

# China Digital Communication Group Completes Initial Due Diligence on Shenzhen Zhuo Tong

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LOS ANGELES, CA and SHENZHEN, CHINA--(MARKET WIRE)--Feb 13, 2006 -- China Digital Communication Group ("China Digital") (OTC BB:[CHID.OB - News](#)), one of the fastest growing battery components manufacturers in China, announced today that it has completed its initial due diligence on Shenzhen Zhuo Tong Power Supply Industry Co., Ltd. ("Zhuo Tong"), a specialty manufacturer and distributor of high-frequency power supply products to the global communications industry. China Digital found that Zhuo Tong has advanced, high-quality 3G power supply products, R&D expertise, global partnerships and an established customer base.

Changchun Zheng, CEO and Chairman of China Digital, stated, "In a short period of time, Zhuo Tong has become one of the leading developers and distributors of 3G power supply technologies in China. As a result of our due diligence, we believe Zhuo Tong's expertise in 3G power supply equipment technologies is synergistic with China Digital's new focus to acquire leading companies in the global electronic power resource sector. Zhuo Tong has a very good business operating record with strong marketing channels and revenues. We expect specializing in 3G power equipment can provide a tremendous platform for China Digital's future growth."

The results of the due diligence process include the following:

Liming Zhang, CEO of Shenzhen Zhuo Tong, founded Zhuo Tong in 2000, purchasing the distribution rights from Power-One of Norway. In 2001, Mr. Zhang led the company from a power supply products distribution company into a power supply products manufacturer. Under his leadership, Mr. Zhang grew the company's R&D capabilities and invested tremendous capital in developing new technological innovations. In 2002, the company successfully designed high frequency power supply equipment, including group power supply equipment and reversible power supply equipment, and in 2003, the company began producing these new products. In 2004, the company became one of the leading power suppliers to the domestic market (China). In 2005, the company began its research and investment in 3G power supply technologies.

Zhuo Tong also has a strong customer portfolio. Many of who are leaders in Chinese domestic telecommunications industry. Major partners and customers include:

1. China Mobile -- Jiangxi Branch and Sichuan Branch
2. China Unicom -- Jiangxi Branch, Jiang Su Branch, Yun Nan Branch, and Sichuan Branch.
3. China Telecom
4. China Power Company -- Sichuan Branch
5. China Tie Tong -- Sichuan Branch

The China Information Industry Bureau issued a TLC license to Zhuo Tong for producing telecommunication equipment and components in China. The China Information Industry Bureau -- Telecommunications Research Academy is the official professional organization that recognizes and issues licenses in the fields of management system and products recognition in the telecommunication industry in China. In December 1996, TLC was registered in CNAB. The licenses issued from TLC are widely recognized in other nations as well, including the United States, Germany, Japan, France, and Italy.

Pursuant to executing a letter of intent to China to acquire Zhuo Tong on February 8, 2006, China Digital is now in the process of completing due diligence on Zhuo Tong's financials, and will report on its findings as soon as they are available.

About Shenzhen Zhuo Tong Power Supply Industry Co.

Shenzhen Zhuo Tong Power Supply Industry Co., Ltd is specialized in manufacturing and distributing high frequency power supply products; reversible power supply products; and other related power supply products including an Intelligent Temperature Control System for the commercial computer industry. Zhuo Tong has promulgated the TLC license of producing the telecommunication equipment and components in China. Shenzhen Zhuo Tong partners include Germany Phoenix Electric Co. and American Luminous Network Co. Shenzhen Zhuo Tong's major customers are the communication equipments producers for the IT, power, and radio and television broadcast industries.

#### 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](http://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.

#### *Contact:*

For further information, contact:  
At the Company:  
China Digital Communication Group  
Roy Teng  
310-461-1322  
E-mail: [Email Contact](#)  
<http://www.chinadigitalgroup.com>

Investor Relations:  
OTC Financial Network  
Peter Clark  
781-444-6100, x629  
[Email Contact](#)  
<http://www.otcfn.com/chid>