

The current session of the Supervisory Committee (“Supervisory Committee”) has worked with the Board and the management in accordance with its mandate given in the annual general meeting to safeguard the assets and financial position of the Company, to protect and enhance the interest of the Company and the shareholders as a whole.

A. Overview of the Work of the Supervisory Committee in 2005

In 2005, the supervisory committee held one meeting, details of its time, venue, attendance and contents of the meeting being are as follows:

On 7 January 2005, the first meeting of the second session of Supervisory committee was convened at the Conference Room which located at the 21st Floor of the Beijing Youth Daily Agency Building. The attending supervisors included Mr. Li Shiheng, Mr. He Daguang, Mr. Zhu Yaoting and Mr. Lui Yanfeng. Mr. Sun Wei, the President of the Company, and Mr. Shang Da, the Board Secretary, also attended the meeting. The meeting reviewed and approved, by the showing of hands, the “Proposal on Election of Li Shiheng as Chairman of the Supervisory Committee”.

The holding of the abovementioned meeting was in compliance with the relevant provisions of the Company Law and the Articles of Association of the Company.

B. Independent Opinion of the Supervisory Committee on Relevant Matters of the Company in 2005

The overall results and the operation indicators of the Company deteriorated in 2005. Over the past year, the current session of Supervisory Committee continued its effort to improve the corporate governance structure, operational transparency as well as the level of compliance of the Company. It ensured that the management of the Company worked to establish a positive corporate image in the capital market. In addition, measures were implemented to safeguard the interests of investors, especially investors with smaller investment portfolio.

1. Financial Position of the Company

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 the Company’s international accountant is objective and fair.

2. Operation of the Company

The Supervisory Committee supervised the Company’s operating activities. The Supervisory Committee takes the view that the Company has established a relatively comprehensive internal control system, and is committed to improve its internal control to manage various risks in the Company’s operations. The Supervisory Committee is of view that the Company operates in compliance with the laws and regulations of the PRC, and the Articles and regulations of the Company.

3. *Directors and Senior Management of the Company*

The Supervisory Committee supervised the performance of duties by the Directors and the management, as well as the enforcement of resolutions of the annual general meeting. The Supervisory Committee considers that the Directors and controlling shareholders have acted according to the resolutions of the annual general meeting and faithfully discharged their duties to achieve the operational targets. The Supervisory Committee is not aware of any violation of laws, regulations, the Articles of the Company or impairment to the interests of shareholders by the Directors or other senior management in performing their duties.

4. *Use of Global offering Proceeds*

The Supervisory Committee has reviewed the projects funded by listing proceeds of the Company after its listing. The Supervisory Committee considers that, up to the latest practicable date, the use of listing proceeds has been reasonable and consistent taking into account of market conditions with the prospectus of the Company dated 13 December 2004.

5. *Merger & Acquisition or Disposal of Assets By the Company*

The Supervisory Committee has reviewed the operating activities such as mergers and acquisitions and 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, and is not aware of any insider dealings or acts detrimental to the interests of the shareholders, especially the independent shareholders.

6. *Fairness of Connected Transactions*

The Supervisory Committee has supervised the connected transactions of the Company. The Supervisory Committee considers that terms on which the connected transactions were conducted were fair and reasonable, and is not aware of any acts detrimental to the interests of the Company or its shareholders.

As a whole, the current session of the Board 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 by the annual general meeting. In the coming year, the Supervisory Committee will continue to discharge its obligations faithfully to maximise the interests of the Company and its shareholders.

Beijing Media Corporation Limited
Supervisory Committee

23 April 2006