

[FOR IMMEDIATE RELEASE]

CEC ANNOUNCES 2001/2002 ANNUAL RESULTS

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TURNOVER RISE BY 4.9% TO HK\$363,896,000

(Hong Kong, August 15, 2002)—Coils, capacitors and other electronic components manufacturer CEC International Holdings Limited (“CEC” or the “Group”) (Stock Code: 759) today announced its annual results for the year ended April 30, 2002. CEC recorded a turnover of HK\$363,896,000, increasing by 4.9% against the turnover attained in the previous year. Profit attributable to shareholders was HK\$5,973,000, compared to HK\$30,863,000 recorded in the previous year. Basic earnings per share was 0.92 HK cent.

Mr. Coils Lam, the Chairman of CEC said, “The market during the year presented severe challenges to the electronics industry. Players in the industry cut prices substantially to extremely unreasonable levels. Fortunately, our investments in plant expansion and the installation of additional facilities last year strongly enhanced our production capacities. The Group was therefore able to offer more competitive prices in these difficult times, which resulted in a 4.9% increase in turnover, reflecting our judicious investment decision.”

During the reporting period, coils manufacturing remained the Group’s core business, accounting for 80.6% of the Group’s turnover. To enhance production effectiveness and capacities, the plant in Zhongshan was expanded and completed as scheduled. The newly expanded facilities equipped with sophisticated production facilities, substantially raises the Group’s coils production capacities and product quality. However, due to the plunge in prices of the products and the increase in depreciation, the Group’s gross profit margin for the coils manufacturing segment fell from the previous year’s 34.1% to 27.6% in the current year. Discounting the impact of the price cuts, the coils manufacturing segment actually achieved a growth in terms of production output and sales volume. This desirable result was also brought about by the Group’s persistent efforts to expand the segment.

In view of the tremendous technological development and the increasing demand for quality electronic components, the Group’s new production line for manganese-zinc series ferrite core products commenced operation in the second quarter of the financial year, strengthening the Group’s product competitiveness. The new production line equipped with sophisticated and automated facilities, manufactures electronic components of the best quality. Products which include manganese-zinc series ferrite cores and line filters have been enjoying strong support from electronics manufacturers, whose quality consciousness have become ever more stringent. These products are expected to bring reasonable returns to the Group.

During the year under review, the Group's three other business segments are the manufacturing of capacitors, power supply devices, and the trading of electronic components. Their contributions to the Group's total turnover accounted for 9.1%, 0.9% and 9.4% respectively. In the power supply devices segment, the Group manufactures a wide range of products. As these products are indispensable components in the manufacture of many electronic products, their markets span the world. Consistent effort in the development of the power supply devices segment has obtained a wide range of market and product intelligence, bringing a substantial contribution to the Group's future development. In view of the electronic components trading segment facing increasingly keen competition during the year, resulting in continuous reductions in the gross profit margin and a widening loss from operations, the Group has decided to reallocate its resources in its future development. The Group will concentrate more on developing its core business and expanding its coils manufacturing segment and gradually shrinking the electronic components trading segment.

Looking to the future, the Group will actively expand its market foothold. Currently, the market in Mainland China contributes only 6.0% (2001: 6.7%). However, the Group has started implementing strategic plans to tap the business opportunities arising in this market. In November 2001, the Group established a new representative office in Chongqing, which engages in sales liaison services. The Group also participated frequently in electronics trade exhibitions held in Mainland China during the year. Mr Lam said, "To further develop our sales services in Mainland China, we will consider setting up new production facilities and/ or representative offices in major well-developed coastal cities such as Shanghai, Zhuhai and Qingdao. These initiatives will allow the Group to benefit from the economical but quality human resources pool in the Mainland China and also shorten delivery lead-times significantly. Additionally, being located right amongst our customers, the Group will be able to gather important information on the needs of potential customers, which in turn, will allow the Group to better cater for their requirements and boost the Group's sales and marketing."

Regarding the European market, the Group achieved 6.5% growth in turnover, which accounted for 4.6% (2001: 4.6%) of the Group's turnover. Looking ahead, the demand for electronic components in Europe is expected to step up gradually following the economic recovery and the appreciation of the euro. As the Group's products with electromagnetic compatibility are more competitive in terms of function and design, they provide a "best fit" for the quality conscious European electronic components manufacturers. This is expected to significantly expand the Group's market share and presence in Europe.

Mr. Lam concluded, "To conclude, the Group expects the market to rebound from the trough in the later half of 2002. The market prices for electronic products are also expected to resume to comparatively more reasonable levels by then. Some smaller-scale electronics manufacturers have been expelled in the harsh conditions, leaving the established manufacturers who are able to withstand the difficult conditions. We strongly believe that our expanded production facilities, accumulated experience together with our quality products, will enable us to grasp the opportunities ahead. This will help us to expand our market share even further, and propel us further forward to success."

About CEC International:

CEC International was listed on The Stock Exchange of Hong Kong Limited on November 15, 1999. It is a reputable electronic components manufacturer, engaged in the design, development, manufacture and sale of a wide range of coils, capacitors, power supply devices and other electronic components. CEC's products can be commonly found in IT products, telecommunication products, home appliances and audio-visual products. Accredited with ISO 9001 certification in 1995, the Company also has more than 400 engineers and quality control staff ensuring its product quality.

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Remarks:

This media release and the other corporate information of CEC International Holdings Limited can also be accessed at the following website:

<http://www.0759.com>