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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**SCHEDULE TO**

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**(Rule 14d-100)**  
**Tender Offer Statement under Section 14(d)(1) or 13(e)(1)**  
**of the Securities Exchange Act of 1934**

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**CHINANET ONLINE HOLDINGS, INC.**

(Name of Subject Company (Issuer) and Name of Filing Person (Issuer))

**Warrants to Purchase Shares**

(Title of Class of Securities)

**16949H904**

(CUSIP Number of Shares Underlying Warrants)

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**No. 3 Min Zhuang Road, Building 6**  
**Yu Quan Hui Gu Tuspark, Haidian District**  
**Beijing, PRC 100195**  
**Tel: 86-10-5160-0828**  
**Fax: 86-10-5160-0908**

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications on Behalf of Filing Persons)

*with a copy to:*

**Mitchell S. Nussbaum, Esq.**  
**Loeb & Loeb LLP**  
**345 Park Avenue**  
**New York, New York 10154**  
**(212) 407-4000**

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**CALCULATION OF FILING FEE**

**Transaction valuation\***

**\$335,395.20**

**Amount of filing fee**

**\$38.44**

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\* Estimated for purposes of calculating the amount of the filing fee only. ChinaNet Online Holdings, Inc. (the "Company") is offering holders of the Company's outstanding Series A-1 warrants to purchase an aggregate of 2,060,800 of the Company's shares of common stock, par value \$0.001 per share (the "Series A-1 Warrants") and Series A-2 warrants to purchase an aggregate of 2,060,800 of the Company's shares of common stock, par value \$0.001 per share (the "Series A-2 Warrants" and, together with the Series A-1 Warrants, the "Warrants"), to purchase an aggregate of 4,121,600 of the Company's shares of common stock, par value \$0.001 per share, issuable upon exercise of the Warrants (the "Shares"), to (A) with respect to any Series A-1 Warrant, receive one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, receive one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof. The amount of the filing fee assumes that all outstanding Warrants will be exchanged for Shares and is calculated pursuant to Rule 0-11 of the Securities Exchange Act of 1934, as amended, which equals \$114.60 for each \$1,000,000 of the value of the transaction.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid:  
Form or Registration No.:

Filing Party:  
Date Filed:

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

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## SCHEDULE TO

This Tender Offer Statement on Schedule TO (this “Schedule TO”) is filed by ChinaNet Online Holdings, Inc., a Nevada corporation (the “Company”). This Schedule TO relates to the offer by the Company to all holders of the Company’s outstanding Series A-1 warrants (the “Series A-1 Warrants”) and Series A-2 warrants (the “Series A-2 Warrants” and, together with the Series A-1 Warrants, the “Warrants”), to purchase an aggregate of 4,121,600 shares of common stock the Company, par value \$0.001 per share (the “Shares”), to exchange their Warrants in accordance with the following exchange ratios: (A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof. The exchange ratios were selected by the Company to provide the holders of the Warrants with an incentive to exchange the Warrants. The offer is subject to the terms and conditions set forth in the Offer Letter, dated December 1, 2011 (the “Offer Letter”), a copy of which is filed herewith as Exhibit (a)(1)(A), and in the related Letter of Transmittal, a copy of which is filed herewith as Exhibit (a)(1)(B) (which, together with any amendments or supplements thereto, collectively constitute the “Offer”). The Warrants were issued in a private placement consummated on August 21, 2009.

This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4 under the Securities Exchange Act of 1934, as amended. The information in the Offer Letter and the related Letter of Transmittal is incorporated by reference as set forth below.

### **Item 1. Summary Term Sheet.**

The information set forth in the section of the Offer Letter titled “Summary” is incorporated herein by reference.

### **Item 2. Subject Company Information.**

#### ***(a) Name and Address.***

The name of the subject company and the filing person is ChinaNet Online Holdings, Inc., a Nevada corporation. Its principal executive offices are located at No. 3 Min Zhuang Road, Building 6, Yu Quan Hui Gu Tuspark, Haidian District, Beijing, PRC 100195. The Company’s telephone number is 86-10-51600828.

#### ***(b) Securities.***

The securities that are the subject of this Schedule TO are Warrants exercisable for an aggregate of 4,121,600 Shares of the Company.

#### ***(c) Trading Market and Price.***

The information set forth in the Offer Letter under “The Offer, Section 6. Price Range of Shares” is incorporated herein by reference.

### **Item 3. Identity and Background of Filing Person.**

#### ***(a) Name and Address.***

The Company is the subject company and the filing person. The business address and telephone number of the Company are set forth under Item 2(a) above.

The names of the executive officers and directors of the Company who are persons specified in Instruction C to Schedule TO are set forth below. The business address for each such person is c/o ChinaNet Online Holdings, Inc., No. 3 Min Zhuang Road, Building 6, Yu Quan Hui Gu Tuspark, Haidian District, Beijing, PRC 100195 and the telephone number for each such person is 86-10-51600828.

<b>Name</b>	<b>Position</b>
Handong Cheng	Chairman of the Board, Chief Executive Officer and President
Zhige Zhang	Chief Financial Officer, Treasurer and Director
George Kai Chu	Chief Operating Officer and Secretary
Hongli Xu	Chief Technology Officer
Wen Hu	Vice President, Head of Television Operations
Li Wu	Vice President, Head of 28.com
Zhiqing Chen	Director
Watanabe Mototake	Director
Douglas MacLellan	Director

**Item 4. Terms of the Transaction.**

**(a) Material Terms.**

(1)(i) The information set forth in the Offer Letter under “The Offer, Sections 1 through 13” is incorporated herein by reference. There will be no material differences in the rights of security holders as a result of this transaction.

**(b) Purchases.**

To the Company’s knowledge, no officer or director of the Company holds Warrants. See Item 8(a) herein for more information.

**Item 5. Past Contracts, Transactions, Negotiations and Arrangements.**

**(a) Agreements Involving the Subject Company’s Securities.**

The information set forth in the Offer Letter under “The Offer, Section 8. Transactions and Agreements Concerning the Company’s Securities” is incorporated herein by reference.

**Item 6. Purposes of the Transaction and Plans or Proposals.**

**(a) Purposes.**

The information set forth in the Offer Letter under “The Offer, Section 5.C. Purpose of the Offer” is incorporated herein by reference.

**(b) Uses of Securities Acquired.**

The securities will be retired.

**(c) Plans.**

No plans or proposals described in this Schedule TO or in any materials sent to the holders of the Warrants in connection with the Offer relate to or would result in the conditions or transactions described in Regulation M-A, Items 1006(c)(1)-(8) and (10). With respect to any Series A-1 Warrant, the holders have the option to receive one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and with respect to any Series A-2 Warrant, the holders have the option to receive one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof.

**Item 7. Source and Amount of Funds or Other Consideration.**

**(a) Sources of Funds.**

No funds will be used by the Company in connection with the Offer, other than funds used to pay the expenses of the Offer.

**(b) Conditions.**

Not applicable.

**(c) Borrowed funds.**

Not applicable.

**Item 8. Interest in Securities of the Subject Company.**

**(a) Securities ownership.**

The information set forth in the Offer Letter under “The Offer, Section 5.D. Interests of Directors and Officers” is incorporated herein by reference.

**(b) Securities transactions.**

The Company has not engaged in any transactions in the Warrants required to be disclosed in this Item 8(b).

**Item 9. Person/Assets, Retained, Employed, Compensated or Used.**

**(a) Solicitations or Recommendations.**

The Company has retained Empire Stock Transfer Inc. (“Empire”) to act as the Depository. The Company may contact Warrant holders by mail, telephone, facsimile, or other electronic means. Empire will receive reasonable and customary compensation for their respective services in connection with the Offer, plus reimbursement for out-of-pocket expenses. In addition, Empire will be indemnified by the Company against certain liabilities and expenses in connection therewith.

**Item 10. Financial Statements.**

**(a) Financial Information.**

Incorporated herein by reference are the Company’s financial statements that were filed with its Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2011.

**(b) Pro Forma Information.**

Not applicable.

**Item 11. Additional Information.**

The information set forth in the Offer Letter and the related Letter of Transmittal, copies of which are filed as Exhibits (a)(1)(A) and (a)(1)(B) hereto, respectively, is incorporated herein by reference.

**Item 12. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
(a)(1)(A)	Offer Letter dated December 1, 2011.
(a)(1)(B)	Letter of Transmittal (including Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9).
(a)(1)(C)	Form of Notice of Guaranteed Delivery.
(a)(1)(D)	Form of letter to brokers, dealers, commercial banks, trust companies and other nominees to their clients.

<b>Exhibit Number</b>	<b>Description</b>
(a)(1)(E)	Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees for their clients.
(a)(5)(A)	Financial statements of ChinaNet Online Holdings, Inc.*
(d)(1)	Registration Rights Agreement dated as of August 21, 2009.**
(d)(2)	Securities Purchase Agreement, dated as of August 21, 2009.**
(d)(3)	Form of Series A-1 Warrant.**
(d)(4)	Form of Series A-2 Warrant.**

\* Incorporated by reference to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2011.

\*\* Incorporated by reference herein to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2009.

**Item 13. Information Required by Schedule 13e-3.**

Not applicable.

**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

CHINANET ONLINE HOLDINGS, INC.

By: /s/ Zhige Zhang

Name: Zhige Zhang

Title: Chief Financial Officer

Date: December 1, 2011

## INDEX TO EXHIBITS

Exhibit Number	Description
(a)(1)(A)	Offer Letter dated December 1, 2011.
(a)(1)(B)	Letter of Transmittal (including Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9).
(a)(1)(C)	Form of Notice of Guaranteed Delivery.
(a)(1)(D)	Form of letter to brokers, dealers, commercial banks, trust companies and other nominees to their clients.
(a)(1)(E)	Form of letter to be used by brokers, dealers, commercial banks, trust companies and other nominees for their clients.
(a)(5)(A)	Financial statements of ChinaNet Online Holdings, Inc.*
(d)(1)	Registration Rights Agreement dated as of August 21, 2009.**
(d)(2)	Securities Purchase Agreement, dated as of August 21, 2009.**
(d)(3)	Form of Series A-1 Warrant.**
(d)(4)	Form of Series A-2 Warrant.**

\* Incorporated by reference to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2011.

\*\* Incorporated by reference herein to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 27, 2009.

**OFFER LETTER  
TO ALL HOLDERS OF WARRANTS  
TO PURCHASE SHARES OF  
CHINANET ONLINE HOLDINGS, INC.  
DECEMBER 1, 2011**

**THE OFFER PERIOD AND YOUR RIGHT TO WITHDRAW WARRANTS THAT YOU TENDER WILL EXPIRE AT 5:00 P.M., EASTERN TIME, ON DECEMBER 30, 2011, UNLESS THE OFFER PERIOD IS EXTENDED. THE COMPANY MAY EXTEND THE OFFER PERIOD AT ANY TIME.**

**THE OFFER IS BEING MADE SOLELY UNDER THIS OFFER LETTER AND THE RELATED LETTER OF TRANSMITTAL TO ALL HOLDERS OF WARRANTS. THE OFFER IS NOT BEING MADE TO, NOR WILL TENDERS BE ACCEPTED FROM OR ON BEHALF OF, HOLDERS OF WARRANTS RESIDING IN ANY JURISDICTION IN WHICH THE MAKING OF THE OFFER OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE SECURITIES, BLUE SKY OR OTHER LAWS OF SUCH JURISDICTION.**

ChinaNet Online Holdings, Inc. (the "Company" or "ChinaNet"), is making an offer (the "Offer"), upon the terms and conditions in this Offer Letter and related Letter of Transmittal (which together constitute the "Offer"), to all holders of the Company's outstanding Series A-1 warrants (the "Series A-1 Warrants") and Series A-2 warrants (the "Series A-2 Warrants" and, together with the Series A-1 Warrants, the "Warrants"), to purchase an aggregate of 4,121,600 of the Company's shares of common stock, par value \$0.001 per share (the "Shares"). The Offer is for any and all issued and outstanding Warrants and is being made in accordance with the following exchange ratios: (A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof. The exchange ratios were selected by the Company to provide the holders of the Warrants with an incentive to exchange the Warrants. The Warrants were issued in a private placement consummated on August 21, 2009. The "Offer Period" is the period commencing on December 1, 2011 and ending at 5:00 p.m., Eastern Time, on December 30, 2011, or such later date to which the Company may extend the Offer (the "Expiration Date").

The Shares are traded on the Nasdaq Global Market, or Nasdaq, under the symbol CNET. There is no current trading market for the Warrants. On November 30, 2011, the last reported sale price of the Shares was \$1.14.

