

For Immediate Release

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**Korea Equity Fund, Inc.
Announces the Suspension of Merger Discussions**

NEW YORK, September 20, 2016: Korea Equity Fund, Inc. (NYSE: KEF) (the “Fund”) announced today that, following discussions between its Board and the Board of JPMorgan China Region Fund, Inc. (“JFC”), the Boards had mutually agreed to suspend discussions announced on July 19, 2016 concerning a potential merger. The discussions were suspended based on the mutual conclusion that the shareholder approval and appraisal requirements of the Maryland Business Combination Act created significant uncertainties concerning the successful consummation of the contemplated transaction. The Board of KEF will continue to consider alternatives to the merger that are in the best interest of KEF and its shareholders.

About the Fund

The Fund primarily invests in the securities of companies domiciled in Korea and is designed for investors seeking long-term capital appreciation. Nomura Asset Management U.S.A. Inc. (“NAM USA”) acts as the Manager of the Fund pursuant to a management agreement. Pursuant to such management agreement, NAM USA has retained its parent company, Nomura Asset Management Co., Ltd., to act as investment adviser to the Fund, and Nomura Asset Management Hong Kong Limited and Nomura Asset Management Singapore Limited, as investment sub-advisers to the Fund.

Forward Looking Statements

Certain information discussed in this press release may constitute forward-looking statements within the meaning of the United States federal securities laws. Although the Fund believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, the Fund can give no assurance that its expectations will be achieved. Forward-looking information is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from projected.

Past performance is not indicative of future results. There is risk of loss.

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