

【For immediate release】

CEC ANNOUNCES 2008/2009 FIRST QUARTER RESULTS

* * * * *

TWO-PRONGED BUSINESS STRATEGY
ASSURES FUTURE GROWTH

(Hong Kong, 29 September 2008) —**CEC International Holdings Limited** (“CEC”) and its subsidiaries (collectively the “Group”) (Stock Code: 759), a manufacturer of electronic components such as coils, transformers, etc., announced its first quarter results for the three months ended 31 July 2008.

The Group recorded a turnover of approximately HK\$198,843,000, an increase of 12.3% as compared to the corresponding period last year (2007: HK\$177,132,000). During the review period, gross profit and gross profit margin of the Group were dropped slightly to HK\$32,417,000 (2007:36,490,000) and 16.3% (2007: 20.6%) respectively. These results were mainly due to the appreciation of Renminbi continuously in recent years, extreme volatile raw material prices, and the uptrend of energy and labour costs. Despite the Group has been dedicated to maximize production efficiency and reducing wastes, it was still unable to offset the unfavourable market factors that against the Group’s operating profit. For the period under review, the Group’s profit amounted to HK\$4,184,000, a 39.4% decrease relative to the same period of last year (2007: HK\$6,900,000).

Mr. Coils Lam, Chairman of CEC, said, “For the period under review, the overall manufacturing industry in China was undergoing a very tense situation. Yet, the Group was able to grow its turnover for the review period. It was attributable to the Group’s efforts on strictly controlling the production cost, improving production and logistics management and utilizing its working capital effectively. Meanwhile, gaining the long-term trust and supports from our core customers is also the factor for the Group’s business to develop stably.”

Facing the challenges of continuous rising operation costs in China and the unforeseen external economic circumstances, which are still becoming the Group’s tremendous pressures in the near future. To maintain long-term competitiveness, the Group will implement a two-pronged business development strategy to further review its existing sales policy as well as to revise pricing strategy, with an aim to enhancing production efficiency and reducing the loss and wastage. In addition to review the existing products selling prices, cease the production of relatively less profitable products to the Group’s turnover and invest more resources into those sustainable development products, the Group is also negotiating with some customers for the change of products prices, thereby allowing the Group to make reasonable profit while providing products with competitive price and quality. Most importantly, the Group will keep on joining hands with its core customers during hard times in terms of mutual benefits to achieve a win-win situation for jointly developing business under the challenging market condition.

Mr. Lam concluded, “The Group’s mission is to provide quality products and to best serve our customers needs. Riding on the steady growth of the Group’s core electronic components business and the two-pronged business strategy, we expect that the Group will achieve a better performance and to continue to bring in a promising return for our shareholders.”

(End)

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, 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.

For press enquiries:

Strategic Financial Relations Limited

Iris Lee / Katrina Leung

Tel: 2864 4829/ 2864 4857

Fax: 2804 2789/2527 1196

Email: iris.lee@sprg.com.hk / katrina.leung@sprg.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>