

Report of the Supervisory Committee

To all shareholders:

On behalf of the supervisory committee of the Company (the "Supervisory Committee"), I hereby report to you the duties performed by the Supervisory Committee during the year ended 31 December 2006 in accordance with the Company's Articles of Association.

(I) MEETINGS OF THE SUPERVISORY COMMITTEE HELD DURING THE YEAR

During the Reporting Period, four meetings were held.

Session and number of meeting	Date of meeting	Resolutions	Newspapers for publication of resolutions	Dates for publication of resolutions
7th meeting of the Third Session	31 March 2006	The following resolutions were considered and passed: text and summary of 2005 annual report of the Company, report of the Supervisory Committee for the year 2005, financial reports of the Company for the year 2005 and provision of guarantees by the Company to secure bank loans for its certain subsidiaries in 2006.	Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong	3 April 2006
8th meeting of the Third Session	27 April 2006	1st quarterly report of 2005 of the Company and amendments to the Rules of Procedures for the Supervisory Committee of the Company were considered and passed.	/	/
9th meeting of the Third Session	25 August 2006	Interim report and interim financial report of the Company for the year 2006 were considered and passed.	/	/
10th meeting of the Third Session	26 October 2006	3rd quarterly report of 2006 of the Company was considered and passed.	/	/

(II) INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE COMPANY'S OPERATIONS

1. The Company's operations during the Reporting Period

During the Reporting Period, the Supervisory Committee has monitored the procedures for convening Board meetings and shareholders' meetings and the resolutions proposed to be considered thereat, as well as the execution by the Board of the resolutions passed at the shareholders' meetings and has no dissenting view on any reports and proposals submitted by the Board at shareholders' meetings. The Supervisory Committee considers that during the Reporting Period the operations conducted by the Company are in compliance with the Company Law, the Securities Law, the respective Listing Rules governing the securities exchanges in PRC and in Hong Kong, the Articles of Association and other relevant laws and regulations, and the Company has executed the resolutions of the shareholders' meetings of the Company diligently, continued to enhance the internal management and internal control systems of the Company and established a good internal management system. The Company's Directors and Senior Management have not committed any acts in breach of the rules and regulations, the Articles of Association, nor have they engaged in any acts involving the infringement of the Company's interest or infringement of shareholder's interests.



Report of the Supervisory Committee

(II) INDEPENDENT OPINION OF THE SUPERVISORY COMMITTEE ON THE COMPANY'S OPERATIONS *(continued)*

2. The supervision of the Company's financial conditions

The Supervisory Committee has carefully reviewed the financial statements and other financial information of the Company during the Reporting Period, and considers that the Company's financial statements are fairly presented, and the auditing and financial management are in line with the relevant regulations. The domestic and international auditors issued their standard and unqualified auditors' reports upon auditing the accounts of the Group and the Company for the year ended 31 December 2006, which reflect an objective, true and fair view of the financial status of the Company as at 31 December 2006 and the operations results of the Group for the year then ended.

3. Use of proceeds raised from the issue of A shares

During the Reporting Period, the use of the proceeds from the issue of A shares was in line with the undertakings made in the prospectus for the issue of A shares. There was no improper use of the proceeds.

4. Purchases and sales of assets of the Company

During the Reporting Period, the considerations for purchases and sales of assets are reasonable and arrived at on an arm's length basis. There has been no insider dealings which would harm the interests of certain shareholders or cause loss of the Company's assets.

5. Connected transactions

During the Reporting Period, the Company's connected transactions mainly include:

Certain entities under the Company and BYSCL together with some of its subsidiaries jointly contributed for the establishment of GPSC.

The Continuing Connected Transaction of Advertising Agreement entered into between the Company and GPSC which governs the daily advertising between both parties.

The above connected transactions are arrived at on an arm's length basis and do not involve any actions which may adversely affect the interests of the Company and its shareholders.

On behalf of the Supervisory Committee
Chen Canying
Chairman

Guangzhou, the PRC, 27 April 2007

