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**Establishing a Solid Foundation
for Growth**

PacificLight

2013 IN REVIEW

*A joint venture between FPM Power Holdings Ltd
and PETRONAS Power Sdn Bhd*



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Introduction to PacificLight

PacificLight is a Singapore based power generation and electricity retail company.

PacificLight Power Pte Ltd (PacificLight) is a Singapore based power generation and electricity retail company. Comprising two blocks of Combined Cycle Gas Turbine (CCGT) generating units, PacificLight's Jurong Island Power Generation Facility has a combined generation capacity of 800MW and is capable of powering up to 800,000 Singaporean households. With the best F-Class turbines installed from Siemens, the plant is one of the most efficient in Singapore and meets stringent international emissions standards.

PacificLight is a joint venture between FPM Power Holdings Ltd, which holds a 70% interest, and PETRONAS Power Sdn Bhd, which holds the remaining 30% interest. The combined expertise of these shareholders underpins the company's established foundation and contributes to its competitive edge in power generation and electricity retailing.



Yu Tat Ming
Chief Executive Officer

A Year of Great Progress

The year 2013 was one of substantial progress for PacificLight, both in the construction of our power plant as well as the development of our infrastructure and team.

Since breaking ground on our 800MW (CCGT) power plant in June 2011, we have taken significant steps towards realizing our vision to become an efficient power generator that offers a compelling option to energy consumers in Singapore.

We commenced the transition from construction to operation, having defined our business processes, mapped our strategic direction and prepared our policies and procedures to ensure that we are poised to successfully enter the market.

I am proud of the accomplishments that the team has achieved in 2013 which have established a solid foundation for our business and position us strongly for the future.

BUILDING ON OUR EXPERTISE

Representing an investment of \$1.2 billion, our state-of-the-art facility on Jurong Island is one of the most efficient combined cycle power plants operating in Singapore, and it enables us to compete effectively in the liberalized local electricity market. At 800MW,

it represents 6.2% of Singapore's total installed generating capacity and is the first power plant in Singapore to be fuelled entirely by Liquefied Natural Gas (LNG).

Critical to the operation of our plant is a continuous supply of fuel. As Singapore leverages on its excellent regional position to achieve its ambition to be Asia's primary gas marketing hub, we are able to capitalise on the growing domestic demand for LNG. In addition, our long-term fuel supply arrangements with BG Singapore Gas Marketing provides us with confidence that the supply chain will remain robust.

Commissioning of our plant commenced in June 2013 and Unit 10 was successfully handed over to PacificLight from our EPC contractor in December 2013, on time and with plant performance that exceeded our targets. Unit 20 is expected to be handed over in January 2014. It is thanks to the successful and close partnership we have had with our contractor Siemens-Samsung throughout the construction process that we were able to achieve these milestones.

SAFETY FIRST

Above all we value the safety of our employees and contractors. We are particularly proud of the project's success in completing more than 6,500,000 man-hours of work without a single lost time incident. This effort was recognised by the Workplace Safety and Health Council of Singapore through the SHARP Award, which affirmed the project's comprehensive safety and environmental management plan, stringent training, and the close collaboration between suppliers and contractors.

We continue to make safety our highest priority, acknowledging that safer practices also mean minimal disruptions to the supply of energy for our customers.

DELIVERING FOR OUR CUSTOMERS

In the coming years, a new energy landscape will emerge as the deregulation plan for Singapore's Energy Market continues to unfold. It will generate increased competition among energy providers, in turn benefitting customers with greater efficiency of supply, improved services, competitive pricing and innovative products.

PacificLight is well-prepared to succeed in this landscape. We see huge potential in the Singapore Energy Market and our ambition is to become the preferred electricity retailer by delivering the best value for our customers through tailored energy solutions, excellent customer support and innovative value-added services.

Ultimately we aim to become the energy solutions provider that customers always look to when they make informed energy choices.

FUTURE OUTLOOK

In the coming years we expect steady and growing demand for electricity. PacificLight will be key to meeting that demand.

As we enter this next phase in the company's growth, I am confident PacificLight can demonstrate our competitiveness in the market, strengthened by our state-of-the-art generation plant and our ongoing focus on providing flexible and customised energy solutions. We continue to look for ways to improve our efficiency, increase value and reduce costs for our customers.

