
PROPOSED EXPANSION OF UTILITIES BUSINESS – NEW POWER PLANT PROJECT

1. INTRODUCTION

The Board of Directors (the "**Board**") of Gallant Venture Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, PT Batamindo Investment Cakrawala ("**PT BIC**"), intends to invest in new power plants (the "**Project**") as part of its strategy to meet growing energy demand and diversify its power generation portfolio.

PT BIC is a private limited liability company incorporated in the Republic of Indonesia and the owner and operator of the Batamindo Industrial Park ("**BIP**"), one of the largest and most established industrial parks in Batam, Indonesia. Covering approximately 320 hectares, the BIP is strategically located near Singapore, serving as a vital gateway between Singapore and Indonesia. PT BIC's core operations include the development and management of the BIP, supported by the provision of utilities infrastructure solutions for tenants of the BIP such as power generation, water supply, wastewater treatment and telecommunications. In addition, PT BIC offers comprehensive support services to the tenants, enabling efficient and streamlined industrial operations within the BIP.

2. OVERVIEW AND RATIONALE OF THE PROJECT

This proposed investment supports the Group's long-term strategy to drive growth across its industrial parks and resorts. These developments have significantly expanded the Group's utilities segment and are currently key contributors to the Group's overall revenue and profitability. PT BIC has become a key Independent Power Producer in the Riau region, driven by the growing energy needs of the industrial parks and resorts which the Group operates.

Demand for Reliable Power Surges

The Riau region and neighbouring countries are experiencing accelerated industrial activity. Batam has evolved into a strategic industrial hub, bolstered by its free-trade zone status, investor-friendly policies, and proximity to Singapore. Additionally, the proliferation of energy-intensive sectors, particularly AI-driven digital industries and data centres, has placed mounting pressure on existing power infrastructure in Batam. Current reserve margins in Batam are inadequate, resulting in delays in energy provision for new investors.

By 2029, power consumption in Batam alone is expected to increase considerably, driven by regional economic expansion and the Group's own expansion plan, including the expansion of Bintan Industrial Estate ("**BIE**") and Bintan Resorts adding 2,000 new room keys in the next few years. Furthermore, regional economic developments may have a spillover effect on the neighbouring countries and accelerate developments in industrial islands such as Batam and Bintan.

This will further drive demand in the Batam and Bintan region for reliable power supply, thus making PT BIC's investment in new power plants essential. It ensures energy security, supports industrial growth, and reinforces the Group's position as a leading infrastructure provider in the region.

Group's Strategic Energy Investment – Balancing Cost, Capacity and Sustainability

The Group's current energy mix is predominantly reliant on natural gas, with the balance derived from diesel and solar sources. However, the cost of natural gas has surged sharply in recent years, and as the region's sole natural gas supplier dictates prices, the Company has limited scope for cost negotiation. Alternative sources such as diesel and solar photovoltaic (PV) either incur high generation costs or are constrained by limited availability. Although solar PV with battery storage could extend energy supply, the associated costs for increasing availability remain high.

After evaluating various options, the Group has determined that a coal-fired power plant represents the most cost-effective solution. The Group intends to master-plan a 2 GW coal-fired power plant ("**Power Plants**") and a 400 MW Solar PV farm ("**Solar Farm**"), together with all associated equipment and systems to facilitate the generation, transmission and distribution of electricity generated by the Power Plants and Solar Farm (the "**Project**"). The Project will be developed over 2 Phases , with Phase 1 consisting of 3 x 350 MW Supercritical coal-fired power plant and supporting infrastructure catering to a 2 GW facility in Pulau Setokok, Bulang, Batam, approximately 15 km south of the BIP. Phase 2 consists of 2 x 600 MW Supercritical coal power plant, a 400 MW Solar PV and submarine transmission cables connecting the Power Plants and Solar PV to the Group's Batam, Bintan and Bulan's power plants. The estimated

project cost for the entire Project is US\$2.7 billion to US\$3 billion comprising of Phase 1 costing approximately US\$1.5 billion and Phase 2 costing approximately US\$1.2 billion to US\$1.5 billion. This Project will not only support ongoing expansion within the Group's industrial and resorts segments as well as outside the BIP, but also reduce reliance on volatile natural gas sources, hence securing long-term energy resilience for the Group's operations.

The Group recognises the environmental concerns associated with coal-fired power generation, particularly in relation to greenhouse gas emissions and air quality. In response, and in alignment with broader economic and environmental objectives, a range of mitigation strategies will be adopted. These include the procurement of supercritical coal-fired power plants to improve efficiency and reduce emissions, as well as the exploration of carbon capture and storage solutions. To offset the environmental impact of the Project, the Solar Farm will be integrated as a supplementary energy source. In parallel, the Group will continue to expand its solar PV capacity across industrial parks and resort segments to further enhance energy diversification and sustainability. The Group is also committed to working closely with regulatory authorities to ensure full compliance with environmental standards. In addition, it will engage with local communities and environmental organisations to ensure that the development of the Power Plants aligns with both environmental responsibilities and local social priorities.

The Group believes that this Project will create long-term value for its shareholders and contribute positively to the Group's sustainable growth.

3. PROPOSED FUNDING

The Group intends to finance the Project through internal funds, bank borrowings and/or the issuance of securities which may include convertible bonds. In the event that the Group decides to raise funds via the issuance of securities, the Company will make further announcement(s) to provide details of the issuance of such securities and will (if required) seek shareholders' approval in accordance with the Singapore Exchange Securities Trading Limited Listing Rules.

4. CAUTIONARY STATEMENT

The Company will make further announcements to update its shareholders as and when there are any material developments relating to the Project and financing as may be necessary or appropriate.

In the meantime, shareholders of the Company and other investors are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests, and to exercise

caution when dealing in such shares. In the event that shareholders of the Company wish to deal in the shares of the Company, they should seek their own professional advice and consult with their own stockbrokers.

**BY ORDER OF THE BOARD
GALLANT VENTURE LTD.**

Choo Kok Kiong
Executive Director and Company Secretary
9 June 2025