



2014
IN REVIEW



WE ARE A SINGAPORE-BASED POWER GENERATION AND ELECTRICITY RETAIL COMPANY.

Our customers are at the heart of everything we do. We aim to become Singapore's leading electricity retailer, providing customers with unparalleled service and competitive prices.



800 MW

Combined Cycle Gas Turbine Power Plant on Jurong Island operating since 2013. The plant is capable of providing power to more than 800,000 Singaporean homes.



Officially opened in June 2014, the plant provided approximately

8.8%

of Singapore's electricity needs in 2014.

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MESSAGE FROM THE CEO

Delivering on our promises and looking to the future

Over the course of 2014, PacificLight successfully completed the transition from construction to commercial operation, firmly establishing our position in the Singapore energy market. Building on the momentum gained with the commencement of full commercial operations at the start of 2014, we expanded our customer base significantly, officially opened our state-of-the-art power plant on Jurong Island and successfully completed a S\$1.1 billion refinancing of our existing loan and credit facilities.

With the achievement of such significant milestones in our first year of operation, the team have demonstrated a strong commitment to deliver value to our shareholders, our business partners and, most importantly, our customers.

Coming Together

In June an official opening ceremony was held to mark the completion of construction for our S\$1.2 billion project and formally launched PacificLight into the market. Graced by guest-of-honour Mr Chee Hong Tat, Chief Executive of Energy Market Authority, and attended by industry representatives, business partners, shareholders and employees, the event provided an opportunity to acknowledge the successful partnership between PacificLight and our contractor Siemens-Samsung in delivering the most efficient power plant currently operating in the Singapore market.

The event marked the symbolic start of a new phase for PacificLight, one in which we will continue to build upon the substantial progress made to date and work together to become the leading electricity retailer in Singapore.

Focused on Efficiency

We remain focused on initiatives that maximise the efficiency and reliability of our operations, recognising that in doing so we are not only benefitting the environment but also reducing costs for our customers.

Over the course of the year we completed a modification to our plant to further improve its performance and efficiency. This resulted in a reduction in our onsite electricity consumption of more than 22% and annual costs savings of S\$5.7 million. Such initiatives continue to strengthen our competitive position in the market.

Moving into the next phase of growth at PacificLight, we will continue to deliver maximum value through best-in-class energy solutions and by continually looking for ways to improve our performance.

Yu Tat Ming
Chief Executive Officer

Our efforts to increase efficiency and reduce our carbon footprint have received public recognition in a number of ways. We have secured Greenmark Certification from the Building and Construction Authority (BCA) for the implementation of high quality equipment and sustainable practices at our plant. At the Asian Power Awards in September 2014, we received an award under the category of Asian Power Gas Plant of the Year.

PacificLight has also been registered as a Clean Development Mechanism (CDM) project under the United Nations Framework Convention on Climate Change, a scheme that recognises projects that contribute to sustainable development and emissions reduction. This not only made PacificLight the largest CDM project in Singapore but also acknowledged on a global scale our commitment to maximising efficiency and reducing our impact on the environment through the use of advanced technology.

We continue to place safety as a top priority at both our plant site and offices. Our safety statistics bear evidence to this with no major reportable injuries in 2014.

Delivering Maximum Value

The past year has also been significant for our retail team who have successfully expanded our customer base from various sectors of the market. Underpinned by our consistent commitment to customer service, the team have been continuously working to provide competitive energy solutions that meet our customers' needs.

As the Singapore government progresses its plans for deregulation of the energy market and the threshold for contestability is lowered in July 2015, a new wave of customers will seek innovative products at competitive prices. With the solid foundation we have established over the past two years, PacificLight is well-positioned to capitalise on future opportunities in the energy market.

Looking Ahead

In December 2014 we successfully refinanced our existing loan and credit facilities with a consortium of international banks, led by Malayan Banking Berhad. The refinancing demonstrates the strength of support and ongoing endorsement of PacificLight from the international financial community and will allow us to focus on our core operation.

