

KOREA ELECTRIC POWER CORP

Form 6-K

June 12, 2018

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**Pursuant to Rule 13a-16 or 15d-16 of**

**the Securities Exchange Act of 1934**

**For the Month of June 2018**

**KOREA ELECTRIC POWER CORPORATION**

**(Translation of registrant's name into English)**

**55 Jeollyeok-ro, Naju-si, Jeollanam-do, 58217, Korea**

**(Address of principal executive offices)**

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
82- .

This Report of Foreign Private Issuer on Form 6-K is deemed filed for all purposes under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

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QUARTERLY BUSINESS REPORT

(For the period from January 1, 2018 to March 31, 2018)

THIS IS A SUMMARY IN ENGLISH OF THE QUARTERLY BUSINESS REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE FINANCIAL SERVICES COMMISSION OF KOREA.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED FOR THE CONVENIENCE OF READERS. NON-MATERIAL OR PREVIOUSLY DISCLOSED INFORMATION IS OMITTED OR ABRIDGED.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A CONSOLIDATED BASIS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED FOR USE IN KOREA, OR K-IFRS, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

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**I. Company Overview**

1. Name of the company: Korea Electric Power Corporation (KEPCO)

2. Information of the company

(Address) 55 Jeollyeok-ro, Naju-si, Jeollanam-do, 58217, Korea

(Phone number) 82-61-345-4213

(Website) <http://www.kepcoco.kr>

3. Major businesses

KEPCO, as the parent company, is engaged in the following activities:

development of electric power resources;

generation, transmission, transformation and distribution of electricity and other related activities;

research and development of technology related to the businesses mentioned above;

overseas business related to the businesses mentioned above;

investment or contributions related to the businesses mentioned above;

development and operation of certain real estate holdings; and

other businesses entrusted by the government.

Businesses operated by KEPCO's major subsidiaries are as follows: nuclear power generation by Korea Hydro & Nuclear Power (KHNP), thermal power generation by Korea South-East Power (KOSEP), Korea Midland Power (KOMIPO), Korea Western Power (KOWEPO), Korea Southern Power (KOSPO) and Korea East-West Power (EWP), other businesses including engineering service by KEPCO Engineering & Construction (KEPCO E&C), maintenance and repair of power plants by KEPCO Plant Service & Engineering (KEPCO KPS), nuclear fuel processing by KEPCO Nuclear Fuel (KEPCO NF), IT service by KEPCO KDN, and other overseas businesses and related investments.

4. Subsidiaries and affiliates of KEPCO

(As of March 31, 2018)

<b>Classification</b>	<b>Consolidated subsidiaries</b>	<b>Associates and joint ventures</b>	<b>Total</b>
Domestic	26	60	86
Overseas	78	46	124
<b>Total</b>	<b>104</b>	<b>106</b>	<b>210</b>

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## 5. Major changes in management

- A. On March 19, 2018, Mr. Kim, Chang-Joon was appointed as a non-standing director in the replacement of Mr. Koo, Ja-Yoon, whose term of office expired.
- B. On April 4, 2018, Mr. Yang, Bong-Ryull, Mr. Kim, Jwa-Kwan and Mr. Jung, Yeon-Gil were appointed as non-standing directors in the replacement of Mr. Ahn, Choong-Yong, Mr. Lee, Gang-Hee and Mr. Cho, Jeon-Hyeok whose term of office expired.
- C. At the extraordinary general meeting of shareholders of KEPCO held on April 10, 2018, Mr. JongKap KIM was appointed as the President and Chief Executive Officer, in replacement of Mr. Cho, Hwan-Eik who voluntarily resigned on December 8, 2017.

## 6. Changes in major shareholders

On December 31, 2014, Korea Development Bank merged with Korea Finance Corporation, and became the largest shareholder of KEPCO.

