in its capacity as Receiving Agent (under its participant ID referred to below) as the escrow agent, as soon as possible during the Election Period and in any event so that the transfer to escrow settles by no later than 1.00 p.m. on 7 May 2021.

If you are a CREST personal member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Ordinary Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Ordinary Shares in respect of which you wish to participate in the Realisation Opportunity.

If you wish to participate in the Realisation Opportunity in respect of all or a part of your holding of Ordinary Shares, you should send (or, if you are a CREST personal member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the number of Ordinary Shares in respect of which you wish to elect to participate in the Realisation Opportunity to be transferred to an escrow account;
- the ISIN of the Ordinary Shares, which is GG00B933LL68;
- your member account ID;
- your participant ID;
- the relevant participant ID of the Receiving Agent, which is RA10;
- the member account ID of the Receiving Agent, which is 21126WKO;
- the corporate action number of the Realisation Opportunity, which is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- the intended settlement date for the transfer to escrow, which should be during the Election Period and in any event by no later than 1.00 p.m. on 7 May 2021;
- a contact name and telephone number inserted in the beginning of the shared note field; and
- input with standard delivery instruction priority of 80.

8.2.3 *Shareholders holding Ordinary Shares in both certificated form and in CREST*

If any Shareholder holds Ordinary Shares in both certificated and uncertificated form (that is, in CREST) and wishes to elect all or part of its Ordinary Shares to participate in the Realisation Opportunity, they should complete a Form of Election for their certificated holding and send a TTE Instruction for their CREST uncertificated holding.

8.3 **Having made a valid Realisation Election**

The Ordinary Shares which are the subject of a valid election to participate in the Realisation Opportunity shall, immediately following such election becoming effective, be removed from the "live" share class and become non-transferable.

8.4 **Failure to make a Realisation Election**

Shareholders who hold their Ordinary Shares in certificated form and fail to return their Form of Election and accompanying share certificate(s) during the Election Period and by no later than 1.00 p.m. on 7 May 2021 or who return a Form of Election which is not validly completed, and Shareholders who hold their Ordinary Shares in uncertificated form and fail to send their TTE Instruction in accordance with the instructions contained herein, will be treated as having failed to make a valid Realisation Election. Such Shareholders will be deemed to have elected to remain invested in the Company (that is to be invested in the Continuation Pool pursuant to the Realisation Opportunity).

8.5 **Overseas Shareholders**

Shareholders who are Excluded Shareholders will not receive a Form of Election and will (unless otherwise determined by the Board) be deemed to have elected to continue their investment in the Company, unless they have satisfied the Board that it is lawful for them to participate in the Realisation Opportunity and elect to realise all or a part of their holding of Ordinary Shares under any relevant overseas laws and regulations.

Shareholders who are US Persons or who are holding Ordinary Shares on behalf of US Persons in certificated form must complete the enclosed Form of Election and return it to Link Group as described in paragraph 8.2.1. **By completing and signing the enclosed Form of Election, such Shareholder represents and warrants that it, or the US Person(s) on whose behalf it is holding the Ordinary Shares, is not a Benefit Plan Investor. Shareholders who are not able to make this representation must complete and return the enclosed Supplemental Disclosure Form for US Person Benefit Plan Investors to the Receiving Agent together with the Form of Election and any representative Ordinary Share certificates as soon as possible during the Election Period and, in any event, in advance of 1.00 p.m. on 7 May 2021.** Such Shareholders will be informed if they are eligible to participate in the Realisation Opportunity. Those Shareholders who are not able to participate in the Realisation Opportunity will be treated as having elected to continue their investment in the Company.

Shareholders who are US Persons or who are holding Ordinary Shares on behalf of US Persons and who hold their Ordinary Shares in CREST should follow the instructions set out in paragraph 8.2.2. **By taking the actions necessary to transfer the Ordinary Shares in CREST, such Shareholder represents and warrants that it, or the US Person(s) on whose behalf it is holding the Ordinary Shares, is not a Benefit Plan Investor. Shareholders who are not able to make this representation must complete and return the enclosed Supplemental Disclosure Form for US Person Benefit Plan Investors to the Receiving Agent as soon as possible during the Election Period and in any event in advance of 1.00 p.m. on 7 May 2021.** Such Shareholders will be informed if they are eligible to participate in the Realisation Opportunity. Those Shareholders who are not able to participate in the Realisation Opportunity will be treated as having elected to continue their investment in the Company.

The attention of Overseas Shareholders is also drawn to paragraph 5 of Part 2 of this document (*Further details of the Realisation Opportunity*).

