

[FOR IMMEDIATE RELEASE]

**CEC ANNOUNCES 2003/2004 INTERIM RESULTS
PROFIT INCREASED 61%**

**CONTINUED GROWTH OF COILS MANUFACTURING BUSINESS
SETTING UP PLANT IN NANJING FOR PRODUCTION OF
READY-TO-PRESS FERRITE POWDER**

(Hong Kong, 18th December 2003) — Coils, capacitors and electronic components manufacturer CEC International Holdings Limited (“CEC” or the “Group”) (Stock Code: 759) today announced its interim results for the six months ended 31st October 2003. The Group recorded a turnover of approximately HK\$235,550,000, registering a decrease of approximately 5.0% as compared to the HK\$247,959,000 recorded in the same period last year. Profit attributable to shareholders reached HK\$8,543,000 (2002: HK\$5,294,000), an increase of 61.4% against the same period last year. Reasons for the decrease in turnover and increase in profit attributable to shareholders were mainly due to the Group’s commitment to shrink its low-profit-margin trading businesses and its effective cost controls.

Earnings per share was 1.23 HK cents (2002: 0.77 HK cent). The Board of Directors did not recommend the payment of an interim dividend for the six months ended 31st October 2003 (2002: Nil).

For the six months ended 31st October 2003, the Group’s turnover for its core coils manufacturing segment reached HK\$206,871,000 (2002: HK\$195,733,000). With a gross profit of HK\$57,434,000 (2002: HK\$54,315,000), the gross profit margin remained on par with that of last year. In recent years, the Group has been actively investing and developing its power-supply coils and manganese-zinc ferrite products, which have become one of the Group’s flagship products. During the period under review, the Group’s sales to power-supply product manufacturers accounted for 15.0% (2002: 7.2%) of the Group’s turnover. The Group’s other businesses, the capacitors manufacturing business and information technology business recorded turnover of HK\$6,847,000 (2002: HK\$22,413,000) and HK\$2,490,000 (2002: nil) respectively.

Mr. Coils Lam, the Chairman of CEC said, “Since we set our target to concentrate on our core manufacturing business, we have recorded stable growth in the coils manufacturing business. This proves that the Group’s investment in power-supply coils and manganese-zinc ferrite is gradually paying off. As the demand for switching power supply units and anti-electromagnetic interference filters is rising, we expect sales of these products to increase accordingly, further consolidating the Group’s revenue base. At the same time, the Group is actively restructuring the trading business, trimming down the non-performing electronic components trading business. The management believes that this will alleviate credit exposure and cost of capital associated with this non-core business.”

With regard to the market development, the Group is striving to develop the European market and successfully secured new customers in Europe during the review period. Sales to the European region amounted to HK\$15,338,000 (2002: HK\$12,486,000). At the same time, as many electronic and electrical appliance manufacturers from all over the world continue to establish factories and make their purchases in Mainland China, the Group is benefiting from the vast market opportunities emerged from this trend. The Group has succeeded in securing a number of new customers from Europe and the USA, becoming one of their main suppliers in Mainland China. As a result, the Group’s sales within Mainland China for the period surged 57.7% to HK\$31,959,000 (2002: HK\$20,264,000) as compared with the corresponding period last year.

The new plant in Nanjing, to manufacture ready-to-press ferrite powder, was completed in October 2003. According to a sales and purchasing agreement entered between the Group and Nanjing Fei Jin Magnetic Products Co., Ltd. (“Nanjing Fei Jin”), a subsidiary of LG.Philips Displays, Nanjing Fei Jin will purchase 80% of its demand for ferrite powder for the production of “deflection yoke” from Nanjing Guo Zhong Magnetic Material Co., Ltd. (“Nanjing Guo Zhong”), a wholly-owned subsidiary of the Group. “Deflection yoke” is a crucial component used in the production of display tubes.

Based on the demand forecast prepared by Nanjing Fei Jin in October 2003, the purchase volume will gradually increase from 70 tons for trial production in November 2003 to 472 tons in March 2004. The 70 tons delivered by Nanjing Guo Zhong to Nanjing Fei Jin was checked and received in November 2003. Nanjing Guo Zhong, when engaging in full production to cope with Nanjing Fei Jin’s requirements, will reinforce its efforts to ensure top quality while also controlling the stability of the product. Management believes this project will contribute stable income to the Group.

“Our competitive strengths come from our commitment to expand our coils manufacturing core business and our appointment by Nanjing Fei Jin as a strategic partner. In addition, our customers benefit from our “People-Oriented” philosophy and the implementation of our “Executive Trainee Program”. This program aims to recruit graduates and professionals from the Pearl River Delta who will grow the Group’s success and bring in new ideas and ongoing vitality to the Group. We believe that building on our established foundations hand-in-hand with the support of rich human resources, the Group will extend its market share and bring in reasonable returns to our shareholders,” concluded Mr Lam.

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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 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>*