## 7. Information regarding KEPCO shares

- A. Issued share capital: Won 3,210 billion (Authorized capital: Won 6 trillion)
- B. Total number of issued shares: 641,964,077  
(Total number of shares authorized to for issuance: 1,200,000,000)
- C. Dividends: Dividend payment of Won 790 per share for fiscal year 2017 (Won 0.51 trillion in aggregate). Dividend payments for fiscal year 2016, 2015 and 2014 were Won 1,980, Won 3,100 and Won 500 per share respectively.

**II. Business Overview**

## 1. Consolidated financial results by segment for the first three-month period ended March 31, 2018 and 2017

	(In billions of Won)			
	January to March 2017		January to March 2018	
	Operating		Operating	
	Sales	profit	Sales	profit
Electricity sales	15,193	-784	15,564	-1,442
Nuclear generation	2,669	738	1,962	182

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Thermal generation	6,789	1,522	7,726	1,230
Others <sup>(*)</sup>	669	65	784	69
Subtotal	25,320	1,541	26,036	39
Adjustment for related-party transactions	-10,173	-78	-10,330	-167
<b>Total</b>	<b>15,147</b>	<b>1,463</b>	<b>15,706</b>	<b>-128</b>

The figures may not add up to the relevant total numbers due to rounding.

- <sup>(\*)</sup> Others relate to subsidiaries including KEPCO E&C, KEPCO KPS, KEPCO NF and KEPCO KDN, among others.

Sales and operating profit reflects amendments to Korean IFRS 1001 Presentation of Financial Statements.

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## 2. Changes in unit prices of major products

Business sector	Company	(In Won per kWh)	
		January to March 2017	January to March 2018
Electricity sold	Residential	109.40	111.06
	Commercial	130.09	128.54
	Educational	98.68	99.62
	Industrial	109.15	109.19
	Agricultural	47.82	47.67
	Street lighting	109.48	110.02
	Overnight usage	72.69	72.84
Electricity from nuclear generation	Nuclear Generation	69.23	69.16
Electricity from thermal generation	KOSEP	89.30	88.31
	KOMIPO	104.70	101.86
	KOWEPO	107.18	105.07
	KOSPO	106.21	104.21
	EWP	105.99	103.94

## 3. Power purchase from generation companies for the first three-month period ended March 31, 2018

Company	Volume (MWh)	Expense (In billions of Won)
KHNP	27,542,332	1,907
KOSEP	17,589,035	1,562
KOMIPO	13,471,173	1,373
KOWEPO	13,018,327	1,369
KOSPO	15,355,844	1,606
EWP	14,602,564	1,524
Others	40,130,728	4,690
Total	141,710,003	14,031

Excludes expense related to the renewable portfolio standard provisions and carbon emissions.

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## 4. Intellectual property as of March 31, 2018

	Patents		Utility models	Designs	Trademarks		Total
	Domestic	Overseas			Domestic	Overseas	
KEPCO	1,943	220	73	66	154	45	2,501
Consolidated subsidiaries	3,808	583	803	117	245	23	5,579
<b>Total</b>	<b>5,751</b>	<b>803</b>	<b>876</b>	<b>183</b>	<b>399</b>	<b>68</b>	<b>8,080</b>

**III. Financial Information**

## 1. Condensed consolidated financial results as of and for the first three-month period ended March 31, 2018

(In billions of Won)

Consolidated statements of comprehensive income				Consolidated statements of financial position			
	January to March 2017	January to March 2018	Change (%)		December 31, 2017	March 31, 2018	Change (%)
Sales	15,147	15,706	3.7	Total assets	181,789	184,025	1.2
Operating profit	1,463	-128	-108.7	Total liabilities	108,824	111,827	2.8
Net income	900	-250	-127.8	Total equity	72,965	72,198	-1.1

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2. Condensed separate financial results as of and for the first three-month period ended March 31, 2018

(In billions of Won)

