

## Company Express

### CVDT Chairman Pleased with 2Q08 Performance, Sees Great Outlook for Second-half of 2008

China VoIP & Digital Telecom Inc., a leading provider of broadband telephone and information services, announced its strong audited second-quarter and first half 2008 financial and operational results on August 14, 2008.

The Chairman of the company, Mr. Li Kunwu, was very pleased with the company's performance in the first half of year. During the six months ended June 30, 2008, CVDT achieved record revenue of \$5,135,754, an increase of 128% or \$2,879,703 compared to \$2,256,001 in the same period of 2007. Also in the first half of 2008, the company's EBITDA reached \$1,410,448, an increase of 383% compared with \$292,218 in the first half of 2007. The company's earnings per share reached \$0.10 in 2Q08.



Mr. Li commented, "In the first half of 2008, we saw growth in our customer base and improvement in our business. We will launch a new product -- the International Business Communication Center (IBCC) platform -- in the middle of September to fuel our growth in the second half of 2008. We believe 2008 will be an important year for us as CVDT continues to progress on the right track. We will consistently execute on our corporate development strategies to enhance our business through organic growth and mergers and acquisitions activity."

Mr. Li also said he believed the company should continue to improve its operating and financial performances in the second half of the year. He reiterated the company's full-year expectations of \$16 million in revenue and \$4.6 million in EBITDA. Mr. Li stated that due to the seasonality in CVDT's business, the fourth quarter is normally the strongest quarter of the year. He added, "The new products and services which will be launched in the next few months should help grow the company's revenue in the later part of 2008. CVDT continues to focus on providing its customers unique products and quality services, which should give us sustainable growth in 2008 and beyond."

In order to better align its business segments and achieve sustainable growth, CVDT is re-organizing its business divisions. According to the reorganization plan, three business departments will be established including IBCC, Info Security and Virtualization Technology. Each department, managed

independently, will have its own separate sales force and its own cost centers. Mr. Li believes that through the reorganization, each line of business will have increasingly focused sales and marketing and it will also help contain costs. This transformation is expected to deliver improved operating and financial performances for the company and it is a part of the organic growth strategy CVDT set at the beginning of year.

Along with focusing on the company's internal management, Mr. Li also expressed his view on the company's investor relations efforts. He emphasized the importance of maximizing shareholders' return by enhancing the company's operations and putting more effort into the investor relations program. Mr. Li believes that the undervaluation of the company's stock is driven by a lack of awareness in the public of CVDT. In order to increase awareness and understanding of the company, Mr. Li announced a plan to strengthen investor relations and enhance the company's transparency in front of investors. As part of the plan CVDT will try to participate in more China-focused investors conferences in the U.S., will try to get independent research coverage and will continue to improve the news flow. The company also plans to target several institutional investors and continues to prepare itself for a NASDAQ listing in the near future. In addition, a revamped corporate

website and brochure are also scheduled for debut later this year.

Mr. Li continued to ask for shareholders support. He stated that, "We are determined to build a solid track record for our employees, customers, shareholders and investors. I understand that some investors doubt our ability and even existence. However, we will demonstrate how we can take this company to the next level to compete in the global arena. Our employees believe in this company, our customers believe in this company and I believe in this company. We will make the market and investors believe in this company."



*IBCC platform*

## Director Bio

**Jiang Yanli, Director, CPA, CPV, CTA, CFO**



**Mr. Jiang Yanli** has more than twenty years of consulting experience. He currently holds several executive positions in state-owned and privately held organizations including

Commissioner of CPPCC Shandong Province, Vice Chairman of China International Commercial Chamber Qingdao Chamber, Executive Commissioner of Qingdao Industry & Commerce League, Vice President of Qingdao Professional Manager Association and Vice Chairman of Qingdao Internal Audit Association. Mr. Jiang was recognized as one of the "100 Faithful Stars of China Economy" for his valuable contribution to China and its economy. Mr. Jiang has published more than 40 economic and financial theses and has written many articles for newspapers and magazines. Mr. Jiang has a master's degree in finance management.

## Upcoming Event

**CVDT Participates In the 4<sup>th</sup> China IT Expo**

Jinan Yinquan Technology, a wholly-owned subsidiary of China VoIP & Digital Telecom Inc. will attend the 4<sup>th</sup> China (Jinan) International Expo on Information Technology (IT – Expo) from September 5 to 7, 2008 in Jinan.

The IT – Expo, held every other year, was first organized in 2002. Organized by the United Nations Economic Social Commission Asia Pacific (UNESCAP), IT – Expo has become an outstanding exposition with the largest scale and most influence in the IT field in China. It has increasingly attracted attention from China and other countries. The IT – Expo aims to adopt innovation, promote cooperation and develop Green IT. It is sponsored by UNESCAP, the Ministry of Industry and Information of China, the Ministry of Science and Technology of China, the Chinese Academy of Engineering and the Government of Shandong Province.

Yinquan Technology was offered an exclusive opportunity to print the company's advertisement on all Expo tickets. At the expo, the company will showcase its latest technologies and products including the International Business Communication Center (IBCC), which provides complete IP communication solutions to users, the world's leading virtualization technology, and the innovative Diver brand portable hard disk computer. Yinquan expects to increase industry awareness of its leading technologies and products, and promote its brand image. CVDT booth number is C07, and we invite you to visit us during the IT – Expo.



*Ticket*