

China VoIP & Digital Telecom, Inc. Subsidiary Reports

Record First Quarter Revenue & Profit

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Jinan Yinquan Technology Co., Ltd. First Quarter Revenues Increase by 100 Percent Compared with the Same Period of Last Year

SHANDONG, Jinan, China, May 16 /Xinhua-PRNewswire/ -- Jinan Yinquan Technology Co., Ltd., a wholly owned subsidiary of China VoIP & Digital Telecom Inc. (OTC Bulletin Board: [CVDI - News](#)) today announced that it reported operating results for the first quarter ended March 31, 2008 on May 15. Revenues were \$1,999,741 as compared to \$988,134 during the same period ended in 2007, an increase of \$1,011,607 or 102%.

The company recorded operation gain of \$666,434 during the three months ended March 31, 2008 as compared to \$123,570 during the same period of 2007, an increase of \$542,864 or 439%.

Kunwu Li, Yinquan CEO, said, "In 2008, we see a great potential significant growth in our customer base and improvement in our financial results. We may develop more users due to newly developed technologies and marketing efforts. We have been profitable since the third quarter of 2007 and we will continue to enhance our profitability in 2008. Our cash position is very strong. Along with the additional \$5 million fund we raised end of last year, we should be able to fuel our business expansion domestically and internationally through organic growth and or mergers and acquisitions activity."

Mr. Li added, "We continue to make progress toward our goal of strong top line revenue and bottom line earnings growth throughout 2008 and beyond."

Yinquan will continue to benefit from the ongoing market shift to IP-based products and services among domestic enterprises.

About China VoIP & Digital Telecom Inc.

China VoIP & Digital Telecom Inc. offers Voice over the Internet Protocol telecommunications service in People's Republic of China through its wholly owned subsidiary Jinan Yinquan Technology Co., Ltd. Through Jinan Yinquan, China VoIP is well positioned to take full advantage of the tremendous economic growth currently being experienced in China. The Company is currently marketing its NP Soft Switch system in China and is currently in the testing stage of other Information Technology products.

More information can be found at <http://www.chinavoip-telecom.com> .

Safe Harbor Statement

Certain of the statements made in the press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the use of forward-looking terminology such as 'believe,' 'expect,' 'may,' 'will,' 'should,' 'project,' 'plan,' 'seek,' 'intend,' or 'anticipate' or the negative thereof or comparable terminology. Such statements typically involve risks and uncertainties and may include financial projections or information regarding our future plans, objectives or performance. Actual results could differ materially from the expectations reflected in such forward-looking statements as a result of a variety of factors, including the risks associated with the effect of changing economic conditions in The People's Republic of China, variations in cash flow, reliance on collaborative retail partners and on new product development, variations in new product development, risks associated with rapid technological change, and the potential of introduced or undetected flaws and defects in products, and other risk factors detailed in reports filed with the Securities and Exchange Commission from time to time.

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