**If you tender Warrants for Shares pursuant to the terms of the Offer, you will receive Shares that are "restricted securities" under the Securities Act, and therefore will bear a restrictive legend and may only be transferred pursuant to a registration statement under the Securities Act or an applicable exemption therefrom.**

The Offer is being made to all holders of Warrants. The purpose of the Offer is to reduce the number of Shares that would become outstanding upon the exercise of Warrants. In connection with the exchange of the Warrants, a holder must tender all of its Series A-1 Warrants and/or all of its Series A-2 Warrants. We will not issue fractional Shares in the Offer. Instead, we will pay a cash adjustment for any fractional share based upon the last sale price of our Shares on Nasdaq on the last trading day before the Expiration Date. Holders may also be entitled to exercise their Warrants on a cash basis during the Offer Period in accordance with the terms of the Warrant, if a registration statement with respect to the Shares underlying the Warrants is effective. A registration statement with respect to the Shares underlying the Warrants has been filed and declared effective with the Securities and Exchange Commission (File No. 333-162038).

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## TABLE OF CONTENTS

You may tender all or none of your Series A-1 Warrants and/or all or none of your Series A-2 Warrants on these terms. *If you elect to tender all of your Warrants in response to the Offer, please follow the instructions in this Offer Letter and the related documents, including the Letter of Transmittal. If you are entitled to exercise your Warrants on a cash basis in accordance with their terms, please follow the instructions for exercise included in the Warrants.*

If you tender Warrants, you may withdraw your tendered Warrants before the Expiration Date and retain them on their terms by following the instructions herein.

**Investing in the Shares involves a high degree of risk. See Section 12 of this Offer Letter for a discussion of information that you should consider before tendering Warrants in the Offer.**

The Offer will commence on December 1, 2011 (the date the materials relating to the Offer are first sent to the holders) and end on the Expiration Date. All of the currently outstanding Warrants are subject to the Offer.

A detailed discussion of the Offer is contained in this Offer Letter. Holders of Warrants are strongly encouraged to read this entire package of materials, and the publicly-filed information about the Company referenced herein, before making a decision regarding the Offer.

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THE OFFER. HOWEVER, NONE OF THE COMPANY, ITS DIRECTORS, OFFICERS OR EMPLOYEES, NOR DEPOSITARY AGENT MAKES ANY RECOMMENDATION WHETHER YOU SHOULD TENDER WARRANTS. EACH HOLDER OF A WARRANT MUST MAKE HIS, HER OR ITS OWN DECISION WHETHER TO TENDER ALL OF HIS, HER OR ITS SERIES A-1 WARRANTS OR SERIES A-2 WARRANTS.

### **IMPORTANT PROCEDURES**

If you want to tender all of your Series A-1 Warrants and/or Series A-2 Warrants, you must do one of the following before the Offer expires:

- if your Warrants are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, contact the nominee and have the nominee tender your Warrants for you; or
- if you hold Warrant certificates in your own name, complete and sign the Letter of Transmittal according to its instructions, and deliver the Letter of Transmittal, together with any required signature guarantee, the certificates for your Warrants and any other documents required by the Letter of Transmittal, to Empire Stock Transfer Inc., the depositary for the Offer ("Empire" or the "Depositary"); or

If you want to tender your Warrants, but:

- your certificates for the Warrants are not immediately available or cannot be delivered to the Depositary; or
- your other required documents cannot be delivered to the Depositary before the expiration of the Offer,

then you can still tender your Warrants if you comply with the guaranteed delivery procedure described in Section 2.

**TO TENDER YOUR WARRANTS, YOU MUST CAREFULLY FOLLOW THE PROCEDURES DESCRIBED IN THIS OFFER LETTER, THE LETTER OF TRANSMITTAL AND THE OTHER DOCUMENTS DISCUSSED HEREIN RELATED TO THE OFFER.**

**THE COMPANY WILL NOT ISSUE FRACTIONAL SHARES IN THE OFFER AND WILL PAY A CASH ADJUSTMENT FOR ANY FRACTIONAL SHARE BASED UPON THE LAST SALE PRICE OF OUR SHARES ON THE NASDAQ GLOBAL MARKET ON THE LAST TRADING DAY BEFORE THE EXPIRATION DATE.**

TABLE OF CONTENTS

If you have any questions, need assistance, or require additional copies of this Offer Letter, the Letter of Transmittal or other documents related to the Offer, please contact Yasmine Wei at [yasminewei@chinanet-online.com](mailto:yasminewei@chinanet-online.com).

The address of the Depository is:

Empire Stock Transfer Inc.  
1859 Whitney Mesa Drive  
Henderson, NV 89014

TABLE OF CONTENTS

TABLE OF CONTENTS

SECTION	PAGE
<u>SUMMARY</u>	<u>5</u>
THE OFFER	
1. <u>GENERAL TERMS</u>	<u>8</u>
2. <u>PROCEDURE FOR TENDERING WARRANTS</u>	<u>9</u>
3. <u>WITHDRAWAL RIGHTS</u>	<u>11</u>
4. <u>ACCEPTANCE OF WARRANTS AND ISSUANCE OF SHARES</u>	<u>11</u>
5. <u>BACKGROUND AND PURPOSE OF THE OFFER</u>	<u>12</u>
6. <u>PRICE RANGE OF SHARES</u>	<u>14</u>
7. <u>SOURCE AND AMOUNT OF FUNDS</u>	<u>14</u>
8. <u>TRANSACTIONS AND AGREEMENTS CONCERNING THE COMPANY'S SECURITIES</u>	<u>15</u>
9. <u>FINANCIAL INFORMATION REGARDING THE COMPANY</u>	<u>15</u>
10. <u>EXTENSION; AMENDMENTS; CONDITIONS; TERMINATION</u>	<u>15</u>
11. <u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u>	<u>16</u>
12. <u>RISK FACTORS; FORWARD-LOOKING STATEMENTS</u>	<u>17</u>
13. <u>ADDITIONAL INFORMATION; MISCELLANEOUS</u>	<u>17</u>

## TABLE OF CONTENTS

*Unless otherwise indicated in this prospectus or the context otherwise requires, all references to “we,” “us,” “our” and “the Company,” “China Net Companies” or “ChinaNet” refers collectively to ChinaNet Online Holdings, Inc. (the “Company”), China Net Online Media Group Limited, a company organized under the laws of British Virgin Islands (“ChinaNet BVI”), CNET Online Technology Limited, a Hong Kong company (“China Net HK”), which established and is the parent company of Rise King Century Technology Development (Beijing) Co., Ltd., a wholly foreign-owned enterprise (“WFOE”) established in the People’s Republic of China (“Rise King WFOE”), Business Opportunity Online (Beijing) Network Technology Co., Ltd. a PRC company (“Business Opportunity Online”), Beijing CNET Online Advertising Co., Ltd., a PRC company (“Beijing CNET Online”), and Shanghai Borongdingsi Computer Technology Co., Ltd. a PRC company (“Shanghai Borongdingsi”). An investment in our Shares involves risks. You should carefully consider the information provided under the heading “Risk Factors” beginning on page 17.*

### **SUMMARY**

The Company	ChinaNet Online Holdings, Inc., a Nevada corporation, with principal executive offices at No.3 Min Zhuang Road, Building 6, Yu Quan Hui Gu Tuspark, Haidian District, Beijing, PRC 100195. Its telephone number is 86-10-51600828.
The Warrants	<p>As of December 1, 2011, the Company had outstanding Series A-1 Warrants exercisable for an aggregate of 2,060,800 Shares and Series A-2 Warrants exercisable for an aggregate of 2,060,800 Shares. The Warrants are exercisable for an aggregate of 4,121,600 Shares.</p> <p>The exercise price per Share underlying each Series A-1 Warrant is \$3.00. By their terms, the Series A-1 Warrants will expire on August 20, 2012.</p> <p>The exercise price per Share underlying each Series A-2 Warrant is \$3.75. By their terms, the Series A-2 Warrants will expire on August 20, 2014.</p>
Market Price of the Shares	The Shares are traded on Nasdaq under the symbol CNET. There is no current trading market for the Warrants. On November 30, 2011, the last reported sale price of the Shares was \$1.14.
The Offer	<p>Until the Expiration Date, holders can Exchange (A) with respect to any Series A-1 Warrant, one (1) Share for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof.</p> <p>If a holder tenders Warrants for Shares pursuant to the terms of the Offer, the holder will receive Shares that are “restricted securities” under the Securities Act, and therefore will bear a restrictive legend and may only be transferred pursuant to a registration statement under the Securities Act or an applicable exemption therefrom. We will not issue fractional Shares in the Offer. Instead, we will pay a cash adjustment for any fractional share based upon the last sale price of our Shares on Nasdaq on the last trading day before the Expiration Date. See Section 1, “General Terms.”</p>
Reasons for the Offer	The Offer is being made to all holders of Warrants. The purpose of the Offer is to reduce the number of Shares that would become

## TABLE OF CONTENTS

	outstanding upon the exercise of Warrants. See Section 5.C., “Background and Purpose of the Offer — Purpose of the Offer.”
Expiration Date of Offer	5:00 p.m., Eastern Time, on December 30, 2011, or such date on which we may extend the Offer. All Warrants and related paperwork must be received by the Depository by this time, as instructed herein. See Section 10, “Extensions; Amendments; Conditions; Termination,” and Section 2, “Procedure for Tendering Warrants.”
Withdrawal Rights	If you tender your Warrants and change your mind, you may withdraw your tendered Warrants at any time until the Expiration Date, as described in greater detail in Section 3 herein. See Section 3, “Withdrawal Rights.”
Conditions of the Offer	<p>The conditions of the Offer are:</p> <p>(A) no action or event shall have occurred, no action shall have been taken, and no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been promulgated, enacted, entered or enforced applicable to the Offer or the exchange of Warrants for Shares under the Offer by or before any court or governmental regulatory or administrative agency, authority or tribunal of competent jurisdiction, including, without limitation, taxing authorities, that challenges the making of the Offer or the exchange of Warrants for Shares under the Offer or would reasonably be expected to, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or would reasonably be expected to otherwise adversely affect in any material manner, the Offer or the exchange of Warrants for Shares under the Offer;</p> <p>(B) there shall not have occurred:</p> <ul style="list-style-type: none"><li>• any general suspension of or limitation on trading in securities on the Nasdaq market, whether or not mandatory,</li><li>• a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, whether or not mandatory,</li><li>• a commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to the United States, or</li><li>• in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof; and</li></ul> <p>(C) there shall not have been any commission or other remuneration paid by us with respect to the solicitation of Warrant holders in connection with the Offer.</p> <p>We may terminate the Offer if any of the conditions of the Offer are not satisfied prior to the Expiration Date. See Section 10, “Extensions; Amendments; Conditions; Termination.”</p>

## TABLE OF CONTENTS

Board of Directors' Recommendation	Our Board of Directors has approved the Offer. However, none of the Company, its directors, officers or employees, or the Depositary makes any recommendation as to whether to tender Warrants. You must make your own decision as to whether to tender all of your Series A-1 Warrants or Series A-2 Warrants. See Section 1C., "General Terms — Board Approval of the Offer; No Recommendation; Holder's Own Decision."
Fractional Shares	We will not issue fractional Shares in the Offer. Instead, we will only issue whole Shares and will pay a cash adjustment for any fractional share based upon the last sale price of our Shares on Nasdaq on the last trading day before the Expiration Date.
How to Tender Warrants	To tender your Warrants, you must complete the actions described herein under Section 2 before the Offer expires. You may also contact Yasmine Wei at <a href="mailto:yasminewei@chinanet-online.com">yasminewei@chinanet-online.com</a> for assistance. See Section 2, "Procedure for Tendering Warrants."
Further Information	Please direct questions or requests for assistance, or for additional copies of this Offer Letter, Letter of Transmittal or other materials, in writing, to Yasmine Wei, No.3 Min Zhuang Road, Building 6, Yu Quan Hui Gu Tuspark, Haidian District, Beijing, PRC 100195. You may also email your questions and requests to <a href="mailto:yasminewei@chinanet-online.com">yasminewei@chinanet-online.com</a> . See Section 13, "Additional Information; Miscellaneous."

## THE OFFER

### Risks of Participating In the Offer

Participation in the Offer involves a number of risks, including, but not limited to, the risks identified in Section 12 below. Holders should carefully consider these risks and are urged to speak with their personal financial, investment and/or tax advisors as necessary before deciding whether to participate in the Offer. In addition, the Company strongly encourages you to read this Offer Letter in its entirety and review the documents referred to in Sections 8, 9, 12 and 13.

#### 1. GENERAL TERMS

*Subject to the terms and conditions of the Offer, the Company is making an offer to the holders of Warrants to tender Warrants in accordance with the following exchange ratios: (A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof. The Company will not issue fractional Shares in the Offer. Instead, we will pay a cash adjustment for any fractional share based upon the last sale price of our Shares on Nasdaq on the last trading day before the Expiration Date. Holders may also be entitled to exercise their Warrants on a cash basis during the Offer Period in accordance with the terms of the Warrant, if a registration statement with respect to the Shares underlying the Warrants is effective. A registration statement with respect to the Shares underlying the Warrants has been filed and declared effective with the Securities and Exchange Commission (File No. 333-162038).*

You may tender all or none of your Series A-1 Warrants or Series A-2 Warrants on these terms. *If you elect to tender all of your Series A-1 Warrants or Series A-2 Warrants in response to the Offer, please follow the instructions in this Offer Letter and the related documents, including the Letter of Transmittal.*

If you tender Warrants, you may withdraw your tendered Warrants before the Expiration Date and retain them on their terms by following the instructions herein.

