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Trade and Anti-dumping Programs Directorate
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Submission Date /
Date de soumission

February 06, 2024

February 6, 2024

BY SECURE E-TRANSFER

NON-CONFIDENTIAL

SIMA Registry and Disclosure Unit
Anti-Dumping and Countervailing Program
Canada Border Services Agency
100 Metcalfe Street, 11th Floor
Ottawa, Ontario K1A 0L8

ATTN: Shawn Ryan, Senior Program Officer

**RE: Comments Regarding a Request for a Normal Value Review or a Re-investigation
by ILJIN Electric Co., Ltd. Concerning Large Power Transformers from Korea**

I. INTRODUCTION

1. On behalf of PTI Transformers LP. (“**PTI**”) and Hitachi Energy Canada Inc. (“**Hitachi**”),¹ we respectfully submit that ILJIN Electric Co., Ltd.’s (“**Iljin**”) request for a normal value review (“**NVR**”) or a re-investigation (“**RI**”) of large power transformers (“**LPTs**”) from Korea should be rejected.² As elaborated below, Iljin has neither produced nor shipped LPTs for which it seeks to obtain normal values and export prices, and yet there are several market and company-specific conditions that may change its production costs and pricing significantly. Thus, Iljin’s request for an NVR or a RI for future production and shipment of LPTs is speculative at best, if not entirely hypothetical.

II. ILJIN’S REQUEST

2. In its letter to the Canada Border Services Agency (“**CBSA**”), Iljin requests an NVR or a RI to establish “normal values and export prices for {Iljin’s} **future** shipments of {LPTs}”.³ Iljin’s

¹ PTI and Hitachi are domestic producers of like goods, namely LPTs, as the CBSA recently found in the expiry review of LPTs in TR 2023 ER at paras 25 and 28. According to the CBSA’s Memorandum D14-1-8, *Re-investigation and Normal Value Review Policy – Special Import Measures Act (SIMA)* (October 21, 2022) at paras 6-5, PTI and Hitachi are therefore interested parties with respect to Iljin’s request for an NVR or a RI.

² See Iljin, Non-Confidential Request for Initiation of a Normal Value Review or a Re-investigation for the Purposes of Establishing Normal Values and Export Prices for Subject Goods Exported by ILJIN Electric Co, Ltd. (December 21, 2023). (“Iljin NVR/RI Request Letter”).

³ Iljin NVR/RI Request Letter at 11.

non-confidential submission—in which it provides “{e}stimated” costs of production and shipment and cost projections for the 12-month period from the date of the letter⁴—indicates that the production/shipment of the LPTs at issue has not taken place and would not even be complete in 2024.

III. ACTUAL PRODUCTION OR SALE IS A PREREQUISITE TO DETERMINE ILJIN’S NORMAL VALUES

3. As Iljin notes, LPTs are “heavy capital machinery that is custom-designed and manufactured to order”,⁵ which is the reason why the CBSA found that it was not possible to determine normal values pursuant to section 15 of {*Special Import Measures Act* or *SIMA*} during the original investigation.⁶ Thus, the normal values for the cooperating exporters’ LPTs were determined under paragraph 19(b) of *SIMA*, using, *inter alia*, the LPT’s cost of production. Under paragraph 11(1)(a) of the *Special Import Measures Regulations* (“**SIMR**”), the cost of production includes all costs that are attributable to the production of the goods, which normally covers all material, labour, and factory overhead costs. In the case of capital goods, subparagraph 11(1)(a)(ii) also requires all costs directly attributable to the design or engineering of the goods to be included in the cost of production.

4. Importantly, the cost of production in paragraph 19(b) refers to the **actual** costs incurred for the production of subject goods. Hence, the *SIMA Handbook* clarifies that “{p}aragraph 11(1)(a) of SIMR concerns the cost of production of the goods sold to the importer in Canada” and sets out a preference for the “records kept by the exporter or producer” as the source of cost of production data.⁷ Absent actual production, there can be no cost of production with which the CBSA could determine normal values under paragraph 19(b) of *SIMA*.

⁴ Iljin NVR/RI Request Letter at 9.

⁵ Iljin NVR/RI Request Letter at 12.

⁶ CBSA, *Statement of Reasons Concerning the Making of a New Final Determination with Respect to the Dumping of Certain Liquid Dielectric Transformers Originating in or Exported from the Republic of Korea* (March 21, 2024), AD/1395, 4214-35 at paras 63 and 70.

⁷ CBSA, *SIMA Handbook* (December 14, 2023) at 332.

5. Iljin's reference to Memorandum D14-1-8 is misplaced in this regard because while the Memorandum envisions establishing normal values for new exporters, it does not envision doing so with respect to goods that have neither been produced nor sold during the period of investigation ("POI"). This is well-established as decided in 2022 re-investigation of oil country tubular goods ("OCTG") as follows:

Counsel for SeAH reiterated its position that normal values should be established for goods ordered during the POI, but produced after the POI. ...

...

While the CBSA may grant normal values for goods in a situation described by counsel for SeAH based on an exporters costing and sales information, such goods would normally have to have been either produced and/or sold during the POI/{profitability analysis period or "PAP"}. The CBSA does not typically determine normal values for goods that were not either produced and/or sold by an exporter during the POI/PAP.⁸

6. The CBSA's practice is in conformity with the *SIMA* and *SIMR* provisions noted above. It is also sound because predicting the future cost of production is speculative and may result in significant divergence from the actual cost of production when the production eventually takes place. In this regard, Iljin forecasts its copper and grain-oriented electrical steel ("GOES") costs to remain relatively stable. By January 3, 2024, industry sources were reporting that "{t}he price of {copper} could rise more than 75% by the end of 2025 as supply shortages and mining disruptions around the world take hold";⁹ and on January 20, 2024, it was reported that GOES price index already increased by 9.4% at the end of 2023, with Japanese GOES surging by 42.46%.¹⁰ Likewise, since Iljin provided its ocean freight estimates in its letter, the Shanghai

⁸ CBSA, *Notice of Conclusion of Re-investigation* (September 6, 2022), OCTG 2022 RI at Appendix 2, comment "Normal values for goods not produced and/or sold during the POI/PAP". (Emphasis added).

