

Korea Zinc chief's advance private bets under regulatory scrutiny for potential breach of governance rules(*Korea Economic Daily*, 2026-03-16)

One Asia Partners, which virtually operates Korea Zinc's funds, followed suit with a \$53.4 million investment in the same 4 unlisted entertainment firms

By *Eun-Kyung Song*



Korea Zinc Chairman Choi Yun-birm

South Korea's financial regulators are scrutinizing whether investments by Korea Zinc Inc. effectively supported private bets made earlier by its Chairman Choi Yun-birm, raising fresh questions about potential conflicts of interest and violation of governance rules at one of the world's largest non-ferrous metal refiners.

According to investment banking sources on Monday, Choi invested about 32 billion won (\$21.4 million) of personal funds between 2019 and 2021 into four unlisted entertainment companies – Arc Media, Slingshot Studios, Bespoke Lab and Hi-Hat – through a private investment partnership funded largely by him and his family members.

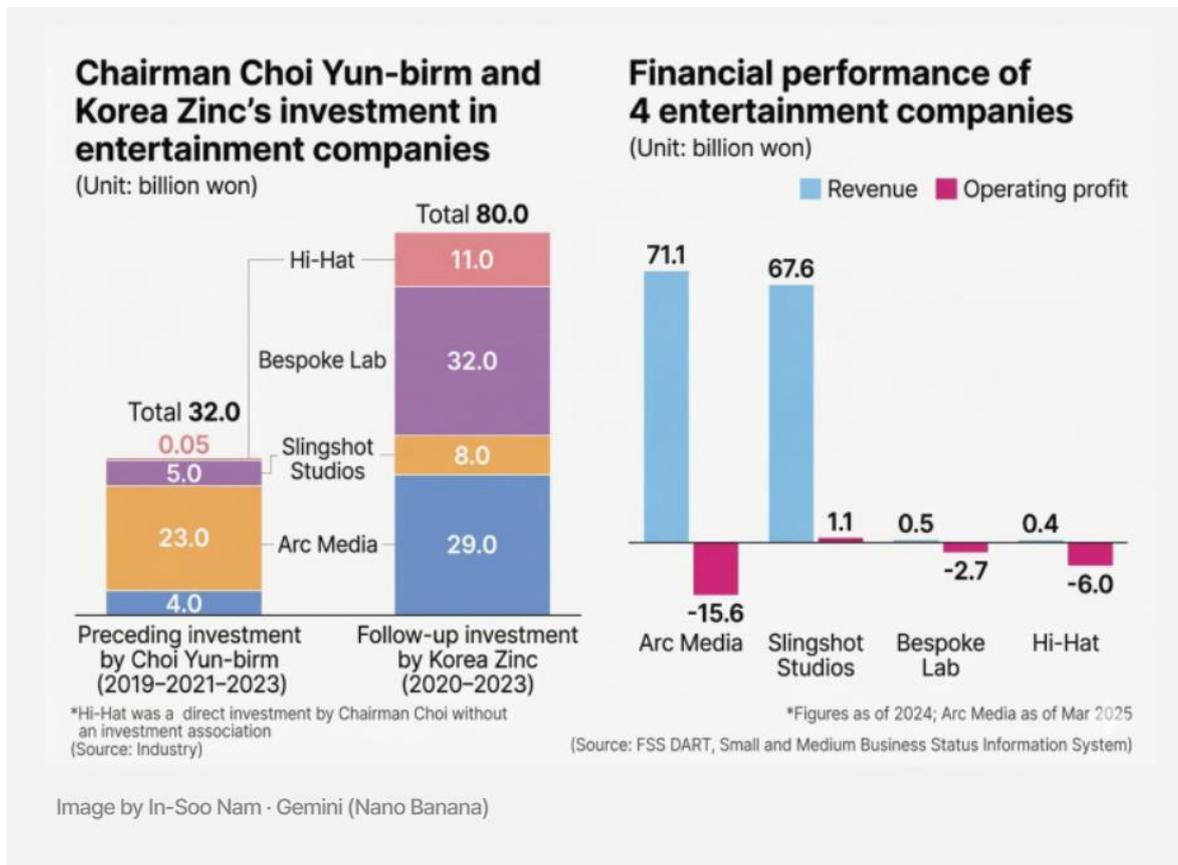
The investments were made at the early stages of the companies' formation, sources said.

Soon afterwards, private equity firm One Asia Partners, whose funds were heavily backed by Korea Zinc, poured 80 billion won into the same companies between 2020 and 2023.

Sources said most of the capital managed by One Asia Partners originates from Korea Zinc, effectively linking the corporate funds to the four entertainment firms, in which Choi already took personal stakes.

