



CEC 國際 控 股 有 限 公 司
CEC INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)



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[For Immediate Release]

CEC INTERNATIONAL ANNOUNCED INTERIM RESULTS DOUBLE-DIGIT GROWTH FOR BOTH TURNOVER AND PROFIT

Financial Highlights (Six months ended October 31)

	2000 HK\$ '000	1999 HK\$ '000	Change (%)
Turnover	187,675	133,282	+41
Profit attributable to shareholders	27,511	23,878	+15
Earnings per share (Basic)	5.48 cents	6.37 cents	-14
Dividend (Interim)	Nil	Nil	Nil

(December 14, 2000 - Hong Kong) – CEC International Holdings Limited (“CEC International” or “the Group”; HKSE: 0759) today announced its interim results for the six months ended October 31, 2000. During the year under review, turnover was approximately HK\$187,675,000, an increase of 41% over the preceding year. Profit attributable to shareholders was over HK\$27,511,000 up approximately 15% from the same period last year.

‘We are pleased to achieve double-digit growth in both turnover and earnings during the period under review. The worldwide electronics industry is flourishing and the Group is able to capture these opportunities through the implementation of effective strategies,’ commented by Mr. Coils Lam, Chairman of CEC International.

During the period under review, the Company reinforced its capital structure by issuing 400,000,000 warrants at HK\$0.0625 each, resulting in net proceeds of approximately HK\$22,891,000. On July 13, 2000, the Company announced a scrip dividend scheme for the year ended April 30, 2000. A total of 4,277,108 new shares were issued in lieu of cash in respect of final dividend of approximately HK\$7,605,000 in aggregate. We believe the popularity of the scheme is attributable to strong shareholders’ confidence in the Group’s future.

To fuel CEC's future development, the Group has actively implemented a number of expansion plans. Further to the acquisition of three new land lots in Zhongshan in early 2000 with an aggregate cost of about HK\$5,000,000, the construction of the new phase of factory blocks was near completion by the end of October. Upon completion in the next few months, the new phase will be ready to house the production facilities for manganese-zinc series ferrite cores, which are the key components of line filters and compact but high power converters such as switching mode power supply (SMPS).

During the period under review, the considerable and continuous surge in the price of petroleum products on a global basis has led to adverse repercussions on the manufacturing sector. Despite such market environment, the Group has still managed to keep its overall production cost under control and achieved a 33% growth in gross profit to approximately HK\$61,381,000. In a bid to mitigate the impact resulting from the unfavourable trend in petroleum market, the Group commenced the installation of a new power conversion station for its factory in Zhongshan in the third quarter, which is expected to improve the Group's production cost management by saving approximately 30% in the cost of power generation starting from the fourth quarter of the financial year.

Mr. Lam concluded, 'With the completion of the new phase of factory blocks in Zhongshan expected in the third quarter of the financial year, the Group will continue to well-equip itself with substantially improved infrastructure to capitalise on the favourable development in the global electronics industry as well as to meet the ever-intensifying market competition. This will embrace a further expansion of the production facilities for chip inductors in the coming quarter in order to cater for the growing demand of our customers.

Based on the Group's expertise and know-how in manufacturing coils over the years, the Group is now ready to further elevate its strengths in the industry by implementing the production plan for micro-motor coils, a kind of electronic components commonly found in mobile phones, in the coming year. The Group will then be able to provide more value-added services to the blooming telecommunication industry and, at the same time, enhance its status in the global coil market.

The Group will also implement the production of ceramic capacitors, which represent a kind of electronic components complementary to coils. Further to this investment, the Group also plans to invest in the manufacture of machinery and equipment for the production of ceramic capacitors, which is scheduled to be fully operational in the fourth quarter.

Looking forward, with the persistently growing worldwide demand in the electronics industry and coupled with the Groups' proactive business strategies, the Group's future is bright and promising. The management is fully confident that the Group will achieve even more rewarding results in the coming future.'

Corporate Information:

CEC is a reputable coil manufacturer, engaged in the design, development, manufacture and sales of a wide range of coils. CEC coils can be commonly found in IT products, telecommunication products, home appliances and audio-visual products, etc. Accredited by the recognition of ISO 9001 in 1995, the Company has more than 400 engineers and quality control staff for the assurance of product quality. CEC has been a listed company on The Stock Exchange of Hong Kong Limited since November 1999.

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