

[For Immediate Release]

Xinhua Finance Limited (TSE: 9399) reports solid 2007 first half results

SHANGHAI, August 15, 2007 – Xinhua Finance Limited (“XFL”, TSE Mothers: 9399 and OTC: XHFNY), China’s premier financial information and media service provider, today announced business results for the six months ended June 30. Under International Financial Reporting Standards (“IFRS”), total revenue was US\$109.5 million, representing a 46% increase year-on-year, and 7% higher than management forecasts. EBITDA was US\$12.9 million, a 15% increase year-on-year and 51% ahead of the forecast. Net income was US\$90.9 million, compared to management forecast of US\$90 million. Fully diluted earnings per share (EPS) was US\$89.8, compared to US\$5.6 in 2006.

Proforma EBITDA, adjusted to exclude non-cash ESOP expenses and one-time items, was US\$22.6 million, an increase of 72% over US\$13.1 million in the same period last year. Proforma net income was US\$6.5 million for the first half of 2007 compared to US\$8.0 million in the first half of 2006. Proforma net income for first half of 2007 reflects all the exclusions of proforma EBITDA, and excludes the non-cash one-time gain from changes in equity interest of \$97.5 million, and non-cash finance costs. The decline in proforma net income from first half of 2006 was primarily due to an increase in intangible asset amortization arising from acquisitions in the distribution business and interest expense. XFL provides proforma results to help investors better understand the Company’s underlying operating and financial trends.

XFL CEO Fredy Bush said, “We are pleased to see the success of our content and distribution strategy. As is evident from the results, our plan of leveraging our proprietary content onto our distribution platforms in China is creating new areas of revenue and growth for Xinhua Finance. Today, more than 50% of our revenue and more than 60% of our EBITDA is coming from our China businesses. We will continue to build on our unique position in both content and distribution in China to maximize the opportunities in this fast growing financial market.”

CFO David Wang said, “XFL has continued to successfully leverage its proprietary content and distribution platform as displayed by its first half results exceeding management forecasts. We revised the half year guidance upward in compliance with the Tokyo Stock Exchange’s requirements. Our prior net income forecast included an expense provision to take into account possible non-cash impairments which did not occur in the period. We continue to provide for possible non-cash impairments in the second half of the year. Therefore, we maintain our full year net income forecast for the year at US\$57.3 million.”

“Each of our service lines continues to display strong growth prospects. We continue to be focused on effective integration of our businesses worldwide and improving our operational efficiency to support our business growth. With strong first half results in line with management forecasts, we are confident in achieving our full year forecasts and look forward to robust performance in the second half,” added Mr. Wang.

End

First Half 2007 Actual vs. First Half 2007 Forecast ⁽¹⁾ – unit: million USD

	1H 2007 Actual	1H 2007 Forecast	Variance
Revenue	109.5	101.9	7%
Proforma EBITDA ⁽²⁾	22.6	18.4	23%
EBITDA ⁽³⁾	12.9	8.6	51%
Net Income ⁽⁴⁾	90.9	90.0	1%

First Half 2007 vs. First Half 2006 – unit: million USD

	1H 2007	1H 2006	Variance
Revenue	109.5	75.0	46%
Proforma EBITDA ⁽²⁾	22.6	13.1	72%
EBITDA ⁽³⁾	12.9	11.3	15%
Proforma Net Income ⁽⁵⁾	6.5	8.0	-19%
Net Income	90.9	4.9	1772%

First Half 2007 vs. First Half 2006 (Japan GAAP⁽⁶⁾) – unit: million USD

	1H 2007	1H 2006	Variance
Revenue	109.5	75.0	46%
Proforma EBITDA ⁽²⁾	22.5	13.4	68%
EBITDA ⁽³⁾	10.0	11.1	-10%
Proforma Net Income ⁽⁵⁾	0.7	0.4	55%
Net Income	89.4	2.0	4345%

(1) For six months ended June 30, 2007 results and six months ended June 30, 2006 results at current Japanese yen exchange rate, the amounts in Japanese yen are calculated by the foreign currency exchange rate (middle rate), being US\$1.00=¥123.26, from the Tokyo Foreign Exchange Market as of June 29, 2007.

(2) Proforma EBITDA under IFRS is EBITDA plus non-cash ESOP expenses and excluding one time items. Proforma EBITDA under JGAAP is EBITDA plus non-cash ESOP expenses and recurring non operating income and excluding one time items.

- (3) Under IFRS, EBITDA for the six months ended June 30, 2007 includes non-cash one time charge of US\$5.7m from the revaluation of a convertible loan, one time legal expenses of US\$0.6m and non-cash ESOP expenses of US\$3.3m. Under JGAAP, EBITDA for the six months ended June 30, 2007 includes non operating income of US\$10m, one time legal expenses of US\$0.6m and non-cash ESOP expenses of US\$2m.
- (4) Reforecast on August 14, 2007
- (5) Under IFRS, Proforma net income for six months ended June 30, 2007 excludes a one-time gain of US\$97.5m from the deemed disposal of a subsidiary, a non-cash one time charge of US\$ 5.7m from the revaluation of a convertible loan, non cash finance costs of US\$3.5m, one time legal expenses of US\$0.6m and non-cash ESOP expenses of US\$3.3m. Under JGAAP, Proforma net income for the six months ended June 30, 2007 excludes a one-time gain of US\$100.7m from the deemed disposal of a subsidiary and related share issuance expenses of US\$9.4m and non cash ESOP expenses of US\$2m
- (6) The main reason for the differences between IFRS and Japan GAAP as applied to us is that Japanese accounting standards take a different approach to accounting for amortization of goodwill from acquisitions and share issuance expenses.

(Notes)

- A. We define EBITDA in relation to our IFRS financial statements as profit or loss before interest, tax, depreciation and amortization.
- B. We define EBITDA in relation to our JGAAP financial statements as operating income or loss plus depreciation, amortization and amortization of goodwill.
- C. Forecasts for fiscal 2007 are management estimates only; figures have not been audited or reviewed.
- D. Performance estimates are determined based on information currently available. Due to unforeseen factors, actual performance may differ from estimates.

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About Xinhua Finance Limited

Xinhua Finance Limited ("XFL") is China's premier financial information and media service provider and is listed on the Mothers Board of the Tokyo Stock Exchange (symbol: 9399) (OTC ADRs: XHFNY). Bridging China's financial markets and the world, Xinhua Finance's proprietary content platform, comprising Indices, Ratings, Financial News, and Investor Relations, serves financial institutions, corporations and re-distributors worldwide. Through its subsidiary Xinhua Finance Media Limited (NASDAQ: XFML), XFL leverages its content across multiple distribution channels in China including television, radio, newspaper, magazine and outdoor media. Founded in November 1999, XFL is headquartered in Shanghai, with offices and news bureaus spanning 11 countries worldwide.



For more information, please visit www.xinhuafinance.com.

This is a press release to the public and should not be relied on as information to make an investment decision by any investor. Investors should read the Company's Securities Report filed to the Tokyo Stock Exchange and consider the risk factors together with other information contained therein when making an investment decision. This press release contains some forward-looking statements that involve a number of risks and uncertainties. A number of factors could cause actual results, performance, achievements of the Company or industries in which it operates to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements.