【For immediate release】

CEC announces 2008/09 interim results
Revenue reaches HK$394,959,000

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Effective in production cost control and optimizing partnership

(Hong Kong, 22 December 2008) — **CEC International Holdings Limited** (“CEC”), together with its subsidiaries (collectively the “Group”), (Stock Code: 759), a manufacturer of electronic components such as coils, transformers, etc., announced its interim results for the six months ended 31 October 2008.

The Group recorded revenue of approximately HK$394,959,000 for the period, similar to that of the previous corresponding period (2007: HK$393,561,000). During the review period, affected by appreciation of the Renminbi, fluctuating raw material prices and rising energy and labour costs, profit of the Group dropped 49.3% year-on-year to HK$7,136,000 (2007: HK$14,073,000). Gross profit and gross profit margin also declined to HK$67,395,000 (2007: HK$79,655,000) and 17.1% (2007: 20.2%) respectively. However, the Group was able to abide by all restrictive financial covenants and maintained the same gearing ratio as that at the end of the same period last year. Such are testaments to the steady financial position of the Group.

Mr. Coils Lam, Chairman of CEC, said, “Despite facing different challenges, the Group was able to make revenue similar to that in the last corresponding period. This is attributable to the Group adhering strictly to its operational principles, focusing on boosting its core business of manufacture of electronic components, and halting production of some items bringing in relatively small income contributions thus freeing resources for injecting into products with wider applications and greater development potential. Having the trust and support of its customers and staff and with its cost control measures and flexible strategy in allocation of capital bearing fruits, the Group has a solid foundation for business development.”

To integrate the overall productivity, the Group used HK$20,000,000 of its capital expenditure for purchasing machinery and equipment to optimize production procedure and enhance production efficiency during the period under review. On the other hand, the Group has planned to merge the production facilities of Kunshan plant into Zhongshan plant. The two workshops in Dongguan will also be combined in order to reduce the costs in overall production and management.

Amid the global financial crisis, it is the intention of the Group to work together with its partners to tackle different challenges. During the period under review, although some customers affected by the economic austerity measures in China which caused a slight increase in account receivables, since such are low risk amounts and monetary supply in the market is expected to improve, the Group believes those customers will be able to resuming honoring the agreed settlement term and in full payment. The Group is willing to be flexible in working with customers regarding payment arrangements with the objective of maintaining good customer relations. And, to suppliers, the Group had reserved more cash for meeting account payables in the first quarter of this financial year. The move has boosted supplier confidence in the Group, paving the way for it to lower inventory of materials and secure stable material supply and payment terms in the future. The Group will continue to offer favorable payment terms to suppliers so as to gain more competitive raw materials supply.

Recognizing that human resources is an important corporate asset, crucial to its tapping of growth opportunities in the future, the Group has resolved not to make hasty redundancy decision in the economic downturn. Instead, it had been quick in making salary payments to staff in China during the review period to soothe jittery among employees facing the very unstable market and nurture better staff relations.

Looking ahead, the Group will adhere to its long-term strategies of investing more resources in Hong Kong to set up a R&D and technology and inspection centre for aiding improvement of its capability in technology development, operational efficiency, production control and asset and financial management. Furthermore, heeding the unsteady market environment and banks tightening credit control, the Group will make relevant adjustment to its operational direction and scope, its production scale and allocation of resources, and its relationship with partners, with the ultimate aim of boosting its competitive edges

Mr. Lam concluded, "CEC will continue to focus on developing its core manufacturing business by actively looking for more opportunities to boost business performance. We firmly believe that, through effective cost control and maintaining mutually beneficial partnership, the Group will be able to gain share despite the challenging market environment and in turn bring reasonable 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, 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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