

[FOR IMMEDIATE RELEASE]

**CEC ANNOUNCES 2004/05 FIRST QUARTERLY RESULTS
PROFIT ATTRIBUTABLE TO SHAREHOLDERS UP 26.6% TO HK\$5,816,000**

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(Hong Kong, 27 September 2004) — CEC International Holdings Limited (“CEC” or the “Group”) (Stock Code: 759), a manufacturer of electronic components such as coils, capacitors and ferrite powder, today announced its first quarterly results for the three months ended 31 July 2004.

The Group recorded a turnover of HK\$143,171,000, an increase of approximately 29.8% against HK\$110,293,000 in the same period last year. During the period, the coils manufacturing segment recorded a 34.1% increase in turnover. During the period under review, while the Group’s gross profit was HK\$31,688,000, an increase of approximately 8.4% over HK\$29,237,000 in the same period last year. The persistently high raw materials prices, and the increase in expenses for energy and wages incurred by the plant in Mainland China resulted in the decrease in the Group’s gross profit margin from 26.5% the same period last year to 22.1% this year. Nevertheless, with improved production capacity and increasing utilisation rate in assets, the pressure on the Group’s gross profit margin is expected to ease in future. Profit attributable to shareholders reached HK\$5,816,000, an increase of 26.6% against HK\$4,595,000 in the corresponding period last year.

Mr. Coils Lam, Chairman of CEC, said, “I am pleased to see that we continue to deliver growth in our turnover and profit attributable to shareholders, with turnover of the coils manufacturing segment recorded a rise of 34.1% over the same period last year. Since the Group decided to focus on developing core manufacturing business, turnover of the coils manufacturing segment has continued to register growth, reflected the success of the Group’s step-by-step approach in implementing its policy to restructure the business segment. We also adopted a pragmatic approach in developing our sales and marketing operations to ensure that customers’ requirements are fully met. On top of that, we continuously strengthened partnership with suppliers. All these efforts had contributed to our achievement of steady business progress during the period.”

Under the maturing business environment and system in Mainland China, the Group will seek to grasp opportunities arising from these developments. For the three months ended 31 July 2004, the turnover from Mainland China reached HK\$44,675,000 (2003: HK\$13,202,000), a growth of more than two-fold of that in the same period last year, and accounted for 31.2% (2003:12.0%) of the Group's overall turnover.

Looking ahead, the Group will continue to focus on its coils business developing products meeting customers' requirements. In addition, the Group will actively formulate and implement operating strategies which can effectively reduce its debt. In the coming three quarters of the financial year, the Group will continue to further refine its logistics management to heighten efficiency in using its working capital. The move is expected to reduce the Group's debt level.

Mr. Lam concluded, "Our business strategies have enabled us to achieve better results since they have been revised for the year. The Group will strive to intensively develop its core manufacturing business, and continue to explore alternatives in enhancing CEC's operational efficiency. We expect this policy to enable the group to achieve better performance and continue to bring in promising returns for our shareholders."

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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, transformers, 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>