⁹ Non-Confidential Attachment 1, The Globe and Mail, "Copper Prices Forecast to Rise More Than 75% by 2025" (January 3, 2024).

¹⁰ Non-Confidential Attachment 2, OilPrice.com, "U.S. Power Infrastructure Tested by Ongoing Component Shortages" (January 20, 2024).

Containerized Freight Index (“**SCFI**”) more than doubled,¹¹ as Korean shippers faced similar increase due to geopolitical tensions in the Red Sea region and lower water levels in Panama.¹² These data demonstrate the fundamental flaw of relying on speculation, and that Iljin’s initial assumptions and the estimated costs for future production are already inaccurate.

7. On a company-specific level, Iljin has recently made a massive investment of KRW 93,536,100,000, approximately \$96.62 million, in order to expand its manufacturing plant.¹³ Among others, this investment entails estimated \$34.64 million in investment for the expansion of its transformers plant, all of which is planned to be used in 2024.¹⁴ In 2025 and 2026, Iljin plans to invest further \$12.40 million in maintenance of its transformers plant.¹⁵ This is a transformational amount of investment, which would significantly affect Iljin’s production—*e.g.*, plant, equipment, production processes, production efficiency, etc—and associated costs such as overhead, SG&A and financing costs, and in turn the company’s profitability.

8. The context in which Iljin is making this request is also distinguishable from the context other cooperating exporters (*i.e.*, Hyundai and Hyosung) are in. PTI and Hitachi understand that the cooperating exporters may have access to a methodology for calculating future normal values.¹⁶ But both Hyundai and Hyosung have cooperated in an investigation based on the **actual** production and sales in a prior POI and the CBSA has verified their systems and submissions, and has previously determined normal values based on those data. It is based on those verified systems that the cooperative exporters can calculate future normal values, which can be trued up in

¹¹ Non-Confidential Attachment 3, MacroMicro, “China – Global & Shanghai Export Containerized Freight Index” (accessed on February 1, 2024).

¹² Non-Confidential Attachment 4, Pulse, “Korean Shippers on Alert as Red Sea Tension Triggers Higher Freight Costs” (December 26, 2023).

¹³ Non-Confidential Attachment 5, Iljin, “Revised Investment Prospectus” (January 18, 2024); converted using the annual average exchange rate of \$0.001033 per 1 KRW in Non-Confidential Attachment 6, Bank of Canada, “Annual Exchange Rates” (accessed on January 31, 2024).

¹⁴ *Ibid.*

¹⁵ *Ibid.*

¹⁶ CBSA, *Statement of Reasons – Expiry Review Determination: Liquid Dielectric Transformers* (July 28, 2023), TR 2023 ER at para 76. Indeed, Iljin appears to reference a similar system applicable to small power transformers in its letter. See Iljin NVR/RI Request Letter at 11.

subsequent re-investigations or normal value reviews. Iljin, on the other hand, is requesting normal values to be determined based entirely on estimates (while Iljin's costs may change significantly as noted above), which, by definition, cannot be verified. Thus, the CBSA will lack the means to assess and verify Iljin's costs, expenses, profitability and methodologies in connection with LPTs, as it did for the cooperative exporters. This limitation arises from the absence of LPTs being manufactured and exported to Canada, which was not present when the cooperating exporters were investigated and granted normal values and export prices. Consequently, reliance on a questionnaire response that simply contains future estimates for all of the costs of production will at best result in speculative normal values. At worst, it could be an entire hypothetical exercise with no relation to reality if the order is changed or cancelled.

IV. ACTUAL SHIPMENT IS A PREREQUISITE TO DETERMINE ILJIN'S EXPORT PRICE

9. Equally importantly, Iljin states that a related company, ILJIN Electric USA Inc. ("Iljin USA") operates as its importer and distributor in Canada.¹⁷ Under subparagraph 25(1)(b)(i) of *SIMA*, where the sale of the goods for export to Canada was a sale between associated persons, the CBSA assesses whether the export price determined under section 24 of *SIMA* is reliable, by comparing the export prices calculated under sections 24 and 25 of *SIMA*. In so doing, the CBSA calculates a deductive export price under section 25 of *SIMA* based on the related importer's resale price less deductions for all costs incurred in preparing, shipping and exporting the goods to Canada, all costs incurred in re-selling the goods in Canada, and an amount representative of the average industry profit in Canada.¹⁸

10. In Iljin's case, since no shipment has actually been made—and not likely to be made in the next 12 months—none of the costs associated with sales LPTs in Canada required to calculate a deductive export price under section 25 of *SIMA* exists (*e.g.*, no actual ocean/inland freight costs, no actual sales costs, no actual insurance costs, no actual installation costs, no actual accessories

¹⁷ Iljin NVR/RI Request Letter at 4.

¹⁸ CBSA, *SIMA Handbook* (December 14, 2023) at 368.

costs, no actual after-sale service costs, etc). Likewise, since the transfer between Iljin to Iljin USA has not taken place yet, there is no export price under section 24 of *SIMA*. As a result, Iljin's request would require the CBSA to determine section 25 export price based on speculation, and compare it to a speculation of the future section 24 export price—all in a period of significant fluctuating cost environment (*e.g.*, *see* above at para 6 regarding the recent rise in shipping costs). The CBSA should therefore reject such a request.

