

ChinaNet Online Holdings Reports Fiscal Year 2015 Financial Results

- 2015 total revenues decreased by 15% YOY to \$32.3 million
- 1 2015 Gross margin increased to 23.6%, a 42.2% increase YOY
- 2015 internet advertisement revenues increased to \$19.6 million, a 11% increase YOY
- Full year net loss attributable to ChinaNet decreased by \$4.6 million YOY to \$9.1 million

BEIJING, April 15, 2016 (GLOBE NEWSWIRE) -- ChinaNet Online Holdings, Inc. (Nasdaq:CNET) ("ChinaNet" or the "Company"), a leading B2B (business to business) Internet technology company providing online-to-offline (O2O) sales channel expansion services for small and medium-sized enterprises (SMEs) and entrepreneurial management and networking services for entrepreneurs in the People's Republic of China, announced today financial results for the fiscal year 2015.

Summary Financials

Fiscal Year 2015 Results (USD)

	FY 2015	FY 2014	CHANGE
Sales	\$32.3 million	\$38.0 million	-15.0 %
Gross Profit	\$7.6 million	\$6.3 million	20.9 %
Gross Margin	23.6 %	16.6 %	42.2 %
Net Loss Attributable to ChinaNet	(\$9.1) million	(\$13.7) million	
EPS from continued operations (Diluted)	(\$ 0.29)	(\$ 0.55)	
EPS from discontinued operations (Diluted)	(\$ 0.05)	(\$ 0.07)	

Excluding revenue generated from discontinued operation for the years ended December 31, 2015 and 2014, total revenues decreased to \$32.3 million for the year ended December 31, 2015 from \$38.0 million in the prior year, primarily due to the decrease in TV advertising revenue during the year.

Previously, ChinaNet had four reportable operating segments, which included Internet Advertisement, TV Advertisement, Bank Kiosk, and Brand Management & Sales Channel Building. ChinaNet exited the Bank Kiosk and Brand Management & Sale Channel Building segments in order to concentrate all resources on its core business, which is internet advertising and online to offline (O2O) sales channel expansion, precision marketing and the related data services. The Brand Management & Sales Channel Building segment qualifies for presentation as a discontinued operation, which results of operations was presented as loss from discontinued operations as a separate component in the statements of operations and comprehensive loss for the years ended December 31, 2015 and 2014, respectively. Since the revenue generated from the Bank Kiosk segment was immaterial, the Company combined the performance of its Bank Kiosk segment with the TV Advertising segment for the years ended December 31, 2015 and 2014 as presented below.

Fiscal Year 2015 Revenue Breakdown by Business Unit (USD in thousands)

	FY 2015 %	FY 2014	% % Change
Internet Advertisement	\$19,569 61%	\$17,597	46% +11%
Technical Services	\$ 363 1%	\$ 725	2% -50%
Search Engine Marketing Service	\$11,083 34%	\$12,939	34% -14%
Internet Advertising & Related Services	\$31,015 96%	\$31,261	82% -1%
TV and Bank Kiosk Advertising	\$ 1.250 4%	\$ 6.705	18% -81%

Gross profit and gross margin for the fiscal year ended December 31, 2015 were \$7.6 million and 24% compared to \$6.3 million and 17%, respectively, for the fiscal year ended December 31, 2014. The increase was a direct result of the increase in the overall gross margin rate of the internet advertising segment to 24% for the year ended December 31, 2015, compared to 18% for the same period last year.

Operating expenses decreased by 12% to \$16.9 million for the fiscal year ended December 31, 2015. Sales and marketing

expenses decreased by 34% to \$4.6 million. General and administrative expenses increased by 30% to \$7.5 million. Impairment on fixed assets, intangible assets and goodwill for continued operations decreased by 56% from \$4.2 million to \$1.8 million. Loss from operations was \$9.3 million in 2015, compared to \$13.0 million in 2014.

Net loss attributable to ChinaNet common stockholders and net loss per share from continued operations and discontinued operations were \$9.1 million, \$0.29 per common share and \$0.05 per common share for the fiscal year ended December 31, 2015. The weighted average diluted shares outstanding was 26.8 million shares in 2015 versus 22.4 million in 2014.

