

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 21, 2014

ChinaNet Online Holdings, Inc.

(Exact Name of Registrant as Specified in Charter)

Nevada
(State or Other Jurisdiction of Incorporation)

001-34647
(Commission File Number)

20-4672080
(IRS Employer Identification No.)

No. 3 Min Zhuang Road, Building 6,
Yu Quan Hui Gu Tuspark, Haidian District, Beijing, PRC 100195
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: +86-10-51600828

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On November 21, 2014, ChinaNet Online Holdings, Inc., a Nevada corporation (the “Company”), issued a press release containing certain financial results for its third fiscal quarter and first nine months of fiscal 2014. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and incorporated herein by reference.

As provided in General Instruction B.2 of SEC Form 8-K, such information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, whether made before or after the date hereof, except as expressly set forth by specific reference in such filing to this Current Report on Form 8-K.

Item 8.01. Other Events.

Attached as Exhibit 99.2 is a slideshow presentation containing information about the Company’s business and certain other financial information that will be made available to investors participating in the Company’s conference call to be held on November 21, 2014.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>No.</u>	<u>Description</u>
99.1	Press Release dated November 21, 2014.
99.2	Corporate Presentation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 21, 2014

ChinaNet Online Holdings, Inc.

By: /s/Handong Cheng
Name: Handong Cheng
Title: Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated November 21, 2014.
99.2	Corporate Presentation.

ChinaNet Online Holdings Reports Third Quarter 2014 Financial Results

BEIJING, Nov. 21, 2014 (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, today announced financial results for the third fiscal quarter of 2014.

Summary Financials

Third Quarter 2014 Results (USD) (Unaudited)

	Q3 2014	Q3 2013	CHANGE
Sales	\$12.1 million	\$7.5 million	+61%
Gross Profit	\$2.1 million	\$4.1 million	-50%
Gross Margin	17.2%	55.0%	-69%
Net (Loss)/Income Attributable to ChinaNet	(\$0.9) million	1.2 million	--
EPS (Diluted)	(\$0.04)	\$0.05	--

Third Quarter 2014 Financial Results

Revenues for the three months ended September 30, 2014 were \$12.1 million compared to \$7.5 million for the three months ended September 30, 2013, representing a 61% increase. The increase in total revenues was primarily due to new revenues from search engine marketing services, an integrated internet and digital marketing service, ChinaNet added to its existing stream of internet marketing services from the second quarter of 2014.

Third Quarter 2014 Revenue Breakdown by Business Unit (USD in thousands)

	Q3 2014	%	Q3 2013	%	% Change
Internet Advertisement and Related Services	\$9,969	82.6%	\$6,071	81.2%	64%
TV Advertisement	\$1,812	15.0%	\$560	7.5%	224%
Bank Kiosk	\$69	0.6%	\$71	0.9%	-3%
Brand Mgmt. & Sales Channel Building	\$217	1.8%	\$779	10.4%	-72%

Revenue from internet advertisements, search engine marketing and other related technical services for the three months ended September 30, 2014 increased by 64% to \$10.0 million compared to the same period a year ago.

Search engine marketing services, designed to help customers optimize their online search marketing effectiveness and maximize the sales leads generated from our integrated internet marketing solutions, generated approximately \$5 million of revenues in the third quarter of 2014.

Management believes this service will help increase overall customer satisfaction, thereby increasing recurring revenues and market share from online advertising and marketing services in the future. Internet advertising revenues fell by 23% to \$4.6 million due to intensified competition in the industry and customers' hesitation on investing in advertising and marketing expenses.

TV advertising revenue increased by 224% to \$1.8 million for the three months ended September 30, 2014 from \$0.56 million for the same period in 2013. The increase in TV advertising revenue was primarily due to the effective efforts made by the management in response to the adverse effects of a restriction notice to TV shopping infomercials broadcasted in provincial satellite television stations, issued by the State Administration of Press, Publication, Radio, Film and Television of the People's Republic of China (the "SARFT") in October 2013, which further restricts the content, air time and duration of these infomercials. In addition, in response to uncertain business environment and policies, management will continue to shift more resources into the online advertising business while maintaining the ongoing business relationship with some selected provincial satellite television stations.

