



Antara Steel Mills which operates the HBI plant.

HBI plant sold for RM546.5m

Sohan Das

LABUAN: The Hot Briquette Iron (HBI) plant at the Ranca Ranca Industrial estate here operated by Antara Steel Mills Sdn Bhd (ASMSB) is being sold to Singapore Steel Engineering Pte Ltd for US\$128 million (RM546.5 million).

The Lions Industries Corp Bhd and its 99 per cent owned unit Amsteel Mills Sdn Bhd has signed a conditional Sales and Purchase Agreement for the disposal of the HBI plant. According to a national daily which reported this, the deal does not include Lions Industries long steel plant in Pasir Gudang, Johor.

The HBI plant was developed during Berjaya rule in the late 1970s. The project was one of the components of Sabah Gas Industries which was later named Sabah Gas Utilisation Project (SGUP).

It comprised a methanol plant, a 100 MW power plant and HBI. The plants enabled the full utilisation of flared-up gas from the Semarang Erb West and Ketam fields.

Later SGUP was fragmented into separate entities one of which was the HBI plant which was sold to Lions Industries. The plant's first production of sponge iron was in 1981. It has a capacity to produce 650,000 tonnes per year.

The high-grade product was sold mostly to overseas markets. HBI with a staff of more than 200 had been operating uninterrupted over the years.