	Separate statements of			Separate statements of			
	comprehensive income			financial position			
	January to March 2017	January to March 2018	Change (%)	December 31, 2017	March 31, 2018	Change (%)	
Sales	15,193	15,564	2.4	Total assets	106,540	107,194	0.6
Operating profit	-784	-1,442	-83.9	Total liabilities	50,758	52,538	3.5
Net income	318	-622	-295.8	Total equity	55,782	54,656	-2.0

**IV. Board of Directors (KEPCO Only)**

1. The board of directors is required to consist of not more than 15 directors including the president. Under our Articles of Incorporation, there may not be more than seven standing directors including the president, and more than eight non-standing directors. The number of non-standing directors must exceed the number of standing directors, including our president.

\* The Audit Committee consists of one standing director and two non-standing directors.

2. Board meetings and agendas for the first three-month period ended March 31, 2018

Number of meetings	Number of agendas	Classification	
		Resolutions	Reports
5	16	11	5

\* The audit committee held 3 meetings with 9 agendas (of which, 4 were approved as proposed and 5 were accepted as reported).

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## 3. Major activities of the Board of Directors

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
February 8, 2018	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
February 23, 2018	Approval of the maximum aggregate amount of remuneration for directors in 2018	Approved as proposed	Resolution
	Approval of the relocation plan of materials center in Gyeonggi District Division	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for the fiscal year 2017	Approved as proposed	Resolution
	Approval to call for the annual general meeting of shareholders for the fiscal year 2017	Approved as proposed	Resolution
	Report on operating plan of the Act on the Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry (2018-2019)	Accepted as reported	Report
	Report on the annual management of commercial papers in 2017	Accepted as reported	Report
	Report on internal control over financial reporting for the fiscal year 2017	Accepted as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2017	Accepted as reported	Report
	Report on the audit result for 2017	Accepted as reported	Report
February 27, 2018	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
March 15, 2018	Approval of amendments to investment structure and guarantee for Nghi Son II coal-fired power plant in Vietnam	Conditionally Approved	Resolution
	Approval of liquidation of KEPCO Canada Energy(KCE), a subsidiary located in Canada	Approved as proposed	Resolution
	Approval of the construction of a new Integrated Gangwon District Division Office Building	Approved as proposed	Resolution
	Approval of the Statement of Appropriation of Retained Earnings for the fiscal year 2017	Approved as proposed	Resolution
March 26, 2018			Resolution

Approval to call for the extraordinary general meeting of  
shareholders for the fiscal year 2018

Approved as  
proposed

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## 4. Major Activities and Attendance Status of Non-standing directors

Date	Agenda	Ahn,	Lee,	Cho,	Choi,	SungKoo,	Kim,	Kim,	Kim,	
		ChoongGang- Yong Hee	Gang- Hee	Jeon- Hyeok	Ki- Ryun	Tae- HyuYoon	Ja- JooSuen	Ji- Hong	Chang- Joon	
February 8, 2018	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	For	For	For	For	Absen	For	For	For	Before Appoint-ment
February 23, 2018	Approval of the maximum aggregate amount of remuneration for directors in 2018	For	For	For	For	For	For	For	For	
	Approval of the relocation plan of materials center in Gyeonggi District Division	For	For	For	For	For	For	For	For	
	Approval of consolidated and separate financial statements for the fiscal year 2017	For	For	For	For	For	For	For	For	
	Approval to call for the annual general meeting of shareholders for the fiscal year 2017	For	For	For	For	For	For	For	For	
	Report on operating plan of the Act on the Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry (2018-2019)					Agenda for Report				
	Report on the annual management of commercial papers in 2017					Agenda for Report				
	Report on internal control over financial reporting for the fiscal year 2017					Agenda for Report				

Evaluation report on internal control  
over financial reporting for the fiscal  
year 2017

Agenda  
for  
Report

Report on the audit result for 2017

Agenda  
for  
Report

February 27, 2018, Approval to close the shareholders  
registry for extraordinary general meeting of shareholders Absent