

## Sanctions Imposed Following Investigations and Reviews of Annual Reports and Other Regulatory Filings

(Approved at the 11th Meeting of the Securities and Futures Commission on June 10, 2026)

### Violation of Accounting Standards (Accounting Oversight Findings)

Company	Findings	Sanctions
<p><b>Korea Zinc Co., Ltd.</b></p> <p><b>Review Period:</b> 2022.12.31, 2023.12.31, 2024.12.31</p> <p><b>Industry:</b> Smelting, Refining and Alloy Manufacturing of Non- Ferrous Metals</p>	<p>[Company]</p> <p><b>(1) Failure to Recognize Impairment Losses on Investments in Subsidiaries</b></p> <p>The Company failed to recognize impairment losses on investments in subsidiaries despite a significant deterioration in the business environment of major subsidiaries and a substantial decline in their recoverable amounts.</p> <p>Consolidated basis: FY2022: KRW 21.288 billion FY2023: KRW 13.927 billion</p> <p>Separate basis: FY2023: KRW 11.619 billion</p> <p><b>(2) Failure to Disclose Related-Party Transactions</b></p> <p>The Company failed to disclose transactions with related parties arising in connection with investments in associates and subsidiaries.</p> <p>Consolidated basis: FY2022: KRW 684.54 billion FY2023: KRW 69.20 billion</p> <p><b>(3) Understatement of Impairment Losses on Receivables from Subsidiaries</b></p> <p>The Company understated impairment losses on trade and other receivables due from subsidiaries.</p> <p>Separate basis: FY2022: KRW 16.364 billion FY2023: KRW 16.650 billion FY2024: KRW 18.982 billion Consolidated basis: FY2022: KRW 19.634 billion FY2023: KRW 19.634 billion</p>	<p>Company:</p> <ul style="list-style-type: none"> <li>- Administrative Fine</li> <li>*Monetary Penalties on the Company and Responsible Officers (subject to final determination by the Securities and Futures Commission)</li> <li>- Designation of an External Auditor for Three Years</li> <li>- Recommendation for Dismissal of the Responsible Executive Officer and Suspension of Duties for Six Months</li> <li>- Requirement to Implement Corrective Measures</li> </ul>

	<p>Although indicators of impairment existed due to a decline in the recoverability of receivables from overseas subsidiaries, the Company failed to recognize the related impairment losses.</p> <p><b>(4) Material Weaknesses in Internal Control over Financial Reporting (ICFR)</b></p> <p>The Company performed impairment reviews of investment assets only as a formality, resulting in material weaknesses in its internal control over financial reporting.</p> <p><b>(5) Obstruction of the External Audit</b></p> <p>The Company impeded the normal conduct of the external audit by failing to provide key information requested by the external auditor in relation to transactions with subsidiaries and other matters.</p>	
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(Accounting oversight conducted by Accounting Oversight Division II of the Financial Supervisory Service (FSS))