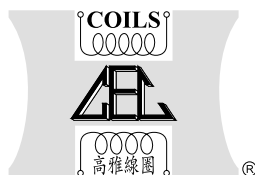


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CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

DESPATCH OF SCRIP DIVIDEND SCHEME CIRCULAR AND FORM OF ELECTION

The shareholders of the Company approved the final dividend of HK\$0.01 per Share for the year ended 30th April, 2001 and the Scrip Dividend Scheme at the Annual General Meeting on 14th September, 2001. On 18th September, 2001, the Company will despatch to the Eligible Shareholders and, for information only, shareholders whose registered addresses are outside Hong Kong and holders of Warrants and holders of Options, the Scrip Dividend Scheme Circular, together with the form of election. Unless the context otherwise states, capitalised terms used herein shall have the same meanings as defined in the circular of the Company dated 20th August, 2001.

DESPATCH OF SCRIP DIVIDEND SCHEME CIRCULAR AND FORM OF ELECTION

The board of Directors of CEC International Holdings Limited (the "Company") announces that (a) a final dividend of HK\$0.01 per Share for the year ended 30th April, 2001 was declared with a scrip alternative payable on or before 15th October, 2001 to shareholders of the Company whose names appeared on the register of members of the Company (the "Register of Members") on 14th September, 2001 and (b) the Scrip Dividend Scheme was approved at the annual general meeting of the Company (the "Annual General Meeting") held on 14th September, 2001. On 18th September, 2001, the Company will despatch to shareholders of the Company whose registered addresses appeared on the Register of Members were in Hong Kong as at the close of business on 14th September, 2001 (the "Eligible Shareholders") and, for information only, the shareholders whose registered addresses were outside Hong Kong, holders of Warrants and holders of Options, a circular (the "Scrip Dividend Scheme Circular") setting out further information in relation to the Scrip Dividend Scheme, together with a form of election.

ENTITLEMENT OF SCRIP DIVIDEND SCHEME

The formula below sets out the number of Scrip Shares to be received by Eligible Shareholders:

$$S = \frac{N \times \text{HK\$}0.01}{A}$$

Where:

S = Number of Scrip Shares to be received by Eligible Shareholders.

N = Number of Shares held on 14th September, 2001 for which share election is made in lieu of cash.

A = HK\$0.676, being the average closing price per Share on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of the five consecutive trading days from 10th September, 2001 up to and including 14th September, 2001.

The number of Scrip Shares to be issued under the Scrip Dividend Scheme will be rounded down to the nearest whole number. Fraction of Scrip Shares under the Scrip Dividend Scheme will not be issued to Eligible Shareholders. The benefit of fractional entitlements will be aggregated and sold and the net proceeds from such sales will be retained for the benefit of the Company. The Scrip Shares to be issued under the Scrip Dividend Scheme are identical and will rank pari passu in all respects with the existing issued Shares when issued, save in respect of the entitlements to the final dividend for the year ended 30th April, 2001 and the Bonus Share Issue but will rank in full for all future dividends and distributions which may be declared, made or paid after the date of issue thereof.

Shareholders whose registered addresses in the Register of Members are outside Hong Kong on 14th September, 2001 will not be permitted to participate in the Scrip Dividend Scheme and accordingly they will receive the final dividend wholly in cash.

All the conditions in respect of the Scrip Dividend Scheme described in the circular of the Company dated 20th August, 2001 have been satisfied.

RETURN OF FORM OF ELECTION

Eligible Shareholders who choose to receive Scrip Shares in lieu of the cash dividend, whether in whole or in part, should complete and sign the form of election in accordance with the instructions printed thereon and return it to the Registrar, Central Registration Hong Kong Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on 8th October, 2001.

If Eligible Shareholders do not complete and return the form of election before the time stated above, they will receive the whole of the final dividend in cash.

Dividend warrants and/or share certificates for the Scrip Shares to be issued under the Scrip Dividend Scheme are expected to be sent by ordinary post to the shareholders entitled thereto on or before 15th October, 2001 at their own risk.

By Order of the Board

Lam Wai Chun

Chairman

Hong Kong, 14th September, 2001

Please also refer to the published version of this announcement in Hong Kong iMail and Hong Kong Economic Times.