V. FINANCIAL BURDEN

11. Iljin argues that the mechanism under section 56 of *SIMA*, by which Iljin may seek a re-determination of normal values upon importation and payment of *SIMA* duties, is “impracticable due to the extremely heavy financial burden”.¹⁹ Iljin recorded quarterly revenue of approximately \$295 million in the third quarter of 2023 alone, with total revenue of nearly \$920 million during the first three quarters of 2023. As a result, Iljin earned gross margin of almost \$91 million, operating income of over \$47 million, and net income of close to \$33 million in the first three quarters of 2023. On an annualized basis, these translate into: revenue of \$1.2 billion, gross margin of \$121 million, operating income of \$63 million and net income of \$44 million.²⁰ Simply put, it is not credible for Iljin to argue that it cannot avail itself of a re-determination under section 56 of *SIMA* due to “extremely heavy financial burden”.

12. Additionally, on the issue of financial burden of accessing the re-determination and appeal mechanisms under section 56 of *SIMA*, the Federal Court in *Prairies Tubulars (2015) Inc. v. Canada (Border Services Agency)* found that there is nothing unfair about the “pay-to-play” requirement in the *SIMA*.²¹ Specifically, *Prairies Tubulars* was issued Detailed Adjustment Statements (“**DASSs**”) for *SIMA* duties in the amount of over \$18 million and sought to challenge these assessments by judicial review as opposed to section 56 so it would not have to pay the DASS

¹⁹ Iljin NVR/RI Request Letter at 12.

²⁰ Non-Confidential Attachment 5, Iljin, “Revised Investment Prospectus” (January 18, 2024); converted using the annual average exchange rate of \$0.001033 per 1 KRW in Non-Confidential Attachment 6, Bank of Canada, “Annual Exchange Rates” (accessed on January 31, 2024).

²¹ *Prairies Tubulars (2015) Inc. v. Canada (Border Services Agency)*, 2021 FC 36.

to challenge them.²² The Federal Court found that the “applicant failed to establish that the Appeal Payment Provisions subject it to undue hardship.”²³ On appeal, the Federal Court of Appeal upheld the Federal Court’s decision and offered the following commentary: “the pay-to-play provisions do fulfil one very important purpose: to ensure that the duties that may be owing be paid in advance to prevent collection issues later concerning importers outside the country who may be difficult to pursue for payments later.”²⁴

VI. CONCLUSION

13. Consequently, Iljin’s request must be rejected because it is not allowed under the *SIMA* and its accompanying regulations. Specifically, paragraph 19(b) of *SIMA* and relevant provisions of *SIMR* require that the normal values and export prices be determined using actual and verified costs and prices; it does not allow any reliance on estimated or hypothetical costs and prices. Moreover, evidence indicates that Iljin’s costs may change significantly within the next 12 months, which would render premature determination of normal values and export prices based on estimates/speculation particularly inappropriate in this case.

14. Please do not hesitate to contact the undersigned if you have any questions.

Sincerely yours,



Hugh Seongseok Lee

Cassidy Levy Kent (Canada) LLP

²² *Prairies Tubulars (2015) Inc. v. Canada (Border Services Agency)*, 2021 FC 36 at paras 1, 12.

²³ *Prairies Tubulars (2015) Inc. v. Canada (Border Services Agency)*, 2021 FC 36 at para 55.

²⁴ *Prairies Tubulars (2015) Inc. v. Canada (Border Services Agency)*, 2022 FCA 92 at para 18.

ATTACHMENT 1

Copper Prices Forecast To Rise More Than 75% By 2025

 theglobemail.com/investing/markets/stocks/C/pressreleases/23092814/

Yolowire - Wed Jan 3, 8:37AM CST

The price of %Copper could rise more than 75% by the end of 2025 as supply shortages and mining disruptions around the world take hold, according to a new report by research firm BMI.

Supply will struggle to keep up with rising demand for copper that's being fueled by the transition to renewable energy sources, pushing prices higher in coming months, says BMI.

Additionally, interest rate cuts this year will weaken the U.S. dollar and make copper more attractive to foreign buyers, which will serve as an additional catalyst for the base metal.

Analysts at %Citibank (NYSE: C) are also bullish on copper prices in the year ahead, noting that plans to triple global renewable energy capacity by 2030 will benefit the commodity.

In a December report, Citibank forecast that higher renewable energy targets will boost copper demand by 4.2 million tons through 2030.

Citibank sees copper prices at \$15,000 U.S. a ton in 2025, which would be 40% higher than the record \$10,730 U.S. per ton price reached in March 2023.

Copper is viewed as a key ingredient in the energy transition as it is used to manufacture electric vehicles and wind turbines, among other products.

Other Wall Street analysts see copper prices getting a boost from mining disruptions, with investment bank %GoldmanSachs (NYSE: GS) forecasting a deficit of over half a million tons this year.

Last November, %FirstQuantumMinerals (TSX: FM) halted production at Cobre Panamá, one of the world's largest copper mines, following nationwide protests over environmental issues.

At the same time, Anglo American (AAL), a leading copper producer, said it would cut its production levels in 2024 and 2025 as it moves to reduce costs.


The price of copper is currently trading at \$8,462 U.S. per ton, down 21% from its all-time high reached last spring.

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ATTACHMENT 2

U.S. Power Infrastructure Tested by Ongoing Component Shortages

 finance.yahoo.com/news/u-power-infrastructure-tested-ongoing-220000065.html



yahoo!

January 20, 2024 · 3 min read

Via Metal Miner

The Renewables index began 2023 fairly sideways. However, it broke that trend in Q3 and Q4 when it edged downward. Numerous components of the index, including silicon and cobalt, experienced market oversupply. This caused prices to drop and pulled the index down with it. Grain oriented electrical steel also experienced market volatility in Q3 and Q4, which massively impacted the index. While experts anticipate the Bipartisan Infrastructure Law will fuel renewable energy projects, the remaining oversupply of metals like cobalt and silicon will continue to put some bearish pressure on the index.

