

KOREA SOUTHERN POWER CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements, Continued
December 31, 2017 and 2016

27. Retained Earnings and Dividends, Continued

(5) Changes in remeasurement components related to defined benefit liability for the year ended December 31, 2017 and 2016 are as follows:

<i>In millions of won</i>		<u>December 31, 2017</u>	<u>December 31, 2016</u>
Beginning balance	₩	37,062	27,916
Changes for the period		(12,593)	12,067
Income tax effect		3,053	(2,921)
Adjustments of noncontrolling interest		(72)	-
Ending balance	₩	<u>27,450</u>	<u>37,062</u>

28. Statement of Appropriation of Retained Earnings

For the year ended December 31, 2017, the Company's retained earnings are expected to be appropriated on March 26, 2018. For the year ended December 31, 2016, the Company's retained earnings were appropriated on March 30, 2017.

<i>In millions of won</i>		<u>December 31, 2017</u>	<u>December 31, 2016</u>
I. Retained earnings before appropriations			
Unappropriated retained earnings carried over from prior years	₩	718,246	727,392
Remeasurements of the defined benefit plan		9,684	(9,146)
Net income		98,817	426,337
		<u>826,747</u>	<u>1,144,583</u>
II. Appropriations of retained earnings			
Dividends		25,780	60,630
Legal reserves		2,578	6,063
Voluntary reserves		70,459	359,644
		<u>98,817</u>	<u>426,337</u>
III. Unappropriated retained earnings to be carried over to subsequent year (I - II)	₩	<u>727,930</u>	<u>718,246</u>