The sequence has prompted speculation that Korea Zinc's capital may have indirectly supported the chairman's private investments, a structure that lawyers describe as a classic example of a conflict-of-interest transaction.

"It appears to fit the typical pattern of a related-party deal," said a capital markets lawyer in Seoul. "If the Korea Zinc chairman has a personal stake, the smelter should have clearly disclosed the transaction and its potential conflicts when making those investments."



REGULATORY PROBE

The issue has now drawn the attention of Korea's financial watchdog.

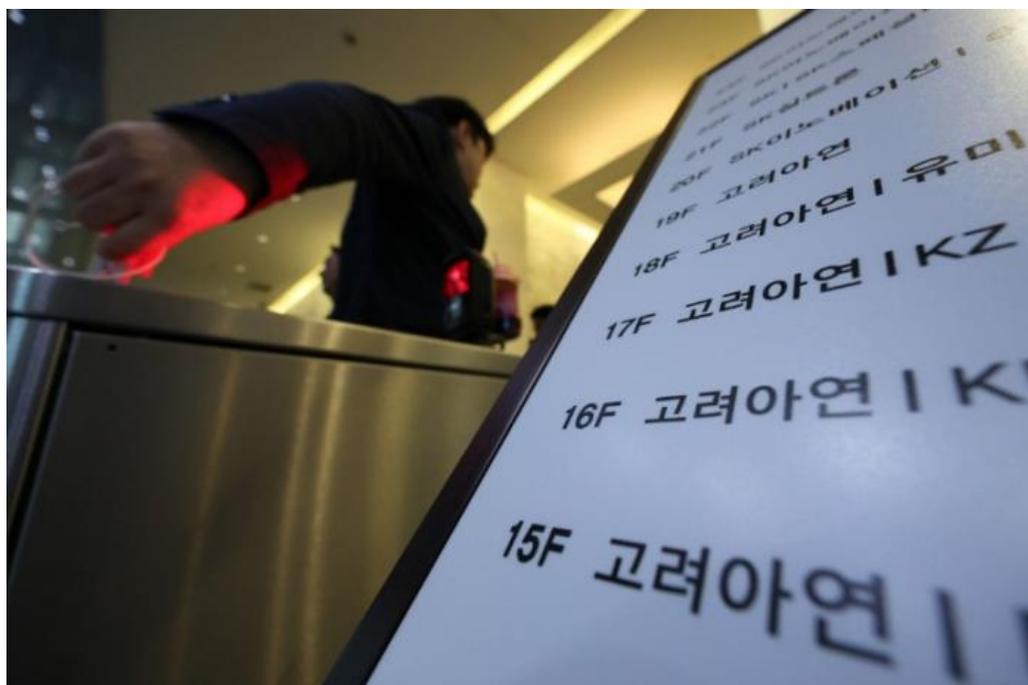
The Financial Supervisory Service (FSS) is said to have identified possible accounting violations during its audit review of Korea Zinc, concluding that the company's investments in the four entertainment firms via One Asia Partners should have been disclosed as related-party transactions in the company's financial statements and business reports.

The FSS has referred the matter to the supervisory committee under the Financial Services Commission (FSC), Korea's financial policy-making body, for discussion. The committee will closely look at the issue at a March 19 meeting.

A Korea Zinc official declined to comment on questions about the investments.

ENTERTAINMENT BETS

The companies receiving both Choi's personal investment and funding from One Asia Partners operate in the entertainment and media sector, an industry far removed from Korea Zinc's core business of non-ferrous metal smelting.



Korea Zinc's headquarters in Seoul

Arc Media, a drama production company behind series, including Youth of May for the KBS TV station and Big Bet on Disney Plus, was later absorbed into a subsidiary, Story Hunter, and renamed Scene &

Studio. A One Asia fund, Korea Growth Fund I, now holds a controlling 52% stake in the company, which has been classified as a Korea Zinc subsidiary.

Slingshot Studio produced the Disney+ drama Uncle Samsik, while Bespoke Lab specializes in subtitles and dubbing for media content. Hi-Hat is a small entertainment agency focused on developing idol groups.

Despite receiving hundreds of billions of won in investment, most of the companies remain in the red.

Except for Slingshot Studios, which posted an operating profit of 1.1 billion won in 2024, the others posted operating losses last year.

Bespoke Lab, which received the largest investment from Korea Zinc at about 32 billion won, has yet to report a single profitable year since its establishment.

CHOI'S INFLUENCE OVER ONE ASIA PARTNERS' FUNDS

The structure of the investments has drawn increased scrutiny due to the close ties between Choi and One Asia Partners.