Gross profit for the three months ended September 30, 2014 was \$2.1 million compared to \$4.1 million for the same period in 2013. Gross margin was 17.2%, down from 55.0% in the third quarter of 2013. This decrease is a direct result of the decrease in the gross margin of the internet advertising business to 29% from 60% for the same period last year and lower margins for the new search engine marketing services.

Operating expenses increased by 29% to \$3.5 million compared to \$2.7 million for the third quarter of 2013. General and administrative expenses decreased by 34% to \$1.0 million as a result of decrease in allowance for doubtful accounts and overall cost reduction plan executed by management during the period. Selling expenses increased to \$2.0 million from \$0.6 million for the third quarter of 2013, which was primarily due to the increase in brand building expenses for promoting websites and services to enhance brand awareness. The Company incurred an operating loss of \$1.5 million for the three months ended September 30, 2014 compared to an operating profit of \$1.4 million in the same period a year ago.

Net loss attributable to ChinaNet for the three months ended September 30, 2014 was \$0.9 million and loss per share was \$0.04, compared to a net income attributable to ChinaNet of \$1.2 million and earnings per share of \$0.05 in the third quarter of 2013.

First Nine Months 2014 Financial Results

Revenues for the nine months ended September 30, 2014 were \$27.6 million, an increase of 18% from \$23.4 million for the same period a year ago. New revenues from search engine marketing services offset declines in sales from internet advertising, TV advertising and brand management and sales channel building services. The number of larger customers served by liansuo.com, our premium advertising and marketing web portal continued to increase since established.

Gross profit and gross profit margin was \$5.1 million and 18.6%, respectively, for the first nine months of 2014. Operating expenses increased by 4% to \$8.5 million compared to \$8.2 million for the first nine months of 2013. The Company reported an operating loss of \$3.4 million for the nine months ended September 30, 2014.

Net loss attributable to ChinaNet common stockholders and net loss per share was \$2.9 million and \$0.13 for the nine months ended September 30, 2014. The weighted average diluted shares outstanding were 22.4 million shares.

Balance Sheet and Cash Flow

The Company had \$1.9 million in cash and cash equivalents as of September 30, 2014, compared to \$3.4 million as of December 31, 2013, working capital of \$20.6 million, compared to \$24.0 million as of December 31, 2013, and a current ratio of 3.2 to 1, compared to 3.3 to 1 as of December 31, 2013. Accounts receivable net balance decreased by 66% to \$2.6 million as of September 30, 2014, compared to \$7.7 million as of December 31, 2013. Total shareholders' equity of ChinaNet was \$42.0 million at September 30, 2014 compared to \$45.1 million at December 31, 2013.

The Company had a \$1.0 million of cash outflows from operations in the nine months ended September 30, 2014 compared to a \$2.8 million of cash inflows in the first nine months of 2013. The increase in cash outflows from operations was primarily due to the increase in deposit and prepayment to internet resource suppliers as a result of expanded cooperation with the key search engine companies in China.

Business Updates

ChinaNet regained compliance with NASDAQ's Minimum Bid Price Rule on September 30, 2014 as its common stock had been at a \$1.00 per share or greater for 10 consecutive business days from September 16, 2014 to September 29, 2014.

During the third fiscal quarter of 2014, 28.com embarked on a new growth strategy which will focus on offering digital advertising services coupled with a range of consumer analytics expected to add significant value for its SMEs customers. ChinaNet is also continuing to build on its analytics offerings, which will make it possible to serve much larger digital advertising clients in China in 2015 and 2016. Based on the Company's cooperative relationship with Baidu, ChinaNet Online is experiencing an improved sell-through on digital advertising products. Should this trend continue, the Company will be in a position to offer digital advertising services to much larger China-based advertisers.

The 28.com website received a V3 ranking from Baidu in September 2014, which is its top credit rating, showing that there is high user trust from the industry and that 28.com is an ideal platform for the Company to expand its reputation in the China franchise industry.