Month-over-month, the Renewables MMI (Monthly Metals Index) moved sideways, edging up by just 1.45%.

Grain Oriented Electrical Steel MMI

While U.S. GOES prices flattened around January 2, Chinese GOES prices began trading close to short-term support zones. Meanwhile, European GOES prices continue to trade well above short-term resistance zones. Furthermore, Japanese GOES experienced the largest 30-day price change, surging by 42.46%. This had the largest impact on the index overall, and ultimately the Grain Oriented Electrical Steel MMI rose by 9.43%.

Power Grids Still Short on Transformers

A recent article from Renewable Energy World shed some light on the ongoing transformer shortages in the U.S. In particular, the article highlighted why those much-needed transformers aren't being built. The article speculates that RTO's (regional transmission organizations) and ISOs (independent system operators) are partially responsible for the nation's insufficient transmission capacity. 30 years ago, these organizations aimed to inject competition into an industry dominated by utilities. Now, however, there is much more to consider.

RTO's bring together transmission owners, users, and other organizations approved by the Commission. Their mission is to actively coordinate the use and operation of electricity across, and sometimes between, various regions. RTOs manage wholesale power markets. This helps to ensure open access to transmission for all players while actively maintaining the reliability of the entire transmission network.

On the other hand, ISOs are the entities tasked with guaranteeing the dependability and effectiveness of the power infrastructure. They run the wholesale power markets, control the flow of electricity, and ensure system stability. In most cases, ISOs oversee and manage the grid, sometimes on a regional scale.

The Renewable Energy News article goes on to discuss how utilities often give priority to local transmission projects over regional and interregional ones. More importantly, they frequently avoid RTO or ISO interference with local planning. This narrow concentration might impede the wider grid's development.

Moreover, it comes on top of the extreme market volatility often seen with grain oriented electrical steel prices.

Solving Gaps Lying Between RTO's/ISO's and Local Transmission Projects

Inadequate coordination among local, regional, and inter-regional transmission planning can lead to inefficiencies and overlooked opportunities, many of which are critical to optimizing the electricity system in the United States.

According to an Electricity Markets and Policy Group report, The Federal Energy Regulatory Commission (FERC) created rules for inter-regional cooperation and regional transmission planning. These are valuable to how regions manage their transmission needs. However, the study also highlights the difficulties inherent in identifying, quantifying, and implementing transmission advantages at the local, regional, and inter-regional levels.

Enhancing planning and coordination amongst local, regional, and inter-regional transmission projects proves crucial in solving the ongoing transformer shortage dilemma. To that point, there exists several potential remedies to the problem. The first involves establishing a minimal set of transmission advantages for evaluation, while the next focuses on modifying reliability measurements into a form that is consistent with economic benefits.

Organizations can also encourage more effective and efficient transmission development at various scales by ensuring public utility transmission providers use standard inter-regional cost allocation techniques. Finally, organizations can also consider closing regulatory gaps between state and federal regulators.

By Jennifer Kary

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ATTACHMENT 3

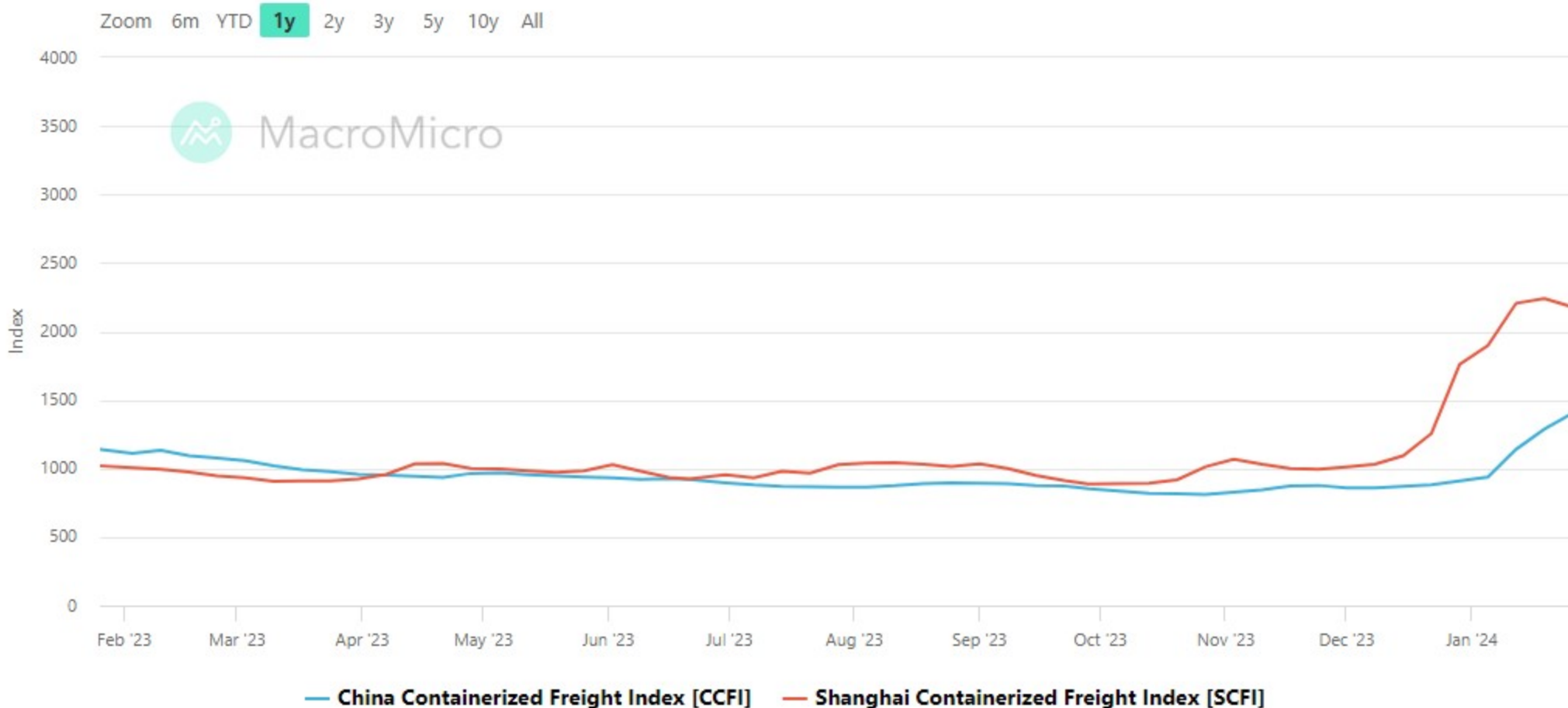
China - Global & Shanghai Export Containerized Freight Index