The private equity firm was founded in 2019 by Chief Executive Ji Chang-bae, a middle-school classmate of Choi.

Despite its relatively short history, the firm amassed investment commitments of 640 billion won by 2023.

Korea Zinc's shareholding structure

(Unit: %)

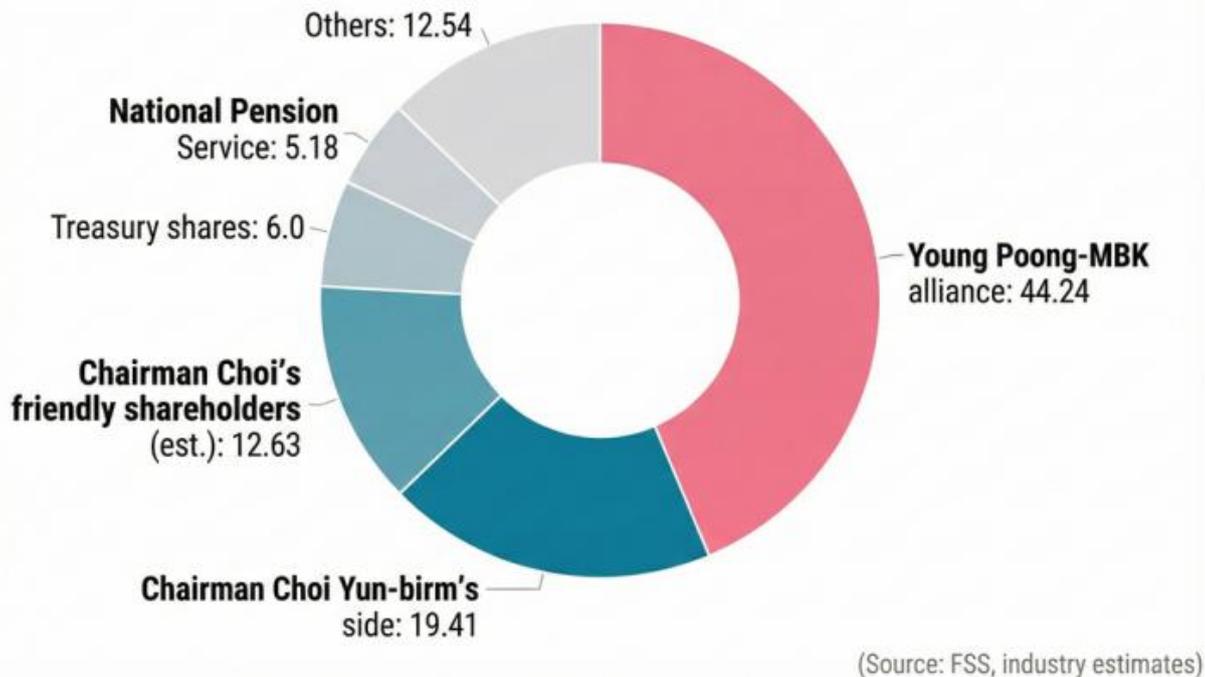


Image by In-Soo Nam · Gemini (Nano Banana)

Korea Zinc accounts for 560 billion won of that capital and holds nearly 97% of the commitments in six of the firm's eight funds.

In the domestic private equity market, One Asia is widely seen as effectively managing Korea Zinc's money.

Given Choi's position as controlling shareholder and chairman of Korea Zinc, market watchers said he could potentially exert influence over both Korea Zinc's investment decisions and the private equity manager entrusted with its capital.

"If company funds were mobilized in a way that supported the chairman's earlier personal investments, the issue could go beyond accounting violations and raise questions of breach of fiduciary duty," said an industry executive familiar with the regulatory review.

BROADER ACCOUNTING QUESTIONS

The upcoming supervisory committee meeting on March 19 will mark the third review session into alleged accounting irregularities involving Korea Zinc and its affiliate Young Poong.

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In addition to the undisclosed related-party transactions, regulators are also examining whether losses tied to investments in the US recycling subsidiary Igneo Holdings and certain One Asia funds were understated in Korea Zinc's financial statements.

Even if the entertainment ventures eventually succeed, critics said that the structure could still raise governance concerns.

Any increase in the companies' valuations, or a profitable exit, could boost the value of Choi's personal holdings, thanks to capital deployed by Korea Zinc.

Regulators are also expected to examine whether investments by One Asia were structured through new share issuances or convertible bonds in ways that could have artificially inflated valuations to the benefit of earlier investors.

Analysts said the case has become the latest test of corporate governance standards in Korea's big conglomerates, and of how far regulators are willing to go in policing potential conflicts between controlling shareholders and minority investors.

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[In-Soo Nam](#) edited this article.