In November 2014, ChinaNet announced its expanded efforts to attract new SMEs in Fujian province in conjunction with the Provincial Government's redevelopment plan promoting more service-based industries in the region. The Fujian Provincial Government's "2014-2015 Action Plan" focuses on redevelopment and upgrading the Province's industrial economy with a modern service industry. By 2015 the government estimates the service economy's added value will reach 1 trillion RMB, accounting for more than 42 percent of GDP in Fujian Province. Most of these new service industry brands are utilizing a franchise development model. ChinaNet intends to capitalize on the region's redevelopment plans with a strategic increase in its local presence, including attendance at regional events.

ChinaNet increased efforts to market its brands and services by attending and presenting at a variety of exhibitions and conferences throughout the third fiscal quarter of 2014. The Company attended the Marcum Bernstein Pinchuk LLP's 2nd annual China Best Ideas Investment Conference on September 16, 2014, and participated in the 2014 Sina Supporting Wings Corporate Marketing Summit by Sina and Qihoo's 360 Data World 2014.

ChinaNet won the "Best Company in Chinese Entrepreneurial SME Business Development Marketing" at the 2014 Chinese e-Commerce Industry Gateway Conference held in Beijing.

Liansuo signed a number of new clients, including Sesame St. English, after participating in the 29th Guangzhou Franchise Exhibition.

Conference Call

Management will host a conference call with investors at 8:30 am ET on November 21, 2014.

Date: Friday, November 21st, 2014
Time: 8:30 a.m. Eastern Time
Conference Line (U.S.): 1-888-427-9411
International Dial-In: 1-719-457-2627
Conference ID: Replay Pin Number: 6368000
Webcast: <http://public.viavid.com/index.php?id=112022>

A power point presentation will be available for downloading on the date of the conference call on ChinaNet's corporate website www.chinanet-online.com under Investor Relations-News/Events-Events and Presentations.

Please dial in at least 10 minutes before the call to ensure timely participation.

A playback of the call will be available until 11:59 pm Eastern Time on December 5, 2014. To listen, call 1-877-870-5176 within the United States or 1-858-384-5517 when calling internationally. Please use the replay pin number 6368000.

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 online to offline (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, TV commercials and program production via China-Net TV, and in-house LCD advertising on banking kiosks targeting Chinese banking patrons. 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. CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	September 30, 2014	December 31, 2013
	(US \$)	(US \$)
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,898	\$ 3,442
Term deposit	3,444	3,467
Accounts receivable, net	2,614	7,673
Other receivables, net	1,766	4,299
Prepayment and deposit to suppliers	19,774	14,692
Due from related parties	104	502
Other current assets	73	27
Deferred tax assets-current	179	153
Total current assets	29,852	34,255
Investment in and advance to equity investment affiliates	888	845
Property and equipment, net	994	1,057
Intangible assets, net	5,187	6,015
Deposit and prepayment for purchasing of software technology	3,281	2,453
Goodwill	11,371	11,450
Deferred tax assets-non current	901	759
Total Assets	\$ 52,474	\$ 56,834
Liabilities and Equity		
Current liabilities:		
Short term bank loan *	\$ 812	\$ 818
Accounts payable *	434	421
Advances from customers *	1,401	995
Accrued payroll and other accruals *	450	676
Due to noncontrolling interest of VIE *	699	--
Due to former VIE *	1,400	--
Taxes payable *	3,502	7,029
Other payables *	603	288
Total current liabilities	9,301	10,227
Long-term liabilities:		
Deferred tax liability-non current *	1,261	1,439
Long-term borrowing from director	142	143

Total Liabilities	<u>10,704</u>	<u>11,809</u>
Commitments and contingencies		
Equity:		
ChinaNet Online Holdings, Inc.'s stockholders' equity		
Common stock (US\$0.001 par value; authorized 50,000,000 shares; issued and outstanding 22,416,540 shares and 22,376,540 shares at September 30, 2014 and December 31, 2013, respectively)	22	22
Additional paid-in capital	19,895	19,870
Statutory reserves	2,602	2,602
Retained earnings	16,059	18,965
Accumulated other comprehensive income	3,417	3,689
Total ChinaNet Online Holdings, Inc.'s stockholders' equity	<u>41,995</u>	<u>45,148</u>
Noncontrolling interests	<u>(225)</u>	<u>(123)</u>
Total equity	<u>41,770</u>	<u>45,025</u>
Total Liabilities and Equity	<u>\$ 52,474</u>	<u>\$ 56,834</u>