Balance Sheet and Cash Flow

The Company had \$5.5 million in cash and cash equivalents as of December 31, 2015, compared to \$5.0 million as of December 31, 2014, working capital of \$13.7 million, compared to \$17.3 million as of December 31, 2014, and a current ratio of 2.9 to 1, compared to 2.7 to 1 as of December 31, 2014. Total shareholders' equity of ChinaNet was \$27.3 million at December 31, 2015 compared to \$36.2 million at December 31, 2014.

The Company generated approximately \$5.7 million of cash flows from operations for the year ended December 31, 2015 compared to a \$2.0 million of cash flows for the year ended December 31, 2014.

Business Updates

ChinaNet has been increasingly focused on integrating small and medium business data and related data analysis services over the last several years. As this project nears completion, this updated business data service will soon serve the Company's customers with a more convenient and intelligent offering. SMEs will now be able to utilize ChinaNet for their entire business by utilizing all its available internet and mobile tools in one platform, enhancing customer loyalty and sales conversion rates in a convenient and cost-efficient manner. The service will include, but is not limited to, outputting coupons, cash vouchers, and other value-added offerings in the Company's customized mobile application.

As a result, ChinaNet will now be able to expand the Company's business coverage to not only SMEs, but to their respective individual customers and their customers' customers, by incorporating big data analysis and cloud computing technologies.

ChinaNet expects to officially and incrementally launch this business intelligence and data service to its SME clients in the first half of 2016. Revenue is expected to be recognized by deposits, monthly fees and annual fees. As the Company continues to evolve and improve its product and service offerings in response to market demand and new technology, management believes the financial results from the service will improve overall revenues and bottom line performance for ChinaNet as it matures throughout 2016 and beyond.

About ChinaNet Online Holdings, Inc.

The Company, a parent company of ChinaNet Online Media Group Ltd., incorporated in the BVI ("ChinaNet"), is a leading digital B2B (business to business) Internet technology company focusing on providing O2O sales channel expansion service for small and medium-sized enterprises (SMEs) and entrepreneurial management and networking service for entrepreneurs in China. The Company, through certain contractual arrangements with operating companies in the PRC, provides Internet advertising and other services for Chinese SMEs via its portal websites, 28.com, Liansuo.com and Chuangye.com. Website: http://www.chinanet-online.com.

Safe Harbor

This release contains certain "forward-looking statements" relating to the business of ChinaNet Online Holdings, Inc., which can be identified by the use of forward-looking terminology such as "believes," "expects," "anticipates," "estimates" or similar expressions. Such forward-looking statements involve known and unknown risks and uncertainties, including business uncertainties relating to government regulation of our industry, market demand, reliance on key personnel, future capital requirements, competition in general and other factors that may cause actual results to be materially different from those described herein as anticipated, believed, estimated or expected. Certain of these risks and uncertainties are or will be described in greater detail in our filings with the Securities and Exchange Commission. These forward-looking statements are based on ChinaNet's current expectations and beliefs concerning future developments and their potential effects on the Company. There can be no assurance that future developments affecting ChinaNet will be those anticipated by ChinaNet. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the control of the Company) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. ChinaNet undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

CHINANET ONLINE HOLDINGS, INC. CONSOLIDATED BALANCE SHEETS

(In thousands, except for number of shares and per share data)

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Long-term liabilities:
Deferred tax liability-non current * 118 964
Long-term borrowing from a director 135 143
Total Liabilities 7,623 11,521
Commitments and contingencies 129 -
Equity:
ChinaNet Online Holdings, Inc.'s stockholders' equity
Common stock (US\$0.001 par value; authorized 50,000,000 shares; issued and outstanding 29,640,130 shares 30 29
and 29,030,130 shares at December 31, 2015 and 2014, respectively)
Additional paid-in capital 26,510 24,703
Statutory reserves 2,607 2,607
Retained (deficit)/earnings 5,222
Accumulated other comprehensive income 2,056 3,625
Total ChinaNet Online Holdings, Inc.'s stockholders' equity 27,333 36,186
Noncontrolling interests375(277)

Total equity 27,708 35,909

Total Liabilities and Equity \$ 35,460 \$ 47,430

CHINANET ONLINE HOLDINGS, INC. CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (In thousands, except for number of shares and per share data)