Looking ahead we expect the low oil price environment experienced in 2014 to continue in the near term. While this has had wide-ranging impact across the energy sector, the reflection of this trend in lower LNG prices has enabled PacificLight to share the benefit of low fuel prices with our consumers. Such volatility is not unusual in energy pricing and a sustained lowering of energy prices will help to drive increasing demand for electricity in the future.

Moving into the next phase of growth at PacificLight, we will continue to deliver maximum value through best-in-class energy solutions and by continually looking for ways to improve our performance. I am encouraged by the achievements of the past year which have brought us closer towards our goal of becoming the leading energy solutions provider in Singapore.

Sincere thanks must go to our business partners, especially those in the banking community and government agencies, our shareholders and our customers, for your continued support and confidence in PacificLight.

All the above achievements have been made possible through the consistent determination of the entire team at PacificLight to deliver on the promises we have made. In the words of Henry Ford, the 19th Century industrialist, "Coming together is a beginning; keeping together is progress; working together is success".

I am confident that with commitment and passion, our company will continue to build upon the achievements we have already made and take PacificLight to even greater heights.

Yu Tat Ming
Chief Executive Officer





CORPORATE VALUES

We recognise that to achieve our goals we must be guided by a shared set of values and beliefs. Five key values and beliefs 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.

MANAGEMENT TEAM

Senior Management

Our experienced management team have more than 100 years of combined expertise in the electricity sector.



Yu Tat Ming Chief Executive Office



Yu Tat Ming was appointed Chief Executive Officer of PacificLight in September 2009 and is responsible for the business strategy and future direction of the company.

Prior to joining PacificLight, Mr Yu was Vice President, Asset Management, Senoko Power Ltd, where he undertook a leading role in the capital project development, operation and maintenance of Senoko Power Station. During his 20 year tenure at Senoko, Mr Yu was also responsible for the construction of five generating units in addition to a major repowering project.

Mr Yu also previously worked for CLP Holdings Limited as station manager of its largest coal-fired power station.

Nicholas Chan Chief Financial Officer



Nicholas Chan joined PacificLight in March 2014 as Chief Financial Officer and is responsible for managing the company's overall financial matters.

Mr Chan previously served as Senior Vice President of Corporate Finance at YTL PowerSeraya, where he was responsible for leading and advising the Corporate Finance business unit. During his tenure at YTL PowerSeraya, Mr Chan was a critical member of the Risk Management Committee and held various other senior roles. Mr Chan has also worked at Senoko Power as Financial Controller and has a total of over 17 years' experience in the electricity industry.

Geraldine Tan General Manager, Retail



Geraldine Tan joined PacificLight in July 2012 as General Manager, Retail and is responsible for the retail business unit of PacificLight.

Previously Ms Tan was Assistant Vice President Customer Service at Sembcorp Power where she was responsible for retail operations across customer service, billing, collections and credit control for all power, gas and utilities customers. During her time at Sembcorp Power, Ms Tan was instrumental in the management of direct sales and marketing activities and was actively involved on behalf of the retail business in power industry regulatory matters.

Ms Tan has also held senior customer service roles at SP Services managing the team of service personnel at both call centre and customer service centres.

R. Elangovan General Manager, Operations & Maintenance



R. Elangovan joined PacificLight in June 2011 as General Manager, Operations & Maintenance and is responsible for the efficient and reliable performance of the company's power plant.

Before joining PacificLight, Mr Elangovan was Asset Manager, Oil & Diesel Department at YTL PowerSeraya in Singapore. In his 20 year tenure at YTL PowerSeraya he held senior roles in turbine maintenance and engineering. Mr Elangovan was also a Technical Manager at Alstom Power Singapore.

Marcus Tan, Yam Ngee General Manager, Portfolio Management



Marcus Tan joined PacificLight in February 2012 and is the General Manager, Portfolio Management. Mr Tan currently oversees operation of the physical power and gas markets, strategic oil stockpile, and the fuel derivatives and foreign currency portfolios. He is also responsible for the formulation of the company's trading strategy.