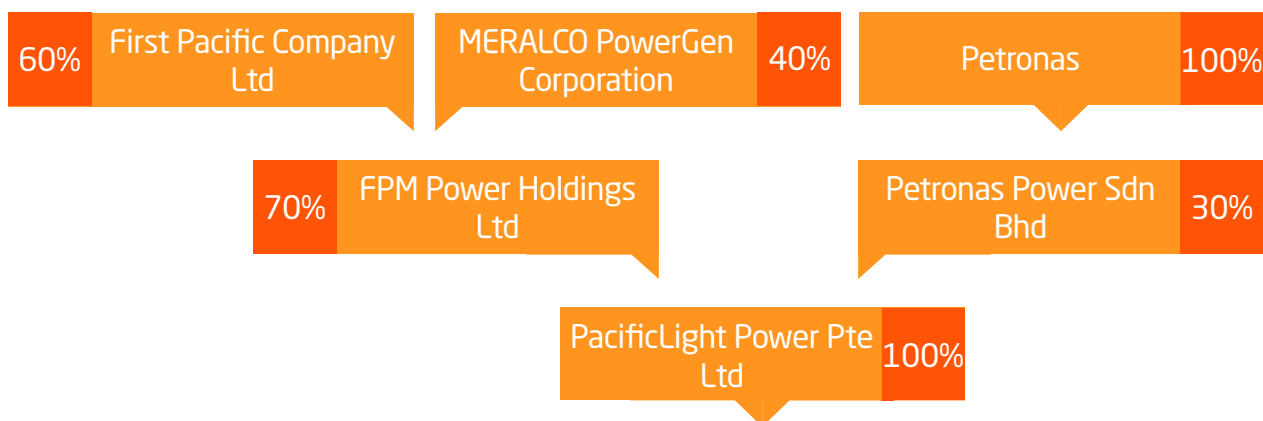
I would like to thank the staff at PacificLight for your continuous dedication and contribution to the company, which has underpinned the fantastic achievements of the past year and positioned us for continued success in years to come.

Finally, I would also like to thank our contractor Siemens-Samsung, our partners in the banking community and government agencies and our shareholders for your ongoing support.



Yu Tat Ming
Chief Executive Officer

Shareholder overview



PACIFICLIGHT POWER PTE LTD

is owned 70:30 by FPM Power Holdings Ltd and PETRONAS Power Sdn Bhd.

PACIFICLIGHT ENERGY PTE LTD

a wholly owned subsidiary of PLP, holds an electricity retail license from the Energy Market Authority and has been supplying electricity to eligible contestable consumers since 2013.

FPM POWER HOLDINGS LTD

is a 60:40 joint venture between First Pacific Company Ltd and MERALCO PowerGen Corporation respectively.

FIRST PACIFIC COMPANY LTD

is a Hong Kong-based investment management and Holding Company with operations located across Asia. Its principal business interests relate to telecommunications, infrastructure, consumer food products and natural resources. www.firstpacific.com/eng/

MERALCO POWERGEN CORPORATION (MGEN)

is a wholly-owned subsidiary and the power generation arm of the Manila Electric Company (MERALCO), the largest privately-owned distribution utility in the Philippines. www.meralco.com.ph

PETRONAS POWER SDN BHD

a wholly-owned subsidiary of PETRONAS manages all PETRONAS' power assets portfolio and investments. PETRONAS is the national oil and gas company of Malaysia and is a fully integrated oil and gas corporation with operations along the hydrocarbon value chain in over 50 companies. In the latest FORTUNE Global 500 ranking (July 2013), PETRONAS, the only Malaysian company on the list, was ranked 69th by revenue and 12th in terms of profit. www.petronas.com.my



Corporate Overview

PacificLight has an experienced management team with over 120 years of combined expertise in the electricity sector.

OPERATIONS AND MAINTENANCE

The Operations and Maintenance teams oversee the performance of PacificLight's power generation facility. The teams work closely to ensure the efficiency and reliability of the plant is maximised, thus enabling PacificLight to provide a continuous supply of energy.

The Operations team is responsible for the overall control of the plant and carries out continuous online performance monitoring. Particular attention is given to safety and efficiency of PacificLight's plant while ensuring environmental regulations are always met.

The maintenance team swiftly responds to any maintenance issues to reduce the risk of supply interruptions. Implementation of a computerized maintenance system enhances the delivery of maintenance across the plant.

PORTFOLIO MANAGEMENT

The Portfolio Management team is responsible for trading in both the Singapore electricity and gas markets and minimising fuel price volatility.

The National Electricity Market of Singapore requires generators to bid on a half hourly basis. Generators are able to rebid their plant into the market based on operational conditions of the plant and changing market dynamics.

Given that global fuel prices fluctuate, the Portfolio team constantly monitors the fuel markets and reduces PacificLight's exposure by entering into medium and long term hedging arrangements.

RETAIL

As a licenced electricity retailer, PacificLight Energy Pte Ltd, sells electricity to eligible customers in the Singapore market. Our primary focus as a retailer is to provide customers with competitive priced packages, tailored to meet their specific business needs, coupled with excellent customer service.

Corporate Values

As we strive to become the preferred electricity retailer in Singapore, we believe the best way to achieve this is to be guided by a shared set of values and beliefs. PacificLight has adopted five key values and beliefs which guide all of our business decisions and actions.



Accountability

We take ownership for our decisions and actions.



Integrity

We embrace strong ethical and corporate governance standards.



Teamwork

We trust, motivate and support each other to achieve common goals.



Customer centric

We deliver our promise.



Social Responsibility

We are responsible citizens in our operating environment.