Revenues Revenues From unrelated parties \$ 31,522 \$ 37,613 Total revenues 22,655 37,863 Total revenues 24,655 31,612 Cost of revenues 24,655 31,612 Cost of revenues 24,655 31,610 Cost of revenues 4,565 31,612 Cost of revenues 7,498 6,745 Condarial and administrative expenses 7,489 6,768 Coneral and administrative expenses 7,489 6,768 Research and development expenses 4,180 6,268 Research and development expenses 7,489 6,786 Cost of recepting expenses 7,498 6,786 Loss from operating expenses 1,122 6,222 Interest income 11,722		Year Ended Dec		ember 31,	
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From related parties 74.3 3.3.36 Total revenues 24.65 37.06. Cors frome 7.00 6.20.50 Cors profit 7.00 6.20.50 Operating expenses	Revenues				
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Cost of revenues 24.655 31.675 Cross profit 7.610 6.205 Operating expenses 4.586 6.158 General and administrative expenses 4.586 6.158 General and administrative expenses 2.164 2.206 General and administrative expenses 2.164 2.206 General and development expenses 2.10 2.206 Gand and development expenses 2.10 2.206 General and development expenses 2.10 2.206 Goodwill impairment on equity method investments 3.16 4.10 Goodwill impairment and impairment in fixed assets and intangible assets 4.10 4.10 Code princips 4.10 4.10 4.10 Constructions 4.10 4.10 4.10 Chest princips 4.17 1.22 Interest income 1.17 1.22 Interest princip 1.17 1.22 Interest income 1.17 1.22 Interest income 1.17 1.22 Interest income 1.10 </td <td>From related parties</td> <td></td> <td>743</td> <td>353</td>	From related parties		743	353	
Gross profit 7,610 6,205 Operating expenses 4,586 6,916 Sales and marketing expenses 7,486 6,916 General and administrative expenses 7,486 2,606 Research and development expenses 2,164 2,606 Gain on deconsolidation of VIEs (20 2,606 Goodwill impairment and impairment on fixed assets and intangible assets 1,824 4,132 Code of preating expenses 1,824 4,132 Total operating expenses 1,826 1,828 Code will impairment and impairment on fixed assets and intangible assets 1,824 4,138 Total operating expenses 1,826 1,828 Color principle expenses 4,876 1,828 Charrier income 4,747 1,625 Interest sincome 1,477 1,625 Interest sincome 1,474 1,625 Interest sincome 1,474 1,625 Interest sincome 1,474 1,625 Interest sincome 1,474 1,625 Loss betroin currence that printerst	Total revenues		32,265	37,966	
Operating expenses 4,596 6,916 General and administrative expenses 7,498 5,780 Research and development expenses 2,164 2,600 Gain on deconsolidation of VES (20) (266) Gain on deconsolidation of VES 874 4,793 Goodwill impairment and impairment on fixed assets and intangible assets 1,824 4,193 Total operating expenses 16,926 19,283 Loss from operations 9,316 12,288 Cher income/(expenses) 17 122 Interest income 17 122 Interest income 17 122 Interest expenses 4,74 552 Other income/(expenses) 4,7 552 Interest expense 4,7 552 Other income/(expenses) 4,7 552 Interest expense 4,7 552 Interest expenses 4,7 552 Interest expenses 4,7 552 Interest expenses 4,7 552 Interest expenses <	Cost of revenues		24,655	31,671	
Sales and marketing expenses 4,586 6,916 General and administrative expenses 7,488 5,780 Research and development expenses 2,164 2,600 Gain on deconsolidation of VIES 60 16,200 (266) Impairment on equity method investments 874 - Goodwill impairment and impairment on fixed assets and intangible assets 16,926 13,233 Total operating expenses 16,926 13,233 Coss from operations 9,316 12,288 Chest income/(expenses) 117 122 Interest income 117 122 Interest expense 34 (28) Other income/(expenses) 34 (28) Total other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinue 9,212 12,946 Coperation 1,496 478 Income tax benefit 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued operation 7,716 12,249 Loss from continuing	Gross profit		7,610	6,295	
General and administrative expenses 7,498 5,780 Research and development expenses 2,164 2,660 Gain on deconsolidation of VIEs 20 (266) Impairment on equity method investments 874 - Goodwill impairment and impairment on fixed assets and intangible assets 1,824 4,193 Total operating expenses 16,926 19,283 Choss from operations 9,316 12,288 Chose from operations 117 122 Chose from operations 117 122 Interest income 117 122 Interest expense 47 52 Other income/(expenses) 34 28 Total other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued 9,212 (12,946) Operation 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued operation 7,716 12,240 Coss from continuing operation 7,718 14,465 <t< td=""><td>Operating expenses</td><td></td><td></td><td></td></t<>	Operating expenses				
Research and development expenses 2,164 2,660 Gain on deconsolidation of VIEs (20) (266) Impairment on equity method investments 874	Sales and marketing expenses		4,586	6,916	