9. **General**

There will be no exit penalties for those Shareholders who elect to redesignate all or some of their Ordinary Shares as Realisation Shares or on any future return of cash attributable to the Realisation Shares.

Further details of the Realisation Opportunity are set out in Part 2 of this document (*Further details of the Realisation Opportunity*).

The attention of Overseas Shareholders is drawn to the section headed "Overseas Shareholders" at paragraph 5 of Part 2 of this document (*Further details of the Realisation Opportunity*).

If you have recently sold or otherwise transferred any or all of your Ordinary Shares, have not received a Form of Election to which you think you are entitled or have any questions relating to this document or the completion and return of a Form of Election, please contact Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged

at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Yours faithfully,

Norman Crighton

(Non-executive Chairman)

PART 2

Further details of the Realisation Opportunity

1. Further information about the Realisation Opportunity

Shareholders shall be entitled to serve a Realisation Election in the form of a validly completed Form of Election or TTE Instruction sent during the Election Period in order to elect to realise all or a part of the Ordinary Shares held by them to be redesignated as Realisation Shares with effect from the Realisation Date. A Realisation Election, once given, is irrevocable, unless the Board (in its sole discretion) agrees otherwise.

No Realisation will occur if, as a result, the Company would have no Shareholders. The Realisation Opportunity is subject to the aggregate Net Asset Value of the continuing Ordinary Shares at the close of business on the last Business Day before the Realisation Date being not less than £50 million.

The rights and restrictions applicable to the continuing Ordinary Shares and the Realisation Shares are contained in the Company's Articles and are summarised below under the heading "*Rights of shares following the Realisation Opportunity*".

The results of the Realisation Opportunity, including the number of Ordinary Shares to be redesignated as Realisation Shares, will be communicated to Shareholders via a Regulatory Information Service announcement prior to or on 14 May 2021.

2. Dealings and CREST

Where applicable, balance share certificates in respect of Ordinary Shares not realised are expected to be despatched by first class post, at the risk of the recipients, to the relevant holders by no later than the week commencing 24 May 2021. Prior to the despatch of balance share certificates in respect of Ordinary Shares not realised which are to be held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

Realisation Shareholders will not be issued new share certificates in respect of their Realisation Shares.

3. Rights of shares following the Realisation Opportunity

The rights attributable to the Ordinary Shares and Realisation Shares following the Realisation Opportunity are already set out in the Company's Articles and a non-exhaustive summary is set out below.

Following the Realisation Opportunity, the Ordinary Shares shall have the following rights:

- (a) all profits of the Company, available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Continuation Pool (including accumulated revenue reserves forming part of the Continuation Pool) and resolved to be distributed shall be distributed to the holders of the Ordinary Shares by way of dividends (in accordance with Article 46 (*Dividends*)) and/or distributions;
- (b) subject to Article 52 (*Winding Up*), on a return of assets on a winding up of the Company, the Ordinary Shares carry a right to a return of the nominal amount paid up in respect of such Ordinary Shares and a right to share, *pari passu* and in proportion to the number of Ordinary Shares held, in the surplus assets of the Company remaining in the Continuation Pool after payment of the nominal amount paid up on the Ordinary Shares and after payment of all liabilities attaching to the Continuation Pool and any excess of those liabilities over the amount of the assets in the Continuation Pool will be paid out of the assets of the Realisation Pool;
- (c) subject to any terms as to voting upon which any new Ordinary Shares may be issued, or may for the time being be held, and to the provisions of the Articles, each holder of an Ordinary Share shall be entitled to receive notice of, attend and vote at general meetings and shall have one vote for each Ordinary Share held save that the holders of Ordinary Shares shall not be entitled to vote on any

resolution proposed at any general meeting of the Company to give effect to certain matters relating to the Realisation Opportunity; and

- (d) save for certain exceptions, separate approval of the holders of Ordinary Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Ordinary Shares including for these purposes any resolution to wind up the Company, or to approve a reconstruction or takeover of the Company, in which circumstances the prior approval of the holders of Ordinary Shares as a class is required by the passing of a resolution at a separate class meeting.

