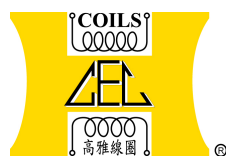


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CEC INTERNATIONAL HOLDINGS LIMITED

CEC 國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0759)

CONNECTED TRANSACTION UNITS ISSUANCE AGREEMENT

The Board of the Company announced that on 13th August, 2007, Coils, an indirect wholly-owned subsidiary of the Company, entered into the Units Issuance Agreement with Westrom and CEC-COILS America, pursuant to which Coils has agreed to purchase an additional 305 units of CEC-COILS America at a price of US\$322.69 (equivalent to approximately HK\$2,516.98) per unit for a total additional contribution of US\$98,420.45 (equivalent to approximately HK\$767,679.51). Under the Units Issuance Agreement, Westrom agreed to waive its right to make any proportional purchase of units of CEC-COILS America.

Immediately before the Units Issuance, Coils and Westrom hold 105 units and 45 units of CEC-COILS America respectively, representing 70% and 30% in all outstanding units of CEC-COILS America respectively. Immediately after the Units Issuance, Coils and Westrom currently hold 410 units and 45 units of CEC-COILS America respectively, representing 90.1% and 9.9% of all outstanding units of CEC-COILS America respectively.

On 27th April, 2007, Coils, which then held 55 units of CEC-COILS America, purchased an additional 50 units of CEC-COILS America at US\$1,874.11 (equivalent to approximately HK\$14,618.06) per unit for a total additional contribution of US\$93,705.50 (equivalent to approximately HK\$730,902.90). As CEC-COILS America is a connected person of the Company as being the associate of Westrom, a substantial shareholder of CEC-COILS America, the Previous Issuance constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the applicable Percentage Ratios was less than 2.5% and the total consideration was less than HK\$1,000,000, the Previous Issuance was exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As CEC-COILS America is an associate of Westrom before the Units Issuance, the entering into of the Units Issuance Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. When the Units Issuance is aggregated with the Previous Issuance, each of the applicable Percentage Ratios attributable to the aggregate contributions of the Units Issuance and Previous Issuance is less than 2.5%. The Units Issuance Agreement is only subject to the reporting and announcement requirements under Rules 14A.45 and 14A.47 of the Listing Rules.

THE UNITS ISSUANCE AGREEMENT

The Board of the Company announced that on 13th August, 2007, Coils, an indirect wholly-owned subsidiary of the Company, entered into the Units Issuance Agreement with Westrom and CEC-COILS America, pursuant to which Coils has agreed to purchase an additional 305 units of CEC-COILS America at a price of US\$322.69 (equivalent to approximately HK\$2,516.98) per unit for a total additional contribution of US\$98,420.45 (equivalent to approximately HK\$767,679.51). Under the Units Issuance Agreement, Westrom agreed to waive its right to make any proportional purchase of units of CEC-COILS America. The total additional contribution of the Units Issuance Agreement was remitted to CEC-COILS America by Coils upon signing of the Units Issuance Agreement by all parties thereto.

Immediately before the Units Issuance, Coils and Westrom hold 105 units and 45 units of CEC-COILS America respectively, representing 70% and 30% of all outstanding units of CEC-COILS America respectively. Immediately after the Units Issuance, Coils and Westrom currently hold 410 units and 45 units of CEC-COILS America respectively, representing 90.1% and 9.9% of all outstanding units of CEC-COILS America respectively.

The additional contribution of US\$93,705.50 (equivalent to approximately HK\$730,902.90) for the Previous Issuance was determined on the basis of the estimated three months' working capital of CEC-COILS America provided by Coils for its increase of the beneficial interest from 55% to 70% in CEC-COILS America, based on which additional 50 units of CEC-COILS America were issued to Coils but Westrom remained to hold 45 units of CEC-COILS America, on arm's length negotiation between the parties thereto. Accordingly, the issue price per unit was derived by reference to the total additional contribution made by Coils under the Previous Issuance.

The additional contribution of US\$98,420.45 (equivalent to approximately HK\$767,679.51) for the Units Issuance Agreement was determined on the basis of the estimated three months' working capital of CEC-COILS America provided by Coils for its increase of the beneficial interest from 70% to 90.1% in CEC-COILS America, based on which additional 305 units of CEC-COILS America were issued to Coils but Westrom remains to hold 45 units of CEC-COILS America, on arm's length negotiation between the parties thereto. Accordingly, the issue price per unit was derived by reference to the total additional contribution made by Coils under the Units Issuance Agreement.

