

November 15, 2007

Dear Sirs,

Notice Regarding the Adjustments in Financial Forecasts

Name of the Company:	Xinhua Finance Limited
Representative:	Chief Executive Officer, Fredy Bush (Code Number : 9399)
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Xinhua Finance Limited (the Company) hereby announces that, as described below, it has revised its financial forecasts, which were made public on August 14, 2007.

I. Consolidated Financial Forecast

1. Adjustment in consolidated financial forecasts (Japanese GAAP) for the fiscal year ended December 31, 2007 (January 1, 2007 – December 31, 2007)

(units: US\$ thousand (JPY million) except for %)

	Turnover	EBITDA	Operating Income/ (Loss Δ)	Ordinary Income/ (Loss Δ)	Net Income
Previous Projections ¹ (A)	260,000 (28,600)	44,379 (4,882)	6,688 (736)	△13,447 (△1,479)	31,999 (3,520)
Revised Projections ² (B)	260,000 (28,600)	32,000 (3,520)	△10,000 (△1,100)	△13,447 (△1,479)	31,999 (3,520)
Difference (B - A)	-	△12,379 (△1,362)	△16,688 (△1,836)	-	-
Percent Change (%)	0%	△27.9%	△249.5%	0%	0%
<i>(for reference only)</i> Previous Year's Results ⁴ (year ended Dec 31, 2006)	174,963 (20,840)	24,672 (2,939)	1,134 (135)	63 (7)	10,760 (1,282)

1. Exchange rate used for previous projections: USD1 = ¥110.00

2. Exchange rate used for revised projections: USD1 = ¥110.00

3. △ Denotes loss

4. Exchange rate used for previous year's results: USD1 = ¥119.11, based on the foreign currency exchange rate (middle rate) from the Tokyo Foreign Exchange Market as of December 29, 2006.

Note: Performance estimates are determined based on information currently available. Due to various unforeseen factors, actual performance may differ from estimates.

2. Reasons for the adjustment

The Company is adjusting its forecast for EBITDA downwards for the year ended December 31, 2007 due to the following reasons:

- (1) The Company will reduce EBITDA due to the sale of a subsidiary, Glass Lewis & Co. LLC, in October 2007;
- (2) Other income related to the IPO of the Company's subsidiary, Xinhua Finance Media Limited ("XFMedia"), which was previously assumed to be included within EBITDA has been classified as ordinary income instead;
- (3) Foreign exchange gain which was previously assumed to be included within EBITDA has been classified as ordinary income.

The Company is also adjusting its forecast for operating income downwards for the year ended December 31, 2007 due to the above reasons for the revision in EBITDA coupled with the fact that the Company has incurred additional amortization of intangible assets due to increased acquisitions from XFMedia.

There is no change in forecast for Turnover, Ordinary Income and Net Income for the year. There is no change in the forecast of ordinary income and net income because of higher than expected interest and other income, coupled with lower than expected share issuance costs related to XFMedia's IPO, which offsets the operating income variance.

II. Non-consolidated Financial Forecast

1. Adjustment in financial forecasts (Japanese GAAP) for the fiscal year ended December 31, 2007 (January 1, 2007 – December 31, 2007)

(units: US\$ thousand (JPY million) except for %)

	Turnover	Operating Income/ (Loss △)	Ordinary Income/ (Loss △)	Net Income/ (Loss △)
Previous Projections ¹ (A)	4,522 (497)	△7,739 (△851)	△12,760 (△1,404)	△12,760 (△1,404)
Revised Projections ² (B)	4,522 (497)	△12,200 (△1,342)	△23,000 (△2,530)	△23,000 (△2,530)
Difference (B - A)	-	△4,461 (△491)	△10,240 (△1,126)	△10,240 (△1,126)
Percent Change (%)	0%	△57.6%	△80.3%	△80.3%
<i>(for reference only)</i> Previous Year's Results ⁴ (year ended Dec 31, 2006)	9,371 (1,116)	△2,802 (△334)	△6,019 (△717)	△6,019 (△717)

1. Exchange rate used for previous projections: USD1 = ¥110.00
2. Exchange rate used for revised projections: USD1 = ¥110.00
3. △ Denotes loss
4. Exchange rate used for previous year's results: USD1 = ¥119.11, based on the foreign currency exchange rate (middle rate) from the Tokyo Foreign Exchange Market as of December 29, 2006.

Note: Performance estimates are determined based on information currently available. Due to various unforeseen factors, actual performance may differ from estimates.

2. Reasons for the adjustments

The Company is adjusting its forecast for the year ended December 31, 2007. The Company has not recharged certain corporate overhead expenses to certain subsidiaries as planned, hence the Company is reforecasting a decline in operating income. The Company has incurred a loss on disposal on one of its subsidiaries, Glass Lewis & Co LLC, in October 2007, which was not previously anticipated. Both of these two factors constitute the reasons for the decline in ordinary income and net income. There is no change in forecast in Turnover for the year.

<For Reference Only (IFRS)>

The Company is not adjusting its consolidated financial forecasts (IFRS) for the fiscal year ending December 31, 2007 (January 1, 2007 – December 31, 2007)

(units: US\$ thousand (JPY million) except for %)

	Turnover	EBITDA	Net Income
Projections ¹	260,000 (28,600)	46,579 (5,124)	57,253 (6,298)
<i>(for reference only)</i> Previous Year's Results ² (year ended Dec 31, 2006)	174,963 (20,840)	23,331 (2,781)	18,731 (2,233)

1. Exchange rate used for projections: USD1 = ¥110.00

2. Exchange rate used for previous year's results: USD1 = ¥119.11, based on the foreign currency exchange rate (middle rate) from the Tokyo Foreign Exchange Market as of December 29, 2006.

Note: Performance estimates are determined based on information currently available. Due to various unforeseen factors, actual performance may differ from estimates.

Forward looking statements in this report are based on information available to management at the time this report was prepared. As such, they carry risks and uncertainties and actual results and events may differ significantly from the forecast. Investors are advised not to rely solely on business forecasts in this report for making investment decisions. Forecasts of business results will also be revised as and when considered necessary, in accordance with disclosure rules.