CHINANET ONLINE HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)/INCOME
(In thousands)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2014 (US \$) (Unaudited)	2013 (US \$) (Unaudited)	2014 (US \$) (Unaudited)	2013 (US \$) (Unaudited)
Sales				
From unrelated parties	\$ 27,371	\$ 23,108	\$ 12,010	\$ 7,341
From related parties	240	314	57	140
	<u>27,611</u>	<u>23,422</u>	<u>12,067</u>	<u>7,481</u>
Cost of sales	<u>22,483</u>	<u>13,123</u>	<u>9,996</u>	<u>3,366</u>
Gross margin	<u>5,128</u>	<u>10,299</u>	<u>2,071</u>	<u>4,115</u>
Operating expenses				
Sales and marketing expenses	4,092	2,007	1,997	617
General and administrative expenses	3,023	4,690	1,014	1,544
Research and development expenses	1,417	1,490	525	578
	<u>8,532</u>	<u>8,187</u>	<u>3,536</u>	<u>2,739</u>
(Loss)/income from operations	(3,404)	2,112	(1,465)	1,376
Other income (expenses)				
Interest income	91	94	31	30
Interest expense	(38)	(10)	(6)	(10)
Gain on disposal of VIE	266	--	266	--
Other expenses	(12)	(12)	(9)	(10)
	<u>307</u>	<u>72</u>	<u>282</u>	<u>10</u>
(Loss)/income before income tax expense, equity method investments and noncontrolling interests	(3,097)	2,184	(1,183)	1,386
Income tax benefit/(expense)	<u>39</u>	<u>(469)</u>	<u>159</u>	<u>(201)</u>
(Loss)/income before equity method investments and noncontrolling interests	(3,058)	1,715	(1,024)	1,185
Share of gain/(loss) in equity investment affiliates	49	(170)	107	(45)
Net (loss)/income	(3,009)	1,545	(917)	1,140
Net loss attributable to noncontrolling interests	<u>103</u>	<u>78</u>	<u>10</u>	<u>19</u>

Net (loss)/income attributable to ChinaNet Online Holdings, Inc.	<u>\$ (2,906)</u>	<u>\$ 1,623</u>	<u>\$ (907)</u>	<u>\$ 1,159</u>
Net (loss)/income	(3,009)	1,545	(917)	1,140
Foreign currency translation (loss)/gain	<u>(271)</u>	<u>1,076</u>	<u>10</u>	<u>248</u>
Comprehensive (Loss)/income	<u>\$ (3,280)</u>	<u>\$ 2,621</u>	<u>\$ (907)</u>	<u>\$ 1,388</u>
Comprehensive loss attributable to noncontrolling interests	<u>102</u>	<u>71</u>	<u>10</u>	<u>24</u>
Comprehensive (loss)/income attributable to ChinaNet Online Holdings, Inc.	<u>\$ (3,178)</u>	<u>\$ 2,692</u>	<u>\$ (897)</u>	<u>\$ 1,412</u>
(Loss)/earnings per share				
(Loss)/earnings per common share				
Basic	<u>\$ (0.13)</u>	<u>\$ 0.07</u>	<u>\$ (0.04)</u>	<u>\$ 0.05</u>
Diluted	<u>\$ (0.13)</u>	<u>\$ 0.07</u>	<u>\$ (0.04)</u>	<u>\$ 0.05</u>
Weighted average number of common shares outstanding:				
Basic	<u>22,385,478</u>	<u>22,253,463</u>	<u>22,403,062</u>	<u>22,371,649</u>
Diluted	<u>22,385,478</u>	<u>22,253,463</u>	<u>22,403,062</u>	<u>22,371,649</u>

