

PRESS RELEASE

Düsseldorf, December 5, 2006

Order for SMS Demag AG

Dragon Steel orders a converter steelworks

Dragon Steel Corporation (DSC), Taiwan, has commissioned SMS Demag, Germany, to build a converter steelworks for carbon steel. The works will be erected right next to the existing steelworks at the Taichung location.

The works will be built in two stages: In the first construction stage, plants capable of an annual production of 2.5 million t of carbon steel will be erected. After completion of the second stage, 5 million t will be attained. The first heat from the steelworks is likely to be tapped in January 2009.

The core of the works is formed by two 220-t converters which incorporate SMS Demag's patented lamella suspension system, bottom stirrers and a sub lance with robot. The supply scope of the order also includes the complete bin system for ferroalloy supply, the gas cleaning system with primary and secondary dust-collecting systems as well as off-gas recovery facilities, all vehicles, ladles and slag pots.

Under the umbrella of SMS metallurgy, SMS Mevac GmbH, Germany, the secondary-metallurgical plant manufacturer, will be supplying a duplex RH-TOP facility with hydraulic ladle-lifting device. This facility will be used above all to treat special steels for the automotive industry as well as transformer steels.

The SMS Demag supply scope will also include the engineering for the concrete and steel construction work.

Dragon Steel Corporation is 70-percent owned by China Steel, which is Taiwan's largest steel producer.

SMS Demag AG forms part of the Metallurgical Plant and Rolling Mill Technology Business Area of the SMS group.

(28 lines with max. 55 letters)

SMS GmbH is the holding for a group of companies internationally active in plant construction and mechanical engineering relating to the processing of steel, non-ferrous metals and plastics. The group is divided into the Business Areas of Metallurgical Plant and Rolling Mill Technology, Tube, Long Product and Forging Technology and Plastics Technology. In the year 2005 some 9,250 employees worldwide generated a turnover of about EUR 2.33 bn.