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ChinaNet Online Holdings Raises Full Year 2012 Net Income Guidance to \$3.1 Million

BEIJING, Oct. 11, 2012 (GLOBE NEWSWIRE) -- ChinaNet Online Holdings, Inc. (Nasdaq:CNET) (the "Company"), a leading B2B (business to business) Internet technology company focusing on providing online-to-offline ("O2O") sales channel expansion services for small and medium-sized enterprises ("SMEs") and entrepreneurial management and networking services for entrepreneurs in the People's Republic of China, today announced that the Company is raising its 2012 full year net income guidance to \$3.1 million from \$2.8 million previously provided. The revised net income guidance does not include any benefits from the proposed acquisition of the remaining 49% equity interest in Sou Yi Lian Mei Network Technology ("SouYi") announced on September 17, 2012.

"We have taken aggressive actions to improve our margins," stated Mr. George Chu, COO of ChinaNet. "The increase in our net income guidance reflects both improved expense management as well as a better than expected recovery from [28.com](#), and growth from [Liansuo.com](#) and brand management services and solutions based on our cloud-based marketing platform. As we introduce these services to a wider audience, our new web portals are gaining more and more recognition from larger sized small businesses. With the integration of SouYi, we are able to clearly divide existing and potential clients into segments for better services and higher revenue. In addition, since we initiated a cost management plan at the beginning of the year, we have started to see some rewards from this plan. However, we will not slow our talent recruitment or technology development as they will further differentiate ChinaNet from other competitors. Overall, we expect the gradual recovery in China's economy to benefit our core small business customers."

About ChinaNet Online Holdings, Inc.

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

Safe Harbor

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

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