- World - Global Flight Tracking
- US - TSA Checkpoint Travel Numbers
- China - Global & Shanghai Export Containerized Freight Index
- US - Economic Policy Uncertainty Index
- World - Citi Surprise Index
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- US, Europe, Japan - Citi Earnings Revision Index
- World - OECD GDP Weekly Tracker Diffusion Index
- World - OECD Weekly Tracker of GDP Growth by Country (YoY)
- APAC - OECD Weekly Tracker of GDP Growth (YoY)
- Western Europe - OECD Weekly Tracker of GDP Growth (YoY)
- Americas - OECD Weekly Tracker of GDP Growth (YoY)
- Other Countries - OECD Weekly Tracker of GDP Growth (YoY)
- Germany - ifoCAST GDP Growth Nowcast (QoQ)
- World - UNCTAD GDP Growth Nowcast
- World - UNCTAD Real Merchandise Trade Growth Nowcast (QoQ)
- World - UNCTAD Services Trade Growth Nowcast (QoQ)

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China - Global & Shanghai Export Containerized Freight Index

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China Containerized Freight Index [CCFI]
2024-01-26

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Prev: 1,287.49

Shanghai Containerized Freight Index [SCFI]
2024-01-26

2,179.09
Prev: 2,239.61

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ATTACHMENT 4



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Korean shippers on alert as Red Sea tension triggers higher freight costs

2023.12.26 13:25:02 | 2023.12.26 15:14:02



[Photo by AFP / Yonhap]

Concerns mount among South Korean shippers as they face shipping delays and freight cost increases due to the rising tensions on the Red Sea.

According to Xeneta, a global ocean and air freight rate analytics platform, on Monday, freight costs could double until early next year due to the simultaneous disruption of the Suez Canal and the Panama Canal.

Some services departing from East Asia to the Americas by global maritime alliances such as The Alliance and Ocean Alliance were re-routed to the Mediterranean-Atlantic route via the Suez Canal in the first week of December.

They normally navigate through the Pacific route that passes through the Panama Canal. However, due to lower water levels in the Panama Canal, the number of ships able to transit the canal has been reduced.

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- 10 POSCO Holdings announces final six candidates for CEO positi..

According to the maritime vessel analytics firm VesselBot, the average transit time per vessel in the Panama Canal was 32.55 hours in November, the longest this year.

A route from Busan Port to Savannah Port in the state of Georgia, United States, takes 30 days via the Panama Canal. The time consumed via the Suez Canal is 40 days, and it is 50 days via the Cape of Good Hope in South Africa.

According to the Shanghai Container Freight Index (SCFI) on Friday, the freight rate index for routes from Shanghai to Europe increased by 45.4 percent compared to the previous week. This is much higher than the weekly 2.1 percent increase in the same index when the Ever Given, owned by Taiwan's Evergreen Marine Corp., ran aground in the Suez Canal in March 2021, completely blocking the canal.

As of Friday, the SCFI index for routes from Shanghai to the Americas was also up 6.3 percent from the previous week. Around the end of the year and the beginning of the new year is typically the time when the largest number of one-year shipping contracts are signed, leading to a projection for an increase in the overall logistics cost burden.

"Currently, the rates for priority and short-term cargo to Europe have more than quadrupled," said an industry insider. "Small and medium-sized enterprises with frequent short-term contracts are likely to be hit harder than large companies with high volumes and long-term contracts."

By Kim Hee-su and Chang Iou-chung

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Plant Forward Conference
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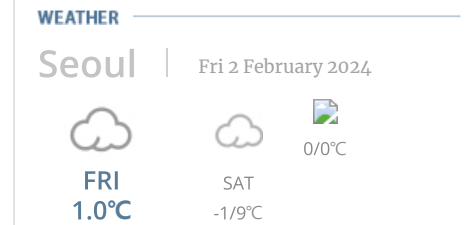
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Unified EV charging service to become available nationwide in October

ATTACHMENT 5

The following is a courtesy translation of an excerpt from Iljin Electric Co., Ltd., “Revised Investment Prospectus” (January 18, 2024).

{Translator’s note: Page numbers indicate the pagination in the original document, shown in the left bottom corner of each page}

Page 1

Revision (Submitted)
January 18, 2024

1. Submission being revised: Investment prospectus
2. Original date of first submission: December 4, 2023

Page 19

Investment Prospectus
December 4, 2023

Iljin Electric Co., Ltd.
Registered common shares: 10,605,000

KRW 93,536,100,000

1. Effective date of share issuance: December 2, 2023
2. Offering price: KRW 8,820
3. Subscription period:
Existing shareholders: January 22-23, 2024
Ordinary subscription: January 25-26, 2024
4. Payment due date: January 30, 2024

...

Pages 132-133

...

2. Purpose of funding

...