Gain on deconsolidation of VIEs (20) (266) Impairment on equity method investments 874 - Goodwill impairment and impairment on fixed assets and intangible assets 1,824 4,193 Total operating expenses 16,926 19,283 Ches from operations 9,316 12,988 Other income/(expenses) Interest expense 17 122 Interest expenses 47 652 Other income/(expenses) 34 28 Otal other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued 9,212 12,946 Oberation 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued 7,716 12,488 Share of (losses)/income in equity investment affiliates 2 47 Loss from continuing operation 7,716 12,488 Share of (losses)/income in equity investment affiliates 9 13,496 Loss from continuing operation, net of income tax 9 1,452 Net loss attributable	General and administrative expenses		7,498	5,780	
Impairment on equity method investments	Research and development expenses		2,164	2,660	
Godwill impairment and impairment on fixed assets and intangible assets 1,824 4,193 Total operating expenses 16,926 19,283 Loss from operations (9,316) (12,988) Other income/(expenses) Interest income 117 122 Interest expense 47 622 Other income/(expenses) 34 (28) Total other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued (9,212) (12,946) Operation 1,496 47 Income tax benefit 1,496 47 Loss before equity method investments, noncontrolling interests and discontinued operation 7,716 (12,468) Share of (losses)/income in equity investment affiliates 2 4 Loss from continuing operation 7,716 (12,468) Share of (losses)/income in equity investment affiliates 2 4 Loss from continuing operation, net of income tax 1,61 1,61 Net loss 1,61,651 1,149 1,62 Net loss attributab	Gain on deconsolidation of VIEs		(20)	(266)	
Total operating expenses 16,926 19,283 Loss from operations (9,316) (12,988) Other income/(expenses) 117 122 Interest income 117 122 Interest expense 47 622 Other income/(expenses) 34 283 Total other income 104 4 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued operation (9,212) (12,946) Loss before equity method investments, noncontrolling interests and discontinued operation 7,716 42 Loss before equity method investment affiliates (2) 47 Loss from continuing operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from discontinued operation, net of income tax (9,18) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss attributable to ChinaNet Online Holdings, Inc. \$ (9,032) \$ (13,382) Poreign currency translation loss \$ (9,183) \$ (13,892) Comprehensiv				-	
Cother income/(expenses) (12,988) Interest income 117 122 Interest expense (47) (52) Other income/(expenses) 34 (28) Total other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued operation (9,212) (12,946) Income tax benefit 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from discontinued operation, equity investment affiliates (2) 47 Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss (9,183) (13,789) Foreign currency translation loss (9,183) (13,982) Comprehensive Loss (1,594) (64 Comprehensive loss attributable to noncontrolling interests (1,395)	Goodwill impairment and impairment on fixed assets and intangible assets		1,824	4,193	
Other income/(expenses) Interest income 117 122 Interest expense (47) (52) Other income/(expenses) 34 (28) Total other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued operation (9,212) (12,946) Dess before equity method investments, noncontrolling interests and discontinued operation (7,716) 478 Loss before equity method investments, noncontrolling interests and discontinued operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 9 13,793 Net loss (9,9,83) (13,793) Foreign currency translation loss (9,183) (13,892) Comprehensive Loss (1,594) (64) Comprehensive loss attributable to noncontrolling in	Total operating expenses		16,926	19,283	
Interest income 117 122 Interest expense (47) (52) Other income/(expenses) 34 (28) Total other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued operation (9,212) (12,946) Income tax benefit 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (9,183) (13,892) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss (9,092) (13,738) Foreign currency translation loss (9,183) (13,892) Foreign currency translation loss (1,594) (64) Comprehensive Loss (10,777) (13,956)	Loss from operations		(9,316)	(12,988)	
Interest expense	Other income/(expenses)				
Other income/(expenses) 34 (28) Total other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued operation (9,212) (12,946) Income tax benefit 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss (9,9092) (13,738) Net loss (9,9092) (13,738) Poreign currency translation loss (9,983) (13,892) Foreign currency translation loss (1,594) (64) Comprehensive Loss (10,777) (13,956) Comprehensive loss attributable to noncontrolling interests 116 154	Interest income		117	122	
Total other income 104 42 Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued operation (9,212) (12,946) Income tax benefit 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss (9,092) (13,738) Net loss (9,183) (13,892) Foreign currency translation loss (9,183) (13,892) Foreign currency translation loss (1,594) (64) Comprehensive Loss (10,777) (13,956) Comprehensive loss attributable to noncontrolling interests 116 154	Interest expense				