**If you tender your Warrants for Shares pursuant to the terms of the Offer, you will receive Shares that are “restricted securities” under the Securities Act, and therefore will bear a restrictive legend and may only be transferred pursuant to a registration statement under the Securities Act or an applicable exemption therefrom.**

If you tender Warrants, you may withdraw your tendered Warrants before the Expiration Date and retain them on their terms by following the instructions herein.

##### *A. Period of Offer*

The Offer will only be open for a period beginning on December 1, 2011 and ending on the Expiration Date. The Company expressly reserves the right, in its sole discretion, at any time or from time to time, to extend the period of time during which the Offer is open. There can be no assurance, however, that the Company will exercise its right to extend the Offer.

##### *B. Partial Tender Not Permitted for Series A-1 Warrants or Series A-2 Warrants*

A holder must tender all such holder’s Series A-1 Warrants and/or all such holder’s Series A-2 Warrants. The Company will not issue fractional Shares in the Offer. Instead, we will pay a cash adjustment for any fractional share based upon the last sale price of our Shares on Nasdaq on the last trading day before the Expiration Date.

**HOLDERS MAY ALSO BE ENTITLED TO EXERCISE THEIR WARRANTS ON A CASH BASIS DURING THE OFFER PERIOD IN ACCORDANCE WITH THE TERMS OF THE WARRANT IF A REGISTRATION STATEMENT WITH RESPECT TO THE SHARES UNDERLYING THE WARRANTS IS EFFECTIVE.**

## TABLE OF CONTENTS

### *C. Board Approval of the Offer; No Recommendation; Holder's Own Decision*

**THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THE OFFER. HOWEVER, NONE OF THE COMPANY, ITS DIRECTORS, OFFICERS OR EMPLOYEES MAKES ANY RECOMMENDATION AS TO WHETHER TO TENDER WARRANTS. EACH HOLDER OF A WARRANT MUST MAKE HIS, HER OR ITS OWN DECISION AS TO WHETHER TO TENDER ALL OF HIS, HER OR ITS WARRANTS.**

### *D. Extensions of the Offer*

The Company expressly reserves the right, in its sole discretion, and at any time or from time to time, to extend the period of time during which the Offer is open. There can be no assurance, however, that the Company will exercise its right to extend the Offer. If the Company extends the Offer, it will give notice of such extension by press release or other public announcement no later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled expiration date of the Offer.

## **2. PROCEDURE FOR TENDERING WARRANTS**

### *A. Proper Tender of Warrants*

To tender Warrants validly pursuant to the Offer, a properly completed and duly executed Letter of Transmittal or photocopy thereof, together with any required signature guarantees, must be received by the Depositary at its address set forth on the last page of this document prior to the Expiration Date. The method of delivery of all required documents is at the option and risk of the tendering Warrant holders. If delivery is by mail, the Company recommends registered mail with return receipt requested (properly insured). In all cases, sufficient time should be allowed to assure timely delivery.

In the Letter of Transmittal, the tendering Warrant holder must: (i) set forth his, her or its name and address; (ii) set forth the number of Series A-1 Warrants or Series A-2 Warrants tendered; and (iii) set forth the number of the Warrant certificate(s) representing such Warrants.

Where Warrants are tendered by a registered holder of the Warrants who has completed either the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal, all signatures on the Letters of Transmittal must be guaranteed by an "Eligible Institution."

An "Eligible Institution" is a bank, broker dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as that term is defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

If the Warrants are registered in the name of a person other than the signer of the Letter of Transmittal, the Warrants must be endorsed or accompanied by appropriate instruments of assignment, in either case signed exactly as the name(s) of the registered owner(s) appear on the Warrants, with the signature(s) on the Warrants or instruments of assignment guaranteed.

A tender of Warrants pursuant to the procedures described below in this Section 2 will constitute a binding agreement between the tendering holder and the Company upon the terms and subject to the conditions of the Offer.

**ALL DELIVERIES IN CONNECTION WITH THE OFFER, INCLUDING A LETTER OF TRANSMITTAL AND THE WARRANTS, MUST BE MADE TO THE DEPOSITARY.**

**NO DELIVERIES SHOULD BE MADE TO THE COMPANY, AND ANY DOCUMENTS DELIVERED TO THE COMPANY WILL NOT BE FORWARDED TO THE DEPOSITARY AND THEREFORE WILL NOT BE DEEMED TO BE PROPERLY TENDERED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.**

## TABLE OF CONTENTS

**GUARANTEED DELIVERY.** If you want to tender your Warrants pursuant to the Offer, but (i) your Warrants are not immediately available, or (ii) time will not permit all required documents to reach the Depository prior to the Expiration Date, you can still tender your Warrants, if all the following conditions are met:

- (A) the Depository receives by hand, mail, overnight courier or fax, prior to the Expiration Date, a properly completed and duly executed Notice of Guaranteed Delivery in the form the Company has provided with this Offer Letter (with signatures guaranteed by an Eligible Institution); and
- (B) the Depository receives, within three Nasdaq trading days after the date of its receipt of the Notice of Guaranteed Delivery:
  - (1) the certificates for all tendered Warrants, and
  - (2) a properly completed and duly executed Letter of Transmittal (or copy thereof) and any other documents required by the Letter of Transmittal.

In any event, the issuance of Shares for Warrants tendered pursuant to the Offer and accepted pursuant to the Offer will be made only after timely receipt by the Depository of Warrants, properly completed, duly executed Letter(s) of Transmittal and any other required documents.

### *B. Conditions of the Offer*

The conditions of the Offer are:

- (A) there shall not have been threatened, instituted or pending any action or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or any other person, domestic or foreign, before any court, authority, agency or tribunal that directly or indirectly challenges the making of the Offer, the tender of some or all of the Warrants under the Offer or otherwise relates in any manner to the Offer;
- (B) there shall not have occurred:
  - any general suspension of or limitation on trading in securities on the Nasdaq market, whether or not mandatory,
  - a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, whether or not mandatory,
  - a commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to the United States, or
  - in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof; and
- (C) there shall not have been any commission or other remuneration paid by us with respect to the solicitation of Warrant holders in connection with the Offer.

We may terminate the Offer if any of the conditions of the Offer are not satisfied prior to the Expiration Date. In the event that we terminate the Offer, all Warrants tendered by a Warrant holder in connection with the Offer shall be returned to such Warrant holder and the Warrants will expire in accordance with their terms and will otherwise remain subject to their original terms. The Series A-1 Warrants expire on August 20, 2012 and the Series A-2 Warrants expire on August 20, 2014.

### *C. Determination of Validity*

All questions as to the form of documents and the validity, eligibility (including time of receipt) and acceptance for exchange of any tenders of Warrants will be determined by the Company, in its sole discretion, and its determination shall be final and binding, subject to the judgment of any court. The Company reserves the absolute right, subject to the judgment of any court, to reject any or all tenders of Warrants that it determines are not in proper form or reject tenders of Warrants that may, in the opinion of the Company's counsel, be unlawful. The Company also reserves the absolute right, subject to the judgment of any court, to

## TABLE OF CONTENTS

waive any defect or irregularity in any tender of Warrants. Neither the Company nor any other person will be under any duty to give notice of any defect or irregularity in tenders, nor shall any of them incur any liability for failure to give any such notice.

The tender of Warrants pursuant to the procedure described above will constitute a binding agreement between the tendering Warrant holder and the Company upon the terms and subject to the conditions of the Offer.

### *D. Signature Guarantees*

Except as otherwise provided below, all signatures on a Letter of Transmittal by a person residing in or tendering Warrants in the U.S. must be guaranteed by an Eligible Institution. Signatures on a Letter of Transmittal need not be guaranteed if (i) the Letter of Transmittal is signed by the registered holder of the Warrant(s) tendered therewith and such holder has not completed the box entitled “Special Delivery Instructions” or “Special Issuance Instructions” in the Letter of Transmittal; or (ii) such Warrant(s) are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

### **3. WITHDRAWAL RIGHTS**

***Tenders of Warrants made pursuant to the Offer may be rescinded at any time prior to the Expiration Date. Thereafter, such tenders are irrevocable. If the Company extends the period of time during which the Offer is open for any reason, then, without prejudice to the Company’s rights under the Offer and in a manner compliant with Rule 14e-1(c) of the Exchange Act, the Company may retain all Warrants tendered and tenders of such Warrants may not be rescinded, except as otherwise provided in this Section 3. Notwithstanding the foregoing, tendered Warrants may also be withdrawn, if the Company has not accepted the Warrants for exchange by the 40<sup>th</sup> business day after the initial commencement of the Offer.***

To be effective, a written notice of withdrawal must be timely received by the Depository at its address identified in this Offer Letter. Any notice of withdrawal must specify the name of the person who tendered the Warrants for which tenders are to be withdrawn and the number of Warrants to be withdrawn. If the Warrants to be withdrawn have been delivered to the Depository, a signed notice of withdrawal must be submitted to the Depository prior to release of such Warrants. In addition, such notice must specify the name of the registered holder (if different from that of the tendering Warrant holder) and the warrant numbers shown on the particular certificates evidencing the Warrants to be withdrawn. Withdrawal may not be cancelled, and Warrants for which tenders are withdrawn will thereafter be deemed not validly tendered for purposes of the Offer. However, Warrants for which tenders are withdrawn may be tendered again by following one of the procedures described in Section 2 at any time prior to the Expiration Date.

A holder who tendered his, her or its Warrants should send written notice of withdrawal to the Depository specifying the name of the Warrant holder who tendered the Warrants being withdrawn. All signatures on a notice of withdrawal must be guaranteed by a Medallion Signature Guarantor; provided, however, that signatures on the notice of withdrawal need not be guaranteed if the Warrants being withdrawn are held for the account of an Eligible Institution. Withdrawal of a prior Warrant tender will be effective upon receipt of the notice of withdrawal by the Depository. Selection of the method of notification is at the risk of the Warrant holder, and notice of withdrawal must be timely received by the Depository.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Company, in its sole discretion, which determination shall be final and binding, subject to the judgments of any courts that might provide otherwise. Neither the Company nor any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or incur any liability for failure to give any such notification, subject to the judgment of any court.

### **4. ACCEPTANCE OF WARRANTS AND ISSUANCE OF SHARES**

Upon the terms and subject to the conditions of the Offer, the Company will accept for exchange Warrants validly tendered as of the Expiration Date. The Shares to be issued will be delivered promptly following the Expiration Date. In all cases, Warrants will only be accepted for exchange pursuant to the Offer after timely receipt by the Depository of certificates for Warrants, a properly completed and duly executed Letter of Transmittal or manually signed copy thereof and the surrender of Warrants being tendered.

## TABLE OF CONTENTS

For purposes of the Offer, the Company will be deemed to have accepted for exchange Warrants that are validly tendered and for which tenders are not withdrawn, unless the Company gives written notice to the Warrant holder of its non-acceptance prior to the Expiration Date.

**If you tender Warrants for Shares pursuant to the terms of the Offer, you will receive Shares that are “restricted securities” under the Securities Act, and therefore will bear a restrictive legend and may only be transferred pursuant to a registration statement under the Securities Act or an applicable exemption therefrom.**

### **5. BACKGROUND AND PURPOSE OF THE OFFER**

#### ***A. Information Concerning ChinaNet Online Holdings, Inc.***

We are a holding company that conducts our primary businesses through our subsidiaries and operating companies, Business Opportunity Online, Beijing CNET Online, Shanghai Borongdongsi and Rise King (Shanghai) Advertisement Media Co., Ltd. We are one of China’s leading business-to-business (“B2B”) fully integrated internet service providers for expanding small and medium enterprises’ (“SMEs”) sales networks in China. Our services were founded on proprietary internet and advertising technologies that include (i) preparing and publishing rich media enabled advertising and marketing campaigns for clients on the Internet, mobile phone, television and other valued added communication channels, (ii) hosting mini-sites with online messaging and consulting functionalities, (iii) generating effective sales leads and (iv) providing online management tools to help SMEs manage the expansion of their sales networks. Our goal is to strengthen our position as the leading diversified one-stop internet service provider to SMEs for their sales network expansion in China. Our multi-channel advertising and promotion platform consists of the website [www.28.com](http://www.28.com) (“28.com”), our Internet advertising portal, ChinaNet TV, our TV production and advertising unit, and our bank kiosk advertising unit, which is primarily used as an advertising platform for clients in the financial services industry and will be further utilized as an additional value-added communication channel for SME clients.

