

**【 For immediate release 】**

**CEC ANNOUNCES 2006/2007 THIRD QUARTERLY RESULTS  
PROFIT ATTRIBUTABLE TO SHAREHOLDERS REACHED HK\$18,463,000**

(Hong Kong, 23 March 2007)— Electronic components manufacturer CEC International Holdings Limited (“CEC” or the “Group”) (Stock Code: 759) today announced its third quarterly results for the nine months ended 31st January 2007.

The Group recorded a turnover of HK\$529,527,000, an increase of approximately 16.9% against HK\$452,948,000 reported in the corresponding period of last year. Gross profit was HK\$105,681,000 (2006: HK\$99,437,000) and profit attributable to shareholders reached HK\$18,463,000 (2006: HK\$18,397,000).

During the period under review, the prices of raw materials and energy remained high. The prices of major raw materials such as nickel and zinc rose by approximately 132% and 52% year on year, while the prices of metal raw materials declined before showing signs of resurgence during the period. Moreover, an increase in staff wages in Mainland China led to a rise of approximately 6% in the average wage of production staff as compared with the same period last year. All of these factors drove up overall production cost. Gross profit margin declined from 22% to 20% when compared with the same period last year. The average salary of sales and marketing, administrative and management personnel rose by approximately 5% during the period. This, together with the Group’s expansion of some subsidiaries and representative offices in overseas and Mainland China markets resulted in an increase in selling and administrative expenses as compared with the corresponding period of last year.

**Mr. Coils Lam, Chairman of CEC**, said, “Despite challenges posed by persistently high raw material prices and rising labor costs in China, the Group achieved satisfactory business growth and recorded a notable increase in turnover.”

In terms of geographical breakdown, Mainland China and other countries in Asia were main contributors to the growth in turnover. Mainland China reported turnover of approximately HK\$241,697,000 (2006: HK\$180,961,000), up 33.6% as compared with the corresponding period last year. Turnover from Singapore and Taiwan were approximately HK\$31,402,000 (2006: HK\$24,581,000) and HK\$37,257,000 (2006: HK\$32,175,000), up 27.7% and 15.8% respectively as compared with the same period last year.

Going forward, the Group expects the prices of certain major raw materials to remain volatile. In addition, the trend of soaring wages in Mainland China and sustained appreciation of the Renminbi will continue to exert pressure on production costs. To combat such developments, the Group will make more flexible payment arrangements with its major suppliers in order to bargain for better purchasing prices. Also, the Group will endeavor to reduce wastage of raw materials during the production process. Furthermore, the Group will negotiate with relevant customers on those products that are significantly influenced by the rise in production costs, with a view to achieving better market prices.

The Group will continue to explore the existing coils market to boost overall sales. At the same time, the Group will develop energy-saving products and continue to direct resources toward purchasing facilities for research and development as well as recruiting research staff for developing such new products.

Mr. Lam concluded, “CEC will continue its core manufacturing business and at the same time actively develop energy-saving products to drive its business performance and bring better returns to 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 & ISO 14001 certification in 1995 and 2005 respectively, the Company also has more than 500 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>*