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ChinaNet Online Holdings Announces Acquisition of Remaining Equity Interest in Sou Yi Lian Mei Network Technology Limited

BEIJING, Sept. 17, 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 it will purchase the remaining 49% of the equity interest in Sou Yi Lian Mei Network Technology (Beijing) Co. Ltd. ("SouYi") for approximately \$6.5 million in cash.

Mr. George Chu, COO of ChinaNet, explained, "This acquisition further broadens our client base to smaller startup businesses that are growing quickly and generate higher profit margins for ChinaNet. After working with SouYi's talented team over the past nine months, we became even more convinced that both companies could accelerate our growth by being fully integrated into one entity. This move will help ChinaNet to address all segments of over 40 million small businesses in China and satisfy their business expansion needs."

Founded in 2007, SouYi provides online advertising and marketing services to small startup businesses. SouYi generated approximately \$6.8 million in revenue and approximately \$2.2 million in profit in 2011 and is estimated to generate approximately \$7.8 million in revenue and approximately \$2.4 million in profit in 2012. ChinaNet will integrate SouYi into ChinaNet's advertising and marketing platform and join 28.com and Liansuo.com to serve the full range of small business clients over the next six months.

The Company will fund the acquisition through cash on hand and operating cash flows. ChinaNet expects the transaction to close by the end of the fourth quarter of 2012. Upon closing, SouYi will become a wholly-owned subsidiary of the Company.

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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