We provide advertising, marketing and lead generation services to over 1,200 clients in a variety of consumer focused business categories including 883 active clients as of year ended December 31, 2010. Our advertising and marketing campaign services combine the Internet, mobile and television advertising, thereby maximizing advertising exposure for our clients; 28.com is a part of this advertising and promotion platform. Through the high traffic internet portal 28.com, operated through Business Opportunity Online, companies and entrepreneurs advertise their business information, brands, products and services, as well as other related business opportunities through their mini-sites hosted by 28.com. The platform also offers campaign management tools for our clients including lead generation and capture, advanced tracking, search engine marketing, search engine optimization, resource scheduling, and content management. Primarily through 28.com, our customers can build sales channels and develop relationships directly with franchisees, sales agents, distributors and/or resellers. It also functions as a one-stop destination for general public seeking new business opportunities or other business ventures. The ChinaNet TV division, which operates through Beijing CNET Online, has in-house television productions and distribution capabilities. We create and distribute television shows that are typically 10 or 20 minutes in length and broadcast on local television stations. Airtime is purchased in 40 minute blocks which are further segmented into two to four sub-blocks. The television shows are comprised of advertisements, similar to infomercials, and also include promotions for several clients during the allotted time. During 2010, we reduced the business scope of the TV division and integrated the TV division into our advertising and marketing platform as a part of the value-added services offered to our clients based on demand. The bank kiosk division, which operates through Shanghai Borongdongsi, provides interactive LCD ad displays and targets banking customers. In cooperation with the China Construction Bank, in 2009 we placed 200 interactive kiosks in its branches throughout Henan Province. During 2010, we placed an additional 175 kiosks in the branches of China Construction Bank in Henan province. In May 2010, we signed an exclusive agreement with Shanghai Rural Commercial Bank (“SRCB”) to deploy our online banking and display advertising kiosks in all 300 existing, and all future, SRCB branches. As of December 31, 2010, we installed 150 bank kiosks in SRCB branches. Each kiosk has an LCD advertising display panel, which provides advertising aimed at bank customers. The kiosk also provides Internet access on a separate screen so that customers can perform basic non-cash banking functions such as transferring money, purchasing annuities and/or insurance, and paying bills.

## TABLE OF CONTENTS

We derive our revenue principally by:

- charging our clients fixed monthly fees for the services provided by the advertising and marketing platform described above;
- charging productions fees for television and video spots;
- selling advertising time slots on our television shows and on our installed bank kiosks;
- collecting fees associated with lead generation; and
- charging brand management consulting fees to a certain group of clients.

Our principal executive offices are located at No.3 Min Zhuang Road, Building 6, Yu Quan Hui Gu Tuspark, Haidian District, Beijing, China 100195, and our telephone number is +86-10-51600828. Our website address is: <http://www.chinanet-online.com>. However, information contained on our website is not incorporated by reference into and does not constitute part of this offer letter.

### *B. Establishment of Offer Terms; Approval of the Offer*

The Company's Board of Directors met on November 28, 2011 to approve the general terms of the Offer and set the final terms of the Offer, including the exchange ratios. The Board set the exchange ratios in order to provide the holders of the Warrants with an incentive to exchange the Warrants.

### *C. Purpose of the Offer*

The Offer is being made to all holders of Warrants. The purpose of the Offer is to reduce the number of Shares that would become outstanding upon the exercise of Warrants. The Company's Board of Directors believes that by allowing holders of Warrants to exchange their Warrants as provided in the Offer, the Company can potentially reduce the substantial number of Shares that would be issuable upon exercise of the Warrants, thus providing investors and potential investors with greater certainty as to the Company's capital structure. In addition, the Company's Board of Directors believes that by reducing the number of Warrants outstanding, the Company can reduce some of the dilution that stockholders will experience upon exercise of the Warrants. The Offer is not made pursuant to a plan to periodically increase a securityholder's proportionate interest in the assets or earnings and profits of the Company.

The Warrants acquired pursuant to the Offer will be retired.

### *D. Interests of Directors and Officers*

The names of the executive officers and directors of the Company are set forth below. The business address for each such person is: c/o ChinaNet Online Holdings, Inc., No.3 Min Zhuang Road, Building 6, Yu Quan Hui Gu Tuspark, Haidian District, Beijing, PRC, 100195, and the telephone number for each such person is 86-10-5160-0828.

<u>Name</u>	<u>Position</u>
Handong Cheng	Chairman of the Board, Chief Executive Officer and President
Zhige Zhang	Chief Financial Officer, Treasurer and Director
George Kai Chu	Chief Operating Officer and Secretary
Hongli Xu	Chief Technology Officer
Wen Hu	Vice President, Head of Television Operations
Li Wu	Vice President, Head of 28.com
Zhiqing Chen	Director
Watanabe Mototake	Director
Douglas MacLellan	Director

The Company does not beneficially own any Warrants. Except as set forth below in Section 8 hereunder, there are no present plans or proposals by the Company that relate to or would result in: (a) an extraordinary corporate transaction, such as a merger, reorganization or liquidation involving the Company or any of its subsidiaries; (b) a purchase, sale or transfer of a material amount of assets of the Company or any of its

## TABLE OF CONTENTS

subsidiaries; (c) any change in the present Board of Directors or management of the Company including, but not limited to, any plans or proposals to change the number or the term of directors, to fill any existing vacancy on the Board or to change any material term of the employment contract of any executive officer; (d) any material change in the present dividend rate or policy, or indebtedness or capitalization of the Company; (e) any other material change in the Company's corporate structure or business; (f) changes in the Company's Articles of Incorporation or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (g) a class of equity security of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (h) the suspension of the issuer's obligation to file reports pursuant to Section 15(d) of the Exchange Act. The exchange of Warrants pursuant to the Offer will result in the acquisition by each tendering holder of Shares for Warrants at the exchange ratios set forth in the Offer.

THE COMPANY'S BOARD OF DIRECTORS HAS APPROVED THE OFFER. HOWEVER, NONE OF THE COMPANY, ITS DIRECTORS, OFFICERS OR EMPLOYEES MAKES ANY RECOMMENDATION WHETHER YOU SHOULD TENDER ANY WARRANTS. EACH HOLDER OF A WARRANT MUST MAKE HIS, HER OR ITS OWN DECISION WHETHER TO TENDER ALL OF HIS, HER OR ITS SERIES A-1 WARRANTS OR SERIES A-2 WARRANTS.

### **6. PRICE RANGE OF SHARES**

The Shares have been listed on the Nasdaq Global Stock Exchange under the symbol "CNET" since September 14, 2010. Prior to that time, from March 4, 2010 through September 13, 2010, the Shares were listed on the NYSE AMEX under the trading symbol "CNET." Prior to that, the Shares were quoted on the OTC Bulletin Board ("OTCBB") under the trading symbol "EMZG," until August 14, 2009, when our ticker symbol was change to "CHNT." The last reported price for the Shares on the Nasdaq Global Market on November 30, 2011 was \$1.14 per share.

The following table shows the high and low bid quotations for the Shares reported by the OTCBB during 2009, and the high and low closing sale prices for the Shares for 2010 and 2011. The OTCBB quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

<b>Year</b>	<b>Period</b>	<b>High</b>	<b>Low</b>
2009	First Quarter	\$ 1.00	\$ 1.00
	Second Quarter	\$ 2.00	\$ 0.75
	Third Quarter	\$ 4.40	\$ 1.25
	Fourth Quarter	\$ 5.30	\$ 3.00
2010	First Quarter	\$ 6.00	\$ 2.88
	Second Quarter	\$ 4.49	\$ 3.10
	Third Quarter	\$ 4.81	\$ 3.35
	Fourth Quarter	\$ 4.53	\$ 3.50
2011	First Quarter	\$ 4.65	\$ 3.25
	Second Quarter	\$ 3.80	\$ 1.34
	Third Quarter	\$ 2.60	\$ 1.15
	Fourth Quarter (through November 30, 2011)	\$ 1.32	\$ 1.04

**The Company recommends that holders obtain current market quotations for the Shares, among other factors, before deciding whether or not to tender their Warrants.**

### **7. SOURCE AND AMOUNT OF FUNDS**

Because this transaction is an offer to holders to exchange their existing Warrants for Shares, there is no source of funds or other cash consideration being paid by the Company to those tendering Warrants. We will use our existing funds to pay expenses associated with the Offer, including cash paid in lieu of fractional shares for Warrants tendered in the Offer, which are estimated to be approximately \$0.

## TABLE OF CONTENTS

### **8. TRANSACTIONS AND AGREEMENTS CONCERNING THE COMPANY'S SECURITIES**

Other than as set forth below and as set forth in the Company's Articles of Incorporation, there are no agreements, arrangements or understandings between the Company, or any of its directors or executive officers, and any other person with respect to the Shares or Warrants.

#### *August 2009 Financing Agreements*

On August 21, 2009, we entered into a securities purchase agreement with several investors, including institutional, accredited and non-US persons and entities (the "Investors"), pursuant to which we sold 4,121,600 units, comprised of 10% Series A Convertible Preferred Stock, par value \$.001 per share (the "Series A Preferred Stock"), and Series A-1 and Series A-2 Warrants, at an exercise price of \$3.00 and \$3.75, respectively, for a purchase price of \$2.50 per unit and gross proceeds of approximately \$10.3 million (the "Financing"). The issuance of the units was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Regulation D or Regulation S promulgated thereunder. Net proceeds from the Financing were approximately \$9.5 million.

In connection with the Financing, we entered into a registration rights agreement (the "Registration Rights Agreement") with the Investors in which we agreed to (i) file a registration statement (the "Registration Statement") with the Securities and Exchange Commission (the "SEC") to register the Common Stock underlying the Series A Preferred Stock, the Series A-1 Warrants and the Series A-2 Warrants, thirty (30) days after the closing of the Financing, (ii) use our best efforts to have the Registration Statement declared effective within a given time period, and (iii) keep the Registration Statement continuously effective under the Securities Act until such date as is the earlier of the date when all of the securities covered by that registration statement have been sold or the date on which such securities may be sold without any restriction pursuant to Rule 144. Subject to certain exceptions, we are required pay liquidated damages if the Registration Statement is not filed or declared effective within given time periods, or ceases to be effective during the time period effectiveness is contractually required under the Registration Rights Agreement. The Registration Statement was filed and declared effective with the SEC (File No. 333-162038).

#### *Other Agreements*

The Company has retained Empire to act as the Depositary. The Company may contact warrant holders by mail, telephone, facsimile, or other electronic means. Empire will receive reasonable and customary compensation for their respective services in connection with the Offer, plus reimbursement for out-of-pocket expenses. In addition, Empire will be indemnified by the Company against certain liabilities and expenses in connection therewith.

### **9. FINANCIAL INFORMATION REGARDING THE COMPANY**

The Company incorporates by reference its financial statements that were filed with its Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2011.

### **10. EXTENSIONS; AMENDMENTS; CONDITIONS; TERMINATION**

The Company expressly reserves the right, in its sole discretion, and at any time or from time to time, to extend the period of time during which the Offer is open. There can be no assurance, however, that the Company will exercise its right to extend the Offer. If the Company extends the Offer, it will give notice of such extension by press release or other public announcement no later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled expiration date of the Offer.

Amendments to the Offer will be made by written notice thereof to the holders of the Warrants. Material changes to information previously provided to holders of the Warrants in this Offer Letter or in documents furnished subsequent thereto will be disseminated to holders of Warrants. Also, should the Company, pursuant to the terms and conditions of the Offer, materially amend the Offer, the Company will ensure that the Offer remains open long enough to comply with U.S. federal securities laws.

The minimum period during which an Offer must remain open following any material change in the terms of the Offer or information concerning the Offer (other than a change in price, change in dealer's soliciting fee or change in percentage of securities sought, all of which require up to 10 additional business days) will depend on the facts and circumstances, including the relative materiality of such terms or information.

## TABLE OF CONTENTS

The conditions of the Offer are:

- (A) no action or event shall have occurred, no action shall have been taken, and no statute, rule, regulation, judgment, order, stay, decree or injunction shall have been promulgated, enacted, entered or enforced applicable to the Offer or the exchange of Warrants for Shares under the Offer by or before any court or governmental regulatory or administrative agency, authority or tribunal of competent jurisdiction, including, without limitation, taxing authorities, that challenges the making of the Offer or the exchange of Warrants for Shares under the Offer or would reasonably be expected to, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or would reasonably be expected to otherwise adversely affect in any material manner, the Offer or the exchange of Warrants for Shares under the Offer;
- (B) there shall not have occurred:
- any general suspension of or limitation on trading in securities on Nasdaq, whether or not mandatory,
  - a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, whether or not mandatory,
  - a commencement of a war, armed hostilities, a terrorist act or other national or international calamity directly or indirectly relating to the United States, or
  - in the case of any of the foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof; and
- (C) there shall not have been any commission or other remuneration paid by us with respect to the solicitation of Warrant holders in connection with the Offer.

We may terminate the Offer if any of the conditions of the Offer are not satisfied prior to the Expiration Date. In the event that we terminate the Offer, all Warrants tendered by a Warrant holder in connection with the Offer shall be returned to such Warrant holder and the Warrants will expire in accordance with their terms and will otherwise remain subject to their original terms. The Series A-1 Warrants expire on August 20, 2012 and the Series A-2 Warrants expire on August 20, 2014.