B. Detailed plan of use of the funds

The company expects a cash inflow of KRW 93,536,100,000 based on the final issuance price through the ongoing paid-in capital increase, and plans to use the amount to fund capacity increase at the heavy electrical equipment (transformer, circuit breaker) plant and wire plant.

...

... The board of directors has decided to On September 8, 2023, to expand the transformer factory, and allocated KRW 65 billion for mid- to long-term facility investment to respond to market demand through continuous product development such as eco-friendly 170KV circuit breakers and high-efficiency plant-based oil transformers. Through this, the transformer factory’s capacity in terms of sales will expand from KRW 260 billion at the end of 2023 to

KRW 433 billion at the end of 2026, contributing to the diversification of transformer and circuit breaker products.

...

Category	Segment	Detail	'24	'25	'26	Total	Note
Facility funds	Heavy industries	Funds for transformer plant construction in 2024	23,536,100,000	0	0	23,536,100,000	Expansion of transformers plant
		Funds for transformer plant equipment in 2024	10,000,000,000	0	0	10,000,000,000	Expansion of transformers plant
		Maintenance of existing transformers plant	0	7,000,000,000	5,000,000,000	12,000,000,000	
	
...

...

Page 168

2-2. Consolidated Comprehensive Income Statement

Consolidated Comprehensive Income Statement

16th Period, 3rd Quarter: January 1, 2023-September 30, 2023

15th Period, 3rd Quarter: January 1, 2022-September 30, 2022

(Unit: KRW)

	16 th , 3 rd Quarter		15 th , 3 rd Quarter	
	Quarter	Accumulated	Quarter	Accumulated
Revenue	285,534,426,390	890,211,144,396	262,102,134,276	855,780,502,599
...
Gross Margin	28,070,521,519	87,762,054,939	24,171,766,770	64,972,510,592
...
Operating Income	15,839,402,341	45,948,974,141	8,532,075,296	22,009,582,083
...
Net Income				
Net income attributable to the controlling entity	13,341,517,073	31,662,304,637	2,175,207,452	15,489,051,391
...

정정신고(보고)

2024년 01월 18일

- 1. 정정대상 공시서류 : 투자설명서
- 2. 정정대상 공시서류의 최초제출일 : 2023년 12월 04일

[투자설명서 제출 및 정정 연혁]

제출일자	문서명	비고
2023년 11월 17일	투자설명서	최초 제출
2023년 12월 13일	[정정]투자설명서	자진 정정(굵은 파란색)
2023년 12월 13일	[정정]투자설명서	1차 발행가액 확정(굵은 초록색)
2024년 01월 03일	[정정]투자설명서	자진 정정(굵은 빨간색)
2024년 01월 18일	[정정]투자설명서	최종발행가액 확정에 따른 정정(굵은 하늘색)

- 3. 정정사유 : 최종발행가액 확정에 따른 정정
- 4. 정정사항

항 목	정 정 전	정 정 후
※ 본 '[정정]투자설명서'는 최종 발행가액 확정에 따른 정정사항으로써, 정정된 사항은굵은 하늘색으로 표시하였습니다.		
공통사항	모집 또는 매출총액: 100,005,150,000원 모집가액: 9,430원	모집 또는 매출총액:93,536,100,000원 모집가액:8,820원
요약정보 2. 모집 또는 매출에 관한 일반사항	(주1) 정정 전	(주1) 정정 후
제1부 모집 또는 매출에 관한 사항		
I. 모집 또는 매출에 관한 사항 1. 공모개요	(주2) 정정 전	(주2) 정정 후
I. 모집 또는 매출에 관한 사항 4. 모집 또는 매출절차 등에 관한 사항	(주3) 정정 전	(주3) 정정 후
V. 자금의 사용목적	(주4) 정정 전	(주4) 정정 후

(주1) 정정 전

(단위 : 원, 주)

투자설명서

2023년 12월 04일

일진전기 주식회사

기명식 보통주 10,605,000주

93,536,100,000원

1. 증권신고의 효력발생일 : 2023년 12월 02일
2. 모집가액 : 8,820원
3. 청약기간 :
구주주 청약일 : 2024년 01월 22일 ~ 2024년 01월 23일
일반공모 청약일 : 2024년 01월 25일 ~ 2024년 01월 26일
4. 납입기일 : 2024년 01월 30일
5. 증권신고서 및 투자설명서의 열람장소
가. 증권신고서 : 금융위(금감원) 전자공시시스템 → <http://dart.fss.or.kr>
나. 일괄신고 추가서류 : 해당사항 없음
다. 투자설명서 : 전자문서 : 금융위(금감원) 전자공시시스템 → <http://dart.fss.or.kr>
서면문서 : 일진전기(주) → 경기도 화성시 만년로 905-17(안녕동)
미래에셋증권(주) → 서울시 중구 을지로5길 26
6. 안정조작 또는 시장조성에 관한 사항
해당사항 없음

이 투자설명서에 대한 증권신고의 효력발생은 정부가 증권신고서의 기재사항이 진실 또는 정확하다는 것을 인정하거나 이 증권의 가치를 보증 또는 승인한 것이 아니며, 이 투자설명서의 기재사항은 청약일 전에 정정될 수 있음을 유의하시기 바랍니다.

미래에셋증권 주식회사

- 주1) 상기 금액은 **1차 발행가액**을 기준으로 산정한 금액입니다.
- 주2) 발행제비용은 공모금액 및 상장신청일 직전일 한국거래소에서 거래되는 당사의 보통주식 증가 기준으로 산정되며, 유관기관 정책 등에 따라 변동될 수 있습니다.
- 주3) 기타비용은 예상금액으로 변동될 수 있습니다.
- 주4) 발행제비용은 당사의 자체자금으로 사용할 예정입니다.