Mr Tan has more than 19 years of experience in the energy industry, having been involved in power plant development, asset management of process plants and trading portfolios. Prior to joining PacificLight, Mr Tan was Assistant Vice President, Fuel Hedging & Procurement at Senoko Energy where he was responsible for fuel hedging and physical oil management.

During his tenure at Senoko, Mr Tan led the implementation of an energy trading risk management information system and helmed a major fuel turnover operation.





YEAR IN REVIEW

Key Milestones

FEB

Commenced commercial operation of Unit 20, making PacificLight's Jurong Island power plant the first in Singapore to be completely fuelled by LNG.



MAY

Recognised by the Building & Construction Authority's Green Mark Award for efforts in meeting sustainability standards set under the Green Mark Scheme.



JUN

Official opening of S\$1.2 billion state-of-the-art CCGT power plant, which was attended by PacificLight's shareholders, partners, employees and the media.



SEP

Received an award under the category of Asian Gas Power Plant of the Year at the Asian Power 2014 awards.



OCT

Successfully registered as a CDM project under the United Nations Framework Convention on Climate Change, acknowledging PacificLight's efforts in emissions reduction and sustainable development.



DEC

Completed a refinancing of the existing secured loan facilities for the company's power plant with a consortium of international banks, demonstrating the financial community's continued confidence in PacificLight.





2014 in Review

The official opening ceremony of the S\$1.2 billion power plant was held in June to formally launch PacificLight.

February 2014 marked the commencement of full commercial operations of PacificLight's 800MW CCGT power plant on Jurong Island. This milestone represented the culmination of more than two years of construction, which enables PacificLight to compete successfully in the local energy market. The power plant is the first in Singapore to be completely fuelled by LNG, capitalising on the growing demand for the fuel in the domestic market.

The official opening ceremony of the S\$1.2 billion power plant was held in June to formally launch PacificLight to the market. The event was attended by guest-of-honour Mr Chee Hong Tat, Chief Executive of the Energy Market Authority and Singapore government officials as well as our shareholders, industry representatives, business partners, employees and members of the press. Guests were given a guided tour of the state-of-the-art facilities and an up-close view of the gas turbine model at the event reception.

In December the company successfully completed a refinancing of the existing loan facilities for the Jurong Island power plant with a consortium of international banks. Led by Malayan Banking Berhad (Maybank), the refinancing demonstrates the banking community's ongoing confidence in PacificLight. The competitive terms of the loan facility allow PacificLight to continue to focus on providing customers with efficient and competitively-priced electricity.

Backed by the strength of its plant, PacificLight is now one of the most competitive energy retailers in Singapore.





Portfolio Management

The significant market events of 2014 such as sustained low oil prices, have increased volatility in fuel pricing and created challenging conditions for the industry. Despite this, the lower oil-linked LNG prices have enabled PacificLight to secure competitive prices for the benefit of our customers.

Operations and Maintenance

The Operations and Maintenance team implemented a modification to the plant's design to maximise operating efficiency. On completion of the project, on-site electricity consumption has been reduced by more than 22%.

The operations and maintenance teams are responsible for the performance of the plant and ensure PacificLight is able to provide a continuous supply of energy to its customers. Safety onsite is given the highest priority and teams are encouraged to look for ways to further enhance safety measures at all times.

Unit 20 was handed over to PacificLight from our contractor, Siemens-Samsung, in January 2014 and since that time, the team have implemented a further modification to the plant which has led to a significant improvement in the plant's operating efficiency. Over the course of 2014, both units underwent their first inspection, confirming that the plant is in excellent working condition.

As a result of the substantial increase in gas consumption across Singapore, the gas transmission network, owned and operated by PowerGas, has been adapted to operate at higher operating pressures. This increased pressure has reduced the need for on-site gas compression at PacificLight's CCGT power plant. The Operations and Maintenance team implemented a modification to the plant's design in light of these changes to maximise operating efficiency. On completion of the project, on-site electricity consumption has been reduced by more than 22% and reflects annual cost savings of S\$5.7 million.

