

LETTER FROM THE CHAIRMAN

♥ CONSUMERS LOVE BRANDS...
ADVERTISERS LOVE CONSUMERS...
WE LOVE THEM ALL...
IT'S A TIMELESS LOVE
THAT GROWS WITH
TIME.



Dear Fellow Shareholders,

Our theme this year is love — and while we present it in a light-hearted way, it is a serious part of who we are as a company. We continue to do our best for everyone whose lives we touch. Without a love for who we serve and a passion for what we do, we would not be the success we are today. We are the matchmaker who brings consumers and brands together, and because we do it so well, it is a love affair that will last forever.

2004 was another exciting and rewarding year for China and Clear Media. The Chinese economy continued to evolve from “investment-led” to “consumption-driven,” and our singular “consumer-focus” business model benefited from, and contributed to, the country’s strong 9.5% GDP growth in 2004. We capitalized on this positive momentum with our largest post-IPO acquisition – 3,000 additional advertising panels in Beijing that dramatically increased our leadership and set the stage for us to welcome the 2008 Olympics!

Seven years in a row

It gives me great pleasure to see the strides we have made since launching our IPO in 2001. We have exceeded the goals of our initial three-year plan and are embarking on a new long-term plan to ensure that we continue to lead our market sector and build a consistent high-growth, high-return track record as a publicly-traded company.

Our 2004 earnings were \$0.19 per share, which is 16% over last year. These results were led by our strong revenue growth in our three locomotive cities of Beijing, Shanghai and Guangzhou. And the average selling price of our total network has increased 8%, validating the strength of our pricing power. Consistent revenue growth, together with an efficient cost-base, delivered a strong and sustainable EBITDA margin of 40+% and a net profit margin of 15+%. Double-digit growth for the seventh year in a row!

Right idea at the right time

Our original concept – to develop a standardized mainstream media network across China’s key cities that reaches the country’s most affluent consumers – is as powerful today as it was when we launched Clear Media. Advertising is all about change, but our world-class network remains a reassuring constant that advertisers can count on to connect with their target consumers.

It’s always showtime on Clear Media because our messages are 24/7. Our “Always On” mass media network of choice reaches people where they work, live and play. Just as important, it reaches them when they are receptive. Commercial messages in traditional media are interruptions to their entertainment – our messages are the entertainment.

The great outdoors will always be larger than the great indoors, especially in China. More people are spending more of their time outside the home and experiencing life in the big cities. And that’s where we meet. We connect consumers with brands in 24,000 of the best locations in the 30 key cities!

Powering ahead

Our growth strategies for 2005 are

- To reach China’s most affluent and influential consumers... setting trends and leading the Brand Revolution
- To offer innovative packages... matching the rapidly growing needs of leading advertisers
- To increase the occupancy of our panels... improving the overall yield of our assets
- To seize profitable growth opportunities... increasing per capita penetration of our network
- To lead the consolidation of our industry... building the ultimate media company

We will accomplish these strategies by

- Expanding our fully-illuminated panels throughout the network
- Increasing the quality and quantity of our best-in-class sales and marketing professionals
- Adding eight new sales centers in mid-tier cities to tap “drill-down” growth opportunities that complement our core hubs in Beijing, Shanghai and Guangzhou
- Strengthening our research and development team so we lead industry innovation
- Acquiring earning-accretive assets to complement our solid organic growth

Outdoor advertising continues to be a fast-growing medium in China and the only media sector in which foreign ownership is allowed. With our local knowledge of China complementing the global expertise of our largest shareholder, Clear Channel Worldwide (NYSE: CCU), we continue to thrive as we lead the transformation of our industry.

The 2008 Olympics in Beijing, the 2010 Asian Games in Guangzhou, and the 2010 Shanghai Expo will provide external fuel for our organic growth and Clear Media is uniquely positioned to benefit from this once-in-a-lifetime opportunity.

Corporate commitment

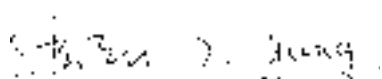
In 2004, we were honored for “Best Corporate Governance” (Media Category) and “Best Investor Relations” (Media Category) in a survey by the renowned Institutional Investor Research Group. Our 2003 annual report “The Age of Consumers” was also awarded “Grand Award in Hong Kong” in the International ARC Competition in New York. To further our lead in Corporate Governance practice, our Board has established committees for Audit, Remuneration, Nomination and Capex to monitor internal control, increase transparency and enhance effectiveness.

Building on our proven business model, we will continue to leverage our competitive advantages to bring sustainable value to all our stakeholders - shareowners, advertisers, employees, consumers and the communities that we serve. That is what we said when we launched Clear Media and it is still our compass for the future, because the idea of everyone winning is timeless!

People with passion

Many people are responsible for our success today. I would like to thank each member of TEAM Clear Media for their love of what they do and their passion for doing it well. Success hasn't just happened – you have made it happen. And to our shareholders, thank you for your trust and partnership during this exciting journey.

Love is our theme this year because love never fails. When you follow your heart, the rewards will follow. Transforming our market... helping to shape China's future... building a new generation of brand-loyal consumers. We will do it all. Together.



Steven Yung

Chairman of the Board

Clear Media Limited