2. 자금의 사용목적

가. 자금의 사용목적

당사는 금번 유상증자를 통하여 조달할 예정인 자금 총 **93,536,100,000원**은 시설자금으로 사용할 예정이며 아래와 같이 자금을 집행할 계획입니다. 본 유상증자를 통한 조달금액이 **1,000억원** 미만일 경우, 부족분은 당사의 자체자금으로 충당할 계획입니다.

당사는 금번 유상증자를 통하여 조달하는 자금을 본 증권신고서에 기재한 사용목적대로 사용하기 위해 최선의 노력을 다할 것이며, 매 분기별 공시하는 당사의 정기보고서에 공모자금의 실제 사용내역 및 변동 상황에 관하여 성실하게 공시할 예정입니다. 또한 자금사용시기가 도래하지 않는 금액에 대해서는 국내 제1금융권 등의 안정성이 높은 상품에 예치할 계획입니다.

(기준일 : 2024년 01월 18일)

(단위 : 원)

시설자금	영업양수 자금	운영자금	채무상환 자금	타법인증권 취득자금	기타	계
93,536,100,000	-	-	-	-	-	93,536,100,000

- 주1) 상기 금액은 **확정 발행가액**을 기준으로 산정한 금액입니다.
- 주2) 금번 발행과 관련된 발행제비용은 당사의 자체자금으로 충당할 예정입니다.
- 주3) 본 유상증자를 통한 조달금액이 100,005,150,000원 미만일 경우, 부족자금은 당사의 자체자금을 활용할 예정입니다.

나. 자금의 세부 사용내역

당사는 금번 진행중인 유상증자를 통해 확정발행가액 기준 **93,536,100,000원**의 현금 유입을 예상하고 있으며, 해당 금액을 중전기(변압기, 차단기)공장 및 전선공장 CAPA증대 자금으로 사용할 예정입니다.

당사가 영위하는 전선 및 중전기 시장은 코로나19 팬데믹 상황이 해제되면서 전세계적 탄소중립(Net-zero) 정책 확대에 유럽, 북미 지역의 신재생에너지 발전 투자 증가 및 노후 설비 교체를 위한 전력 수요가 증가되고 있으며, 유가 회복으로 중동지역 Infra 투자 확대되고 있어 전세계적으로 성장세를 이어갈 것으로 전망되고 있습니다.

당사의 2023년 9월말 현재 중전기 부문의 수주 잔고는 383,446천USD이며, 2024년 FULL

CAPA로 운영하여 납기 대응 가능한 수준이나, 2025년 이후에는 미주 지역의 폭발적인 수요로 인해 생산 CAPA 초과가 예상되어, 이사회에서 지난 23년 9월 8일 변압기 공장 증설을 결정했으며, 친환경 170KV 차단기, 고효율 식물유 변압기 등 지속적인 제품 개발을 통해 시장이 요구하는 수요에 대응하기 위해 중장기적인 시설투자에 650억을 배정하였습니다. 이를 통해 변압기 공장의 매출 환산 기준 CAPA는 23년말 2,600억에서 26년말 4,330억 규모로 확대되고, 변압기, 차단기 제품 다변화에 기여할 것입니다.

전선 부문 또한 동 시점 580,140천USD 수주 잔고를 기록하고 있으며, 시장 수요에 맞춰 HVDC케이블시스템 등을 개발하여 제품 LINE-UP을 지속적으로 강화하여, 안정적인 매출 및 이익 성장 구조를 확보하기 위해 노력할 것입니다. 이를 위해 필수적으로 제조 역량을 강화해야 하는 바, 생산 및 검사 CAPA 증대를 위해 350억의 투자금을 배정했습니다. 이를 통해 전선 공장의 매출 환산 기준 CAPA는 23년말 3,800억에서 26년말 6,200억 규모로 확대되고, 케이블 제품 다변화에 기여할 것입니다.

(단위: 원)

구분	부문	상세내역	24년	25년	26년	합계	비고
시설자금	중전기	'24 변압기 공장 건축비	23,536,100,000	0	0	23,536,100,000	변압기 공장 증축
		'24변압기 공장 생산설비 (VPD, 권선기)	10,000,000,000	0	0	10,000,000,000	변압기 공장 증축
		기존 변압기 공장 시설유지보수	0	7,000,000,000	5,000,000,000	12,000,000,000	기존 공장 CAPA 증대
		친환경 170KV 차단기 생산설비	0	3,500,000,000	0	3,500,000,000	
		기존 차단기 공장 시설유지보수	0	4,500,000,000	0	4,500,000,000	
		초고압 차단기 생산설비	0	0	5,000,000,000	5,000,000,000	
		소계	33,536,100,000	15,000,000,000	10,000,000,000	58,536,100,000	-
	전선	시설 유지보수	4,300,000,000	4,500,000,000	8,500,000,000	17,300,000,000	기존 공장 CAPA 증대
		절연공정 설비	2,700,000,000	1,000,000,000	0	3,700,000,000	
		ACC 시험 설비	0	5,500,000,000	0	5,500,000,000	
		HVDC 생산 설비	3,000,000,000	3,000,000,000	0	6,000,000,000	
		검사장비 유지보수	0	1,000,000,000	1,500,000,000	2,500,000,000	
		소계	10,000,000,000	15,000,000,000	10,000,000,000	35,000,000,000	-
합계	합계		43,536,100,000	30,000,000,000	20,000,000,000	93,536,100,000	-

주1) 시설자금 투자금액은 증권신고서 제출일 현재 기준으로 예상되는 내역을 토대로 산정한 금액이며, 실제 투자 시 추가적인 자금이 소요될 수 있습니다.
주2) 부족자금은 회사의 내부자금 및 금융권 차입 등으로 충당할 예정입니다.
주3) 시설자금 금액에 대한 사용 시기는 상기의 내역과 같이 증권신고서 제출일 전일 기준으로 작성되었으며, 향후 실제자금 집행 과정에서 금액 또는 사용시기가 변경될 수 있습니다. 또한, 시장 환경 변화 등의 사유로 인해 현재 계획 중인 각 항목이 변경되거나, 신규 항목이 추가될 수 있습니다.

