

[FOR IMMEDIATE RELEASE]

**CEC ANNOUNCES 2001/2002 FIRST QUARTER RESULTS
MAINTAINS GROSS PROFIT MARGIN AT 32.6%**

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**WORKING TOWARDS FURTHER BREAKTHROUGHS IN QUALITY
AND PRODUCT DIVERSITY**

(Hong Kong, September 27, 2001)-- Leading coils manufacturer CEC International Holdings Limited ("CEC" or the "Group") (Stock Code: 759) today announced its 2001/2002 first quarter results for the three months ended July 31, 2001. CEC attained a turnover of approximately HK\$79,770,000 representing a slight decrease of 12.0% over the same period last year. Net profit for the period was HK\$5,747,000, compared to the previous period's figure of HK\$14,588,000. The drop in profit was mainly due to the substantial investment in the construction of the new factory blocks and the installment of sophisticated machinery, which inevitably pushed up interest expenses and depreciation of property, plant and equipment.

Mr Coils Lam, Chairman of CEC said, "The business environment for 2001/2002 was full of challenges and difficulties. The global economic slowdown and the flood of negative news from the world's leading electronics manufacturers have created highly adverse market conditions. However, despite this difficult environment, we managed to maintain the gross profit margin at 32.6%, demonstrating our ability to sustain our competitive edge."

During the period under review, the production line for the series of manganese-zinc ferrite core products commenced trial production and began operations in the second quarter of this financial year. With the rapid technological advancements, the demand for quality electronic components has been soaring. The manganese-zinc series products also benefit from the higher expected gross profit margin of 40%, compared to 30% for usual coil products. With the high demand for manganese-zinc series products, the Group believes that these products will generate satisfactory returns.

Apart from the new production lines, CEC has been working very hard on its research and production capabilities. Many new formulae and innovative products have been developed during the period under review, as the Group works towards further breakthroughs in the quality and variety of its products, to satisfy the demands of the electronics industry. This strategy provides the Group with a diverse product portfolio with widespread applications in the different hi-tech industries, allowing the Group to avoid reliance on any single industry.

Looking ahead, the world is transforming into a knowledge-based economy. The accession of China into the World Trade Organisation and the huge demand for quality electronic products from the European electronics manufacturers has become a key growth-driver for electronic components. In view of these emerging business opportunities, the Group has been continuously adopting efficient and effective production methods and producing quality products at the lowest possible cost, to capture a larger market share. At the same time, the Group is negotiating with a well-known mobile phone manufacturer in Europe to supply high-power major electronic components for its chargers on a long-term basis. The Group expects this move to bring in reasonable returns.

In addition, the Group believes that a well-established supply chain and widespread distribution networks also contribute to the success of the Group. Its two well-established Japanese strategic partners, Nittoku Engineering Co., Ltd. and Toko Inc., supply the latest technology and advanced equipment and provide a widespread distribution network for the Group respectively. Recently, Nittoku, showing its confidence in the Group's business, entered a conditional agreement with the Group to subscribe for new shares in CEC, increasing Nittoku's beneficial interest in CEC from approximately 4.78% to approximately 7.77%. These strategic alliances have greatly enhanced the Group's competitiveness, creating strong foundations for the Group's technical, sales and marketing arms.

Mr Lam concluded, "In view of the uncertain market environment, we will be making every effort to control our costs and enhance our competitiveness in the market. We would also like to take this opportunity to thank our hard working and loyal staff for initiating an overall reduction in their salaries. This move reflects the tremendous support of our staff for the Group's efforts to streamline operating costs. We believe that with all our staff sharing a common goal with total commitment, we will certainly overcome the difficult and challenging times ahead."

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About CEC International:

CEC International was listed on The Stock Exchange of Hong Kong Limited on November 15, 1999. It is a reputable coils manufacturer, engaged in the design, development, manufacture and sale 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 with ISO 9001 certification in 1995, the Company also has more than 400 engineers and quality control staff for the assurance of product quality.

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Remarks:

This media release and the other corporate information of CEC International Holdings Limited can also be accessed at the following website:

<http://www.0759.com>