Following the Realisation Opportunity, the Realisation Shares shall have the following rights:

- (a) all profits of the Company available for distribution by way of dividend and/or distribution from time to time and forming part of or derived from the Realisation Pool (including accumulated revenue reserves forming part of the Realisation Pool), and resolved to be distributed shall be distributed to the holders of Realisation Shares by way of dividend (in accordance with Article 46 (*Dividends*)) and/or distribution and for the avoidance of doubt, Ordinary Shares which are redesignated as Realisation Shares will not rank for any dividend or other distribution declared, paid or made on the Ordinary Shares after their redesignation;
- (b) subject to Article 52 (*Winding Up*), on a return of assets in a winding up of the Company, the Realisation Shares carry a right to a return of the nominal amount paid up in respect of such Realisation Shares and a right to share, *pari passu* and in proportion to the number of Realisation Shares held, in the surplus assets of the Company remaining in the Realisation Pool after payment of the nominal amount paid up on the Realisation Shares and after payment of all liabilities attaching to the assets in the Realisation Pool and any excess of those liabilities over the amount of the assets in the Realisation Pool will be paid out of the assets in the Continuation Pool;
- (c) the holders of Realisation Shares will, subject to any terms on which any new Realisation Shares may for the time being be held, and to the provision of the Articles, receive notice of, attend and vote at general meetings and shall have one vote for each Realisation Share held, provided that they may not vote on any proposed resolutions other than any resolution proposed at any general meeting of the Company to give effect to matters relating to the Realisation Opportunity and any matter prescribed by the AIM Rules as requiring approval of the Shareholders of the Company;
- (d) other than with respect to the Realisation or, in the case of any proposals drawn up by the Board pursuant to Article 52 (*Winding Up*), or if the Company is to be wound up pursuant to Articles 12.9 or 12.10, separate approval of the holders of Realisation Shares as a class must be obtained in respect of any proposals which would modify, alter or abrogate the rights attaching to the Realisation Shares including for these purposes (a) any resolution to wind up the Company, or to approve a takeover of the Company or any material change to the investment policy applicable to the Continuation Pool or the Realisation Pool and (b) any proposal to issue or create Realisation Shares other than pursuant to Realisation Elections, in which circumstances the prior approval of the holders of Realisation Shares as a class is required by the passing of a resolution at a separate class meeting; and
- (e) the cash received by the Company as a result of the realisation of assets in the Realisation Pool will be returned to holders of Realisation Shares, net of realisation costs and expenses, as soon as practicable through any of the following means or a combination thereof, at the discretion of the Directors: distributions, share repurchases, redemptions and/or any other methods which the Directors may think fit.

4. Costs and Expenses of the Realisation Opportunity

The costs and expenses relating to the Realisation Opportunity to be incurred by the Company, including legal and other professional costs, are estimated to be approximately £111,200. These costs and expenses will be incurred by the Company.

All general costs and expenses of the Company following the implementation of the Realisation Opportunity will be allocated *pro rata* between the Continuation Pool and the Realisation Pool. Any specific costs incurred in connection with a Pool following the Realisation will be charged to the relevant Pool. For example the costs and expenses of realisation of the assets comprising the Realisation Pool will be attributed to the Realisation Pool.

5. Overseas Shareholders

Overseas laws and regulations may restrict the making of the Realisation Opportunity to Shareholders in certain jurisdictions outside the United Kingdom without compliance by the Company with certain filing, reporting or other requirements. It is the responsibility of each Overseas Shareholder to satisfy himself that the Realisation Opportunity may be made to him and that, if relevant, he may participate in the Realisation Opportunity and that, in so doing, he has complied with all relevant overseas filing, exchange control and other requirements and paid all taxes and fees which may be payable. The Realisation Opportunity is not being made in or into, or to certain Overseas Shareholders including those resident in Canada, Australia or Japan or where making the Realisation Opportunity would be prohibited by local law or regulation or would require compliance by the Company with any filing, registration or other requirement. Notwithstanding any other provision of this document, the Company reserves the right to permit any Overseas Shareholder to participate in the Realisation Opportunity if the Directors, in their sole discretion, are satisfied at any time prior to the Closing Date that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question. Shareholders who are US Persons or who are holding Ordinary Shares on behalf of US Persons may participate in the Realisation Opportunity if they comply with the requirements set out in paragraph 8.5 of Part 1 of this document.

PART 3

Taxation

The following comments do not constitute tax advice and are intended only as a general guide to current UK law and HMRC's published practice as at the date of this document (both of which are subject to change at any time, possibly with retrospective effect). They relate only to certain limited aspects of the UK tax treatments of the Realisation Opportunity and are intended to apply only to Shareholders who for UK tax purposes are resident and, in the case of individuals, domiciled in the UK and to whom "split year" treatment does not apply. The comments apply only to Shareholders who are the absolute beneficial owners of their Shares and the dividends payable on them and who hold their Shares as investments (and not as securities to be realised in the course of a trade). References in this Part 3 to "Shares" are to Ordinary Shares and Realisation Shares (as the context requires).

