

The current cabinet of the Supervisory Committee ("Supervisory Committee") has, through co-operating with the Board and the operating sectors, performed the obligation under the resolution of the Annual General Meeting, protected the integrity of assets and the financial condition of the Company, protected the interest of the Company and the shareholders, with the target of maximizing shareholders' interest and achieving the secure and sustainable development of the Company.

Principal Duties of the Supervisory Committee for the Year 2004

The overall results and the operation indicators of the Company improved in 2004. The Company was listed in Hong Kong on 22 December 2004. The Supervisory Committee maintained its continuous effort on the improvement of the corporate governance structure, operational transparency as well as the level of compliance of the Company. The Supervisory Committee duly reminded the management of the Company to establish a positive image in the capital market, and implemented measures to safeguard the interests of investors, especially investors with medium and small-size investments.

The Supervisory Committee reviewed the financial system, financial reports and internal audit of the Company, and considers that the contents of financial report, audited financial statements and the annual report are true and reliable, and the audit opinion of our reporting accountant is objective and fair.

The Supervisory Committee supervised the Company's operating activities. The Supervisory Committee considers that the Company has established a comparatively comprehensive internal governance system, and is continuously improving in respect of the establishment and implementation of internal workflow, which effectively controls various risks in the Company's operations. The Company operates in compliance with the laws and regulations of the PRC and the Articles of Association and workflows of the Company.

The Supervisory Committee supervised the due diligence of Directors and the management, as well as the implementation of resolutions of the Annual General Meeting. The Supervisory Committee considers that the Directors, and controlling shareholder have acted according to the resolutions of the Annual General Meeting to duly perform their obligations to achieve operational targets. The Supervisory Committee is not aware of any violations of laws, regulations, the Articles of Association of the Company or impairment to the interests of shareholders by the Directors and other senior management in performing their duties.

The Supervisory Committee has reviewed the projects earmarked for the use of listing proceeds of the Company after listing. The Supervisory Committee considers that, up to the latest practicable date, the progress in utilisation of funds for such projects has been reasonable and compliant with the prospectus of the Company issued on 13 December 2004.

The Supervisory Committee reviewed the operating activities such as mergers and acquisitions and the disposal of assets of the Company. The Supervisory Committee considers that transaction amounts of the mergers and acquisitions, disposals of assets of the Company were fair and reasonable, did not reveal any insider dealing or acts harmful to the rights of shareholders, especially interests of independent shareholders.

The Supervisory Committee supervised the connected transactions of the Company. The Supervisory Committee considers that terms on which the connected transactions were conducted are fair and reasonable, and did not find any evidence of acts harmful to the interests of the Company and shareholders.

As a whole, the current Board of Directors established and implemented the Company's development strategy, actively incorporated the opinions and suggestions of the Supervisory Committee to safeguard the interest of the Company and its shareholders according to the business targets as decided in the Annual General Meeting. In the coming year, the Supervisory Committee will continue the strict performance of obligation, to ensure the maximum protection of the interest of the Company and its Shareholders.

Beijing Media Corporation Limited

Supervisory Committee

25 April 2005

Beijing, China