

[FOR IMMEDIATE RELEASE]

CEC ANNOUNCES 2003/2004 FIRST QUARTER RESULTS

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**OVERALL BUSINESS REBOUNDS GROWTH
PROFIT ATTRIBUTABLE TO SHAREHOLDERS INCREASES 43.6%
TO REACH HK\$4,595,000**

(Hong Kong, 24th September 2003) — Coils, capacitors and electronic components manufacturer CEC International Holdings Limited (“CEC” or the “Group”) (Stock Code: 759) today announced its first quarter results for the three months ended 31st July 2003. The Group recorded a turnover of approximately HK\$110,293,000, which registered a slight decrease of approximately 4.4% as compared to the same period last year. However, with the Group’s efforts to control costs and shrink its low-profit-margin trading businesses, profit attributable to shareholders reached HK\$4,595,000, an increase of 43.6% against the first quarter of the previous year.

Mr. Coils Lam, Chairman of CEC said, “The business environment for the electronics manufacturing industry reverted to its stable state in the first quarter of the financial year 2003/2004. Although market competition remains as fierce as ever, demand and prices for electronic components were comparatively stable. The Group has adhered to our operating direction established in the last financial year, and made every effort to develop our core coils manufacturing business. The rebound in our overall results demonstrates the competitive edge that the Group’s core manufacturing business has established over the past few years and the beneficial results of our concentration on our principal business.”

For the three months ended 31st July 2003, the Group’s turnover for its coils manufacturing segment reached HK\$97,191,000 (2002: HK\$92,171,000), with a gross profit and gross profit margin of HK\$28,065,000 and 28.9% (2002: HK\$24,488,000 and 26.6%), respectively. The rise in the gross profit margin is mainly attributable to the Group’s vertical integration and investment in production automation over the years, as it worked to cultivate long-term competitive advantages for its manufacturing segment. This has also led to improvement in production efficiency and growth in the sales volume of power supply coils. During the first quarter of the current year, turnover to power supply product manufacturers climbed 256.4% to HK\$13,023,000 (2002: HK\$3,654,000).

The Group's products are mainly sold in Hong Kong, Mainland China, Taiwan, Singapore, etc. With the establishment of more and more production bases and businesses in Mainland China by foreign electronic and electrical manufacturers, the majority of these foreign manufacturers are seeking local purchase and delivery. Being a China-based manufacturer for over 20 years, the Group is strongly capitalising on this opportunity. For the three months ended 31st July 2003, the Group's turnover in Mainland China grew a substantial 56.7%, to reach HK\$13,202,000 (2002: HK\$8,427,000). The Group is looking forward to sustain the high-speed growth for its business in Mainland China. In January 2003, the Group also commenced the set up of a factory in Nanjing to supply ready-to-press ferrite powder to Nanjing Fei Jin Magnetic Products Co., Ltd., a subsidiary of LG.Philips Displays, for its production of "deflection yoke", a critical component in display tubes. With a total project investment of HK\$23,000,000, as at 31st July 2003, the Group had already invested HK\$15,800,000 in the project.

At the same time, the Group's long standing business in Europe, achieved growth of 36.2% to reach HK\$6,345,000 (2002: HK\$4,659,000). The rise in turnover was mainly due to the increasingly stringent electromagnetic environmental standards in many European countries. As the Group has actively developed anti-electromagnetic interference filters in recent years, these components have become indispensable to electrical products in Europe.

During the period under review, the Group has been actively reshuffling certain capacitors customers with relatively long payment terms. This has led to a drop in turnover of capacitors. Speeding up the restructuring exercise, there will be gradual improvement in the capacitors business. The Group has also curtailed certain low-return trading operations, investing its resources instead in projects with higher returns. For the three months ended 31st July 2003, turnover for the Group's electronic components trading segment amounted to HK\$8,600,000 (2002: HK\$14,390,000), decreasing 40.2% as compared to the previous corresponding period and accounting for 7.8% (2002: 12.5%) of the Group's turnover. The gross profit margin was 9.1% (2002: 7.7%). Though turnover for the period decreased, the gross profit margin increased slightly, reflecting the Group's efforts to restructure the trading segment.

The Group's information technology segment recorded a turnover of HK\$1,843,000 for the three months ended 31st July 2003, accounting for 1.7% of the Group's turnover and recording a gross profit and operating loss of HK\$1,126,000 and HK\$391,000, respectively. The Group's 51% owned Sun-iOMS Technology Holdings Limited ("Sun-iOMS") recorded a consolidated operating profit of HK\$9,000, reflecting the achievement of Sun-iOMS' breakeven point.

Looking ahead, the Nanjing project is proceeding smoothly, and is expected to enter a trial production in October 2003. A test run is expected at the end of the year. The project will upgrade the technological levels of the Group's ferrite production, and will boost the sale of ferrite as well.

Mr. Lam concluded, "Performance in the electronics industry is quite stable. Riding on the benefit of our investments in vertical integration and production automation over the years, as well as our endless effort of cost controlling and committing to the development of our core business, our market competitiveness will then be further strengthened. We look forward to seeing improved group performance in the near future."

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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 can also be accessed at the following website:
<http://www.0759.com>*