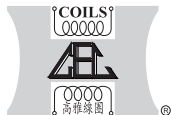


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CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

On 31st January, 2002, the Company entered into a 3-year transferable term loan and revolving credit facility agreement for an aggregate amount of HK\$100 million with a group of banks, which includes conditions relating to specific performance of the controlling shareholder of the Company.

This announcement is made pursuant to paragraph 3.7.1 of Practice Note 19 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 31st January, 2002, CEC International Holdings Limited (the "Company") entered into a 3-year transferable term loan and revolving credit facility agreement (the "Agreement") for an aggregate amount of HK\$100 million (the "Facility") with a group of banks. The Facility consists of a term loan for an aggregate amount of HK\$60 million which would be applied to repay the existing bank loans and other indebtedness of the Company and its subsidiaries (the "Group"), and a revolving credit facility for an aggregate amount of HK\$40 million which would be used as general working capital of the Group.

Under the provisions of the Agreement, it would be an event of default, inter alia, if any of the following events occurs:

1. Mr. Lam Wai Chun ("Mr. Lam"), the Chairman and Managing Director of the Company, and Ka Yan China Development (Holding) Company Limited ("Ka Yan"), the controlling shareholder of the Company, cease to be the beneficial owners, together, of more issued share capital of the Company than any other person (including persons acting in concert); or
2. Mr. Lam and Ka Yan cease to be the beneficial owners, together, of at least 35 per cent. of the issued share capital of the Company; or
3. Mr. Lam ceases to be the Chairman of the Company or ceases to be involved actively in the management and business of the Group; or
4. Mr. Lam or Ka Yan sells, transfers, assigns, encumbers or disposes of all or part of their respective beneficial ownership of shares in the Company; or
5. Ka Yan ceases to be wholly and beneficially owned by Ka Yan China Family Trust (the "Trust"), the family trust of Mr. Lam; or
6. Mr. Lam's immediate family members cease to be the only beneficiaries under the Trust.

If any such event of default occurs, upon a notice served to the Company, (i) the Facility shall immediately be cancelled; (ii) all amounts accrued and outstanding or owing under the Facility shall immediately become due and payable; and/or (iii) the Facility shall immediately become payable on demand.

As at the date of this announcement, Ka Yan is the largest single controlling shareholder of the Company holding 404,008,996 shares of the Company, representing approximately 61.12% of the issued share capital in the Company. By virtue of the Securities (Disclosure of Interests) Ordinance, Mr. Lam is deemed to be interested in an aggregate of 406,408,996 shares of the Company, representing approximately 61.48% of the issued share capital in the Company, of which 2,400,000 shares are beneficially owned by Mr. Lam and 404,008,996 shares are held by Ka Yan which is ultimately beneficially owned by the Trust. The beneficiaries under the Trust are Mr. Lam's immediate family members.

Disclosure will be included in subsequent interim and annual reports of the Company for so long as the obligation continues to exist.

By order of the Board
Lam Wai Chun
Chairman

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