



xinhua finance **media**
新华财经媒体

[For immediate release]

Xinhua Finance Media acquires company to expand radio advertising network and the scope of its advertising services

BEIJING, June 11, 2007 – Xinhua Finance Media (“XFMedia”; NASDAQ: XFML), China’s leading diversified financial and entertainment media company, today announced it has signed an agreement to acquire a 100% interest in Singshine (Holdings) Hongkong Limited (“Singshine”). The acquisition will expand the geographic coverage of XFMedia’s radio program consultation and advertising capabilities from northern to southern China and add entertainment and high-end consumer-oriented advertising to XFMedia’s current range of financial and corporate focused advertising.

Singshine conducts its business in China through its subsidiaries and affiliated entities. Founded in 1998, Singshine Communication Co. (“SSC”) specializes in radio program consultation and sales management. SSC has exclusive contracts with various Guangdong radio channels for radio program consultation and advertising sales management, with programming targeted at high-income private vehicle owners primarily between the age of 25 and 48.

Also founded in 1998, Singshine Marketing Service Co. (“SSMS”) is an advertising services agency providing below-the-line solutions from planning to execution of nationwide promotional campaigns. These services include “person-to-person” marketing for clients’ promotional events at shopping centers, clubs and other entertainment outlets. SSMS serves many international brands including Johnnie Walker, P&G, Motorola, Sony, Budweiser and Philips. SSMS also provides campus marketing services that help clients to reach and understand college students as well as to establish and promote their brands within a 60-university network across China.

XFMedia CEO Fredy Bush said, “The integration of the Singshine businesses will extend the reach of our radio advertising and consultation services, which currently serve Shanghai and Beijing, to Guangdong province, which is an important region in China with a significant population of well-educated and upwardly mobile residents. We believe that by expanding our reach into southern China, this acquisition represents an important step in strengthening XFMedia’s advertising platform and targeting high-net worth individuals across China.”

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The National Bureau of Statistics of China reported that the total population in Guangdong province as of 2005 was approximately 92 million. More than 6 million residents have college and higher levels of education, compared to 4.05 million in Shanghai and 4.80 million in Beijing.

According to CTR Market Research, radio advertising in China grew 24% in 2006, the fastest of any sector in China's advertising market, with a total estimated value of US\$36.9 billion. A Winterberry Group study also found that from 2003 to 2007, global below-the-line spending has grown 7.8%, compared to 5.5% growth in above-the-line spend.

Fredy Bush added, "The addition of SSMS's advertising services and events management experience in the entertainment and high-end consumer products sectors will also complement XFMedia's existing specialization in the financial and corporate sectors. These below-the-line advertising capabilities add value to the advertising solutions we are providing. Our advertisers will now be able to tie in more promotional opportunities and exposure around their advertising on print, television and radio."

Singshine CEO Mr Roger Ho said, "I am delighted to be part of XFMedia's dynamic, targeted platform and look forward to the synergies that this combination will create. I believe Singshine will add depth and breadth to XFMedia's broadcast and advertising platform and at the same time provide an opportunity for Singshine to further expand its market share in China." Mr. Ho and other key management have signed employment contracts and will remain with the company.

The transaction is expected to close on or prior to 15th June 2007. Under the agreement, XFMedia will acquire control of SSC and SSMS through the purchase of 100% of the shares of Singshine (Holdings) Hongkong Limited, a company which conducts Singshine's business through its wholly owned subsidiary and affiliated entities in China ("Singshine"). XFMedia will pay approximately US\$7.9 million in cash and issue 50,000 XFMedia common shares (currently equal to 25,000 XFMedia ADSs) to the vendors at the closing. The vendors may be entitled to receive a further 50,000 XFMedia shares within one year of completion, and may also be entitled to receive certain cash earnout payments depending on Singshine's 2007, 2008 and 2009 financial performance.

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The transaction is expected to be accretive to XFMedia's earnings per share in 2007.

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About Xinhua Finance Media Limited

Xinhua Finance Media ("XFMedia"; NASDAQ: XFML) is China's leading diversified financial and entertainment media company targeting high net worth individuals nationwide. The company reaches its target audience via TV, radio, newspapers, magazines and other distribution channels. Through its five synergistic business groups, Advertising, Broadcast, Print, Production and Research, XFMedia offers a total solution empowering clients at every stage of the media process and keeping people connected and entertained.

Headquartered in Beijing, the company has offices and affiliates in major cities of China including Beijing, Shanghai, Guangzhou, Shenzhen and Hong Kong. For more information, please visit www.xinhuafinancemedia.com.

Xinhua Finance Media is a subsidiary of Xinhua Finance Limited ("XFL"; TSE Mothers: 9399), China's premier financial information and media service provider. XFL owns 36.9% of the equity and 85.4% of the voting rights of XFMedia through its holding of class B common shares, which have ten votes per share. The investing public, the company's China partners, executives and staff own class A common shares in the company with one vote per share. The dual-class common share structure was created to accommodate the regulatory landscape of China's media sector.

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Safe Harbor Statement

This announcement contains forward-looking statements. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates," "confident" and similar statements. Among other things, quotations from management in this announcement contain forward-looking statements. XFMedia may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission on forms 20-F and 6-K, etc., in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Statements that are not historical facts, including statements about XFMedia's beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statements.

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Potential risks and uncertainties are risks include but are not limited to, the risk that the transaction may not close when expected or at all, the China advertising market may not grow as expected and other risks, outlined in XFMedia's filings with the U.S. Securities and Exchange Commission, including its registration statement on Form F-1. All information provided in this press release is as of the date of this release, and XFMedia undertakes no duty to update such information, except as required under applicable law.

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