FIRST PURCHASE OF ADDITIONAL UNITS BY COILS

On 27th April, 2007, Coils, which then held 55 units of CEC-COILS America, increased its beneficial interest in all outstanding units of CEC-COILS America from 55% to 70% by purchasing an additional 50 units of CEC-COILS America at US\$1,874.11 (equivalent to approximately HK\$14,618.06) per unit for a total additional contribution of US\$93,705.50 (equivalent to approximately HK\$730,902.90), whilst Westrom's beneficial interest in all outstanding units of CEC-COILS America was diluted from 45% to 30% for remaining to hold 45 units of CEC-COILS America due to its waiver of right to make any proportional purchase of units of CEC-COILS America. As CEC-COILS America is a connected person of the Company as being the associate of Westrom, a substantial shareholder of CEC-COILS America, the Previous Issuance constituted a connected transaction for the Company under Chapter 14A of the Listing Rules. As each of the applicable Percentage Ratios was less than 2.5% and the total consideration was less than HK\$1,000,000, the Previous Issuance was

exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

REASON AND BENEFITS FOR ENTERING INTO THE UNITS ISSUANCE AGREEMENT

CEC-COILS America is principally engaged in sales and marketing of coils and other electronic components. The additional contribution of the Units Issuance Agreement will be utilised to finance the operation of CEC-COILS America. The Directors believe that the Units Issuance is consistent with the Group's business objective for the Group to expand its business in the United States of America.

The Directors, including independent non-executive Directors, are of the view that the terms of the Units Issuance Agreement were arrived at after arm's length negotiations between the parties on normal commercial terms, which are fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATION OF LISTING RULES

As CEC-COILS America is an associate of Westrom before the Units Issuance, the entering into of the Units Issuance Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. When the Units Issuance is aggregated with the Previous Issuance, each of the applicable Percentage Ratios attributable to the aggregate contributions of the Units Issuance and Previous Issuance is less than 2.5%. The Units Issuance Agreement is only subject to the reporting and announcement requirements under Rules 14A.45 and 14A.47 of the Listing Rules. Details of the Units Issuance Agreement will be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

GENERAL

The Company is an investment holding company and its subsidiaries are principally engaged in design, development, manufacture and sale of a wide range of coils, capacitors, ferrite powder and other electronic components, which are generally used in the manufacture of various kinds of electronic and electrical products.

CEC-COILS America is principally engaged in sales and marketing of coils and other electronic components. The unaudited net liabilities of CEC-COILS America as at 31st January, 2007 was US\$189,172 (equivalent to approximately HK\$1,475,542). The unaudited net loss (both before and after taxation and extraordinary items) of CEC-COILS America for the period from 30th May, 2006 (Date of Organization) to 31st January, 2007 was US\$231,838 (equivalent to approximately HK\$1,808,336).

Westrom is principally engaged in design engineering of electronic components.

DEFINITIONS

“Board”	the board of Directors
“CEC-COILS America”	CEC-COILS America L.L.C., a limited liability company organized in the United States of America, an indirect 70% owned subsidiary of the Company immediately before the Units Issuance and an indirect 90.1% owned subsidiary of the Company immediately after the Units Issuance
“Coils”	Coils Electronic Co., Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Company”	CEC International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratios”	has the meaning referred to in Rules 14.04(9) and 14A.10 (10) of the Listing Rules
“PRC”	the People’s Republic of China
“Previous Issuance”	the issuance of an additional 50 units by CEC-COILS America to Coils at a price of US\$1,874.11 per unit
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Units Issuance”	the issuance of an additional 305 units by CEC-COILS America to Coils pursuant to the Units Issuance Agreement
“Units Issuance Agreement”	the units issuance agreement entered into between Coils, Westrom and CEC-COILS America on 13 th August, 2007 in relation to the purchase of the additional 305 units of CEC-COILS America by Coils at a price of US\$322.69 per unit
“US\$”	United States dollars, the lawful currency of the United States of America

“Westrom” Westrom, L.L.C., a limited liability company organized in the United States of America

“%” per cent.

(For reference only, the exchange rate used in this announcement is US\$1.00 = HK\$7.80)

By Order of the Board
Tang Fung Kwan
Deputy Chairman and Managing Director

Hong Kong, 14th August, 2007

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Lam Wai Chun (Chairman), Ms. Tang Fung Kwan (Deputy Chairman and Managing Director), Mr. Chua You Sing and Ms. Li Hong; and five independent non-executive Directors, namely Mr. Au Son Yiu, Dr. Tang Tin Sek, Mr. Lee Wing Kwan, Denis, Mr. Goh Gen Cheung and Professor Zhu Yuhe.

** For identification purpose only*