### **11. MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES**

*The following is a summary of the material U.S. federal income tax consequences to holders of Warrants that own and hold Warrants as capital assets, within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "Code") and that exchange Warrants for Shares pursuant to the Offer. This discussion does not address all of the tax consequences that may be relevant to a holder based on its individual circumstances and does not address tax consequences applicable to holders that may be subject to special tax rules, such as: financial institutions; insurance companies; regulated investment companies; tax-exempt organizations; dealers or traders in securities or currencies; holders that actually or constructively own 5% or more of our Shares; holders that hold Warrants as part of a position in a straddle or a hedging, conversion or integrated transaction for U.S. federal income tax purposes; holders that have a functional currency other than the U.S. dollar; holders that received their Warrants as compensation for the performance of services; or holders that are not U.S. persons for U.S. federal income tax purposes. This summary does not address any state, local or foreign income or other tax consequences of the exchange of Warrants for Shares pursuant to the Offer. Holders should consult their tax advisors as to the specific tax consequences to them of the Offer in light of their particular circumstances.*

If an entity treated as a partnership for U.S. federal income tax purposes holds Warrants, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Holders owning their Warrants through a partnership should consult their tax advisors regarding the U.S. federal income tax consequence of exchanging Warrants for Shares pursuant to the Offer.

This summary is based on the Code, applicable Treasury regulations, administrative pronouncements and judicial decisions, each as in effect on the date hereof. All of the foregoing are subject to change, possibly

## TABLE OF CONTENTS

with retroactive effect, or differing interpretations by the Internal Revenue Service or a court, which could affect the tax consequences described herein.

The exchange of Warrants for Shares pursuant to the Offer should be treated as a “recapitalization” pursuant to which (i) no gain or loss should be recognized on the exchange of Warrants for Shares, (ii) a holder’s aggregate tax basis in the Shares received in the exchange should equal the holder’s aggregate tax basis in its Warrants surrendered in exchange therefor (except to the extent of any tax basis allocated to a fractional share for which a cash payment is received in connection with the Offer), and (iii) a holder’s holding period for the Shares received in the exchange should include its holding period for the surrendered Warrants. Special tax basis and holding period rules apply to holders that acquired different blocks of Warrants at different prices or at different times. Holders should consult their tax advisors as to the applicability of these special rules to their particular circumstances. Any cash received in lieu of a fractional share pursuant to the Offer should result in gain or loss to a holder equal to the difference between the cash received and the holder’s tax basis in the fractional share.

Certain of our “significant” stockholders and securityholders exchanging Warrants for Shares pursuant to the Offer may be required to furnish certain information to the IRS, including the fair market value of the holder’s Warrants exchanged for Shares pursuant to the Offer and certain tax basis information. Holders should consult their tax advisors as to the applicability of these reporting requirements to their particular circumstances.

### **12. RISK FACTORS; FORWARD-LOOKING STATEMENTS**

This Offer Letter contains forward-looking statements. Such forward-looking statements involve certain risks and uncertainties, including statements regarding the Company’s strategic direction, prospects and future results. Certain factors, including factors outside of the Company’s control, may cause actual results to differ materially from those contained in the forward-looking statements. All forward looking statements included in this report are based on information available to the Company as of the date hereof.

An investment in our Shares involves a high degree of risk. Please refer to our filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 filed on March 31, 2011 for a discussion of these risks. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial also may impair our business operations. If any of the matters identified as potential risks materialize, our business could be harmed. In that event, the trading price of our Shares could decline.

**There is no guarantee that your decision whether to tender your Warrants in the Offer will put you in a better future economic position.**

We can give no assurance as to the price at which a stockholder may be able to sell its Shares in the future following the completion of the Offer. If you choose to tender all of your Warrants in the Offer, certain future events may cause an increase in our stock price and may result in a lower value realized now than you might realize in the future had you not agreed to exercise your Warrants. Similarly, if you do not tender your Warrants in the Offer, you will continue to bear the risk of ownership of your Warrants after the closing of the Offer, and there can be no assurance that you can sell your Warrants (or exercise them for Shares) in the future at a higher price than would have been obtained by participating in the Offer. You should consult your own individual tax and/or financial advisor for assistance on how this may affect your individual situation.

### **13. ADDITIONAL INFORMATION; MISCELLANEOUS**

The Company has filed with the Securities and Exchange Commission a Tender Offer Statement on Schedule TO, of which this Offer Letter is a part. This Offer Letter does not contain all of the information contained in the Schedule TO and the exhibits to the Schedule TO. The Company recommends that holders review the Schedule TO, including the exhibits, and the Company’s other materials that have been filed with the Securities and Exchange Commission before making a decision on whether to accept the Offer.

The Company is subject to the information requirements of the Exchange Act and in accordance therewith files and furnishes reports and other information with the SEC. All reports and other documents the

[TABLE OF CONTENTS](#)

Company has filed or furnished with the SEC, including the Schedule TO relating to the Offer, or will file or furnish with the Securities and Exchange Commission in the future, can be accessed electronically on the SEC's website at [www.sec.gov](http://www.sec.gov).

Sincerely,

ChinaNet Online Holdings, Inc.  
Beijing, China 100195

TABLE OF CONTENTS

**THE DEPOSITARY FOR THE OFFER IS:  
EMPIRE STOCK TRANSFER, INC.  
BY MAIL, HAND OR OVERNIGHT DELIVERY:**

EMPIRE STOCK TRANSFER INC.  
1859 Whitney Mesa Drive  
Henderson, NV 89014  
Attn: Patrick Mokros

**BY FAX:**

EMPIRE STOCK TRANSFER INC.  
FACSIMILE: 702-974-1444  
CONFIRM BY TELEPHONE: 702-818-5898

**IF YOU HAVE ANY QUESTIONS, NEED ASSISTANCE OR REQUIRE ADDITIONAL  
COPIES OF THIS OFFER LETTER, THE LETTER OF TRANSMITTAL OR OTHER  
DOCUMENTS RELATED TO THE OFFER, YOU MAY ALSO CONTACT  
YASMINE WEI AT YASMINEWEI@CHINANET-ONLINE.COM.**

**LETTER OF TRANSMITTAL  
TO EXCHANGE WARRANTS  
OF  
CHINANET ONLINE HOLDINGS, INC.  
PURSUANT TO THE OFFER  
DECEMBER 1, 2011**

**THE OFFER AND WITHDRAWAL EXPIRE AT 5:00 P.M., U.S.  
EASTERN TIME ON THE NIGHT OF DECEMBER 30, 2011 UNLESS THE OFFER IS EXTENDED**

*The Depositary for the Offer is:*

**Empire Stock Transfer Inc.**

**BY MAIL, HAND OR OVERNIGHT DELIVERY:**

**Empire Stock Transfer Inc.  
1859 Whitney Mesa Drive  
Henderson, NV 89014  
Attn: Patrick Mokros**

**DESCRIPTION OF WARRANTS EXCHANGED AND  
NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S)**

Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on certificate(s) (Attach additional signed list if necessary)	<u><b>SERIES A-1 WARRANTS</b></u>		
	Series A-1 Warrant Certificate Number(s)	Total Number of Shares for Which Series A-1 Warrant is Exercisable	Total Number of Shares to be Received in Exchange (1 for every 20 Shares for which Warrant is Exercisable)

Total

Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on certificate(s) (Attach additional signed list if necessary)	<u><b>SERIES A-2 WARRANTS</b></u>		
	Series A-2 Warrant Certificate Number(s)	Total Number of Shares for Which Series A-2 Warrant is Exercisable	Total Number of Shares to be Received in Exchange (1 for every 10 Shares for which Warrant is Exercisable)

Total

**PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL,  
INCLUDING THE ACCOMPANYING INSTRUCTIONS, CAREFULLY**

Ladies and Gentlemen:

The undersigned hereby tenders the above described Warrants of ChinaNet Online Holdings, Inc. (the "**Company**"), a Nevada corporation, pursuant to the Company's Offer Letter, dated December 1, 2011, and this Letter of Transmittal (which together constitute the "**Offer**").

The Board of Directors of the Company has extended the Offer to all holders of the Company's outstanding Series A-1 warrants (the "**Series A-1 Warrants**") and Series A-2 warrants (the "**Series A-2 Warrants**") and, together with the Series A-1 Warrants, the "**Warrants**"), to purchase an aggregate of 4,121,600 of the Company's shares of common stock, par value \$0.001 per share (the "**Shares**"). The Offer is for any and all issued and outstanding Warrants and is being made in accordance with the following exchange ratios: (A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions thereof.

**NO FRACTIONAL SHARES WILL BE ISSUED. WARRANTS MAY ONLY BE EXCHANGED FOR WHOLE SHARES. IN LIEU OF ISSUING FRACTIONAL SHARES, THE COMPANY WILL PAY A CASH ADJUSTMENT FOR ANY FRACTIONAL SHARE BASED UPON THE LAST SALE PRICE OF THE SHARES ON THE NASDAQ GLOBAL MARKET ON THE LAST TRADING DAY BEFORE THE EXPIRATION DATE.**

**WARRANTS NOT EXCHANGED FOR SHARES SHALL EXPIRE IN ACCORDANCE WITH THEIR TERMS AND OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS. THE SERIES A-1 WARRANTS WILL EXPIRE ON AUGUST 20, 2012 AND THE SERIES A-2 WARRANTS WILL EXPIRE ON AUGUST 20, 2014.**

***IT IS THE COMPANY'S CURRENT INTENTION NOT TO CONDUCT ANOTHER OFFER DESIGNED TO INDUCE THE EXCHANGE OF THE WARRANTS. HOWEVER, THE COMPANY RESERVES THE RIGHT TO DO SO IN THE FUTURE.***

Subject to and effective upon acceptance of the tender of the Warrants exchanged hereby in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), the undersigned hereby agrees to subscribe for and purchase the Shares, upon the exchange of Warrants for Shares as indicated on the first page of this Letter of Transmittal.

The undersigned acknowledges that the undersigned has been advised to consult with their own advisors as to the consequences of participating or not participating in the Offer.

The undersigned hereby represents and warrants to the Company that:

(a) the undersigned has full power and authority to tender and subscribe for and purchase all of the Shares of the Company which may be received upon exchange of the Warrants;

(b) the undersigned has good, marketable and unencumbered title to the Warrants, free and clear of all security interests, liens, restrictions, charges, encumbrances, conditional sales agreements or other obligations relating to their exchange, sale or transfer, and not subject to any adverse claim;

(c) on request, the undersigned will execute and deliver any additional documents the Company deems necessary to complete the exchange of the Warrants tendered hereby;

(d) the undersigned understands that tenders of Warrants pursuant to the Offer and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer; and

(e) the undersigned agrees to all of the terms of the Offer.

All authorities conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy, and legal representatives of the undersigned. Except as stated in the Offer, this tender is irrevocable.

Delivery of this Letter of Transmittal and all other documents to an address, or transmission of instructions to a facsimile number, other than as set forth above, does not constitute a valid delivery. Please read carefully the entire Letter of Transmittal, including the accompanying instructions, before checking any box below. This Letter of Transmittal is to be used only if certificates are to be forwarded herewith (or such certificates will be delivered pursuant to a Notice of Guaranteed Delivery previously sent to the depositary).

If you desire to exchange Warrants pursuant to the Offer and you cannot deliver your Warrant certificate(s) and all other documents required by this Letter of Transmittal are delivered to the depositary prior to the Expiration Date, you may tender your Warrants according to the guaranteed delivery procedures set forth in Section 2 of the Offer Letter, "Procedure for Tendering Warrants — A. Proper Tender of Warrants — Guaranteed Delivery." See Instruction 2.

**Delivery of documents to anyone other than to Empire Stock Transfer Inc. (the "Depositary") does not constitute delivery.**

*"Expiration Date" means 5:00 P.M., New York City time, on December 30, 2011, unless and until the Company, in its sole discretion, extends the Offer, in which case the "Expiration Date" means the latest time and date at which the Offer, as extended, expires.*

**THE UNDERSIGNED UNDERSTANDS THAT ACCEPTANCE OF WARRANTS BY THE  
COMPANY FOR EXCHANGE WILL CONSTITUTE A BINDING AGREEMENT  
BETWEEN THE UNDERSIGNED AND THE COMPANY UPON THE TERMS AND  
SUBJECT TO THE CONDITIONS OF THE OFFER.**

**NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.**

This Letter of Transmittal is to be completed by a holder of Warrants if Warrant Certificates are to be forwarded with this Letter of Transmittal. **Delivery of documents to the Company does not constitute delivery to the Depository.**

The undersigned hereby: (i) elects to exchange the Warrants described under “Election to Exchange” below (Box 1(a) or (b) below); and (ii) agrees to purchase the Shares issuable thereunder, in each case pursuant to the terms and subject to the conditions described in the Offer Letter and this Letter of Transmittal. Subject to, and effective upon, the Company’s acceptance of the undersigned’s election to exchange the Warrants described in Box 1 below, the undersigned hereby assigns and transfers to, or upon the order of, the Company, all right, title and interest in, to, and under the Warrants being exchanged hereby, waives any and all other rights with respect to such Warrants and releases and discharges the Company from any and all claims the undersigned may have now, or may have in the future, arising out of, or related to, such Warrants.

