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## **Sutor acquires Ningbo Zhehua Heavy Steel Pipe Manufacturing**

*Wednesday, 11 Nov, 2009*

Sutor Technology Group Limited, a leading provider of fine finished steel products used by steel fabricators and other applications in China, announced the signing of an agreement to acquire Ningbo Zhehua Heavy Steel Pipe Manufacturing Co Ltd for USD 6.62 million in a cash transaction.

Sutor expects to close the transaction as soon as the transfer of the equity interest in Zhehua is approved by local authorities.

Located in Ningbo, China and incorporated in 2004, Zhehua produces and sells longitudinally welded steel pipes and spiral welded steel pipes with annual capacity of 400,000 metric tons. Zhehua products are used for oil and natural gas transportation, construction piling, and public facilities among other industries. Zhehua has received the certification of the American Petroleum Institute which is recognized as one of the most strict industry qualifications.

Mr Chen Lifang chairman and CEO of Sutor said, "We are excited about the acquisition of Zhehua and expect the acquisition will be accretive to our earnings and broaden our product offerings. Sutor aims to establish an integrated model for R&D, production, processing and logistics in the upcoming years. We believe Zhehua adds to our competitive advantage of a vertically integrated producer in all aspects of the fine finished steel industry. We hope this acquisition marks the first step in a series of value adding transactions."

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