

【 For immediate release 】

**CEC ANNOUNCES 2006/2007 INTERIM RESULTS
PROFIT ATTRIBUTABLE TO SHAREHOLDERS REACHED HK\$14,010,000**

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(Hong Kong, 19 December 2006) — CEC International Holdings Limited (“CEC” or the “Group”) (Stock Code: 759), a manufacturer of electronic components such as coils, capacitors, etc, today announced its interim results for the six months ended 31 October 2006.

The Group’s turnover for the period amounted to HK\$351,918,000 (2005: HK\$301,272,000), 16.8% higher than that in the corresponding period last year. Turnover of the electronic components manufacturing segment, the Group’s core business, was HK\$351,189,000 (2005: HK\$300,532,000), which accounted for 99.8% of the Group’s turnover. By geographical market, turnover growth was registered mainly in Mainland China and other countries in Asia. Turnover from Mainland China surged 37% to approximately HK\$157,875,000 (2005: HK\$114,828,000). Besides, turnover from Singapore and Taiwan reported approximately HK\$20,840,000 (2005: HK\$15,505,000) and HK\$24,404,000 (2005: HK\$21,111,000) respectively, up 34% and 16% respectively.

The Group’s gross profit for the six months ended 31 October 2006 was HK\$71,109,000 (2005: HK\$66,603,000). During the reporting period, persistently high metal and energy prices and rising labour cost in China pushed up the Group’s overall production cost and squeezed the gross profit margin from 22.1% in the corresponding period last year to 20.2%. Profit attributable to shareholders was HK\$14,010,000 (2005: HK\$13,806,000).

Mr. Coils Lam, Chairman of CEC, said, “During the reporting period, we recorded growth in sales in several markets in Asia and the overall turnover. However, we continued to face challenges posed by fluctuating metal prices, rising labour costs in China and appreciation of the RMB.”

Looking ahead, the Board expects the Group to continue to experience heavy cost pressure. Despite that, the Board and senior management of the Group are committed to leading all staff in exerting their best effort to enhance the Group’s operating performance and in turn alleviate persistent cost pressure.

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In the past year, the Group studied the feasibility of developing energy-saving products. After thorough consideration, it has identified such products as a second manufacturing segment following its core electronic components manufacturing business. The Group will establish a research and development centre for the new products at its Hong Kong headquarters and recruit technological research staff to develop the related products for use in energy saving management systems. In addition, the Group has purchased a property in Zhongguancun, Beijing for the purpose of setting up an equipment development center in the coming 4 to 6 months focusing on the development and manufacturing of high quality equipment for producing the Group's energy-saving products.

The Group anticipates that the newly developed products can be launched to the market within the next two years, and its Zhongshan main workshop will take up the production of those products. The Group has started to explore trial production of core coils at its other manufacturing workshops, and has plans to add and expand production facilities in the future. These moves will make it possible for the Zhongshan main workshop to assign part of the coils production to other workshops and use the freed capacity to manufacture new products.

Mr. Lam concluded, "Our target is to develop energy-saving products in two years, and we expect such products to become a new income source in addition to the electronic components manufacturing segment in financial year 2008/2009."

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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>*