The plant operated extremely well over the course of 2014



Availability exceeded

94.5%



Reliability rate in excess of

99.9%



3,735,470 MWh
of electricity generated





In July, the contestability threshold will reduce to 2,000kWh. We have put in place the systems and people to ensure we are well-equipped to service these newly eligible customers.

Retail

The past year has seen the full establishment of the retail team who have expanded the company's customer base considerably.

In addition, the retail team have progressed a number of initiatives to engage and grow PacificLight's customer base over the year. These include customer appreciation events and participation in consumer dialogue sessions held by the Energy Market Authority and the Singapore Business Federation, which sought to educate businesses about their choices as eligible contestable consumers.

Emphasis was also placed on showcasing the company's products and services at various trade shows and exhibitions to expand our customer outreach.

In July 2015, the contestability threshold will reduce from the existing threshold of 4,000 kWh to 2,000 kWh, allowing 13,500 more consumers, ranging from small to medium commercial and industrial businesses to select an electricity supplier of their choice and benefit from better electricity price plans and services. We have put in place the systems and people to ensure we are well-equipped to service these newly eligible customers.

Awards and Accolades

Despite only being in operation since February 2014, PacificLight has received public recognition for its compliance with environmental regulations through the Green Mark Award from Building and Construction Authority for efforts in meeting sustainability standards set under the Green Mark Scheme. The company also received an award under the Asian Gas Power Plant of the Year 2014 category at the Asian Power Awards.

In October, PacificLight was registered as a CDM project under the United Nations Framework Convention on Climate Change. This scheme recognises projects that make a significant contribution to sustainable development and emissions reduction. With this recognition, PacificLight became the largest CDM project in Singapore and our commitment to maximising efficiency and reducing our impact on the environment through the use of advanced technology was acknowledged on a global scale.





SHAREHOLDER OVERVIEW



First Pacific Company Limited

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 in Singapore 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. <http://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. <http://www.meralco.com.ph/>

PETRONAS International Power Corporation (Mauritius) Ltd ("PIPCM") is wholly owned by PETRONAS International Power Corporation B.V., which is wholly owned by PETRONAS Power Sdn Bhd ("PPSB"). PPSP is wholly-owned by PETRONAS, the national oil and gas company of Malaysia and a fully integrated oil and gas multinational ranked among one of the largest corporations on the FORTUNE Global 500. Operating their core business in the upstream and downstream sectors, PETRONAS are present in more than 65 countries having been incorporated in 1974.





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 and our shareholders.



Audit & Risk Committees

The Audit & Risk Committees report 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 Committees review the appointment of the auditor, the audit plan and ensures the integrity, accuracy and fairness of the financial statements.



Safety Committee

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

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



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.



CORPORATE SOCIAL RESPONSIBILITY

As a member of the community, PacificLight places strong emphasis on social responsibility, having identified it as one of our five core company values.

We promote staff involvement in community programs through contributing to social causes with non-profit organisations and promoting actions and initiatives that reduce our environmental footprint.

In 2014 we undertook a number of activities in partnership with local non-profit organisations to raise funds through company and direct staff contributions to support key initiatives.



Run for Hope

Run For Hope is an annual non-competitive leisure run organised by the National Cancer Centre Singapore (NCCS), Four Seasons Hotel Singapore and Regent Singapore to raise awareness for cancer research. In its 22nd year, the initiative supports NCCS in its work to provide holistic care and multidisciplinary-based treatment for cancer patients.

Held on 16 November 2014, 18 staff from the PacificLight team participated in the Run For Hope to raise money in support of this worthy cause.

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 five 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.

Sponsorship of the Gala Dinner held on 9 May 2014 for Typhoon Relief Efforts in the Philippines

Sponsorship of the Singapore Power Heartware Fund Charity Golf 2014 in support of ComChest

Contributing to a cleaner environment

During the year we progressed a number of internal initiatives to encourage staff to consciously consider their impact on the environment with the aim of reducing waste and carbon emissions.

Recycling is promoted across our sites and we provide free transfers for staff from certain major MRT stations to our Jurong Island site to minimise driving and reduce emissions. As a team we continue to work together to implement new initiatives and practices that contribute to a cleaner Singapore.





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