[FOR IMMEDIATE RELEASE]

CEC ANNOUNCES 2005 / 06 INTERIM RESULTS
PROFIT ATTRIBUTABLE TO SHAREHOLDERS UP 4.6% TO HK$ 13,806,000

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(Hong Kong, 21 December 2005) — CEC International Holdings Limited ("CEC" or the "Group") (Stock Code: 759), a manufacturer of electronic components such as coils, capacitors, etc., today announced its interim results for the six months ended 31 October 2005.

The Group's turnover amounted to HK$301,272,000 (2004: HK$293,388,000), similar to that of the same period last year. The turnover of the Group's core business, the electronic manufacturing segment, was HK$300,532,000 (2004: HK$289,979,000), making up 99.8% of the Group's turnover.

For the six months ended 31 October 2005, the Group's gross profit was HK$66,603,000, an increase of approximately 2.1% over last year's HK$65,258,000. Despite soaring prices of raw materials (metal and plastics), energy charges and wages in Mainland China, the Group's gross profit margin was maintained at 22.1% (2004: 22.2%). Operating profit and profit attributable to shareholders reached HK$28,281,000 (2004: HK$23,720,000) and HK$13,806,000 (2004: HK$13,202,000) respectively. During the period, earnings before interest, tax, depreciation and amortisation ("EBITDA") was HK$61,252,000 (2004: HK$55,373,000).

Mr. Coils Lam, Chairman of CEC, said, "The Group has been prudent in operating its business and making investment, applying policies designed for optimizing its production and increasing management efficiency to enhance the competitiveness of its products and services, and progressively develop its core business. Return to shareholders has been our guiding post in controlling operating expenses, deployment of resources and capital expenditure. During the period under review, interest rates in Hong Kong had gone up markedly compared with the same period last year and interest expenses of the Group increased as a result. Nonetheless, the Group was able to maintain its profit indicators, speaking to the success of the management's efforts in controlling cost and operating expenses."

Looking ahead, the Group expects to continue to face four major challenges: (1) persistently high prices of raw materials (especially that of copper and other metal oxides) and energy; (2) further appreciation of the Renminbi; (3) surging labor costs driven by labor shortage in Mainland China; and (4) oversupply of electronic components breeding market uncertainty and making order projection difficult. All these factors have potential negative effects on the Group's earning prospects. Nevertheless, the Group expects its business to maintain overall steady development in the next quarter.

The Group plans to turn Hong Kong into its core management base in the Pan Pearl River Delta region. Hong Kong will be developed and will serve as the administrative base for marketing, sales, information technology, capital management and product research and development. The Group has assigned certain young management trainees, who received training in its Mainland subsidiaries, to the above-mentioned functional positions. As for the production bases in Pan Pearl River Delta region, including the Zhongshan plant, Dongguan plant, Nanjing plant, Gaozhou plant, Xiamen plant and Kunshan plant, will take charge of production technology, quality control and logistics management. Besides, the Group is studying the feasibility of establishing product research and development centers also in Hong Kong, in addition to Zhongshan, to allow it to recruit science and research talents from Hong Kong, Mainland China and overseas who can help boost its product development capabilities in the future. The result of the feasibility study in progress is expected to come in by the end of this financial year.

The Group's main production base is in Zhongshan, Guangdong Province. However, it is planning to set up several new production bases outside Zhongshan to facilitate staff recruitment from different regions, thereby mitigate pressure from labor shortage experienced in Zhongshan. The new production bases will also be able to fulfill the specific needs of some partnership customers, thus help to reduce customer service and logistic costs, and simplify the existing production complexity of the Zhongshan plant. Moreover, the new management vacancies at the new production bases will present opportunities for career advancement to existing staff, as well as for the Group to train and promote management talents.

Mr. Lam concluded, "Recently, with the employment markets in Hong Kong and Mainland China picking up, the Group's staff costs have increased. The Group is working on various measures, including introducing a new performance appraisal system and providing incentives to staff with outstanding performance, thereby enhancing work efficiency and staff loyalty, and ultimately consolidating the Group's foundation. In the long term, the Group will continue its prudent investment strategy in developing its core coil business, and avoid any high-risk investment project and capital expenditure. "

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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 400 engineers and quality control staff ensuring its product quality.

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