Key Milestones



June 2011

Ground Breaking of PacificLight's 800MW Plant on Jurong Island



March 2013

Acquisition by FPM Power Holdings Ltd of a 70% stake in PacificLight- March 2013



2013

PacificLight granted the SHARP award under the Workplace Safety and Health Awards 2013 in recognition of 6,500,000 of man hours without a lost time incident



June 2013

First Electricity Exported to the Singapore Grid



Dec 2013

Unit 10 Commences Commercial Operation



Construction Progress

2013 saw the peak of construction activities with 1,800 people working on site as completion of the power plant drew to a close. This was followed by commissioning in the second quarter of 2013 during which the plant underwent a series of vigorous tests to prove its capability to meet the stringent requirements of the Singapore grid code and emission standards.

As the plant is fully fuelled by regasified LNG, full-scale commissioning commenced only after the commercial operation of Singapore's first LNG terminal on 7 May 2013. To facilitate the initial commissioning of the plant, PLP entered into an agreement to procure piped natural gas for an interim period. This helped to ensure the plant was completed according to schedule.

Plant commissioning was not without technical challenges. However, each challenge was taken as a learning opportunity. Having an in-house team manage the commissioning process proved to be extremely beneficial. Not only was the experience

gained throughout the construction of the project retained within the organisation, it also formed a solid foundation for the team to later manage the operation and maintenance of the plant. Transition from commissioning to operation was therefore seamless.

The design of the merchant market in Singapore presented another complication during the commissioning of the plant. In Singapore's electricity market, a generating unit under commissioning is treated in the same way as a commercial unit in operation. Accordingly it must bid into the electricity market in order to be despatched, which meant that PLP's electricity trading and gas nomination systems had to be ready from the onset of commissioning. At times, the plant despatch was not sufficient to meet the level of generation required for commissioning purposes.

Despite these challenges, all key milestone dates were met thanks to great team work across the company. Both units passed the performance tests with output higher than the guarantee by 10.6MW in total. Unit 10 was handed over to PLP from the contractor on 21 December 2013 and Unit 20 is expected to be handed over in early 2014.



Corporate Governance

PacificLight has developed a robust governance framework to ensure the company constantly strives to adopt best practices and minimise risk to the company.

AUDIT & RISK COMMITTEE

The Audit & Risk Committee reports to the Board of Directors and are responsible for overseeing the controls for internal risk management and governance. They ensure that there are effective systems for internal control, financial reporting and risk management.

The Audit & Risk Committee reviews the appointment of the auditor, the audit plan and ensures the integrity, accuracy and fairness of the financial statements.

INFORMATION SECURITY COMMITTEE

The Information Security Committee is responsible for ensuring that the Information Security Policies are reviewed and updated as required and that the information assets are adequately protected. The committee is the primary lead in the investigation of any Information Security breaches.

SAFETY COMMITTEE

To cultivate a greater sense of safety awareness amongst employees, the Health, Safety & Environment (HSE) Committee develops safety education & awareness programmes; discusses safety needs and policies and identifies improvements in work practices.

The committee is chaired by the General Manager, Operations & Maintenance, The composition, functions and duties of the HSE committee are in accordance with the Workplace Safety & Health Act 2006.

Corporate Social Responsibility

One of PacificLight's key values is Social Responsibility. We strive to be responsible citizens in our operating environment and take seriously our role as a part of the community. We believe it is essential as a company to look for ways in which we can make a positive contribution to the community and environment.

In 2013 we undertook a number of activities with local non-profit organisations, raising funds through company and direct staff contributions to support key initiatives.

TYPHOON YOLANDA

More than 16 million people were affected by Typhoon Yolanda, which devastated South East Asia and in particular the Philippines, in November 2013. In response to the disaster, the staff of PacificLight gathered five large boxes of clothing and necessities for the victims of the typhoon over a matter of a few days. A lump sum amount of \$700 was also raised for the recovery effort, donated by staff and the company directly.

DIGNITY KITCHEN

Dignity Kitchen is Singapore's first hawker training school for disabled and disadvantaged people. This initiative supports the handicapped and elderly by providing on-the-job training and job placement for graduates of the programme, with the aim of helping them improve their lives and become successful in their own right. Their mission is to build and return dignity to the disadvantaged and disabled through vocation with passion.

PacificLight staff supported this initiative by Project Dignity through donating four large boxes of books to the Dignity Mama Stall, which brings parents with challenged youth together to manage a retail stall selling second hand books.

SINGAPORE ASSOCIATION OF THE VISUALLY HANDICAPPED AND ST LUKE'S ELDERCARE

Singapore Association of the Visually Handicapped (SAVH) is a non-profit voluntary welfare organisation that promotes the needs, interests and aspirations of the visually impaired. It seeks to help the visually impaired gain self-reliance by acquiring new skills and learning to cope with integration into society.

St Luke's Eldercare is an established eldercare organisation, which provides a range of services such as social day care, active and maintenance rehabilitation and wellness programmes for senior citizens.

Working in collaboration, PacificLight provided a lunch sponsorship for approximately 60 people at Dignity Kitchen.

BISHAN HOME FOR THE INTELLECTUALLY DISABLED

Bishan Home for the Intellectually Disabled is one of the first purposefully built residential homes for people with intellectual disabilities in Singapore. It offers a residency program for 132 residents and provides services to the wider community including a Day Activity Centre.

In late 2013, PacificLight staff contributed \$1900 to the Home enabling it to purchase and provide chickenpox inoculation for its residents.



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