



# The Korea Fund, Inc. (NYSE: KF)

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The Korea Fund, Inc. (the "Fund")  
(CUSIP: 500634100)

**No action is required to receive your  
\$15.94 per share distribution in shares.**

November 2, 2007

Dear Stockholder:

On October 16, 2007, the Board of Directors of the Fund declared a capital gain distribution in the amount of \$15.94 per share. **If you would like to receive your distribution in shares, no further action is required.**

The distribution will be payable on November 28, 2007 to stockholders of record on October 26, 2007 with an ex-dividend date of November 29, 2007, **provided you hold your shares until the payable date.** If you sell your shares on or before November 28, 2007, the shares will be sold with a due bill, which is the right to receive the distribution, and the owner of the shares on the payable date (November 28, 2007) will receive the distribution. The distribution is inclusive of realized capital gains for the fiscal year ended June 30, 2007 and an estimate of net capital gains realized through October 12, 2007. Any further capital gains realized through October 31, 2007 in excess of the estimate will be part of another obligatory dividend to be paid in January 2008.

The distribution will be made in newly issued Fund shares unless you elect to receive the distribution in cash in the manner described below. If you do not elect to receive your distribution in cash, you will receive your \$15.94 per share in newly issued full shares of the Fund's common stock plus cash in lieu of any fraction of a share. To receive your entire distribution in cash, contact your financial advisor by 4:00 p.m. (Eastern Standard Time) on November 19, 2007. Your financial advisor will be instructed to send the cash elections to the Fund through Depository Trust & Clearing Corporation by 8:00 p.m. (Eastern Standard Time) on November 19, 2007.

If you do not contact your financial advisor by 4:00 p.m. (Eastern Standard Time) on November 19, 2007 to make a cash election, you will receive this distribution in newly issued full shares of common stock of the Fund plus cash in lieu of any fraction of a share.

## **How Distribution in Shares will be Calculated**

Unless you elect to receive your distribution in cash, the number of shares to be issued to you will be determined based on the market price per share of the Fund's common stock on November 28, 2007, or by the net asset value per share on that date, whichever is lower (but not at a discount of more than 5% from the market price).

The market price of the Fund's common stock for this purpose will be the last sales price on the New York Stock Exchange on November 28, 2007. This market price will be adjusted to reflect the distribution and will be quoted ex-distribution on November 29, 2007.

The shares of the Fund are currently trading at a discount from their net asset value. If the November 28, 2007 market price is less than the net asset value, the issuance of shares at the lower market price will result in a decrease in the per share net asset value of the remaining shares of the Fund. Stockholders electing to receive the distribution in cash will not realize the offsetting benefit of acquiring shares at a discount.

You should also be aware that by electing to receive cash rather than shares, your percentage ownership of the Fund will be reduced.

### **Tax Information**

Whether you receive this distribution in newly issued Fund shares or in cash, this distribution may be reportable on your 2007 federal income tax return. The Fund will, in January 2008, send notices to stockholders regarding the federal income tax status of all distributions made for the 2007 calendar year. The Fund's distributions may also be subject to state and local taxes, and you should consult your tax advisor regarding your tax situation.

Additional information regarding the cash election dividend can be found in the Fund's proxy statement dated March 2, 2007, which is available on the Fund's website, [www.thekoreafund.com](http://www.thekoreafund.com). Further information about the Fund including its audited financial statements for the fiscal year ended June 30, 2007 is contained in the Annual Report, which is available on the Fund's website, or can be obtained, without charge, by calling the Fund at (800) 331-1710.