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

	Nine Months Ended September 30,	
	2014	2013
	(US \$)	(US \$)
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net (loss)/income	\$ (3,009)	\$ 1,545
Adjustments to reconcile net (loss)/income to net cash (used in)/provided by operating activities		
Depreciation and amortization	1,079	1,252
Share-based compensation expenses	25	114
Allowances for doubtful accounts	(120)	1,024
Share of (gain)/loss in equity investment affiliates	(49)	170
Gain on disposal of VIE	(266)	--
Deferred taxes	(419)	(696)
Changes in operating assets and liabilities		
Accounts receivable	4,095	(2,269)
Other receivables	1,842	101
Prepayment and deposit to suppliers	(5,246)	(127)
Due from related parties	395	(225)
Other current assets	(57)	89
Accounts payable	45	284
Advances from customers	458	388
Accrued payroll and other accruals	(192)	(84)
Other payables	347	(67)
Taxes payable	114	1,313
Net cash (used in)/provided by operating activities	<u>(958)</u>	<u>2,812</u>
Cash flows from investing activities		
Purchases of vehicles and office equipment	(242)	(65)
Prepayment/deposit for purchasing of software technology	(845)	(2,411)
Repayment of short-term loan from unrelated entities	670	--
Cash effect on deconsolidation of VIE	(358)	--
Long-term investment in and advance to equity investment affiliates	--	(32)
Payment for acquisition of VIEs	--	(1,768)
Net cash used in investing activities	<u>(775)</u>	<u>(4,276)</u>

Cash flows from financing activities

Repayment of short-term bank loan	(813)	--
Proceeds from short-term bank loan	813	804
Short-term loan from noncontrolling interest of VIE	716	--
Repayment of short-term loan to noncontrolling interest of VIE	(16)	--
Repayment to former VIE	<u>(488)</u>	<u>--</u>
Net cash provided by financing activities	<u>212</u>	<u>804</u>
Effect of exchange rate fluctuation on cash and cash equivalents	<u>(23)</u>	<u>110</u>
Net decrease in cash and cash equivalents	(1,544)	(550)
Cash and cash equivalents at beginning of the period	<u>3,442</u>	<u>5,483</u>
Cash and cash equivalents at end of the period	<u>\$ 1,898</u>	<u>\$ 4,933</u>

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Web: www.mzgroup.us

ChinaNet Online Holdings, Inc.

(Nasdaq: CNET)

2014 Q3 Corporate Presentation

November 21, 2014 8:30 a.m. Eastern Time U.S.A.



Safe Harbor

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- Business Operations Update
- 2014 Full Year Forecast and Future Initiatives

2014 Q3 and Year-to-Date Results

CHINANET ONLINE HOLDINGS, INC.



Financial Highlights

Ticker Symbol	NASDAQ: CNET
Fiscal Year	December 31
Stock Price (as of market close on November 19, 2014)	\$1.82
Shares Outstanding- common shares	22.42M
Market Capitalization (as of market close on November 19, 2014)	\$40.8M
Management Ownership	35%
Revenue Q3 2014 (unaudited)	\$12.1 M
Net loss attributable to ChinaNet Online Holdings, Inc. Q3 2014 (unaudited)	\$0.9 M
Weighted average common shares outstanding: ⁽¹⁾	22.4 M

- (1) Weighted average share count will vary from quarter-to-quarter due to GAAP Treasury Method accounting for warrants and options outstanding. As of September 30, 2014, the Company had 0.94 M options outstanding with a weighted average exercise price of \$1.42.

2014 Q3 Results (USD in thousands)

	2014 Q3	2013 Q3	Change%
Revenue	12,067	7,481	61%
COGS	9,996	3,366	197%
Gross Profit	2,071	4,115	-50%
Net (Loss)/Income	(917)	1,140	--
Net (Loss)/Income Attributable to ChinaNet	(907)	1,159	--

1. The reason for increase in revenue and cost of revenue was primarily due to the launching of new internet search engine marketing service;
2. The reason for decrease in gross profit was primarily due to the new addition of the internet search engine marketing service with low margin entry strategy;
3. Overall slowdown in economy and increasing in cost resulted in more intense price-oriented competition in the market.

