

PacificLight
2016 in Review



Company Profile

PacificLight is a power generator and electricity retailer providing effective energy solutions tailored for Singapore businesses. We strive to constantly improve in every aspect of our business to ensure we deliver the very best for our customers.



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Message from the CEO

Spreading Positive Energy



*Qu Tat Ming,
Chief Executive Officer,
PacificLight*

Over the course of 2016, PacificLight successfully achieved a number of significant milestones by continuing to implement positive changes in all aspects of our business, including our retail offering to customers, plant efficiency enhancements and our community outreach efforts.

Underpinning our continued success is our 800MW power plant that generated over 9% of Singapore's electricity needs in 2016. Despite the challenging market, our generation output increased by 3.9% as compared to the previous year.

Come 2018, a new energy landscape will emerge with further deregulation of the electricity market, which will benefit all Singapore households and businesses. PacificLight Energy continues to expand its foothold in the electricity market and realised an 8% increase in market share in 2016. Our competitive pricing, flexible pricing plans and strong emphasis on customer service has led to a high customer retention rate of over 85%.

In our continuing drive to develop the Singapore energy landscape, we came together with several other leading energy providers across the electricity supply chain to establish a Singapore chapter of the World Energy Council (WEC). A United Nations-accredited global energy body comprising 3,000 member organisations in over 90 countries, the WEC shares global insights and best practices on energy policy, innovation, and sustainability.

We are honoured to be a part of the WEC which promotes affordable, stable, and environmentally sensitive energy systems which aim to open up new avenues for innovation, collaboration, and research, creating a secure, accessible, and sustainable energy future for Singapore's consumers and businesses.

People First

Our employees are our most valuable asset and our HR team is constantly looking to adopt best practices in talent development to support the company. As testament to this objective, we were honoured to be selected as a finalist for two widely recognised Human Resources awards in 2016, the HR Excellence Award and the HRM Award.

The health and safety of our employees always takes priority and I am delighted that our efforts in this area have been acknowledged. In late 2015, we were awarded the globally-recognised certification BS OHSAS 18001: 2007 in addition to the Singapore Standard (SS) 506 Part 1:2009 certification by the Singapore Accreditation Council (SAC), which endorse our occupational health and safety management systems. It is rewarding to see that we meet international best practices and ensures PacificLight remains a safe and accident-free environment for all employees.

Making Every Drop Count

In line with our continuous efforts to improve efficiency and promote environmental sustainability, we implemented a water recycling project at our power plant.

With the overriding aim of making every drop of water count, a water recovery system was installed at our plant's water treatment facility which collects water from the weekly fire-pump test. The recycled water is then re-used at the plant, significantly reducing the volume of waste water discharged to the sewers.

With the water recovery system in place, our water consumption in 2016 reduced by 3,140m³, which is enough water to fill over eight swimming pools.

The Power of the Sun

While natural gas remains Singapore's main source of energy, solar power provides an alternative option for those looking for a renewable source of energy. As part of our Pledge to Recharge Green Energy Programme, we installed solar panels at our facility on Jurong Island, a first for a power generation company in Singapore.

The energy harnessed from the solar panels can be provided to customers who wish to tap into green energy but who do not have the roof space for installation of solar panels, providing a new hybrid energy solution.

Forging Ahead with Positive Energy

I would like to express my sincere appreciation to the employees at PacificLight who, as a committed and passionate team, have accomplished many positive milestones in 2016. Over the course of 2017 we will continue to embrace innovation and provide maximum value to our customers and stakeholders whilst minimising impact to the environment that we operate in.

Backed by our business partnerships, PacificLight will continue paving the way to a positive energy future. In view of the planned liberalisation of the electricity market in 2018, we intend to be a key facilitator by providing businesses and consumers a new perspective on energy provision and management.

Thank you to all our customers, business associates and shareholders for your ongoing partnership and support. We look forward to continued success in the years to come.

