

China Digital Communication Group to Increase Domestic Sales by 20% in 2006

Tuesday January 3, 9:58 am ET

Major Customer Selects Subsidiary Shenzhen E'Jenie for New 3G Product Line

LOS ANGELES, CA and SHENZHEN, CHINA--(MARKET WIRE)--Jan 3, 2006 -- China Digital Communication Group (OTC BB:[CHID.OB](#) - [News](#)), one of the fastest growing battery components manufacturers in China, announced today that its wholly owned subsidiary, Shenzhen E'Jenie Science and Technology Development Co., Ltd. ("E'Jenie") was selected by Wuhan Jie Xin Communication Development Co., Ltd., one of largest lithium ion battery manufactories in China, to supply lithium ion battery shells for Wuhan Jie Xin's new 3G mobile phone battery product line.

Wuhan Jie Xin is officially recognized as a "High Technology Business" by Hubei Province Government in China. The company currently has an annual ordering capacity of USD \$2.4 million for steel and aluminum battery shell products for lithium ion batteries. E'Jenie currently supplies 25% of Wuhan Jie Xin's capacity.

Yi Bo Sun, China Digital's Chairman and Chief Executive Officer, stated, "Wuhan Jie Xin is one of our valued customers for our steel and aluminum battery shells. We are excited to expand our relationship to supply components for their upcoming 3G product line. Pending the successful introduction of Wuhan Jie Xin's 3G mobile phone batteries in 2006, we expect to increase our domestic sales from this major manufacturer by 20% by year-end 2006."

Wen Wei Jiang, Wuhan Jie Xin's Chief Executive Officer, commented, "We believe the use of 3G batteries is a rapidly emerging trend among mobile phone users throughout China. We have selected the manufacturing and design expertise of E'Jenie to meet anticipated strong market demand for our 3G battery line."

Key features of 3G systems include a high degree of common design and functionality for worldwide production; compatibility with existing services and equipment; and the use of small pocket terminals with worldwide roaming capability, Internet and a range of other multimedia applications.

About China Digital Communication Group

China Digital Communication Group, through its Shenzhen E'Jenie subsidiary, is a rapidly growing manufacturer of battery shells and related technology for use in electronic products, primarily mobile phones. Since December 2003, the Company has adopted the approach of using licenses, joint ventures, mergers and acquisitions to bring battery and telecom equipment makers in China to markets overseas. The Company's products now power digital cameras, camera phones, PDAs and laptop computers in East Asia and beyond. China Digital is continuing its expansion across China, while also seeking distribution partners in the United States. For more information, visit www.chinadigitalgroup.com.

Forward-looking statement: Except for the historical information, the matters discussed in this news release may contain forward-looking statements, including, but not limited to, factors relating to future sales. These forward-looking statements may involve a number of risks and uncertainties. Actual results may differ materially based on a number of factors, including, but not limited to, uncertainties in product demand, risks related to doing business in China, the impact of competitive products and pricing, changing economic conditions around the world, release and sales of new products, and other risk factors detailed in the company's most recent annual report and other filings with the Securities and Exchange Commission.

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