출처: 당사 제시

다. 자금 집행의 부족한 자금의 재원마련

당사의 금번 신주발행은 주주배정 후 실권주 일반공모 방식으로 진행됨에 따라, 대표주관회사인 미래에셋증권(주)은 일반공모 후 발생하는 실권주에 대해 전량 인수하게 됩니다. 그러나, 공모기간 중 당사의 경영실적의 저하 또는 주식시장의 급격한 변동 등에 따라 확정발행

2-2. 연결 포괄손익계산서

연결 포괄손익계산서

제 16 기 3분기 2023.01.01 부터 2023.09.30 까지

제 15 기 3분기 2022.01.01 부터 2022.09.30 까지

(단위 : 원)

	제 16 기 3분기		제 15 기 3분기	
	3개월	누적	3개월	누적
매출액	285,534,426,390	890,211,144,396	262,102,134,276	855,780,502,599
매출원가	257,463,904,871	802,449,089,457	237,930,367,506	790,807,992,007
매출총이익	28,070,521,519	87,762,054,939	24,171,766,770	64,972,510,592
판매비와관리비	12,231,119,178	41,813,080,798	15,639,691,474	42,962,928,509
영업이익	15,839,402,341	45,948,974,141	8,532,075,296	22,009,582,083
기타수익	4,283,330,736	17,721,900,904	16,685,133,216	43,246,854,120
기타비용	4,467,854,936	19,685,220,513	17,105,385,807	34,433,045,603
금융수익	2,163,202,541	10,894,040,778	8,584,905,597	20,491,010,492
금융원가	3,536,448,427	16,707,851,833	14,148,817,087	33,525,532,646
법인세비용차감전순이익(손실)	14,281,632,255	38,171,843,477	2,547,911,215	17,788,868,446
법인세비용(수익)	940,115,182	6,509,538,840	372,703,763	2,299,817,055
분기순이익				
지배기업의 소유주에 귀속되는 분기순이익	13,341,517,073	31,662,304,637	2,175,207,452	15,489,051,391
비지배지분에 귀속되는 반기순이익(손실)	0	0	0	0
기타포괄손익	370,816,054	847,897,231	1,114,053,351	2,146,488,955
후속적으로 당기손익으로 재분류되지 않는 항목	0	0	0	(70,436)
기타포괄손익공정가치측정금융자산평가손익	0	0	0	(70,436)
후속적으로 당기손익으로 재분류되는 항목	370,816,054	847,897,231	1,114,053,351	2,146,559,391
해외사업장환산외환차이(세후기타포괄손익)	370,816,054	847,897,231	1,114,053,351	2,146,559,391
총포괄이익(손실)				
지배기업의 소유주에 귀속되는 총포괄이익(손실)	13,712,333,127	32,510,201,868	3,288,510,799	17,634,790,342
비지배지분에 귀속되는 분기순이익	0	0	0	0
주당손익				
기본주당이익(손실) (단위 : 원)	360	854	59	418
희석주당이익(손실) (단위 : 원)	360	854	59	418

ATTACHMENT 6

Annual exchange rates

 bankofcanada.ca/rates/exchange/annual-average-exchange-rates/



View and download data for our annual rates.



All Bank of Canada exchange rates are indicative rates only, obtained from averages of aggregated price quotes from financial institutions. For details, please read our full Terms and Conditions.
The annual average exchange rates are published by 12:30 ET on the last business day of the year.

Exchange rates are expressed as 1 unit of the foreign currency converted into Canadian dollars.

Data Available as: CSV, JSON and XML

Currency	2019	2020	2021	2022	2023
Australian dollar	0.9228	0.9247	0.9420	0.9034	0.8967
Brazilian real	0.3371	0.2625	0.2325	0.2525	0.2704
Chinese renminbi	0.1922	0.1944	0.1943	0.1935	0.1907
European euro	1.4856	1.5298	1.4828	1.3696	1.4597
Hong Kong dollar	0.1693	0.1730	0.1613	0.1662	0.1724
Indian rupee	0.01885	0.01810	0.01696	0.01656	0.01635

Currency	2019	2020	2021	2022	2023
Indonesian rupiah	0.000094	0.000092	0.000088	0.000088	0.000089
Japanese yen	0.01217	0.01257	0.01142	0.009940	0.009630
Malaysian ringgit	0.3203				
Mexican peso	0.06894	0.06267	0.06181	0.06472	0.07618
New Zealand dollar	0.8747	0.8712	0.8867	0.8267	0.8287
Norwegian krone	0.1509	0.1427	0.1459	0.1357	0.1278
Peruvian new sol	0.3977	0.3842	0.3235	0.3394	0.3606
Russian ruble	0.02051	0.01863	0.01701	0.01937	0.01600
Saudi riyal	0.3538	0.3575	0.3342	0.3465	0.3597
Singapore dollar	0.9728	0.9722	0.9329	0.9438	1.0051
South African rand	0.09194	0.08181	0.08485	0.07974	0.07323
South Korean won	0.001139	0.001137	0.001096	0.001009	0.001033
Swedish krona	0.1404	0.1459	0.1462	0.1289	0.1273
Swiss franc	1.3352	1.4294	1.3713	1.3629	1.5024
Taiwanese dollar	0.04294	0.04553	0.04487	0.04371	0.04334
Thai baht	0.04274				
Turkish lira	0.2340	0.1930	0.1450	0.07940	0.05860
UK pound sterling	1.6945	1.7199	1.7246	1.6076	1.6784
US dollar	1.3269	1.3415	1.2535	1.3013	1.3497
Vietnamese dong	0.000057				