

[FOR IMMEDIATE RELEASE]

**CEC ANNOUNCES 2004/05 INTERIM RESULTS
PROFIT ATTRIBUTABLE TO SHAREHOLDERS SURGED 51.8% TO HK\$12,966,000**

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(Hong Kong, 22 December 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 interim results for the six months ended 31 October 2004.

The Group’s turnover amounted to HK\$293,388,000, an increase of approximately 24.6% over HK\$235,550,000 in the same period last year. The Group’s gross profit during the period was HK\$65,022,000, an increase of approximately 11.2% over last year’s HK\$58,463,000. The persistently high prices of raw materials, and the increase in expenses for energy and wages of its plant in Mainland China squeezed the Group’s gross profit margin from last year’s 24.8% to 22.2% this year. Profit attributable to shareholders reached HK\$12,966,000, an increase of 51.8% over HK\$8,543,000 in the corresponding period last year.

Mr. Coils Lam, Chairman of CEC, said, “Persistently striving to develop our core manufacturing business, CEC has consistently achieved encouraging results. During the period under review, the Group took on a pragmatic approach in meeting customer requirements, and further strengthened its partnership with suppliers. These strategies contributed to the continuous growth of the Group’s turnover and profit attributable to shareholders.”

The turnover of the Group’s coils manufacturing segment was HK\$269,860,000 (2003: HK\$206,871,000) for the six months ended 31 October 2004, making up 92.0% (2003: 87.8%) of the Group’s turnover. The increase in turnover was mainly due to the growth in sales volume of SMD chip inductor, power inductor, toroid coil and transformer.

Riding on the maturing business environment and practices in Mainland China, the Group also has grasped such opportunities for business developments. For the six months ended 31 October 2004, its turnover from Mainland China reached HK\$91,877,000 (2003: HK\$31,959,000), a growth of more than two-fold when compared with the same period last year, accounting for 31.3% (2003: 13.6%) of the Group’s turnover. Moreover, the Group’s active efforts to explore overseas market have started to bear fruit. Turnover from the American markets increased more than doubled to reach HK\$10,185,000 (2003: HK\$3,747,000) as compared with the corresponding period last year, accounting for 3.5% (2003: 1.6%) of the Group’s turnover.

Looking ahead, the Group will continue to inject resources into enhancing its production facilities. The Group has agreed with the local authority to purchase a 35,000 square meters land parcel near its main plant at Zhongshan. During the period under review, the infrastructure construction for the land and the plant started off. The new plant will see the expansion of the Group's production lines for power inductor and transformer. The Group will also continue to pursue plans to set up production lines in Gaozhou and Dongguan, Guangdong Province in the PRC, as well as Brazil in South America in order to meet the increasing customer demands. These development projects are expected to be realized in the second half of this financial year.

Mr. Lam concluded, "The management will actively seek long-term solutions to alleviate the pressure on the Group's profit margin resulting from the persistently high prices of raw materials. At the same time, the Group will continue to improve its logistics and control system, and exercise stringent control on production costs so as to enhance overall operational efficiency and strengthen the foundation for its future growth."

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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, ferrite powder 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>