

[FOR IMMEDIATE RELEASE]

**CEC ANNOUNCES 2002/2003 THIRD QUARTERLY RESULTS
TURNOVER INCREASES 23.5% TO REACH HK\$341,184,000**

**CONSOLIDATION OF CORE MANUFACTURING BUSINESS
ACTIVELY EXPANDING MARKET SHARE**

(Hong Kong, 20th March 2003)— Electronic components manufacturer CEC International Holdings Limited (“CEC” or the “Group”) (Stock Code: 759) today announced its third quarterly results for the nine months ended 31st January 2003. The Group recorded a turnover of HK\$341,184,000, which increased by approximately 23.5% against the turnover attained in the corresponding period of the previous year. Profit attributable to shareholders reached HK\$5,310,000 compared to HK\$12,797,000 recorded in the previous corresponding period. The drop in profit attributable to shareholders was mainly due to depreciation of property, plant and equipment, which increased 18.4% from the corresponding period in the previous year. However, as the Group switched to a stable pricing policy in the second half of the financial year, the gross profit margin for the third quarter was maintained at roughly the same as that in the interim.

During the period under review, the manufacturing business continued to be the Group’s core business, accounting for 93.1% (2002: 90.6%) of the Group’s turnover. Turnover for the coils manufacturing segment for the nine months ended 31st January 2003 was 26.9% higher than for the same period last year. Turnover in the Mainland China accounted for 9.0% (2002: 6.1%) of the Group’s turnover, up 2.9% from the same period last year. The Group’s products have widespread applications in the manufacturing of audio-visual equipment, home electrical appliances, power supply devices, etc. Therefore, the Group is not susceptible to influences from any single industry segment. In view of its cost competitiveness and the provision of quality products, the Group has been able to retain its existing customers whilst also securing new customers. In January 2003, the Group invested NT\$9,000,000 to subscribe for a 40% equity interest in 連磁科技股份有限公司(Rentz Technologies Co., Ltd., (for identification purpose). Rentz Technologies Co., Ltd., incorporated in Taiwan, is principally engaged in the design, manufacture and sale of ferrite production equipment. The Group believes that the above investment will benefit its present and future development in ferrite materials.

Against a backdrop of fierce market competition, electronic components traders have been driving sales through price reductions to maintain their competitive edge. The import price differences have also made it difficult for traders to project their gross profits. During the period under review, the turnover for the electronic components trading segment fell by 8.6% to HK\$23,632,000 (2002: HK\$25,858,000) as compared to the same period last year. This figure accounted for 6.9 % of the Group's turnover (2002: 9.4%).

In addition to its manufacturing and trading businesses, the Group will continue to deploy its development of information technology to proactively strengthen the Group's internal resources planning system, intranet system and communications platform. To enhance its competitiveness, the Group successfully subscribed for 51% of the entire enlarged issued share capital of Sun-iOMS Technology Holdings Limited ("Sun-iOMS"), previously a subsidiary of Grandmass ERP Limited ("Grandmass") on 5th March 2003. Capitalising on the Group's comprehensive knowledge of the manufacturing industry, its extensive sales network, and rich experience in management system applications, together with the advanced software technology and product development experience of Grandmass, Sun-iOMS plans to develop new software products and solutions, using the Hong Kong market as a springboard to gain the patronage of Hong Kong funded businesses in the Pearl River Delta.

Looking ahead, the Group will continue to consolidate its coils manufacturing core business as well as expanding its market share. Mr. Coils Lam, Chairman of CEC said, "Among the Group's three major business segments, the manufacturing segment is expected to keep growing. Although the economy is recovering, it is still moving at a slow pace. Leveraging our solid foundations and cautious investment strategies, coupled with our stringent cost and quality controls, we will maintain our position as a major supplier of electronic components in this difficult economic climate."

With regard to market development, while maintaining its growth in the European market, CEC is also actively expanding new markets such as the United States and Australia. The Group has recently received orders from an American producer of police accessories for switching mode power supplies. The Group has also signed an agency agreement with a sizable Australian accessories wholesaler to exclusively distribute the Group's transformers in Australia. The Australian company has already obtained SSA safety approval certificates for the Group's products. The Group is planning to launch its coils products in the Australian market as its next step.

Additionally, in view of the substantial increase in orders, the Group has decided to set up a new factory in Nanjing to increase its production capabilities. The new factory is expected to start operating by the end of 2003. Not only will this project bring in reasonable and stable returns to the Group, the increase in orders will also benefit the Group in terms of development and technical skills while also increasing its visibility in the industry.

Mr. Lam concluded, "The Group expects the market situation in the next quarter to continue to be difficult. The Group will therefore carry on implementing effective operational and promotional strategies. With its solid foundations and its commitment to maintain break-even levels, the Group expects to sail smoothly into the next quarter to bring reasonable returns to shareholders."

About CEC International:

CEC International was listed on The Stock Exchange of Hong Kong Limited on 15th November 1999. It is a reputable electronic components manufacturer, engaged in the design, development, manufacture and sale of a wide range of coils, capacitors and other electronic components. CEC's products can be commonly found in IT products, telecommunication products, home appliances and audio-visual products. Accredited with ISO 9001 certification in 1995, the Company also has more than 400 engineers and quality control staff ensuring its 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>