



JACKLEY HOLDINGS LIMITED
美吉利國際控股有限公司*
(Incorporated in the Cayman Islands with limited liability)

**SECOND SUPPLEMENTAL AGREEMENT
TO THE SUBSCRIPTION AGREEMENT**

Reference is made to the announcements of the Company dated 23 April 2003, 25 April 2003, 5 May 2003 and 22 May 2003.

At the request of the Company, trading in the Shares has been suspended since 9:30 a.m. on 2 June 2003 pending release of a Further Announcement regarding a second supplemental agreement to the Subscription Agreement made between the Company and the Subscriber on 31 May 2003. The Subscriber has procured the Financial Instrument to secure its obligations under the Subscription Agreement (as supplemented by the second supplemental agreement).

Trading in the Shares will remain suspended until completion of verification by Ernst & Young on the Financial Instrument and the release of the Further Announcement.

Reference is made to the announcements of the Company dated 23 April 2003, 25 April 2003, 5 May 2003 and 22 May 2003 (collectively "the Announcements") relating to the Subscription Agreement under which the Subscriber has conditionally agreed to subscribe for 249,000,000 Shares at HK\$0.30 per Share. Capitalized words defined in the Announcements shall have the same meaning in this announcement unless otherwise stated herein.

At the request of the Company, trading in the Shares has been suspended since 9:30 a.m. on 2 June 2003 pending release of an announcement ("Further Announcement") regarding a second supplemental agreement to the Subscription Agreement made between the Company and the Subscriber on 31 May 2003, whereby the parties agreed on a further extension on the date for payment of the Subscription Consideration from 31 May 2003 to 30 June 2003 or such later date as the Company may agree in writing and the date for fulfilling the Condition from 13 June 2003 to 15 July 2003 or such later date as the parties may agree in writing. The Subscriber informed the Company on 31 May 2003 that more time is required to obtain regulatory clearance from relevant authorities in the United States of America and financial institutions in Germany. The Subscriber has procured a financial instrument ("Financial Instrument") to secure its obligations under the Subscription Agreement (as supplemented by the second supplemental agreement).

Ernst & Young has been appointed to verify the authenticity of the Financial Instrument and the transfer procedure thereof which was provided to the Company as security under the second supplemental agreement. The Company expects that Ernst & Young would be able to complete the verification on or before 20 June 2003. Trading in the Shares will remain suspended until completion of the verification by Ernst & Young and the release of the Further Announcement.

By order of the board of directors
Jackley Holdings Limited
Wong Kwai Wah

Executive Director and Chief Executive Officer

Hong Kong, 16 June 2003

* For identification only