2014 Q3 Results by Segment (USD in thousands)

	2014 Q3				2013 Q3			
	Internet	TV	Bank Kiosk	BMSCB	Internet	TV	Bank Kiosk	BMSCB
Revenue	9,969	1,812	69	217	6,071	560	71	779
COGS	8,167	1,695	3	131	2,406	503	1	456
Gross Profit	1,802	117	66	86	3,665	57	70	323

The other key points:

1. Cash position: \$5.34 million (including \$3.44 million of term deposit);
2. Accounts receivable, net: \$2.61 million,
3. The number of larger customers served by liansuo.com, our premium advertising and marketing web portal continued to increase since established.

The main focus in Q4:

1. To increase turnover and to increase marketing expenses for further market penetration;
2. Further investment in developing of software which will increase profit in the future.

2014 Year-to-Date Results (USD in thousands)

	2014 YTD	2013 YTD	% Change
Revenue	27,611	23,422	18%
COGS	22,483	13,123	71%
Gross Profit	5,128	10,299	-50%
Net (Loss)/Income	(3,009)	1,545	--
Net (Loss)/Income Attributable to ChinaNet	(2,906)	1,623	--

	2014 YTD				2013 YTD			
	Internet	TV	Bank Kiosk	BMSCB	Internet	TV	Bank Kiosk	BMSCB
Revenue	21,777	4,806	207	821	15,318	5,687	211	2,206
COGS	17,562	4,467	8	446	6,670	5,246	1	1,206
Gross Profit	4,215	339	199	375	8,648	441	210	1,000

Balance Sheets

USD in thousands

	As of December 31,					As of September 30,
	2009 US\$('000)	2010 US\$('000)	2011 US\$('000)	2012 US\$('000)	2013 US\$('000)	2014 \$('000) (unaudited)
Cash and cash equivalents (including term deposit)	13,917	15,590	10,695	8,840	6,909	5,342
Accounts receivable, net	3,173	4,319	4,444	8,486	7,673	2,614
Other receivables, net	2,636	7,811	3,631	3,103	4,299	1,766
Prepayment and deposit to suppliers	4,111	3,325	15,360	14,596	14,692	19,774
Investment in and advance to equity investment affiliates	-	7,162	1,396	959	845	888
Deposit and prepayment –Long term	-	-	-	-	2,453	3,281
Property and equipment, net	1,355	2,010	1,902	1,636	1,057	994
Intangible assets, net	-	51	8,151	7,167	6,015	5,187
Goodwill	-	-	10,999	11,083	11,450	11,371
Total assets	25,764	41,996	57,282	56,918	56,834	52,474

Balance Sheets

USD in thousands

	As of December 31,					As of September 30,
	2009 US\$('000)	2010 US\$('000)	2011 US\$('000)	2012 US\$('000)	2013 US\$('000)	2014 US\$('000) (unaudited)
Total liabilities	14,631	6,285	9,728	12,073	11,809	10,704
Preferred stock and Common Stock	20	20	22	22	22	22
Additional paid-in capital	10,574	18,614	20,747	20,008	19,870	19,895
Statutory reserves	372	1,587	2,117	2,296	2,602	2,602
Retained earnings	50	14,630	16,688	19,505	18,965	16,059
Accumulated other comprehensive income	117	930	2,132	2,393	3,689	3,417
Noncontrolling interest	-	(70)	5,848	621	(123)	(225)
Total equity	11,133	35,711	47,554	44,845	45,025	41,770

Cash Flows Statements

USD in thousands

	Year ended December 31,					Nine Months Ended September 30,	
	2009 US\$('000)	2010 US\$('000)	2011 US\$('000)	2012 US\$('000)	2013 US\$('000)	2014 US\$('000) (unaudited)	2013 US\$('000) (unaudited)
Net cash provided by (used in) Operation Activities	4,617	11,582	(603)	5,028	2,756	(958)	2,812
Net cash provided by (used in) Investing Activities	(930)	(9,373)	(6,084)	(9,919)	(5,733)	(775)	(4,276)
Net cash provided by (used in) Financing Activities	7,544	(767)	1,482	(385)	807	212	804
Effect of exchange rates changes	7	231	310	64	129	(23)	110
Net Change in Cash & Cash Equivalents	11,238	1,673	(4,895)	(5,212)	(2,041)	(1,544)	(550)

Business Operations Update

CHINANET ONLINE HOLDINGS, INC.



