

# Form 8-K for CHINA DIGITAL COMMUNICATION GROUP

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21-Feb-2006

## Entry into Material Agreement, Other Events, Financial Statemen

### ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On February 14, 2006, China Digital Communication Group, a Nevada corporation ("China Digital"), UPE Limited (Far East), a BVI corporation ("UPE Limited"), Shenzhen Zhuo Tong Power Supply Industry Co., Ltd., a Shenzhen corporation and a wholly-owned subsidiary of UPE Limited ("Zhuo Tong"), and the shareholders of UPE Limited (the "Shareholders"), entered into a Share Exchange Agreement (the "Agreement") pursuant to which China Digital will acquire 100% of UPE Limited in an all stock transaction valued at approximately US\$11.1 million. China Digital will issue 18.5 million shares of its common stock to the Shareholders in exchange for all of the shares UPE Limited (the "Share Exchange"). Upon completion of the Share Exchange, the Shareholders will own approximately 25% of China Digital

China Digital, UPE Limited, Zhuo Tong and the Shareholders have made customary representations, warranties and covenants in the Agreement. Consummation of the Share Exchange is subject to certain conditions, including among others, (i) the completion of an audit of Zhuo Tong's financial statements; (ii) the completion to the satisfaction of China Digital of financial due diligence on UPE Limited and Zhuo Tong; (iii) China Digital's receipt of a fairness opinion; (iv) absence of any law or order prohibiting the consummation of the Share Exchange; (v) the continued accuracy of each party's representations and warranties contained in the Agreement; and (vi) compliance with each party's covenants. The Agreement contains certain termination rights for both China Digital, on the one hand, and UPE Limited, Zhou Tong and the Shareholders, on the other hand.

The foregoing description of the Share Exchange does not purport to be complete and is qualified in its entirety by reference to the complete text of the Agreement, which is filed as Exhibit 2.1 to this Current Report on Form 8-K and is incorporated herein by reference.

### ITEM 8.01 OTHER EVENTS.

On February 16, 2006, China Digital issued a press release announcing China Digital's entry into the Agreement, a copy of which press release is attached as Exhibit 99.1 and is incorporated herein by reference

### ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

2.1 Share Exchange Agreement, dated as of February 14, 2006, among China Digital Communication Group, a Nevada corporation, UPE Limited (Far East), a BVI corporation, Shenzhen Zhuo Tong Power Supply Industry Co., Ltd., a Shenzhen corporation and a wholly-owned subsidiary of UPE Limited, and the shareholders of UPE Limited

99. Press Release dated February 16, 2006.