

【 For immediate release 】

CEC ANNOUNCES 2005/2006 ANNUAL RESULTS

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**STEADY GROWTH OF CORE ELECTRONIC COMPONENT MANUFACTURING BUSINESS
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS REACHES HK\$23,296,000**

(Hong Kong, 15 August 2006) — CEC International Holdings Limited (“CEC” or together with its subsidiaries, the “Group”) (Stock Code: 759), a manufacturer of electronic components such as coils, capacitors, etc, today announced its annual results for the year ended 30 April 2006.

The Group recorded a turnover of HK\$618,561,000, an increase of 11.6% (2005: HK\$ 554,291,000). Gross profit increased to HK\$135,753,000 as compared with HK\$125,607,000 last year, representing an increase of approximately 8.1%. Persistently high raw material prices and increase in labour cost reduced the Group’s gross profit margin to 21.9% (2005: 22.7%). Profit attributable to equity holders was HK\$23,296,000 (2005: HK\$20,001,000).

Basic earnings per share were HK 3.30 cents (2005: HK2.89 cents). The Board of Directors recommended the payment of a final dividend of HK 0.9 cent per share (2005: HK0.7 cent) for the year ended 30 April 2006 to shareholders whose names appear on the register of members of the Company on 27 September 2006. In addition, the Board has resolved to revise the Company’s dividend policy to reward shareholders for their support to the Group. From this financial year onward, the dividend payout ratio will not exceed 30% of the Group’s profit attributable to equity holders.

Mr. Coils Lam, Chairman of CEC, said, “The Group, as an electronic component manufacturing specialist, has benefited from the booming consumer electronics markets and achieved satisfactory growth in turnover. Although the persistently high raw material prices and increase in wages posed pressure on our gross profit margin, with the active cost control effort of the management, our gross profit continued to grow.

During the year under review, turnover of electronic components manufacturing business, the Group’s core business, reached HK\$617,093,000, an increase of 12.2% as compared with HK\$549,928,000 last year, accounting for 99.8 % (2005: 99.2%) of the Group’s turnover. The increase was derived mainly from the growth in various consumer electronics segments including audio-visual and telecommunication equipment, home electrical appliances, toys, computers, office equipment, automobiles, lighting facilities and power-supply devices.

During the year, the Group experienced much cost pressure from the notable and persistent increase in raw material prices. The prices of its major materials, in particular, including copper required for manufacturing coils, and magnetic materials went through abnormal fluctuation. The rising cost of human resources in Mainland China and persistent surge in energy charges also added to the pressure. The gross profit margin of the Group’s core businesses was squeezed to 21.9% (2005: 22.5%). However, the Group continued to implement a series of measures to improve efficiency and overall productivity during the year. As a result, the gross profit of the Group’s core business for the year reached HK\$135,242,000 (2005: HK\$123,941,000).

Labour shortages in Mainland China have pushed up average wage level of management personnel and even that of factory workers. In Guangdong province, enterprises are having difficulty recruiting and retaining employees. During the year, the Group made appropriate evaluation of and adjustments to employees' remuneration, increasing wages by approximately 13.7% as compared with last year. The increased wages and increased number of employees explain the rise in overall remuneration paid by the Group. Meanwhile, the Group also allocated more resources to employee benefits in areas including catering, staff quarters and recreation, which pushed up further yet the overall cost of human resources.

Looking ahead, the Group believes the key to combating high raw materials prices lies in how materials can be applied and production process adjusted to lower production costs. Research and development efforts in these areas will be the Group's emphasis in the future. Resources will be injected into setting up a research and development centre, recruiting more related technicians and acquiring facilities, equipment and R&D tools.

The Group continued to consolidate operation of its Zhongshan main plant during the year under review. Two brand new factory premises with total gross floor area of approximately 19,800 square meters have been completed and production facilities are being installed. The Group expects the facility to have a more spacious production environment, be equipped with well-aligned production lines for achieving smoother production flow in the future. The Group intends to integrate and restructure under-performing subsidiaries, branches and plants so as to improve the operational effectiveness of the Group as a whole.

During the year, one of the Group's customers with long-established relationship suspended operation. The Group has resolved to exercise extreme prudence in credit management in the future so as to minimize bad debts.

Mr. Lam concluded, "CEC will continue to maintain its moderate management model, and focus on developing its core electronic component manufacturing business for more stable growth in the future. The management will strive to bring better returns to the Group's 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, inductors, 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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Remarks:

This media release and the other corporate information of CEC can also be accessed at the following website: <http://www.0759.com>