The comments below may not apply to certain categories of Shareholder such as:

- dealers in securities, insurance companies and collective investment schemes;
- Shareholders who are exempt from taxation;
- Shareholders who have (or are deemed to have) acquired their Shares by virtue of any office or employment;
- Shareholders who (either alone or with persons connected with them) hold 10 per cent. or more of the Shares in the Company; and
- Shareholders who are involved in arrangements to obtain a tax advantage.

Such persons may be subject to special rules and should consult an appropriate professional adviser. Shareholders should also consult an appropriate professional adviser as to their tax position if they are subject to tax in a jurisdiction other than the UK.

The existing Ordinary Shares are, currently, approved by HMRC as a reporting offshore fund for the purposes of the UK Offshore Fund Rules. In the event that, pursuant to the Realisation Opportunity, existing Ordinary Shares are to be redesignated as Realisation Shares the Company intends to apply to HMRC for approval of the Realisation Shares (and continuing Ordinary Shares) as reporting offshore funds. The statements below assume that the Company and each class of its shares (including the Realisation Shares and the existing and continuing Ordinary Shares) are and continue to constitute an offshore fund approved by HMRC as a reporting fund, and that they do not constitute a bond fund. It cannot be guaranteed that this treatment will be obtained or, as the case may be, maintained. Shareholders should consult an appropriate professional adviser as to the treatment of any Shares.

Should the information in Part 3 of this document (*Taxation*), in the opinion of the Board, change materially between the publication of this document and the latest time and date for receipt of Forms of Election or TTE Instructions (as applicable) at 1.00 p.m. on 7 May 2021, then such new material information will be provided to Shareholders via a Regulatory Information Service announcement.

1. Redesignation of Ordinary Shares as Realisation Shares

A redesignation of Ordinary Shares as Realisation Shares in connection with the Realisation Opportunity should be treated for the purposes of UK taxation of chargeable gains as a reorganisation of the share capital of the Company.

Accordingly, Shareholders should not be treated as having disposed of their Ordinary Shares and no liability to UK tax on chargeable gains (or an "offshore income gain" under the UK Offshore Fund Rules) should arise as a result of the redesignation. Instead, the Realisation Shares should for the purposes of UK taxation of chargeable gains be treated as the same asset acquired at the same time and for the same consideration as the relevant redesignated Ordinary Shares.

For the purposes of the UK Offshore Fund Rules the Realisation Shares and the continuing Ordinary Shares would be treated as separate offshore funds.

2. Returns to holders of Realisation Shares

The tax treatment of any proceeds received by a Shareholder in respect of their Realisation Shares following a realisation of the Realisation Pool (including whether the proceeds are treated as income or capital in nature) will depend on the precise mechanism used to return proceeds to the Shareholders and may also depend on the characterisation as a matter of Guernsey law of the returns and the mechanism used.

Shareholders are strongly advised to take their own independent professional advice to confirm the precise implications for them of the Realisation Opportunity.

PART 4

Definitions

“Administrator”	Northern Trust International Fund Administration Services (Guernsey) Limited who is also the designated manager and company secretary of the Company;
“Admission”	the admission of the Company’s Ordinary Shares to AIM on 14 May 2013;
“Admission Document”	the admission document of the Company for admission to AIM published on 8 May 2013;
“AIM”	the Alternative Investment Market of the London Stock Exchange;
“AIM Rules”	the rules of AIM comprising together the AIM Rules for Companies and the AIM Rules for Nominated Advisers;
“Articles”	the articles of incorporation of the Company as in force from time to time;
“Benefit Plan Investor”	as defined in U.S. Department of Labor Regulation 29 C.F.R. §2510.3-101 (as modified by Section 3(42) of ERISA) and includes (i) any employee benefit plan (as defined in Section 3(3) of ERISA) that is subject to Part 4, Subtitle B of Title I of ERISA; (ii) any plan to which Section 4975 of the US Internal Revenue Code of 1986 applies; and (iii) any entity whose underlying assets include plan assets by reason of a plan’s investment in the entity (generally because 25 per cent. or more of the value of any class of equity interests in the entity is owned by plans). An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of the percentage of the equity interests in the entity held by Benefit Plan Investors. Benefit Plan Investors also include that portion of any insurance company’s general account assets that are considered “plan assets” and (except if the entity is an investment company registered under the US Investment Company Act of 1940) also include assets of any insurance company separate account or bank common or collective trust in which plans invest;
“Board”	the board of directors of the Company;
“Business Day”	a day on which banks are generally open for normal banking business in London and Guernsey;
“Closing Date”	1.00 p.m. on 7 May 2021;
“Commission”	the Guernsey Financial Services Commission;
“Company”	Weiss Korea Opportunity Fund Ltd., a closed-ended investment scheme incorporated and registered in Guernsey with limited liability under the Companies (Guernsey) Law 2008, as amended, with registered number 56535;
“Continuing Shareholders”	holders of Ordinary Shares who have not validly elected to participate in the Realisation Opportunity;
“Continuation Pool”	the pool of assets to be established under the Realisation attributable to Continuing Shareholders;