Loss before income tax benefit, equity method investments, noncontrolling interests and discontinued operation (9,212) (12,946) Income tax benefit 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss (9,092) (13,738) Net loss (9,183) (13,892) Foreign currency translation loss (1,594) (64) Comprehensive Loss (10,777) (13,956) Comprehensive Loss 116 154	Other income/(expenses)		34	(28)	
operation Income tax benefit 1,496 478 Loss before equity method investments, noncontrolling interests and discontinued operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss (9,092) (13,738) Net loss (9,183) (13,892) Foreign currency translation loss (9,183) (13,892) Comprehensive Loss (1,594) (64) Comprehensive loss attributable to noncontrolling interests 116 154	Total other income		104	42	
Loss before equity method investments, noncontrolling interests and discontinued operation (7,716) (12,468) Share of (losses)/income in equity investment affiliates (2) 47 Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss attributable to ChinaNet Online Holdings, Inc. \$ (9,092) \$ (13,738) Net loss \$ (9,183) \$ (13,892) Foreign currency translation loss \$ (1,594) (64) Comprehensive Loss \$ (10,777) \$ (13,956) Comprehensive loss attributable to noncontrolling interests 116 154			(9,212)	(12,946)	
Share of (losses)/income in equity investment affiliates (2) 47 Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss attributable to ChinaNet Online Holdings, Inc. \$ (9,183) \$ (13,738) Net loss \$ (9,183) \$ (13,738) Foreign currency translation loss \$ (1,594) (64) Comprehensive Loss \$ (10,777) \$ (13,956) Comprehensive loss attributable to noncontrolling interests 116 154	Income tax benefit		1,496	478	
Loss from continuing operation (7,718) (12,421) Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss attributable to ChinaNet Online Holdings, Inc. \$ (9,092) \$ (13,738) Net loss (9,183) (13,892) Foreign currency translation loss (1,594) (64) Comprehensive Loss \$ (10,777) \$ (13,956) Comprehensive loss attributable to noncontrolling interests 116 154	Loss before equity method investments, noncontrolling interests and discontinued operation		(7,716)	(12,468)	
Loss from discontinued operation, net of income tax (1,465) (1,471) Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss attributable to ChinaNet Online Holdings, Inc. \$ (9,092) (13,738) Net loss (9,183) (13,892) Foreign currency translation loss (1,594) (64) Comprehensive Loss (10,777) (13,956) Comprehensive loss attributable to noncontrolling interests 116 154	Share of (losses)/income in equity investment affiliates		(2)	47	
Net loss (9,183) (13,892) Net loss attributable to noncontrolling interests from continued operations 91 154 Net loss attributable to ChinaNet Online Holdings, Inc. \$ (9,092) \$ (13,738) Net loss \$ (9,183) \$ (13,892) Foreign currency translation loss \$ (1,594) (64) Comprehensive Loss \$ (10,777) \$ (13,956) Comprehensive loss attributable to noncontrolling interests 116 154	Loss from continuing operation		(7,718)	(12,421)	
Net loss attributable to noncontrolling interests from continued operations91154Net loss attributable to ChinaNet Online Holdings, Inc.\$ (9,092)\$ (13,738)Net loss\$ (9,183)\$ (13,892)Foreign currency translation loss\$ (1,594)\$ (64)Comprehensive Loss\$ (10,777)\$ (13,956)Comprehensive loss attributable to noncontrolling interests116154	Loss from discontinued operation, net of income tax		(1,465)	(1,471)	
Net loss attributable to ChinaNet Online Holdings, Inc. \$ (9,092) \$ (13,738) Net loss \$ (9,183) \$ (13,892) Foreign currency translation loss (1,594) (64) Comprehensive Loss \$ (10,777) \$ (13,956) Comprehensive loss attributable to noncontrolling interests 116 154	Net loss		(9,183)	(13,892)	
Net loss \$ (9,183) \$ (13,892) Foreign currency translation loss (1,594) (64) Comprehensive Loss \$ (10,777) \$ (13,956) Comprehensive loss attributable to noncontrolling interests 116 154	Net loss attributable to noncontrolling interests from continued operations		91	154	
Foreign currency translation loss(1,594)(64)Comprehensive Loss\$ (10,777)\$ (13,956)Comprehensive loss attributable to noncontrolling interests116154	Net loss attributable to ChinaNet Online Holdings, Inc.	\$	(9,092)	(13,738)	
Foreign currency translation loss(1,594)(64)Comprehensive Loss\$ (10,777)\$ (13,956)Comprehensive loss attributable to noncontrolling interests116154	Net loss	\$	(9,183) \$	(13,892)	
Comprehensive Loss\$ (10,777)\$ (13,956)Comprehensive loss attributable to noncontrolling interests116154	Foreign currency translation loss				
Comprehensive loss attributable to noncontrolling interests116154	Comprehensive Loss	\$		(13,956)	
		·			
		\$	(10,661)	(13,802)	
Loss per share	Loss per share				
Loss from continued operations per common share	-				
Basic and diluted \$ (0.29) \$ (0.55)		\$	(0.29) \$	(0.55)	
Loss from discontinued operations per common share	Loss from discontinued operations per common share	-		<u> </u>	
Basic and diluted \$ (0.05) \$ (0.07)		\$	(0.05) \$	(0.07)	

