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CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT

On 30th April, 2003, the Company entered into a 3-year transferable term loan facility agreement for an aggregate amount of HK\$165 million with Coils Electronic Co., Limited, its wholly-owned subsidiary, as original guarantor, and 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 30th April, 2003, CEC International Holdings Limited (the "Company") entered into a 3-year transferable term loan facility agreement (the "Agreement") for an aggregate amount of HK\$165 million (the "Facility") with Coils Electronic Co., Limited, its wholly-owned subsidiary, as original guarantor, and a group of banks. The Facility will be applied to prepay all of the Company's existing outstanding indebtedness under a HK\$100 million term loan and revolving credit facility agreement dated 31st January, 2002 and the balance of the Facility will be used to develop a ready-to-press ferrite project in Nanjing, the People's Republic of China, and as general working capital of the Company and its subsidiaries. As at the date of this announcement, the Facility has not yet been drawn down by the Company and it is expected that the full amount of the Facility will be drawn down in one lump sum on 30th May, 2003.

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 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 single largest controlling shareholder of the Company holding 404,008,996 shares of the Company, representing approximately 58.3% of the issued share capital of the Company. Mr. Lam is interested in an aggregate of 407,840,996 shares of the Company, representing approximately 58.8% of the issued share capital of the Company, of which 3,832,000 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 spouse and his children who are under the age of 18 years.

Disclosure will be included in subsequent quarterly, 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
The Standard and Hong Kong Economic Times.*