“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
“Director”	a director of the Company;
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules contained in the Financial Conduct Authority’s Handbook of Rules and Guidance;
“Election Period”	the period beginning on 14 April 2021 and ending on the Closing Date;
“ERISA”	the US Employee Retirement Income Security Act of 1974, as amended;
“Euroclear”	Euroclear UK and Ireland Limited;
“EUWA”	the European Union (Withdrawal) Act 2018;
“Excluded Shareholders”	those Overseas Shareholders to whom the Realisation Opportunity cannot be made for legal or regulatory reasons;
“Form of Election”	the form of election entitling holders of Ordinary Shares in certificated form to redesignate their Ordinary Shares into Realisation Shares;
“FSMA”	the Financial Services and Markets Act 2000 (as amended);
“HMRC”	HM Revenue & Customs;
“Investment Manager”	Weiss Asset Management LP;
“Link Group”	a trading name for Link Market Services Limited;
“London Stock Exchange”	London Stock Exchange plc;
“Look-Through Net Asset Value”	a hypothetical measure used to calculate the Portfolio Discount; the methodology is similar to that used to calculate Net Asset Value, except that the market price per share of a corresponding Korean common share is substituted for the market price per share of each Korean preferred share;
“Management Fee”	the fee payable by the Company to the Investment Manager pursuant to the terms of the investment management agreement between the Company and the Investment Manager;
“MAR”	the UK version of regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as it forms part of the domestic law of the United Kingdom by virtue of the EUWA, as amended;
“Net Asset Value” or “NAV”	the net asset value of the Company, calculated in accordance with the Company’s normal accounting policies;
“N+1 Singer”	Nplus1 Singer Advisory LLP, the Company’s nominated adviser for the purposes of the AIM Rules;
“Official List”	the Official List of the UK Listing Authority;

“Ordinary Shares”	redeemable ordinary shares of no par value in the capital of the Company and, after the Realisation Date, such ordinary shares as are not redesignated as Realisation Shares;
“Overseas Shareholder”	a Shareholder who is resident in or ordinarily resident in or citizen of a jurisdiction outside the United Kingdom;
“Pools”	the Continuation Pool and the Realisation Pool and each a “Pool” ;
“Portfolio Discount”	one minus the quotient of (Net Asset Value divided by Look-Through Net Asset Value), expressed as a percentage, and corresponds to the “Weighted Average Discount” in the Admission Document;
“Realisation”	the reorganisation of the Company’s portfolio into two separate pools of assets in accordance with Realisation Elections in respect of the Realisation Opportunity;
“Realisation Date”	14 May 2021;
“Realisation Elections”	an instruction sent by a Shareholder during the Election Period in accordance with the Articles requesting that all or part of the Ordinary Shares held by such Shareholder be redesignated as Realisation Shares with effect from the Realisation Date;
“Realisation Opportunity”	the opportunity being given to Shareholders to elect to realise all or a part of their shareholding in the Company on or prior to the Realisation Date, the details of which are set out in this document;
“Realisation Pool”	the pool of assets to be established under the Realisation attributable to Shareholders who have elected for the Realisation Shares;
“Realisation Shareholders”	holders of Realisation Shares;
“Realisation Shares”	ordinary redeemable realisation shares of no par value each in the capital of the Company;
“Receiving Agent”	Link Group;
“Record Date”	6.00 p.m. on 19 March 2021, being the time and date by which a Shareholder must be registered in the Register in order to participate in the Realisation Opportunity;
“Register”	the register of members of the Company;
“Regulatory Information Service”	a service provided by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained at the London Stock Exchange’s website;
“Shareholders”	holders of Ordinary Shares;
“Sterling”	pounds sterling, the lawful currency of the UK;
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST manual issued by Euroclear);
“UK”	the United Kingdom;
“UK Offshore Fund Rules”	UK tax legislation, including related regulations, relating to the taxation of participants in “offshore funds” as defined in Part 8 of the Taxation (International and Other Provisions) Act 2010;

“uncertificated” or
“in uncertificated form”

recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;

“US”

the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia; and

“US Person”

shall have the meaning defined in Rule 902 of Regulation S under the US Securities Act of 1933, as amended.