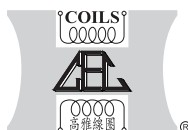

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you have sold all your shares and/or warrants in CEC International Holdings Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

If you are in any doubt as to any aspect of this circular or as to any action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.



CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

CHANGE OF AUDITORS

AND

NOTICE OF SPECIAL GENERAL MEETING

A notice convening a special general meeting of CEC International Holdings Limited to be held at Units 3507-09, Level 35, Tower I, Millennium City 1, 388 Kwun Tong Road, Kowloon, Hong Kong, on Friday, 12th July, 2002 at 10:30 a.m. is set out on page 4 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of CEC International Holdings Limited, at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting (or any adjournment thereof). Completion of a form of proxy will not preclude you from attending and voting at the meeting (or any adjournment thereof) in person if you so wish.

25th June, 2002

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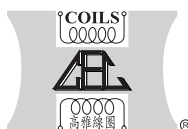
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DEFINITIONS

In this document, the following expressions have the following meanings, unless the context requires otherwise:

“Andersen”	Arthur Andersen & Co, the resigning auditors of the Company
“Board”	the board of Directors
“Bye-laws”	bye-laws of the Company adopted pursuant to the written resolutions of the sole shareholder of the Company passed on 26th October, 1999
“Company”	CEC International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Options”	options granted to any full-time employees or executive directors of the Group (but excluding independent non-executive Directors of the Company) under the share option scheme adopted by the Company on 26th October, 1999
“PRC”	the People’s Republic of China, which shall, for the purpose of this circular, exclude Hong Kong, Taiwan and Macau
“PwC”	PricewaterhouseCoopers, the new auditors proposed to be appointed by the Company at the SGM
“SGM”	a special general meeting of the Company to be held on Friday, 12th July, 2002 at 10:30 a.m., the notice of which is set out on page 4 of this circular
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	warrants issued by the Company in registered form by way of deed poll in units of subscription rights of HK\$1.475 for every 10 units of Warrants entitling the holder(s) thereof to subscribe up to a maximum aggregate amount of HK\$59,000,000.00 in cash for new Shares at a subscription price of HK\$0.49 per new Share (subject to adjustment) at any time from the date of the issue of the Warrants, which is 3rd July, 2000, to 30th September, 2003, both dates inclusive

LETTER FROM THE CHAIRMAN



CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. Lam Wai Chun
Mr. Saito Misao
Ms. Tang Fung Kwan
Mr. Lam Wing Kin, Sunny

Registered Office:

Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Non-executive Directors:

Mr. Tang Tin Sek
Mr. Au Son Yiu (*Independent*)
Mr. Lee Wing Kwan, Denis (*Independent*)

*Principal Place of Business
in Hong Kong:*

Units 3507-09, Level 35
Tower I, Millennium City 1
388 Kwun Tong Road
Kowloon
Hong Kong

25th June, 2002

To Shareholders and,

*for information only, the holders of the Warrants and
the holders of the Options*

Dear Sir or Madam,

CHANGE OF AUDITORS AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

It is proposed that at the SGM of the Company to be held on Friday, 12th July, 2002, the notice of which is set out on page 4 of this circular, an ordinary resolution will be proposed to appoint PwC as the auditors of the Company to fill the casual vacancy created by the resignation of Andersen.

The purpose of this circular is to provide you with information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution relating to the proposed appointment of PwC as the new auditors of the Company.

LETTER FROM THE CHAIRMAN

CHANGE OF AUDITORS

The Board announces that Andersen have resigned as auditors of the Company on their own accord with effect from 30th June, 2002 due to the combining of the practice of Andersen in Hong Kong and PRC with PwC effective from 1st July, 2002. There were no circumstances connected with their resignation that they considered should be brought to the attention of the Company's members or creditors as confirmed in Andersen's letter of resignation. The Company wishes to appoint PwC as its new auditors.

In accordance with Bye-law 157 of the Bye-laws, the approval of Shareholders must be sought at a special general meeting for the appointment of the new auditors to fill the casual vacancy. Accordingly, an ordinary resolution will be proposed at the SGM to approve the appointment of PwC as the auditors of the Company.

RECOMMENDATION

The Directors consider that the proposed appointment of PwC as the auditors of the Company is in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend that you vote in favour of the ordinary resolution to be proposed at the SGM.

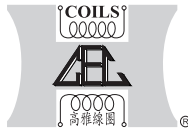
NOTICE OF THE SPECIAL GENERAL MEETING

Notice of the SGM is set out on page 4 of this circular.

A form of proxy is enclosed with this circular for use at the SGM. Whether or not you intend to be present at the SGM, you are requested to complete and return the enclosed form of proxy to the office of the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion of a form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof in person if you so wish.

Yours faithfully,
For and on behalf of
CEC International Holdings Limited
Lam Wai Chun
Chairman

NOTICE OF SPECIAL GENERAL MEETING



CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting of CEC International Holdings Limited (the “Company”) will be held at Units 3507-09, Level 35, Tower I, Millennium City 1, 388 Kwun Tong Road, Kowloon, Hong Kong, on Friday, 12th July, 2002 at 10:30 a.m. for the purpose of considering, and if thought fit, passing the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** PricewaterhouseCoopers be and are hereby appointed as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at a remuneration to be agreed by the Directors.”

By Order of the Board
Li Lai Sheung
Company Secretary

Hong Kong, 25th June, 2002

Principal Place of Business in Hong Kong:

Units 3507-09, Level 35
Tower I, Millennium City 1
388 Kwun Tong Road
Kowloon
Hong Kong

Notes:

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and, including on a poll, vote in his stead. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed herewith. Completion and return of the form of proxy will not preclude a member from attending the meeting if he so wishes. In the event that a member who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the office of the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
4. In the case of joint holders of any Share, any one of such holders may vote at the meeting either personally or by proxy in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the holder whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that Share.