

## ChinaNet Online Holdings, Inc. Signs Exclusive Online Kiosk Deployment Agreement with Shanghai Rural Commercial Bank

- Agreement calls for initial deployment of 300 online advertising kiosks in Shanghai by end of September 2010.
- Marks major milestone in ChinaNet's goal to have 1,500 online advertising kiosks in place by year-end 2010.
- Demonstrates management's commitment to focus on complementary business offering recurring, high-margin revenue.

BEIJING, June 1 /PRNewswire-Asia/ -- ChinaNet Online Holdings, Inc. (NYSE: CNET) ("ChinaNet" or the "Company"), a leading full-service media development, advertising and communications company for small and medium-sized enterprises (SMEs) in the People's Republic of China (China), today announced it signed an exclusive agreement with Shanghai Rural Commercial Bank (SRCB) to deploy its online banking and display advertising kiosks in all 300 existing and all future SRCB branches.

Under the agreement, ChinaNet plans to deploy kiosks in SRCB's 300 branches in Shanghai by the end of September 2010. The SRCB agreement brings ChinaNet's total number of kiosks currently contracted for deployment to 500, which includes 200 kiosks at China Construction Bank Henan Branch (CCB), under an exclusive and renewable eight-year agreement with CCB. In addition to the SRCB and CCB deployments, ChinaNet expects to deploy by year-end 2010 400 more kiosks in Henan province as well as 600 additional kiosks in other cities such as Hangzhou, Suzhou and Wuxi in the highly developed and rapidly growing Yangtze River Delta area around Shanghai. By year-end 2010, ChinaNet plans to have a total of 1,500 installed online kiosks, and expects these 1,500 kiosks to generate contract fees and online ad sale revenues totaling approximately \$1.0 million in 2010. Under GAAP guidelines, monthly fees charged for kiosk installations will be recognized in the aggregate in the fourth quarter of each year, while advertising income will be recognized with the ongoing fulfillment of ad sales contracts.

"The agreement with Shanghai Rural Commercial Bank marks a significant milestone in the advancement of our promising online kiosk business, which we launched in June 2009 to provide online account access for customers while displaying advertising for both PRC and global based companies," stated Mr. Handong Cheng, Chairman and CEO of the Company. "SRCB is a leading regional financial institution in China and we are pleased that they have elected to partner with us in the deployment of our kiosks in each of its current and future branches. We believe SRCB customers will benefit from access to the kiosks both for online banking and shopping purposes, and that SRCB will benefit from an additional revenue stream and enhanced relationships with its customers. We see significant opportunity for growth and profitability through this business and anticipate that it will play an increasingly important role in our strategy to grow online advertising sales."

Through the cooperative agreement between SRCB and ChinaNet, SRCB will facilitate deployment of the kiosks and be responsible for developing the information management system, while ChinaNet will be responsible for providing content and for hardware and software maintenance. All advertising content, which will consist of third party advertisements for both PRC and global companies, must be related to finance, banking, personal loans, insurance, stock, and online banking, and will be subject to approval by SRCB. This content will be accompanied by at least two hours per day of SRCB advertising. The term of the agreement is for two years with automatic one-year renewals upon mutual consent of ChinaNet and SRCB.

ChinaNet estimates a payback of one and a half years for all bank kiosk equipment deployed, with above-average margins and a recurring, growing stream of advertising revenue. ChinaNet plans to use next-generation, 42-inch high-resolution screens in its kiosks in SRCB branches and all other future deployments, which could result in lower deployment costs per branch. In addition, ChinaNet will be integrating new technology patented by the Company that provides centralized control of every kiosk screen and enables uploading of customized content to different branch locations from its Beijing headquarters.

### About ChinaNet Online Holdings, Inc.

ChinaNet Online Holdings Inc. (hereafter ChinaNet, NASDAQ: CNET), a leading B2B full-service media development and internet technology company connecting entrepreneurs in China with global business opportunity. ChinaNet focuses on small- and medium-sized enterprises (SMEs), especially franchise business, providing online advertising, content and brand management solutions, and offering online management tools on a multichannel communication platform. The headquarters is located in Beijing with other branches in Shanghai, Guangzhou, Shenzhen and Wuhan. As a technology and strategy-driven investment holding company, serving for Chinese medium and small companies and entrepreneurs is currently our fundamental purpose; relevant diversification is our principle of investment, initially to form the Internet advertising and product services, television advertising, program production and delivery, interbank media, marketing and brand planning and their core businesses. Under the leadership of Mr. Handong Cheng, who is the Chairman and CEO of ChinaNet, the company has been growing continuously since its establishment in 2003 with all aspects of operations to be the leading company in the Chinese online merchant join industry. ChinaNet Online taking the meaning "online network for Chinese people," it indicates that through innovative products and services for medium and small enterprises and entrepreneurs to create an ideal entrepreneurial home.

## Safe Harbor Statement

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.

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