



ChinaNet Online Holdings Announces Information Relating to Conversion of Preferred Shares Into Common Shares Completed in August

BEIJING, Nov. 23, 2011 (GLOBE NEWSWIRE) -- ChinaNet Online Holdings, Inc. ("ChinaNet" or the "Company"), (Nasdaq:CNET), 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 issued a statement regarding the conversion of the final 2,367,792 shares of the outstanding Series A preferred shares into common shares which occurred as of August 21, 2011 and the notice of the final dividend payment with respect to its Series A preferred shares.

The statement is to advise that, pursuant to the Certificate of Designations, Preferences and Rights of the 10% Series A Convertible Preferred Stock of the Company, all outstanding shares of Preferred Stock were automatically converted into shares of the Company's common stock (the "Common Stock") as of August 21, 2011.

This conversion represents the remaining outstanding Series A preferred shares, bringing ChinaNet's common shares outstanding to approximately 20.04 million as of September 30 2011.

"This conversion will additionally reinforce ChinaNet's financial position and will greatly enhance shareholder value, as well as increase the availability of CNET common shares in the open market," said Mr. Handong Cheng, Chairman and CEO of the Company. "The conversion will result in a simpler and more transparent equity structure and will reduce our quarterly dilution and preferred dividend costs."

The final preferred dividend payments were mailed on November 22nd, 2011 to the preferred shareholders' address of record as of September 30th 2011. If you have any questions or did not receive the payment please contact the Company's IR department:

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About ChinaNet Online Holdings, Inc.

The Company, a parent company of ChinaNet Online Media Group Ltd., incorporated in the BVI ("ChinaNet"), a leading 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. Founded in 2003 and based in Beijing, PRC, the Company's services include its Liansuo.com and 28.com portals to connect SME franchisors with new franchisees, Internet advertising and marketing with other value-added communication channels, brand management & sales channel solutions, and cloud-based management tools (introduced in 2011). 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.

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