

[FOR IMMEDIATE RELEASE]

**CEC ANNOUNCES 2004/05 THIRD QUARTERLY RESULTS  
PROFIT ATTRIBUTABLE TO SHAREHOLDERS UP 79% TO HK\$18,299,000**

\* \* \* \* \*

(Hong Kong, 18 March 2005) — CEC International Holdings Limited “CEC” or together with its subsidiaries, the “Group” (Stock Code: 759), a manufacturer of electronic components such as coils, capacitors and ferrite powder, today announced its third quarterly results for the nine months ended 31 January 2005.

The Group recorded a turnover of HK\$427,523,000, an increase of approximately 23.2% against HK\$346,945,000 in the same period last year, which was attributable to the increase of sales in the coils manufacturing and ferrite powder manufacturing segments. The Group’s gross profit was HK\$95,344,000, an increase of approximately 9.1% over HK\$87,423,000 in the same period last year. The sustained high raw materials prices and increase in wages of its staff in Mainland China reduced the Group’s gross profit margin from 25.2% to 22.3% as compared in the same period last year. Profit attributable to shareholders reached HK\$18,299,000, an increase of 79.3% against HK\$10,206,000 in the corresponding period last year.

**Mr. Coils Lam, Chairman of CEC**, said, “I am pleased to see that we continued to deliver a satisfactory growth in our turnover and profit attributable to shareholders for the period under review. In spite of the pressure on the Group’s gross profit margin due to the sustained high raw material prices and increase in wages of its staff, our overall business operation have improved when compared with the same period last year. We recorded a continued growth in our quarterly results.”

For the nine months ended 31 January 2005, the turnover of the Group’s coils manufacturing segment was HK\$390,418,000, an increase of approximately 28.5% over HK\$303,859,000 in the same period last year, accounting for 91.3% (2004: 87.6%) of the Group’s turnover. The sales volume of SMD chip inductor, power inductor, toroid coil and transformer primarily drove the increase in turnover.

The Group has started sales of ferrite powder since December 2003. The segment reported a turnover of HK\$26,408,000 (2004: HK\$3,374,000) during the period. The operation of this business segment has moved on to a stable stage.

During the period, turnover of the capacitor manufacturing segment was HK\$6,812,000 (2004: HK\$10,881,000), a decrease of 37.4% when compared to the same period last year. The Group is striving to improve the mode of business operation of this segment with a view to achieving a better performance in the future.

Looking ahead, the Group will continue to develop its business by injecting more resources into its production facilities. In the last financial year, the Group agreed with the local authority to purchase a land of 35,000 square meters near its main plant at Zhongshan. The first phase of construction of the new plant is expected to be completed in the interim of the next financial year. The plant will be used to expand production lines for powder inductor, transformer and capacitor as well as for godown purpose.

In addition, the Group set up a wholly-owned subsidiary in Dongguan in December 2004. The subsidiary will be principally engaged in manufacturing and sale of transformers, on a target to explore the local market.

Mr. Lam concluded, "To further drive the Group's business, CEC will continue to focus on its core manufacturing segment, as well as actively explore more business opportunities. Moreover, the Group will strengthen its production facilities, exercise stringent control on production costs and enhance overall operational efficiency, so as to bring better returns to our shareholders."

~ end ~

**About CEC International:**

CEC International was listed on The Stock Exchange of Hong Kong Limited on 15<sup>th</sup> November 1999. It is a reputable electronic components manufacturer, engaged in the design, development, manufacture and sale of a wide range of coils, inductors, transformers, capacitors, ferrite powder and other electronic components. CEC's products are 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.

**For press enquiries:**

Strategic Financial Relations Limited

Iris Lee / Keris Leung

Tel: 2864 4829/ 2864 4863

Fax: 2804 2789/2527 1196

Email: iris@strategic.com.hk / keris@strategic.com.hk

*Remarks:*

*This media release and the other corporate information of CEC can also be accessed at the following website: <http://www.0759.com>*