

[FOR IMMEDIATE RELEASE]

**CEC ANNOUNCES 2005/06 FIRST QUARTERLY RESULTS
PROFIT ATTRIBUTABLE TO SHAREHOLDERS UP 10.9% TO HK\$6,579,000**

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(Hong Kong, 23 September 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, etc., today announced its first quarterly results for the three months ended 31 July 2005.

The Group recorded a turnover of HK\$145,213,000, an increase of approximately 1.4% against HK\$143,171,000 in the same period last year. The Group’s gross profit and gross profit margin were under pressure from the continued increase in raw materials prices, oil price, energy charges and wages resulting from labour shortage in Mainland China. During the period under review, the Group’s gross profit was HK\$31,370,000, a slight decrease of approximately 1.4% over HK\$31,806,000 in the same period last year. Gross profit margin was 21.6% (2004: 22.2%). Nevertheless, with effective cost control measures implemented during the period, profit attributable to shareholders reached HK\$6,579,000, an increase of 10.9% against HK\$5,934,000 in the corresponding period last year.

Mr. Coils Lam, Chairman of CEC, said, “Despite uncertainties surrounding the overall operational environment, we continued to deliver stable growth in our turnover and profit attributable to shareholders for the period under review. The results reflected the management’s dedication to cost control and the measures implemented have been effective in helping us sustain stable growth.”

During the period under review, the turnover of the Group’s core electronic components manufacturing segment was HK\$144,842,000, an increase of approximately 3.2% over HK\$140,399,000 in the same period last year, accounting for 99.7% (2004: 98.1%) of the Group’s turnover. As for the Group’s non-core businesses, their turnover for the period was HK\$371,000 (2004: HK\$2,772,000), accounting for 0.3% (2004: 1.9%) of the Group’s total turnover. CEC has been focusing on developing its core manufacturing business in the past two years, and the electronic components trading segment was closed during the review period.

To ensure its competitiveness as an electric coil sub-contracting manufacturer, the Group has focused on streamlining its cost structure in recent years. As at 31 July 2005, the Group’s inventory was HK\$52,751,000 (As at 30 April 2005: HK\$56,762,000). Through proactively controlling its inventory level and further integrating its purchasing, manufacturing and logistics processes during the review period, the Group managed to keep its inventory on a reasonable level.

Looking ahead, the Group will continue to consolidate its coils manufacturing business, operating it with prudence and developing it step by step. The Group's focus for the next few quarters will be on effective deployment of internal resources, including optimizing management of trade receivables, purchasing, inventory logistics and production efficiency. Meanwhile, it will also improve its production management flow, and quality and environmental protection systems with a view to enhancing existing supply capacity and expediting the production cycle while attracting quality customers. The Group is committed to ensuring high product quality for achieving steady growth.

Mr. Lam concluded, "Our business strategy of focusing on our core manufacturing business is paying off, as evidenced in our continuously improving results. The Group will intensively develop its core manufacturing business, and continue to explore ways to enhance operational efficiency. The Group will be prudent in managing its finance. We will spend only when necessary, and all investment plans and capital expenditure will be meticulously assessed for viability, the return on investment and risks before they are implemented. Investment amounts will also be subject to existing gearing ratio. We expect this policy to enable the Group to achieve better performance and bring in strong returns to our shareholders."

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About CEC International:

CEC International was listed on The Stock Exchange of Hong Kong Limited on 15 November 1999. It is a reputable electronic components manufacturer, engaging in the design, development, manufacture and sale of a wide range of coils, inductors, transformers, capacitors, 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 & ISO14001 certification in 1995 and 2005 respectively, 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/ Christie Ng

Tel: 2864 4829/ 2864 4863/ 2864 4892

Fax: 2804 2789/ 2527 1196

Email: iris@strategic.com.hk/ keris@strategic.com.hk/ christie.ng@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>