



IFC-51259

Esteel Loan



Quick Facts

Countries	Malaysia
Specific Location	Pasir Gudang Industrial Estate, Johor
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2026-02-05
Borrower	Green Esteel Pte Limited
Sectors	Energy, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 80.00 million
Loan Amount (USD)	\$ 80.00 million
Project Cost (USD)	\$ 117.00 million



Project Description

As stated by the IFC, the proposed investment entails a debt financing package of up to US\$80 million to Green Esteel Pte. Ltd. ("Green Esteel") to finance equipment replacement and refurbishment for Eden Flame, an existing integrated steel mill in Malaysia.

Eden Flame is owned by Eden Flame Sdn Bhd, a wholly-owned subsidiary of Green Esteel. Key project activities include:

- (i) dismantling the obsolete Electric Arc Furnace (EAF) and installing a new EAF;
- (ii) dismantling existing rolling mill lines and installing new lines; and
- (iii) providing additional working capital for EF.

The new facilities aim to minimize yield loss, reduce energy consumption, and enhance operational efficiency.

The IFC investment will finance the installation of a new steel production plant comprising a 50-tonne Consteel EAF, a dual-station ladle furnace (LF) with ladle transfer car, a continuous casting machine (CCM) for billet manufacturing, a 1,440,000 m³/h dedusting plant with fume extractors and baghouse filters for primary and secondary suction systems, a high-speed rolling mill for rebar production with a temp-core system to enhance energy efficiency and product quality, a conventional pulse-combustion natural gas reheating furnace, new enclosed scrap bays and a scrap processing bay, a cut-and-bend facility for value-added rebars, renovated rebar and scrap steel processing workshops, overhead crane systems for scrap and rolling mill operations, auxiliary infrastructure including transformers, security surveillance, fire protection, water treatment and drainage systems, rainwater collection, and site facilities such as the main gate, guard house, and weighing room. All technical machinery and equipment will be supplied by Chinese manufacturers.

Once operational, the plant will have a capacity of 600,000 tons for steel making and 600,000 tons for rebar. For the new production process, scrap will be melted in the EAF with alloy additions via automated charging, supported by a preheater tunnel and a baghouse for emissions control. Molten steel will then undergo metallurgical treatment in the LF before being cast into billets using the CCM. Billets will be hot-charged or reheated for rolling through sequential mills to produce finished products, followed by Tempcore cooling, cutting, straightening, bundling, and storage.

Eden Flame, formerly owned by Antara Steel Mills Sdn Bhd, was established in 1975 by Johor Corporation in Pasir Gudang Industrial Estate, Johor, Malaysia. The plant was leased to Lion Group Malaysia in 2001 and renamed Eden Flame in 2020. In May 2022, Green Esteel Pte. Ltd acquired EF. At the time of acquisition, Eden Flame was not operating, having been shut down in 2019.

The demolition of the existing plant was completed in early November 2025, and construction of the new plant is expected to start in January 2026. Geili Machinery (Fujian) Group Co. is the Engineering Procurement and Construction (EPC) contractor, CISDI is the project management consultant/owner's engineer, and EF's project team oversees implementation. Demolition is primarily handled by local subcontractors. Operations are expected to commence in September 2026.



Investment Description

- International Finance Corporation (IFC)

As stated by the IFC, the Project cost is estimated at US\$117 million, which will be funded by IFC's debt financing package of up to US\$80 million and equity contributions from Green Esteel and other shareholders.



Private Actors Description

As stated by the IFC, Green Esteel is beneficially owned by Mr. You Zhenhua with an interest of approximately 87.8%. By ownership, Green Esteel is 20.2% owned by Deep Source Holdings Limited, a Hong-Kong listed investment holding company that primarily engages in the processing, distribution, and commodities trading. Mr. You Zhenhua is the ultimate beneficiary for Deep Source Holdings Limited. The remaining 4.2% of interest in Green Esteel is owned by other shareholders.



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Bank Documents

- Environmental and Social Review Summary