The undersigned hereby irrevocably constitutes and appoints the Depository as the true and lawful agent and attorney-in-fact of the undersigned with respect to the Warrants the undersigned is electing to tender, with full power of substitution (the power of attorney being deemed to be an irrevocable power coupled with an interest), to deliver the Warrants the undersigned is electing to exchange to the Company or cause ownership of such Warrants to be transferred to, or upon the order of, the Company, on the books of the Depository and deliver all accompanying evidences of transfer and authenticity to, or upon the order of, the Company upon receipt by the Company’s Depository, as the undersigned’s agent, of the Shares to which the undersigned is entitled upon acceptance by the Company of the undersigned’s election to exchange Warrants pursuant to the Offer.

Unless otherwise indicated under “Special Issuance Instructions” below (Box 2), please issue the Shares for the tendered Warrants in the name(s) of the undersigned. Similarly, unless otherwise indicated under “Special Delivery Instructions” below (Box 3), please send or cause to be sent the certificates for the Shares (and accompanying documents, as appropriate) to the undersigned at the address shown above under “Description of Warrants” (on the cover page of this Letter of Transmittal).

The undersigned understands that elections to tender Warrants pursuant to the procedures described under Section 1, “General Terms” in the Offer Letter and in the instructions to this Letter of Transmittal will constitute a binding agreement between the undersigned and the Company upon the terms of the Offer set forth in the Offer Letter under the caption Section 1, “General Terms”, and subject to the conditions of the Offer set forth in the Offer Letter under Section 2.B., “Conditions of the Offer,” subject only to withdrawal of elections to tender on the terms set forth in the Offer Letter under Section 3, “Withdrawal Rights.” All authority conferred in this Letter of Transmittal or agreed to be conferred will survive the death, bankruptcy or incapacity of the undersigned, and every obligation of the undersigned under this Letter of Transmittal will be binding upon the heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned.

The undersigned hereby represents and warrants that it has full power and authority to exchange, assign and transfer the Warrants the undersigned has elected to tender pursuant to this Letter of Transmittal. The undersigned will, upon request, execute and deliver any additional documents reasonably requested by the Company or the Depository as necessary or desirable to complete and give effect to the transactions contemplated hereby.

**NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY BEFORE  
COMPLETING THE BOXES.**

**Box 1(a)**

**ELECTION TO EXCHANGE SERIES A-1 WARRANTS**

A	B	C
Total Number of Shares for which Exchanged Series A-1 Warrants are Exercisable	Shares to be Issued (Divide Column A by twenty and round DOWN to the nearest whole number)	Fractional Shares, if any (Subtract Column B from the result of Column A divided by twenty) <sup>1</sup>

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**Box 1(b)**

**ELECTION TO EXCHANGE SERIES A-2 WARRANTS**

A	B	C
Total Number of Shares for which Exchanged Series A-2 Warrants are Exercisable	Shares to be Issued (Divide Column A by ten and round DOWN to the nearest whole number)	Fractional Shares, if any (Subtract Column B from the result of Column A divided by ten) <sup>1</sup>

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<sup>1</sup> The Company will not issue fractional shares. The Company will pay you a cash adjustment for any fractional shares based upon the last sale price of the Company's Common Stock on Nasdaq on the last trading day before the Expiration Date.

**Box 2**

**SPECIAL ISSUANCE INSTRUCTIONS**

To be completed ONLY if certificates for Shares purchased hereby are to be issued in the name of someone other than the undersigned.

Issue Share certificates:

Name(s)

(please print)

Address(es)

**Box 3**  
**SPECIAL DELIVERY INSTRUCTIONS**

To be completed ONLY if certificates for Shares of the Company purchased are to be mailed to someone other than the undersigned, or to the undersigned at an address other than that shown below.

Mail Certificates to:

Name(s)

(please print)

Address(es)

**Box 4**  
**EXCHANGING HOLDER SIGNATURE**

**PLEASE SIGN HERE**  
**(To be completed by all Warrant Holders)**  
**(U.S. Holders Please Also Complete the Enclosed IRS Form W-9)**  
**(Non U.S.-Holders Please Obtain and Complete IRS Form W-8BEN or**  
**Other Applicable IRS Form W-8)**

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**(Signature of Registered Holder(s) or Authorized Signatory)**

Dated: \_\_\_\_\_, 2011

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on certificate(s) or on a security position or by person(s) authorized to become registered holder(s) by certificate(s) and documents transmitted with his Letter of Transmittal. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or another person acting in a fiduciary or representative capacity, please set forth full title. See Instruction 5.)

Name(s)

(please print)

Address(es)

Capacity (full title):

Area Code and Telephone Number:

Tax Identification or Social Security No.:

**GUARANTEE OF SIGNATURE(S)**  
**(For use by Eligible Institutions only; see Instruction 1)**

Name of Firm:

Authorized Signature:

Name:

(please print)

Title:

Address:

Area Code and Telephone Number:

Dated: \_\_\_\_\_, 2011

**INSTRUCTIONS**  
**FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER**

**1. GUARANTEE OF SIGNATURE.**

No signature guarantee is required if either:

(a) this Letter of Transmittal is signed by the registered holder of the Warrants exactly as the name of the registered holder appears on the certificate tendered with this Letter of Transmittal and such owner has not completed the box entitled "Special Delivery Instructions" or "Special Issuance Instructions"; or

(b) such Warrants are tendered for the account of a member firm of a registered national securities exchange, a member of the Financial Industry Regulatory Authority (FINRA) or a commercial bank or trust company (not a savings bank or savings and loan association) having an office, branch or agency in the United States which is a participant in an approval Signature Guarantee Medallion Program (each such entity, an "Eligible Institution"); or

(c) the Holders of such Warrants reside outside of the U.S. and are not otherwise tendering the Warrants in the U.S.

In all other cases, an Eligible Institution must guarantee all signatures on this Letter of Transmittal. See Instruction 5.

**2. DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES; GUARANTEED DELIVERY PROCEDURES.**

This Letter of Transmittal is to be used only if:

- certificates for Warrants are delivered with it to the Depository; or
- the certificates will be delivered pursuant to a Notice of Guaranteed Delivery previously sent to the Depository.

The following documents shall be required: (a) a properly completed and duly executed Letter of Transmittal or duly executed and manually signed facsimile copy of it, in accordance with the instructions of the Letter of Transmittal (including any required signature guarantees), (b) certificates for the Warrants being tendered, and (c) any other documents required by the Letter of Transmittal, should be mailed or delivered to the Depository at the appropriate address set forth on the front page of this document and must be received by the Depository prior to the expiration of the Offer. If certificates are forwarded to the Depository in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery.

If your Warrant certificates are not immediately available, you cannot deliver your Warrants and all other required documents to the Depository prior to the Expiration Date, you may tender your Warrants pursuant to the guaranteed delivery procedure set forth in the Offer Letter. Pursuant to such procedure:

- (i) such tender must be made by or through an Eligible Institution;
- (ii) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Company (with any required signature guarantees) must be received by the Depository prior to the Expiration Date; and
- (iii) the certificates for all physically delivered Warrants in proper form for transfer by delivery, together with a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantees, and any other documents required by this Letter of Transmittal, must be received by the Depository within three Nasdaq trading days after the date the Depository receives such Notice of Guaranteed Delivery, all as provided in the Offer Letter.

The method of delivery of all documents, including Warrant certificates, the Letter of Transmittal and any other required documents, is at the election and risk of the tendering Warrant holder, and the delivery will be deemed made only when actually received by the Depository. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

Except as specifically permitted by the Offer Letter, no alternative or contingent exchanges will be accepted.

3. *INADEQUATE SPACE.* If the space provided in the box captioned “Description of Warrants Exchanged” is inadequate, the certificate numbers and/or the number of Warrants should be listed on a separate signed schedule and attached to this Letter of Transmittal.

4. *WARRANTS EXCHANGED.* A holder must exercise all of the holder’s Series A-1 Warrants or Series A-2 Warrants.

5. *SIGNATURES ON LETTER OF TRANSMITTAL.*

(a) If this Letter of Transmittal is signed by the registered holder(s) of the Warrants tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the certificate(s) without any change whatsoever.

(b) If the Warrants are held of record by two or more persons or holders, all such persons or holders must sign this Letter of Transmittal.

(c) If any tendered Warrants are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or photocopies of it) as there are different registrations of certificates.

(d) When this Letter of Transmittal is signed by the registered holder(s) of the Warrants listed and transmitted hereby, no endorsement(s) of certificate(s) representing such Warrants or separate instruments of transfer are required. EXCEPT AS OTHERWISE PROVIDED IN INSTRUCTION 1, SIGNATURE(S) ON SUCH CERTIFICATE(S) MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION. If this Letter of Transmittal is signed by a person other than the registered holder(s) of the certificate(s) listed, the certificate(s) must be endorsed or accompanied by appropriate instruments of transfer, in either case signed exactly as the name(s) of the registered holder(s) appears on the certificate(s), and the signature(s) on such certificate(s) or share power(s) must be guaranteed by an Eligible Institution. See Instruction 1.

(e) If this Letter of Transmittal or any certificate(s) or share power(s) are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and must submit proper evidence satisfactory to the Company of the authority so to act. If the certificate has been issued in the fiduciary or representative capacity, no additional documentation will be required.

6. *SPECIAL DELIVERY AND SPECIAL ISSUANCE INSTRUCTIONS.* If certificates for Shares purchased upon exchange of the Warrants are to be issued in the name of a person other than the signer of the Letter of Transmittal or if such certificates are to be sent to someone other than the person signing the Letter of Transmittal or to the signer at a different address, the boxes captioned “Special Issuance Instructions” and/or “Special Delivery Instructions” on this Letter of Transmittal must be completed as applicable and signatures must be guaranteed as described in Instruction 1.

7. *IRREGULARITIES.* All questions as to the number of Warrants to be accepted, the validity, form, eligibility (including time of receipt) and acceptance of any tender of Warrants will be determined by the Company in its sole discretion, which determinations shall be final and binding on all parties, subject to the judgment of any court. The Company reserves the absolute right to reject any or all tenders of Warrants it determines not to be in proper form or to reject those Warrants, the acceptance of which may, in the opinion of the Company’s counsel, be unlawful, subject to the judgment of any court. The Company also reserves the absolute right to waive any of the conditions of the Offer and any defect or irregularity in the tender of any particular Warrant, and the Company’s interpretation of the terms of the Offer (including these instructions) will be final and binding on all parties, subject to the judgment of any court. No tender of Warrants will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as the Company shall determine. Neither the Company nor any other person is or will be obligated to give notice of any defects or irregularities in tenders, and none of them will incur any liability for failure to give any such notice.

8. *SUBSTITUTE FORM W-9*. To avoid backup withholding of U.S. federal income tax, a tendering Warrant holder is required to provide the Depository with a correct taxpayer identification number (“TIN”) on Substitute Form W-9, which is provided herewith, and to certify, under penalties of perjury, that such TIN is correct, that such Warrant holder is not subject to backup withholding and that such Warrant holder is a “United States person” as defined for U.S. federal income tax purposes (“U.S. person”). If a tendering Warrant holder has been notified by the Internal Revenue Service (“IRS”) that such Warrant holder is subject to backup withholding, such Warrant holder must cross out item (2) of the Certification box of the Substitute Form W-9, unless such Warrant holder has since been notified by the IRS that such Warrant holder is no longer subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering Warrant holder to backup withholding (currently at 28%) on payments made in lieu of fractional shares. If the tendering Warrant holder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such Warrant holder should check the box in Part 3 of the Substitute Form W-9, and sign and date the Substitute Form W-9. If the box in Part 3 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold a portion of all payments to such Warrant holder until a TIN is provided to the Depository.

Certain Warrant holders (including, among others, certain foreign persons) may not be subject to backup withholding. Foreign Warrant holders should submit an appropriate and properly completed IRS Form W-8, a copy of which may be obtained from the Depository, in order to avoid backup withholding. Such Warrant holders should consult a tax advisor to determine which Form W-8 is appropriate. See the section entitled “Important Tax Information” and the enclosed “Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9” for more information and instructions.

9. *QUESTIONS AND REQUESTS FOR ASSISTANCE AND ADDITIONAL COPIES*. Please direct questions or requests for assistance, or for additional copies of the Offer Letter, Letter of Transmittal or other materials, in writing to:

Yasmine Wei  
No. 3 Min Zhuang Road, Building 6  
Yu Quan Hui Gu Tuspark, Haidian District  
Beijing, PRC 100195  
Email: yasminewei@chinanet-online.com

**IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A PHOTOCOPY THEREOF) TOGETHER WITH WARRANT CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY ON OR PRIOR TO 5:00 P.M., U.S. EASTERN TIME ON THE EXPIRATION DATE (AS DEFINED IN THE OFFER).**

## **IMPORTANT TAX INFORMATION**

Under U.S. federal income tax law, a Warrant holder that is a U.S. person (as defined for U.S. federal income tax purposes) surrendering Warrants must, unless an exemption applies, provide the Depository (as payer) with the Warrant holder's correct TIN on the Substitute Form W-9 included in this Letter of Transmittal. If the Warrant holder is an individual, the Warrant holder's TIN is such Warrant holder's social security number. If the correct TIN is not provided, the Warrant holder may be subject to a \$50 penalty imposed by the IRS and payments of cash to the Warrant holder (or other payee) pursuant to the Offer may be subject to backup withholding (currently at 28%).

