



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

## Press Release

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FOR IMMEDIATE RELEASE

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The Korea Fund, Inc. Sends Important Notice Regarding Cash Election for Capital Gain Distribution Payable On November 28, 2007

NEW YORK, Nov. 2, 2007 (PRIME NEWSWIRE) -- On November 2, 2007, The Korea Fund, Inc. mailed to stockholders of record on October 26, 2007 an Important Notice Regarding Cash Election for Capital Gain Distribution Payable on November 28, 2007. A copy of the Notice and a list of frequently asked questions (FAQ) are available at the Fund's website at [www.thekoreafund.com](http://www.thekoreafund.com). Information about this distribution is set forth below.

On October 16, 2007, the Board of Directors of the Fund declared a capital gain distribution of \$15.94 per share. 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 those 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.

To receive your distribution in cash, you must make a cash election by:

- 1) 4:00 p.m. Eastern Standard Time on November 20, 2007 if you hold shares directly with the Fund at its transfer agent, PFPC, Inc.;
- or
- 2) 8:00 p.m. Eastern Standard Time on November 19, 2007 if you hold your shares in "street name" (i.e., through a financial advisor or a brokerage firm) at Depository Trust & Clearing Corporation ("DTCC"). However, DTCC has advised that in order to meet the November 19 deadline, given the required three business days settlement, this election will apply only to purchases made on or before November 14, 2007 (trade date to settle on November 16, 2007).

Any sale of shares after October 24, 2007 accompanied by a due bill will revoke any previously made election to receive cash with respect to those shares. Consequently, the new owner will be entitled to make his own election subject to the election deadlines above. Any shares purchased after a trade date of November 14, 2007 will not entitle the new owner to elect to receive the distribution in cash, and the new owner will automatically receive the distribution in newly issued shares of the Fund's common stock.

As an example, if a stockholder of record on October 26, 2007 makes a cash election and then sells his shares on or before November 28, 2007, the new owner will receive the distribution in cash only if

- 1) shares are purchased on or before the trade date of November 14, 2007, and
- 2) an election to receive cash is made by November 19, 2007.

#### 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 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.

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The Korea Fund, Inc. is a non-diversified, closed-end investment company. The Fund seeks long-term capital appreciation through investing primarily in equity securities trading on the Korean stock exchanges. Its shares are listed on the New York Stock Exchange under the symbol "KF."

RCM Capital Management LLC and RCM Asia Pacific Limited are the Fund's investment manager and sub-adviser, respectively. Investment in closed-end funds involves risks. Additional risks are associated with international investing, such as currency fluctuation, government regulations, economic changes and differences in liquidity, which may increase the volatility of your investment. Foreign security markets generally exhibit greater price volatility and are less liquid than the U.S. market. Additionally, this Fund focuses its investments in certain geographical regions, thereby increasing its vulnerability to developments in that region. All of these factors potentially subject the Fund's shares to greater price volatility. The net asset value of the Fund will fluctuate with the value of the underlying securities. Closed-end funds trade on their market value, not net asset value, and closed-end funds often trade at a discount to their net asset value.

The Fund's daily New York Stock Exchange closing price and net asset value per share, as well as other information, including updated portfolio statistics and performance are available at [www.thekoreafund.com](http://www.thekoreafund.com) or by calling the Fund's shareholder servicing agent at (800) 331-1710.

Statements made in this release that look forward in time involve risks and uncertainties and are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such risks and uncertainties include, without limitation, the adverse effect from a decline in the securities markets or a decline in the Fund's performance, a general downturn in the economy, competition from other companies, changes in government policy or regulation, inability to attract or retain key employees, inability to implement its operating strategy and/or acquisition strategy, and unforeseen costs and other effects related to legal proceedings or investigations of governmental and self-regulatory organizations.