2014 Q3 Business Operations Update

- During the third fiscal quarter of 2014, 28.com embarked on a new growth strategy which will focus on offering digital advertising services coupled with a range of consumer analytics expected to add significant value for its SMEs customers. ChinaNet is also continuing to build on its analytics offerings, which will make it possible to serve much larger digital advertising clients in China in 2015 and 2016. Based on the Company's cooperative relationship with Baidu, ChinaNet Online is experiencing an improved sell-through on digital advertising products. Should this trend continue, the Company will be in a position to offer digital advertising services to much larger China-based advertisers.
- ChinaNet won the "Best Company in Chinese Entrepreneurial SME Business Development Marketing" at the 2014 Chinese e-Commerce Industry Gateway Conference held in Beijing.
- The 28.com website received a V3 ranking from Baidu in September 2014, which is its top credit rating, showing that there is high user trust from the industry and that 28.com is an ideal platform for the Company to expand its reputation in the China franchise industry.

2014 Q3 Business Operations Update

- ChinaNet increased efforts to market its brands and services by attending and presenting at a variety of exhibitions and conferences throughout the third fiscal quarter of 2014. The Company attended the Marcum Bernstein Pinchuk LLP's 2nd annual China Best Ideas Investment Conference on September 16, 2014, and participated in the 2014 Sina Supporting Wings Corporate Marketing Summit by Sina and Qihoo's 360 Data World 2014.
- Liansuo signed a number of new clients, including Sesame St. English, after participating in the 29th Guangzhou Franchise Exhibition.
- ChinaNet regained compliance with NASDAQ's Minimum Bid Price Rule on September 30, 2014 as its common stock had been at a \$1.00 per share or greater for 10 consecutive business days from September 16, 2014 to September 29, 2014.

2014 Q4 Business Operations Update

Zero Down Payment Loans. The product, targeted toward entrepreneurs, is being offered with Chinese financial services companies Haodai, which offers a credit product search engine, and Yooli, China's leading crowdfunding services website.

ChinaNet is taking a leading role in the *Zero Down Payment Loans* offering. The product integrates banks, P2P, and security companies with reputable enterprise franchising resources. The service will significantly lower the hurdles that many entrepreneurs face and help them to realize their business objectives.



2014 Q4 Business Operations Update

- In November 2014, ChinaNet announced its expanded efforts to attract new SMEs in Fujian province in conjunction with the Provincial Government's redevelopment plan promoting more service-based industries in the region. The Fujian Provincial Government's "2014-2015 Action Plan" focuses on redevelopment and upgrading the Province's industrial economy with a modern service industry. By 2015 the government estimates the service economy's added value will reach 1 trillion RMB, accounting for more than 42 percent of GDP in Fujian Province. Most of these new service industry brands are utilizing a franchise development model. ChinaNet intends to capitalize on the region's redevelopment plans with a strategic increase in its local presence, including attendance at regional events.
- The Company participated in the China-U.S. Entrepreneurs' Summit 2014: The New Billions, held in the Santa Clara Convention Center in Silicon Valley on November 12-13, 2014. Entrepreneur China's annual summit has been an exceptional event for over 6 years. This year, the theme of the summit is "The New Billions", inviting over 100 entrepreneurs from some of the most promising startups in China, such as FaceQ, Changba, Lamabang, Moman, Youli.com. They shared their stories and experiences with other entrepreneurs in Silicon Valley.

Competitors and the Associated Websites- as of November 17, 2014

Classification	Web Portal	IP (Daily avg.)	PV (Daily avg.)	ALEX Ranking	Baidu Index	Attraction Index
ChinaNet	28.com (2003)	246,000	2,927,400	1,575	1,360	11.9
	Liansuo.com (2011)	228,000	2,348,400	6,484	163	10.3
	Chuangye.com (2011)	2,400	2,400	982,970	4,941	1
	Sooe.cn (2011)	7,200	7,200	191,439	61	1
Direct Competitor	78.cn	168,000	672,000	3,485	1,020	4
	3158.com	8,400	22,680	83,362	256	3
	Jiameng.com	312,000	4,680,000	1,297	429	15
	Jmw.com.cn	180,000	2,772,000	2,440	670	15
	51jam.com	34,200	277,020	18,931	151	8
Potential Competitor	Entrepreneur	1,044,000	2,046,240	600	1,618	2
	Alibaba (entrepreneur)	15,852,000	74,345,880	51	231,393	5

Note: The IP and PV of Alibaba is consolidated, including entrepreneurial channels.

