

March 15, 2007

Dear Sirs,

Notice Regarding the Adjustments in Financial Forecasts

Name of the Company:	Xinhua Finance Limited
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Xinhua Finance Limited (the Company) hereby announces that, as described below, it has revised its consolidated financial forecasts, which were made public on February 15, 2007, at the time of the announcement of the Financial Results for the year ended December 31, 2006.

1. Adjustment in consolidated financial forecasts (Japanese GAAP) for the 6 months ending June 30, 2007 (January 1, 2007 – June 30, 2007)

(units: thousands of US dollars (thousands of JPY) except for %)

	Sales	EBITDA	Operating Income/ (Loss △)	Ordinary Income/ (Loss △)	Net Income/ (Loss △)
Previous Projections ¹ (A)	99,502 (10,945,216)	9,589 (1,054,785)	△ 5,905 (△ 649,562)	4,199 (461,847)	799 (87,943)
Revised Projections ² (B)	99,502 (10,945,216)	9,589 (1,054,785)	△ 5,905 (△ 649,562)	4,199 (461,847)	26,799 (2,947,943)
Difference (B - A)	-	-	-	-	26,000 (2,860,000)
Percent Change (%)	0%	0%	0%	0%	3254%
<i>(for reference only)</i> Previous Year's Results ⁴ (6 months ended June 30, 2006)	75,026 (8,646,017)	11,089 (1,277,853)	2,261 (260,523)	3,442 (396,600)	2,012 (231,830)

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

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

3. △ Denotes loss

4. Exchange rate used for results of 6 months ended June 30, 2006: USD1 = ¥115.24, based on the foreign currency exchange rate (middle rate) from the Tokyo Foreign Exchange Market as of June 30, 2006.

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

(units: thousands of US dollars (thousands of JPY) except for %)

	Sales	EBITDA	Operating Income/ (Loss △)	Ordinary Income/ (Loss △)	Net Income/ (Loss △)
Previous Projections ¹ (A)	228,680 (25,154,804)	32,281 (3,550,892)	964 (106,011)	16,527 (1,817,973)	1,999 (219,874)
Revised Projections ² (B)	228,680 (25,154,804)	32,281 (3,550,892)	964 (106,011)	16,527 (1,817,973)	27,999 (3,079,874)
Difference (B - A)	-	-	-	-	26,000 (2,860,000)
Percent Change (%)	0%	0%	0%	0%	1301%
<i>(for reference only)</i> Previous Year's Results ⁴ (year ended Dec 31, 2006)	174,963 (20,839,820)	24,672 (2,938,682)	1,134 (135,099)	63 (7,448)	10,760 (1,281,662)

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

2. Exchange rate used for adjusted 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.

3. Reasons for the adjustments

On March 9, 2007, Xinhua Finance Media Limited ("XFML"), a consolidated subsidiary of the Company, was listed on the Nasdaq Stock Exchange in the United States of America with issuance of new shares (Code XFML). Xinhua Finance Limited expects its net income to increase by a minimum of US\$ 26 million primarily due to the gain on change of equity interest in XFML. As a result, the Company has revised upward its financial forecasts.

4. No adjustment is necessary for non-consolidated financial forecasts (Japanese GAAP) for the 6 months ending June 30, 2007 (January 1, 2007 – June 30, 2007) and the fiscal year ending December 31, 2007 (January 1, 2007 – December 31, 2007) as the adjustments do not affect the non-consolidated financial forecasts.

<For Reference Only (IFRS)>

1. Adjustment in consolidated financial forecasts (IFRS) for the 6 months ending June 30, 2007 (January 1, 2007 – June 30, 2007)

(units: thousands of US dollars (thousands of JPY) except for %)

	Sales	EBITDA	Net Income/ (Loss Δ)
Previous Projections ¹ (A)	99,502 (10,945,216)	13,152 (1,446,734)	15,738 (1,731,154)
Revised Projections ² (B)	99,502 (10,945,216)	13,152 (1,446,734)	41,738 (4,591,154)
Difference (B - A)	-	-	26,000 (2,860,000)
Percent Change (%)	0%	0%	165%
<i>(for reference only)</i> Previous Year's Results ⁴ (6 months ended June 30, 2006)	75,026 (8,646,017)	11,273 (1,299,121)	4,854 (559,418)

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

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

3. Δ Denotes loss

4. Exchange rate used for previous year's 6 month results: USD1 = ¥115.24, based on the foreign currency exchange rate (middle rate) from the Tokyo Foreign Exchange Market as of June 30, 2006.

Adjustment in consolidated financial forecasts (IFRS) for the fiscal year ending December 31, 2007 (January 1, 2007 – December 31, 2007)

(units: thousands of US dollars (thousands of JPY) except for %)

	Sales	EBITDA	Net Income/ (Loss Δ)
Previous Projections ¹ (A)	228,680 (25,154,804)	37,422 (4,116,446)	27,253 (2,997,806)
Revised Projections ² (B)	228,680 (25,154,804)	37,422 (4,116,446)	53,253 (5,857,806)
Difference (B - A)	-	-	26,000 (2,860,000)
Percent Change (%)	0%	0%	95%
<i>(for reference only)</i> Previous Year's Results ⁴ (year ended Dec 31, 2006)	174,963 (20,839,820)	23,331 (2,780,792)	18,731 (2,232,502)

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

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

3. Δ 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.

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.