CHINANET ONLINE HOLDINGS, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands)

	Year Ended December 31,			
	2015		2014	
	(US \$)		(US \$)	
Cash flows from operating activities				
Net loss	\$ (9,183	3) \$	(13,892)	
Adjustments to reconcile net loss to net cash provided by operating activities				
Depreciation and amortization	1,768	3	1,437	
Share-based compensation expenses	2,256	i	4,840	
Provision for/(reverse of) allowances for doubtful accounts	88		(861)	
Share of losses/(income) in equity investment affiliates	2		(47)	
Goodwill impairment and impairment on fixed assets and intangible assets	3,110)	5,639	
Impairment on equity method investments	874		-	
Gain on deconsolidation of VIEs	(20))	(266)	
Loss on disposal of other long-term assets	63		-	
Deferred taxes	(1,558	3)	(850)	
Changes in operating assets and liabilities				
Accounts receivable	(580))	5,226	
Other receivables	6,369)	1,370	
Prepayment and deposit to suppliers	1,476	i	(1,499)	
Due from related parties	7	•	449	
Other current assets	13	,	(42)	
Accounts payable	(509))	390	
Advances from customers	1,152		(118)	
Accrued payroll and other accruals	173	;	(60)	
Other payables	37	•	318	
Taxes payable	59)	(76)	
Commitment and contingencies	135	;	` -	
Net cash provided by operating activities	5,732	<u> </u>	1,958	
Cash flows from investing activities				
Purchases of vehicles and office equipment	(356	5)	(280)	
Payment for purchasing of software technology	(3,880))	(847)	
Refund of prepayment for software development contract terminated	772		-	
Repayment of short-term loan from unrelated entities			790	
Long-term investment in cost/equity method investees	(1,163	3)	(18)	
Collection of receivable on disposal of VIEs			1,604	
Cash effect on deconsolidation of VIEs			(358)	
Net cash (used in)/provided by investing activities	(4,627	<u> </u>	891	
Cash flows from financing activities				
Proceeds from short-term bank loan	_		814	
Repayment of short-term bank loan	(803	١)	(814)	
Short-term loan from noncontrolling interest of VIE	(000		717	
Repayment of short-term loan to noncontrolling interest of VIE	(312	٠١	(81)	
	(312			
Repayment to former VIE		-	(1,893)	
Guarantee payment and prepayment from new investors	984		(4.057)	
Net cash used in financing activities	(131	<u>' </u>	(1,257)	

Cash and cash equivalents included in assets held for sale	(189)	-
Effect of exchange rate fluctuation on cash and cash equivalents	 (319)	 3
Net increase in cash and cash equivalents	466	1,595
Cash and cash equivalents at beginning of the year	 5,037	 3,442
Cash and cash equivalents at end of the year	\$ 5,503	\$ 5,037

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Source: ChinaNet Online Holdings, Inc.

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