Certain Warrant holders (including, among others, certain foreign persons) may not be subject to backup withholding and reporting requirements. In order for an exempt foreign Warrant holder to avoid backup withholding, such person should complete, sign and submit an appropriate Form W-8 signed under penalties of perjury, attesting to his, her or its foreign status. A Form W-8 can be obtained from the Depository. Such Warrant holders should consult a tax advisor to determine which Form W-8 is appropriate. Exempt Warrant holders, other than foreign Warrant holders, should furnish their TIN, check the box in Part 4 of the Substitute Form W-9 and sign, date and return the Substitute Form W-9 to the Depository in order to avoid erroneous backup withholding. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions.

If backup withholding applies, the Depository is required to withhold and pay over to the IRS a portion of any payment made to a Warrant holder. Backup withholding is not an additional tax. Rather, the federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained from the IRS.

### **Purpose of Substitute Form W-9**

To prevent backup withholding on payments that are made to a Warrant holder with respect to Shares purchased pursuant to the Offer, the Warrant holder is required to notify the Depository of the Warrant holder's correct TIN by completing the Substitute Form W-9 included in this Letter of Transmittal certifying (1) that the TIN provided on the Substitute Form W-9 is correct (or that such Warrant holder is awaiting a TIN), (2) that the Warrant holder is not subject to backup withholding because (i) the Warrant holder is exempt from backup withholding, (ii) the Warrant holder has not been notified by the IRS that the Warrant holder is subject to backup withholding as a result of a failure to report all interest and dividends or (iii) the IRS has notified the Warrant holder that the Warrant holder is no longer subject to backup withholding and (3) the Warrant holder is a U.S. person (as defined for U.S. federal income tax purposes).

### **What Number to Give the Depository**

The tendering Warrant holder is required to give the Depository the TIN, generally the social security number or employer identification number, of the record holder of the Warrants tendered hereby. If the Warrants are in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report. If the tendering Warrant holder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, such Warrant holder should check the box in Part 3 of the Substitute Form W-9, sign and date the Substitute Form W-9 and sign and date the Certificate of Awaiting Taxpayer Identification Number, which appears in a separate box below the Substitute Form W-9. If the box in Part 3 of the Substitute Form W-9 is checked and the Depository is not provided with a TIN by the time of payment, the Depository will withhold a portion of all payments of the purchase price until a TIN is provided to the Depository. If the Depository is provided with an incorrect TIN in connection with such payments, the Warrant holder may be subject to a \$50 penalty imposed by the IRS.

**THIS FORM MUST BE COMPLETED BY ALL TENDERING U.S. HOLDERS**

**PAYER'S NAME:**

SUBSTITUTE

FORM W-9

Department of the Treasury  
Internal Revenue Service

Payer's Request for Taxpayer  
Identification Number ("TIN")

Please fill in your name and  
address below.  
Name

Address (Number and Street)

City, State and Zip Code

Part 1 — PLEASE PROVIDE YOUR TIN  
IN THE BOX AT RIGHT AND CERTIFY  
BY SIGNING AND DATING BELOW.

CHECK APPROPRIATE BOX:

Individual/Sole Proprietor

C Corporation

S Corporation

Partnership

Trust/estate

Limited liability company

Enter the tax classification: \_\_\_\_\_

(C = C Corporation, S = S Corporation,  
P = Partnership)

Other

Part 2 — Certification —

Under penalties of perjury, I certify that:

(1) The number shown on this form is my correct Taxpayer Identification  
Number (or I am waiting for a number to be issued to me);

(2) I am not subject to backup withholding because: (a) I am exempt from  
backup withholding, or (b) I have not been notified by the Internal Revenue  
Service (the "IRS") that I am subject to backup withholding as a result of a  
failure to report all interest or dividends or (c) the IRS has notified me that I  
am no longer subject to backup withholding; and

(3) I am a U.S. Person (including a U.S. resident alien).

Certification Instructions — You must cross out Item (2) above if you have  
been notified by the IRS that you are subject to U.S. federal backup  
withholding because of underreporting interest or dividends on your tax  
return. However, if after being notified by the IRS that you were subject to  
backup withholding you received notification from the IRS that you are no  
longer subject to backup withholding, do not cross out Item (2).

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Social Security Number or  
Employer Identification  
Number

Part 3 —  
Awaiting TIN

Part 4 —  
Exempt

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, a portion of all reportable payments made to me will be withheld, but that such amounts will be refunded to me if I then provide a taxpayer identification number within sixty (60) days.

Signature:

Date:

**GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER.** — Social Security numbers (“SSN”) have nine digits separated by two hyphens: i.e., 000-00-0000. Employer identification numbers (“EIN”) have nine digits separated by only one hyphen: i.e., 00-0000000. The table below will help determine the number to give the payer.

**WHAT NAME AND NUMBER TO GIVE THE PAYER**

<b>For this type of account:</b>	<b>Give name and SSN of:</b>
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)
b. So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship or disregarded entity owned by an individual	The owner(3)
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation Section 1.671-4(b)(2)(i)(A))	The grantor(4)

<b>For this type of account:</b>	<b>Give name and EIN of:</b>
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate or pension trust	The legal entity(5)
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (See Regulation section 1.671-4(b)(2)(i)(B))	The trust

- (1) List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person’s number must be furnished.
- (2) Circle the minor’s name and furnish the minor’s SSN.
- (3) You must show your individual name and you may also enter your business or “DBA” name. You may use either your SSN or EIN (if you have one) but the IRS encourages you to use your SSN.
- (4) Grantor also must provide a Form W-9 to trustee of trust.
- (5) List first and circle the name of the trust, estate or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

NOTE. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

## **OBTAINING A NUMBER**

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

## **PAYEES EXEMPT FROM BACKUP WITHHOLDING**

Payees specifically exempted from backup withholding on ALL payments include the following:

- An organization exempt from tax under section 501(a), any IRA or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).
- The United States or any agency or instrumentality thereof.
- A state, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency or instrumentality thereof.

Payees that may be exempt from back-up withholding include the following:

- A corporation.
- A financial institution.
- A dealer in securities or commodities required to register in the U.S., the District of Columbia or a possession of the U.S.
- A real estate investment trust.
- A common trust fund operated by a bank under section 584(a).
- A trust exempt from tax under section 664 or described in section 4947(a)(1).
- An entity registered at all times under the Investment Company Act of 1940.
- A foreign central bank of issue.
- A futures commission merchant registered with the Commodity Futures Trading Commission.
- A middleman known in the investment community as a nominee or custodian.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the U.S. and which have at least one nonresident partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Section 404(k) distributions owned by an ESOP

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.
- Payments described in section 6049(b)(5) to non-resident aliens.

- Payments on tax-free covenant bonds under section 1451.
- Payments made by certain foreign organizations.
- Mortgage or student loan interest paid to you.

Exempt payees described above should file Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, CHECK “EXEMPT” ON THE FACE OF THE FORM, AND RETURN IT TO THE PAYER. IF THE PAYMENTS ARE INTEREST, DIVIDENDS, OR PATRONAGE DIVIDENDS, ALSO SIGN AND DATE THE FORM.

Certain payments, other than interest, dividends, and patronage dividends, that are not subject to information reporting, are also not subject to backup withholding. For details, see the regulations under sections 6041, 6041 A(a), 6042, 6044, 6045, 6049, 6050A and 6050N.

**PRIVACY ACT NOTICE** — Section 6109 requires most recipients of dividend, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold a portion of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

#### **PENALTIES**

(1) **PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER** — If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) **CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING** — If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

(3) **CRIMINAL PENALTY FOR FALSIFYING INFORMATION** — Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

(4) **MISUSE OF TINS** — If the payer discloses or uses taxpayer identification numbers in violation of federal law, the payer may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION CONTACT YOUR TAX CONSULTANT OR THE INTERNAL REVENUE SERVICE.

**NOTICE OF GUARANTEED DELIVERY  
OF WARRANTS OF  
CHINANET ONLINE HOLDINGS, INC.  
PURSUANT TO THE OFFER DATED DECEMBER 1, 2011**

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) if:

- Warrants are not immediately available or Warrant holders cannot deliver Warrants to Empire Stock Transfer Inc. (the “**Depository**”) prior to the Expiration Date, or
- Time will not permit all required documents, including a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal) and any other required documents, to reach the Depository prior to the Expiration Date.

The Offer and the related Letter of Transmittal, as amended or supplemented from time to time, together constitute the “**Offer.**”

**TO: EMPIRE STOCK TRANSFER INC.**

**BY MAIL, HAND OR OVERNIGHT DELIVERY:**

EMPIRE STOCK TRANSFER INC.  
1859 Whitney Mesa Drive  
Henderson, NV 89014  
Attn: Patrick Mokros

**BY FACSIMILE TRANSMISSION:**

EMPIRE STOCK TRANSFER INC.  
FACSIMILE: 702-974-1444  
CONFIRM BY TELEPHONE: 702-818-5898

This Notice of Guaranteed Delivery, properly completed and duly executed, may be delivered by hand, mail, overnight courier or facsimile transmission to the Depository. See Section 2 of the Offer Letter.

For this notice to be validly delivered, it must be received by the Depository at one of the above addresses before the Offer expires. Delivery of this notice to another address will not constitute a valid delivery. Delivery to the Company or the solicitation agent will not be forwarded to the Depository and will not constitute a valid delivery.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution (as defined in the Letter of Transmittal) under the instructions to the Letter of Transmittal, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

By signing this Notice of Guaranteed Delivery, you exchange, upon the terms and subject to the conditions described in the Offer and the related Letter of Transmittal, receipt of which you hereby acknowledge, the number of Warrants specified below pursuant to the guaranteed delivery procedure described in Section 2 of the Offer Letter.

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**NUMBER OF SERIES A-1 WARRANTS EXCHANGED:** \_\_\_\_\_

**NUMBER OF SERIES A-2 WARRANTS EXCHANGED:** \_\_\_\_\_

**SIGNATURES**

Signatures:

Name(s) of Warrant Holders(s): \_\_\_\_\_  
(please type or print)

Certificate Nos.: \_\_\_\_\_

Address: \_\_\_\_\_  
(Include Zip Code)

Daytime Area Code and Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

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**GUARANTEE OF DELIVERY**  
**(Not to be Used for Signature Guarantee)**

The undersigned, a bank, broker dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program or a bank, broker, dealer, credit union, savings association or other entity which is an "eligible guarantor institution," as that term is defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended, (each of the foregoing constituting an ("**Eligible Institution**"), guarantees delivery to the Depository of the Warrants tendered, in proper form for transfer, or a confirmation that the Warrants tendered have been delivered to the Depository together with a properly completed and duly executed Letter(s) of Transmittal (or a facsimile(s) thereof), and any other required documents, all within three Nasdaq Global Market trading days after the date of receipt by the Depository of this Notice of Guaranteed Delivery.

The Eligible Institution that completes this form must communicate the guarantee to the Depository and must deliver the Letter of Transmittal and certificates for Warrants to the Depository within the time set forth above. Failure to do so could result in a financial loss to such Eligible Institution.

Name of Firm: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name: \_\_\_\_\_

**(Please Print)**

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Areas Code(s) and Telephone Number(s): \_\_\_\_\_

Dated: \_\_\_\_\_, 2011

**NOTE: DO NOT SEND WARRANTS WITH THIS FORM. WARRANTS SHOULD BE SENT WITH THE LETTER OF TRANSMITTAL.**

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Offer Letter to Exchange for Shares  
by  
**CHINANET ONLINE HOLDINGS, INC.**  
of

up to 4,121,600 of its Outstanding Warrants

in accordance with the following exchange ratios:

(A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof.

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON DECEMBER 30, 2011, UNLESS THE TENDER OFFER IS EXTENDED.**

December 1, 2011

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

Enclosed for your consideration are the Offer Letter, dated December 1, 2011 (the “**Offer Letter**”), and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the “**Offer**”), in connection with the Offer by ChinaNet Online Holdings, Inc. (the “**Company**”), a Nevada corporation, to the holders of the Company’s issued and outstanding Series A-1 warrants (the “**Series A-1 Warrants**”) and Series A-2 warrants (the “**Series A-2 Warrants**”) and, together with the Series A-1 Warrants, the “**Warrants**”), to purchase an aggregate of 4,121,600 shares of common stock of the Company, par value \$0.001 per share (the “**Shares**”). The Offer is for any and all issued and outstanding Warrants and is being made in accordance with the following exchange ratios: (A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof. The “**Offer Period**” is the period of time commencing on December 1, 2011 and ending at 5:00 p.m. Eastern Time, on December 30, 2011, or such later date to which the Company may extend the Offer (the “**Expiration Date**”).