Yu Tat Ming

Chief Executive Officer, PacificLight



2016 in Numbers

Singapore Electricity Market

PacificLight produced



of Singapore's electricity needs in 2016

From 2015, our generation levels increased by

3.9%



The amount of electricity generated by PacificLight was sufficient to power over



Power Plant

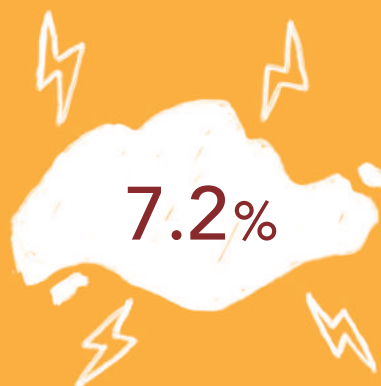


In 2016, PacificLight generated a total of
4,457,881
MWh



was recycled from a water recovery project in 2016. This is enough water to fill more than
8 standard swimming pools

Retail Market Overview



increase of
+30%

PacificLight supplied 7.2% of the Singapore Retail market in 2016, **an increase of nearly 30%** from 2015



In 2016,
85%
of our existing customer re-contracted with PacificLight

In 2016, our portfolio of multi-tenanted buildings almost **doubled in size**



Giving Back

In 2016, we organised
6 community events

including a food donation drive, charity run and environment cleanup campaigns.



Over the course of 2016 PacificLight staff contributed



into CSR activities.



Our Core 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 drive all of our business decisions and actions.



Commitment

We deliver our promise



Integrity

We embrace strong ethical and corporate governance standards



Social Responsibility

We are responsible citizens in our operating environment



Accountability

We take ownership for our decisions and actions



Teamwork

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



Our Management Team

The breadth and depth of our management team's expertise spans more than 100 years of combined industry experience.



Yu Tat Ming, Chief Executive Officer

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 senior roles.

Mr. Chan has also worked at Senoko Power as Financial Controller and has a total of over 19 years' experience in the electricity industry.



Kadur Krishnaswamy Rao Shivakumara, Chief Operating Officer

Mr. Shivakumara joined PacificLight in June 2016 as Chief Operating Officer and is responsible for the efficient and reliable performance of the company's power plant, as well as the development of long-term Operations & Maintenance strategies in line with the company's objectives and business plan.

Mr. Shivakumara previously worked as Project Director for PacificLight Power Pte Ltd from 2011-14, managing the successful construction of PacificLight's 800MW Combined Cycle Gas Turbine Power Plant on Jurong Island. Prior to his current appointment, Mr. Shivakumara served as the Executive Vice President and Group CXO (Supply Chain Management) at GMR Group and was responsible for complete supply chain management and insurance requirements for the GMR Group. During his tenure at GMR, he implemented policies, processes, standardisation, and procurement consolidation.

Mr. Shivakumara has over 30 years' experience in the field of power plant Operations & Maintenance, Project Management, Construction Management, Procurement and Contracts, Supply Chain Management across multinational organisations in power generation, and airport infrastructure.



Marcus Tan Yam Ngee, General Manager, Portfolio Management

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

Mr. Tan has more than 21 years of working 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.



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 and customer service centres.



2016 in Review

A Positive Step Forward



Re-shaping the Singapore Energy Landscape

In 2016, PacificLight came together, with several leading energy companies in Singapore to establish a local chapter of the World Energy Council (WEC) – a United Nations-accredited energy body, sharing insights and best practices on energy policy, innovation, and sustainability.



Making Every Drop Count

Installation of a water recovery system has reduced our consumption of NEWater by 20%. The recycling system collects water used during testing of fire-fighting pumps which is collected and treated before being re-used.



Efficiency Improvements

Both units at our Jurong Island plant underwent upgrading and maintenance over the past year to improve efficiency and ensure operating reliability. Energy savings that result from these improvements enable us to provide competitively priced power to our customers.



Safety First

We held our annual Safety and Security Awareness Day in September 2016. This important event in the company's calendar supports PacificLight's continuous drive to maintain workplace health and safety.



Electricity Usage Made Easy

As part of our ongoing efforts to deliver convenience and value to customers, we launched a new e-portal, available exclusively to customers. The e-portal provides 24/7 access to a range of services.



Awards and Excellence



Efficiency Rewarded

PacificLight was recognised for our efficiency initiatives by the Institute of Chemical Engineers (IChemE) in its 2016 Energy Awards. We were awarded for our Variable Speed Drive (VSD) project – equipment used to intelligently control speed and save energy in our plant's two feedwater pumps.



People First at PacificLight

PacificLight was selected as a finalist for two highly regarded external Human Resources awards – the HR Excellence Award and the HRM Award.



Moving in the Right Direction

We were conferred the SME100 Singapore Award 2016 which identified PacificLight as one of Singapore's Fastest Moving Companies. The annual award recognises Asia's fast-moving small and medium enterprises.



Spreading Positive Energy through Corporate Social Responsibility

Social responsibility, one of our core values, has always been at the heart of our business. In 2016, we continued to spread positive energy through our involvement in various CSR programmes to do our part for environmental conservation and support those in need.



