

[FOR IMMEDIATE RELEASE]

CEC ANNOUNCES 2003/2004 ANNUAL RESULTS

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FOCUS ON CORE COILS MANUFACTURING BUSINESS PAYS OFF TURNAROUNDS TO PROFIT IN THE YEAR UNDER REVIEW

(Hong Kong, 16 August 2004) — CEC International Holdings Limited (“CEC” or the “Group”) (Stock Code: 759), a manufacturer of coils, capacitors, electronic components and ferrite powder today announced its annual results for the year ended 30 April 2004. The Group recorded a turnover of HK\$491,663,000, an increase of approximately 9.7% against HK\$448,155,000 in the previous year. Gross profit increased to HK\$123,647,000 as compared with HK\$112,229,000 in 2003, representing an increase of 10.2%. These encouraging improvements were the results of the Group’s clearly defined strategies to intensively develop its core manufacturing business, to trim and restructure its under-performing businesses as well as to enhance its overall operating efficiency. Profit attributable to shareholders was HK\$15,857,000, against a loss attributable to shareholders at HK\$5,159,000 in the previous year.

Earnings per share was HK 2.29 cents (2003: loss per share was HK 0.75 cent). The Directors have resolved to recommend the payment of a final dividend of HK0.5 cent per share (2003: Nil) for the year ended 30 April 2004 to shareholders whose names appear on the register of members of the Company on 27 September 2004.

Mr. Coils Lam, Chairman of CEC, said, “I am pleased to see that the revised business strategies have enabled the Group to achieve better results this year. Apart from focusing on the development of our core coils manufacturing business, the steady increase in turnover from power-supply coil products proved that our investment in the business has begun to win customer recognition. In addition, with the further integration of the manganese-zinc ferrite production equipment into the coils manufacturing segment, CEC now has greater room for profit growth. Adopting a customer-oriented marketing approach, the Group has been reaping the benefits of its previous investments, and achieved a turnaround to profit this financial year.”

During the year under review, the Group actively developed the coils products market. Its coils manufacturing segment recorded a turnover of HK\$430,854,000 (2003: HK\$355,879,000), up 21.1% as compared with last year. Gross profit also recorded an increase of 12.3%, to HK\$117,925,000 (2003: HK\$105,044,000), as compared with last year. Gross profit margin decreased slightly to 27.4% (2003: 29.5%) because of rising raw material prices. The sales of the products to customers in the power-supply sector reached HK\$73,212,000 (2003: HK\$33,305,000), an increase of 120% as compared with last year, and accounted for 17% of the turnover from the coils manufacturing segment. The growth is mainly attributable to the robust demand of the cell phone power supply market.

The Nanjing Project, with its plant infrastructure completed and production equipment installed in late 2003, recorded a turnover of HK\$12,779,000 (2003: Nil) during the year for the first time.

To fully execute its strategies of concentrating on developing its core manufacturing business, trimming and restructuring of under-performing businesses as well as enhancing the Group's overall operating efficiency, the Group decided to incorporate its capacitors business into the coils segment, and run the operation using the management mode of the main plant in Zhongshan. In doing so, the Group hopes to achieve better coordination as the capacitors manufacturing segment is reformed. Moreover, the Group expects to terminate its electronic components trading business in the second quarter of the next financial year and continue to trim its information technology segment.

The sales to power supply industry rose from 9.4% of the total sales last year to 17% of the total sales this year, and a total of 42 million sets of switching-code transformers were sold. To meet the ever-changing demand of customers, the Group will continue its existing marketing strategy and develop brand-new transformer technology and production methods with emphasis on improving technology and quality.

In order to allow for more space of growth, the Group has purchased, for development in the coming three years, a land parcel of 35,000 square meters adjoining the Group's main plant in Zhongshan. To maintain the Group's competitiveness, the plan for the land entails: (1) the construction of a new ferrite core plant to replace the old workshop which has been used for 10 years; (2) the expansion of usable space of other assembling workshop; and (3) provision of space for relocation of the metal and plastic workshops.

Mr. Lam concluded, “The Group will continue to move forward as a China-focused operation, keeping a streamline operation in Hong Kong as back up. We hope to further enhance the Group’s operational efficiency and establish for it a healthy foundation for future development.”

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About CEC International:

CEC International was listed on The Stock Exchange of Hong Kong Limited on 15th November 1999. It is a reputable electronic components manufacturer, engaged in the design, development, manufacture and sale of a wide range of coils, transformers, capacitors 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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This media release and the other corporate information of CEC can also be accessed at the following website: <http://www.0759.com>