**If you tender Warrants for Shares pursuant to the terms of the Offer, you will receive Shares that are “restricted securities” under the Securities Act, and therefore will bear a restrictive legend and may only be transferred pursuant to a registration statement under the Securities Act or an applicable exemption therefrom.**

**NO FRACTIONAL SHARES WILL BE ISSUED. WARRANTS MAY ONLY BE EXCHANGED FOR WHOLE SHARES. IN LIEU OF ISSUING FRACTIONAL SHARES, THE COMPANY WILL PAY A CASH ADJUSTMENT FOR ANY FRACTIONAL SHARE BASED UPON THE LAST SALE PRICE OF THE SHARES ON NASDAQ ON THE LAST TRADING DAY BEFORE THE EXPIRATION DATE.**

**SERIES A-1 WARRANTS NOT EXCHANGED FOR SHARES SHALL EXPIRE ON AUGUST 20, 2012 IN ACCORDANCE WITH THEIR TERMS AND OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS. SERIES A-2 WARRANTS NOT EXCHANGED FOR SHARES SHALL EXPIRE ON AUGUST 20, 2014 IN ACCORDANCE WITH THEIR TERMS AND OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS.**

***IT IS THE COMPANY’S CURRENT INTENTION NOT TO CONDUCT ANOTHER OFFER DESIGNED TO INDUCE THE EXCHANGE OF THE WARRANTS. HOWEVER, THE COMPANY RESERVES THE RIGHT TO DO SO IN THE FUTURE, AS WELL AS TO EXERCISE ITS ABILITY TO REDEEM THE WARRANTS IF AND WHEN IT IS PERMITTED TO DO SO PURSUANT TO THE TERMS OF THE WARRANTS.***

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Enclosed with this letter are copies of the following documents:

1. Letter of Transmittal, for your use in accepting the Offer and exchanging Warrants of and for the information of your clients;
2. Notice of Guaranteed Delivery with respect to Warrants, to be used to accept the Offer in the event you are unable to deliver the Warrant certificates, together with all other required documents, to the Depositary before the Expiration Date (as defined in the Offer Letter), or if the procedure for book-entry transfer cannot be completed before the Expiration Date; and
3. Form of letter that may be sent to your clients for whose accounts you hold Warrants registered in your name or in the name of your nominee, along with an Instruction Form provided for obtaining such client's instructions with regard to the Offer.

**Certain conditions to the Offer are described in the Offer Letter.**

**We urge you to contact your clients promptly. Please note that the Offer and withdrawal rights will expire at 5:00 p.m., New York City Time, on December 30, 2011, unless the Offer is extended.**

Other than as described herein, the Company will not pay any fees or commissions to any broker or dealer or other person (other than the Depositary, as described in the Offer Letter) in connection with the solicitation of tenders of Warrants pursuant to the tender offer. However, the Company will, on request, reimburse you for customary mailing and handling expenses incurred by you in forwarding copies of the enclosed tender offer materials to your clients.

Questions regarding the Offer may be directed to Empire Stock Transfer Inc., 1859 Whitney Mesa Drive, Henderson, NV 89014, Attn: Patrick Mokros (telephone number: 702-818-5898).

Very truly yours,

ChinaNet Online Holdings, Inc.

**Nothing contained in this letter or in the enclosed documents shall render you or any other person the agent of the Company, the Depositary, or any affiliate of any of them or authorize you or any other person affiliated with you to give any information or use any document or make any statement on behalf of any of them with respect to the Offer other than the enclosed documents and the statements contained therein.**

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Offer Letter to Exchange for Shares  
by  
**CHINANET ONLINE HOLDINGS, INC.**  
of

up to 4,121,600 of its Outstanding Warrants

in accordance with the following exchange ratios:

(A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof.

**THE TENDER OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON DECEMBER 30, 2011, UNLESS THE TENDER OFFER IS EXTENDED.**

To Our Clients:

Enclosed for your consideration are the Offer Letter, dated December 1, 2011 (the “Offer Letter”), and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the “Offer”), in connection with the offer by ChinaNet Online Holdings, Inc. (the “Company”), a Nevada corporation, to the holders of the Company’s issued and outstanding Series A-1 warrants (the “Series A-1 Warrants”) and Series A-2 warrants (the “Series A-2 Warrants”) and, together with the Series A-1 Warrants, the “Warrants”), to purchase an aggregate of 4,121,600 shares of common stock of the Company, par value \$0.001 per share (the “Shares”). The Offer is for any and all issued and outstanding Warrants and is being made in accordance with the following exchange ratios: (A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof. The “Offer Period” is the period of time commencing on December 1, 2011 and ending at 5:00 p.m. Eastern Time, on December 30, 2011, or such later date to which the Company may extend the Offer (the “Expiration Date”).

**If you tender Warrants for Shares pursuant to the terms of the Offer, you will receive Shares that are “restricted securities” under the Securities Act, and therefore will bear a restrictive legend and may only be transferred pursuant to a registration statement under the Securities Act or an applicable exemption therefrom.**

**NO FRACTIONAL SHARES WILL BE ISSUED. WARRANTS MAY ONLY BE EXCHANGED FOR WHOLE SHARES. IN LIEU OF ISSUING FRACTIONAL SHARES, THE COMPANY WILL PAY A CASH ADJUSTMENT FOR ANY FRACTIONAL SHARE BASED UPON THE LAST SALE PRICE OF THE SHARES ON NASDAQ ON THE LAST TRADING DAY BEFORE THE EXPIRATION DATE.**

**SERIES A-1 WARRANTS NOT EXCHANGED FOR SHARES SHALL EXPIRE ON AUGUST 20, 2012 IN ACCORDANCE WITH THEIR TERMS AND OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS. SERIES A-2 WARRANTS NOT EXCHANGED FOR SHARES SHALL EXPIRE ON AUGUST 20, 2014 IN ACCORDANCE WITH THEIR TERMS AND OTHERWISE REMAIN SUBJECT TO THEIR ORIGINAL TERMS.**

***IT IS THE COMPANY’S CURRENT INTENTION NOT TO CONDUCT ANOTHER OFFER DESIGNED TO INDUCE THE EXCHANGE OF THE WARRANTS. HOWEVER, THE COMPANY RESERVES THE RIGHT TO DO SO IN THE FUTURE, AS WELL AS TO EXERCISE ITS ABILITY TO REDEEM THE WARRANTS IF AND WHEN IT IS PERMITTED TO DO SO PURSUANT TO THE TERMS OF THE WARRANTS.***

***You must tender and exchange all or none of your Series A-1 Warrants or Series A-2 Warrants. Please follow the instructions in this document and the related documents, including the accompanying Letter of Transmittal, to submit your Warrants.***

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On the terms and subject to the conditions of the Offer, the Company will allow you to exchange all Warrants properly tendered before the Expiration Date and not properly withdrawn at an exchange rate of (A) with respect to the Series A-1 Warrants, one Share in exchange for every twenty Series A-1 Warrants tendered by the holders thereof; and (B) with respect to the Series A-2 Warrants, one Share in exchange for every ten Series A-2 Warrants tendered by the holders thereof.

We are the owner of record of shares held for your account. As such, we are the only ones who can exchange and tender your Warrants, and then only pursuant to your instructions. **We are sending you the Letter of Transmittal for your information only; you cannot use it to exchange and tender Warrants we hold for your account.**

Please instruct us as to whether you wish us to exchange all or none of the Series A-1 Warrants or Series A-2 Warrants we hold for your account on the terms and subject to the conditions of the Offer.

Please note the following:

1. You may exchange your Warrants at the exchange ratios provided above.
2. The Offer is subject to certain conditions set forth in the Offer Letter.
3. The Offer and withdrawal rights will expire at 5:00 p.m., New York City time, on December 30, 2011, unless the Company extends the Offer.
4. The Offer is for up to 4,121,600 Warrants, constituting 100% of the issued and outstanding Warrants of the Company as of December 1, 2011.
5. Tendering Warrant holders who are registered Warrant holders or who tender their Warrants directly to Empire Stock Transfer Inc. will not be obligated to pay any brokerage commissions.

If you wish to have us exchange your Warrants, please so instruct us by completing, executing, detaching and returning to us the attached Instruction Form. If you authorize us to exchange your Warrants, we will tender for exchange all your Series A-1 Warrants and Series A-2 Warrants unless you specify otherwise on the attached Instruction Form.

**Your prompt action is requested. Your Instruction Form should be forwarded to us in ample time to permit us to submit a tender on your behalf before the Expiration Date of the Offer. Please note that the Offer and withdrawal rights will expire at 5:00 p.m., New York City time, on December 30, 2011, unless the Offer is extended.**

The Offer is being made solely under the Offer Letter and the Letter of Transmittal and is being made to all holders of Warrants. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Warrants residing in any jurisdiction in which the making of the tender offer or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

**The Company's Board of Directors has approved the Offer. However, neither the Company's management nor its Board of Directors, officers, or employees, nor the Depositary or Solicitation Agent makes any recommendation to any warrant holder as to whether to exchange or refrain from tendering and exchanging any Warrants. The Company has not authorized any person to make any recommendation. You should carefully evaluate all information in the Offer and should consult your own investment and tax advisors. You must decide whether to exchange your Warrants and, if so, whether to exchange all or none of your Series A-1 Warrants or Series A-2 Warrants. In doing so, you should read carefully the information in the Offer Letter and the Letter of Transmittal.**

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**Instruction Form with Respect  
to  
Offer Letter to Exchange for Shares  
by  
CHINANET ONLINE HOLDINGS, INC.  
of  
up to 4,121,600 of its Outstanding Warrants  
in accordance with the following exchange ratios:**

**(A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof.**

The undersigned acknowledges receipt of your letter and the enclosed Offer Letter, dated December 1, 2011 (the “**Offer Letter**”), and the Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the “**Offer**”), in connection with the offer by ChinaNet Online Holdings, Inc. (the “**Company**”), a Nevada corporation, to the holders of the Company’s issued and outstanding warrants (the “**Warrants**”) to purchase an aggregate of an aggregate of 4,121,600 shares of common stock of the Company, par value \$0.001 per share (the “**Shares**”). The Offer is for any and all issued and outstanding Warrants and is being made in accordance with the following exchange ratios: (A) with respect to any Series A-1 Warrant, one (1) Share in exchange for every twenty (20) Shares for which such Series A-1 Warrant is exercisable, and (B) with respect to any Series A-2 Warrant, one (1) Share in exchange for every 10 (ten) Shares for which such Series A-2 Warrant is exercisable; provided that each holder must exchange all its Series A-1 Warrants and/or all its Series A-2 Warrants pursuant to the terms and conditions hereof. The “**Offer Period**” is the period of time commencing on December 1, 2011 and ending at 5:00 p.m. Eastern Time, on December 30, 2011, or such later date to which the Company may extend the Offer (the “**Expiration Date**”).

The undersigned hereby instructs you to exchange the number of Warrants indicated below or, if no number is indicated, all Warrants you hold for the account of the undersigned, on the terms and subject to the conditions of the Offer.

In participating in the Offer, the undersigned acknowledges that: (1) the Offer is established voluntarily by the Company, it is discretionary in nature and it may be extended, modified, suspended or terminated by the Company as provided in the Offer Letter; (2) the undersigned is voluntarily participating in the Offer and is aware of the conditions of the Offer; (3) the future value of the Shares is unknown and cannot be predicted with certainty; (4) the undersigned has received the Offer Letter; and (5) regardless of any action that the Company takes with respect to any or all income/capital gains tax, social security or insurance, transfer tax or other tax-related items (“**Tax Items**”) related to the tender offer and the disposition of Warrants, the undersigned acknowledges that the ultimate liability for all Tax Items is and remains his or her sole responsibility. In that regard, the undersigned authorizes the Company to withhold all applicable Tax Items legally payable by the undersigned.

**(continued on following page)**

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**Number of Warrants to be exchanged by you for the account of the undersigned:**

**Series A-1 Warrants (must be all or none)** \_\_\_\_\_

**Series A-2 Warrants (must be all or none)** \_\_\_\_\_

**\* Fractional Shares will not be issued. Warrants may only be exchanged for whole shares. Instead, the Company will pay a cash adjustment for any fractional Share based upon the last sale price of the Shares on Nasdaq on the last trading day before the Expiration Date.**

**\*\* Unless otherwise indicated it will be assumed that all Warrants held by us for your account are to be exchanged**

Signature(s): \_\_\_\_\_

Name(s): \_\_\_\_\_

**(Please Print)**

Taxpayer Identification Number: \_\_\_\_\_

Address(es): \_\_\_\_\_

**(Including Zip Code)**

Area Code/Phone Number: \_\_\_\_\_

Date: \_\_\_\_\_, 2011

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