Charging Lives with PacificLight

As part of our community support programme, PacificLight installed mobile charging stations at the Science Centre Singapore. The charging stations can be found in various locations and are free to all visitors who wish to charge their smartphones or tablets. Additional mobile charging stations will be set-up in other locations around Singapore in 2017, providing the public with a valuable service.



The Power of the Sun

Solar power is reshaping the global energy landscape. While traditional power generation remains Singapore's main source of energy, solar power provides an alternative option for those looking for a renewable source of energy. In 2016, we installed solar panels at our facility on Jurong Island – a first and game-changer for the power generation market in Singapore. The energy harnessed from the solar panels can be provided to customers who wish to tap into green energy but do not have the roof space for installation of solar panels.



Conserving Singapore's Coastline

Conserving Singapore's habitats and ecosystems for long-term sustainability is one of our priorities. As part of this commitment, PacificLight participated in the annual International Coastal Clean-up Singapore (ICCS). Eighty organisations and 3,500 volunteers worked together with the single objective of cleaning up Singapore's shorelines. Our staff volunteers collected 21kg of waste and litter at Changi Beach Park.



Food from the Heart

PacificLight organised our second Food from the Heart drive with The Food Bank Singapore. There was a heartening response from our staff, with contribution of various non-perishable food items, including canned food, dry food, and rice. The food items collected were sorted, packed, and distributed to The Food Bank's 130-member beneficiaries, ranging from family service centres, homes, soup kitchens, and other welfare organisations.



Meaningful Strides

The WALK for RICE, held on 10 November 2016, received enthusiastic participation from 31 PacificLight volunteers who walked, despite the rain, to provide rice to underprivileged families. Invited by Ernst and Young (EY), one of the many supporters of this good cause, our volunteers joined EY staff, families, clients, and other business associates on a 5km walk around Marina Bay, Gardens by the Bay and the Marina Barrage.



Running for Cancer Research

Organised by the National Cancer Centre Singapore (NCCS) to raise much-needed awareness of and support for cancer research, the 2016 Run for Hope included a large group of staff from PacificLight, who have supported the event since 2014. Each year, more than 10,000 people in Singapore are diagnosed with cancer, accounting for one in four deaths in Singapore.





Keeping it Clean, the PacificLight Way

Organised by the PUB, Singapore marked the annual World Water Day 2016 with a 4km community Walk-Jog-Conserve event at Jurong Lake in March. As a member of PUB's Friends of the Water, PacificLight was represented by a group of staff volunteers who helped to keep the Jurong Lake trail clean, together with students from Yuan Ching Secondary School. In addition, on 15 May 2016, we also participated in "Operation WE Clean Up," organised by the Taman Jurong Grassroots Club. The island-wide, one-day exercise saw individuals, schools, institutions and communities coming together to keep Singapore clean and green.



Promoting Singapore's Sustainability

PacificLight partnered with Southwest CDC to organise an art competition to promote the importance of environmental conservation and resource preservation. Entitled the Sustainable Singapore School Art competition, students from both Primary and Secondary schools in the Southwest districts were invited to submit drawings with the theme "Making Singapore a Better Place". The competition received over 100 thought provoking entries with some of the winning entries used for our 2017 corporate calendar.