2014 Full Year Forecast and Future Initiatives

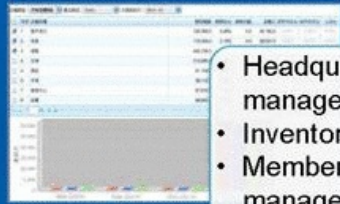
CHINANET ONLINE HOLDINGS, INC.



2014 Q4 Further Updates

- Integration of 28.com and Sooe.cn;
- Redesigning of Chunagye.com, adding additional function of a P2P referral portal in Q4;
- Redesigning and relaunching corporate website and conduct virtual roadshow in Q4;
- 4P Program (EIP, Portal, APP, Pos), integration with new technologies in Q4, expect to complete in Q1 2015. These technologies that we purchased will improve the digital analysis on the small and medium-sized enterprises' big data, help them monitor and manage their sales more effectively. (Case study: Saturday Children's Playground)

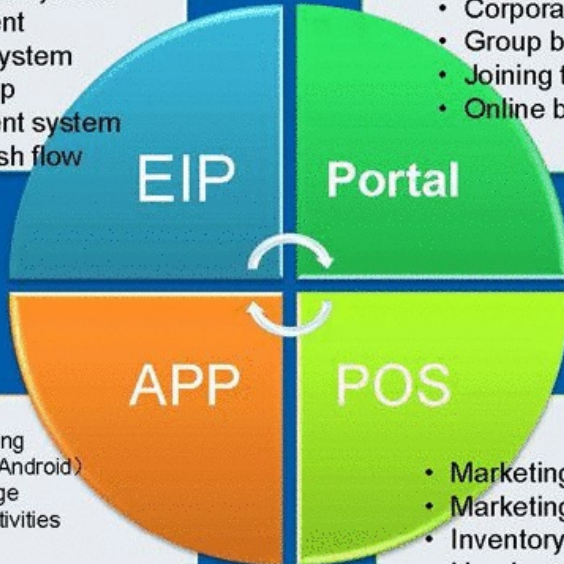
Update of 4P Integrated Marketing



- Headquarter system management
- Inventory system
- Membership management system
- Multiple cash flow



- Corporate image
- Group buying discount
- Joining the franchise
- Online booking



- Mobile ordering (iPhone/iPad/Android)
- Push message
- Marketing activities
- QR CODE
- LBS



- Marketing analysis
- Marketing activities
- Inventory management
- Headquarter monitoring

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ZWTM ChinaNet Online

2014 Q4 – 2015 Q1 Action Plan

- Further enhance the business and technology relationship with major search engine and e-commerce platform, like Baidu and Alibaba, further explore a two-way online-to-offline (O2O) opportunity for existing retail, chain stores and other SMEs;
- Continuing to increase marketing expenses to further enhance market awareness on Internet and prepare for large marketing campaign in 2015;
- A third party joint developing system to efficiently monitor and track both online and offline digital advertising effectiveness and directly improve sales leads and sales conversion rate;
- Building a Big-Data cloud centre, the Company intend to hire a new CIO in charge of the data analytical system for our B2B business;
- Further expanding the higher-tier clients under Liansuo.com, expanding the client base in line with the strategic plan of the Company.

2014 Full Year Guidance

	2014 (Estimated)
Revenues	\$39 million
Net loss	\$6-8 million

- Increasing in marketing expenses to further enhance market awareness on Internet and prepare for large marketing campaign in 2015;
- Increasing in research and development expenses on internet security, database centre management, O2O services and 4P system;
- Increasing in cost, integrating new clients and launching of new value-added services.

Thank you !