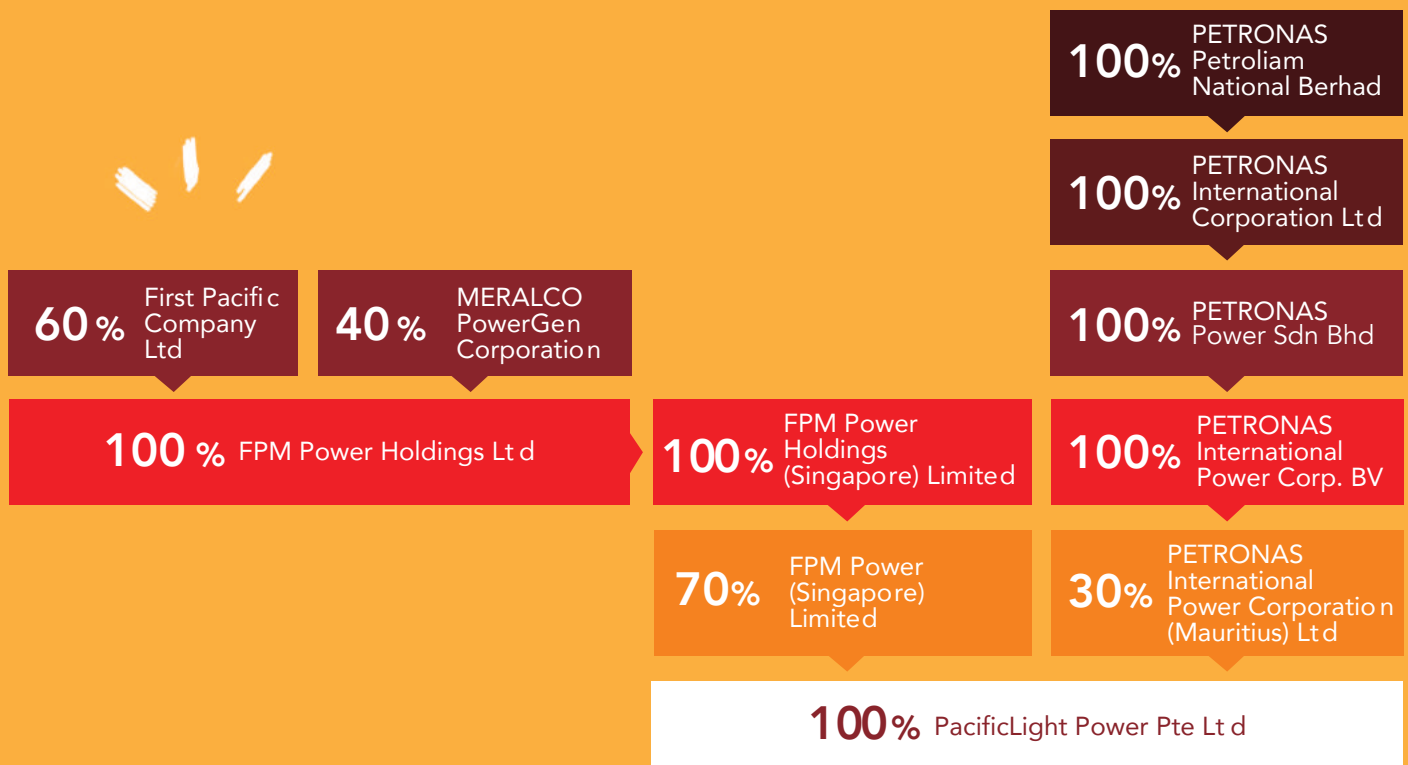
Taking a Stand on Climate Change

In March 2016, PacificLight joined the National Geographic and World Wildlife Fund (WWF) as one of the key sponsors of the inaugural Earth Day Run in Singapore. Held simultaneously in Singapore, Shanghai, Taiwan, Hong Kong, and the Philippines, the run aimed to raise regional awareness of climate change. We supported the cause with sponsorship of a movie marathon that was powered by electricity energy generated by volunteer cyclists. As an environmentally responsible corporate citizen, our involvement in the NGC Earth Day Run reinforces the value we place on social responsibility.



Shareholder Overview

PacificLight Power Pte Ltd is owned by FPM Power (Singapore) Ltd and PETRONAS International Power Corporation (Mauritius) Ltd.



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



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.meralcopowergen.com.ph



PETRONAS International Power Corporation (Mauritius) Ltd ("PIPCM") is wholly owned by PETRONAS International Power Corporation B.V., which in turn is wholly owned by PETRONAS Power Sdn Bhd ("PPSB"). PPSB 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 since 1974.
www.petronas.com.my

Corporate Governance

PacificLight has developed a robust governance framework to ensure we constantly strive to adopt best practices and minimise risk. This framework and our performance is regularly reviewed by a number of committees.

Board of Directors

Oscar Reyes	President and CEO President	Meralco Meralco PowerGen Corporation
Robert Nicholson	Executive Director	First Pacific Company Limited
John Quirke	SVP - Technology and Development	Meralco PowerGen Corporation
Ahmad Hakimi M Radzi	Head of Finance, Downstream Business	Petronas Power Sdn Bhd
Liew Yuen Choon	MD / Chief Executive Officer	Petronas Power Sdn Bhd
Yu Tat Ming	Chief Executive Officer	PacificLight Power Pte Ltd



Audit and Risk Committee

The Audit & Risk Committee reports to the Board of Directors and is 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 Chief Operations Officer. The composition, functions, and duties of the HSE committee are in accordance with the Workplace Safety & Health Act 2006.



