

NETWORK CN INC
Form 10QSB/A
February 22, 2007

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB/A

(Amendment No. 1)

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2006

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from ____ to ____

Commission file number 000-30264

NETWORK CN INC.

(Exact name of small business issuer as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

11-3177042
(I.R.S. Employer
Identification Number)

21/F., Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong

(Address of principal executive offices)

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(011) (852) 2833-2186

Registrant's Telephone Number, Including International Code and Area Code:

TEDA TRAVEL GROUP INC.

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 3, 2006, the Issuer had outstanding 63,742,718 shares of the Issuer's common stock, \$0.001 par value.

Transitional Small Business Disclosure Format: YES NO

1

Explanatory note

Network CN Inc. is filing this Amendment No. 1 on Form 10-Q/A to its Form 10-Q for the quarter ended September 30, 2006, to reflect the restatement of its previously issued financial statements to reclassify Goodwill as Intangible license right.

The information contained in this Amendment, including the financial statements and the notes hereto, amends only Item 1 of Part I of our originally filed Quarterly Report on Form 10-Q for the quarter ended September 30, 2006 and no other items in our originally filed Form 10-Q are amended hereby. Except for the aforementioned adjustments, this Form 10-Q/A does not materially modify or update other disclosures in the original Form 10-Q, including the nature and character of such disclosure to reflect events occurring after November 13, 2006, the filing date of the original Form 10-Q. Accordingly this Form 10-Q/A should be read in conjunction with our filings made with the United States Securities and Exchange Commission. Currently dated certifications from the our Chief Executive Officer and Chief Financial Officer have been included as exhibits to this amendment.

NETWORK CN INC.**FORM 10-QSB****INDEX**

	Page
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	3
<u>PART I. FINANCIAL INFORMATION</u>	5
<u>Item 1. Financial Statements (Unaudited)</u>	5
<u>Condensed Consolidated Balance Sheet As of September 30, 2006 (Restated)</u>	5
<u>Condensed Consolidated Statement of Operations For the Three and Nine Months Ended September 30, 2006 and 2005 (Restated)</u>	6
<u>Condensed Consolidated Statement of Cash Flows For the Nine Months Ended September 30, 2006 and 2005</u>	8
<u>Notes to Condensed Consolidated Financial Statements (Restated)</u>	9
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18
<u>Item 3. Controls and Procedures</u>	32
<u>PART II. OTHER INFORMATION</u>	33
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	33
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	33
<u>Item 6. Exhibits and Reports on Form 8-K</u>	33
<u>SIGNATURES</u>	35

Table of Contents

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

On one or more occasions, we may make forward-looking statements in this Quarterly Report on Form 10-QSB/A regarding our assumptions, projections, expectations, targets, intentions or beliefs about future events.

Words or phrases such as anticipates, may, will, should, believes, estimates, expects, intends, plans, predicts, projects, ta will continue or similar expressions identify forward-looking statements. These forward-looking statements are only our predictions and involve numerous assumptions, risks and uncertainties, including, but not limited to those listed below and those business risks and factors described elsewhere in this report and our other Securities and Exchange Commission filings.

Forward-looking statements involve risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed. We caution that while we make such statements in good faith and believe such statements are based on reasonable assumptions, including without limitation, management's examination of historical operating trends, data contained in records and other data available from third parties, we cannot assure you that our projections will be achieved. Factors that may cause such differences include but are not limited to:

- our ability to maintain normal terms with vendors and service providers;
- our ability to fund and execute our business plan;
- adverse changes in general economic and competitive conditions;
- potential additional adverse laws or regulations could have a material adverse effect on our liquidity, results of operations and financial condition; and
- our ability to maintain an effective internal control structure.

We have attempted to identify, in context, certain of the factors that we believe may cause actual future experience and results to differ materially from our current expectation regarding the relevant matter or subject area. In addition to the items specifically discussed above, our business and results of operations are subject to the uncertainties described under the caption Risk and Uncertainties which is a part of the disclosure included in Item 2 of this Report entitled Management's Discussion and Analysis of Financial Condition and Results of Operations.

From time to time, oral or written forward-looking statements are also included in our reports on Forms 10-KSB, 10-QSB and 8-K, Proxy Statements on Schedule 14A, press releases, analyst and investor conference calls, and other communications released to the public. Although we believe that at the time made, the expectations reflected in all of these forward-looking statements are and will be reasonable, any or all of the forward-looking statements in this quarterly report on Form 10-QSB/A, our reports on Forms 10-KSB and 8-K, our Proxy Statements on Schedule 14A and any other public statements that are made by us may prove to be incorrect. This may occur as a result of inaccurate assumptions or as a consequence of known or unknown risks and uncertainties. Many factors discussed in this Quarterly Report on Form 10-QSB/A, certain of which are beyond our control, will be important in determining our future performance. Consequently, actual results may differ materially from those that might be anticipated from forward-looking statements. In light of these and other uncertainties, you should not regard the inclusion of a forward-looking statement in this Quarterly Report

Table of Contents

on Form 10-QSB/A or other public communications that we might make as a representation by us that our plans and objectives will be achieved, and you should not place undue reliance on such forward-looking statements.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. However, your attention is directed to any further disclosures made on related subjects in our subsequent annual and periodic reports filed with the SEC on Forms 10-KSB, 10-QSB and 8-K and Proxy Statements on Schedule 14A.

Unless the context requires otherwise, references to we, us, our and the Company refer specifically to Network CN Inc., formerly known as Teda Travel Group Inc., and its subsidiaries.

Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****NETWORK CN INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEET****SEPTEMBER 30, 2006****(UNAUDITED)****(RESTATED)****ASSETS****CURRENT ASSETS**

Cash	\$ 3,958,031
Accounts receivable, net	296,336
Earnest deposit	1,134,003
Prepaid expenses and other current assets	444,732
Total Current Assets	5,833,102
PROPERTY AND EQUIPMENT, NET	75,480

OTHER ASSETS

Intangible license rights, net	1,069,648
Total Other Assets	1,069,648
TOTAL ASSETS	\$ 6,978,230

LIABILITIES AND STOCKHOLDERS EQUITY**CURRENT LIABILITIES**

Accounts payable and accrued expenses	\$ 727,448
Capital lease payable	5,460
Total Current Liabilities	732,908
TOTAL LIABILITIES	732,908

MINORITY INTEREST

104,811

STOCKHOLDERS EQUITY

Preferred Stock, \$0.001 par value, 5,000,000 shares none issued and outstanding	-
Common Stock, \$0.001 par value, 100,000,000 shares 61,242,718 shares issued and outstanding	61,243
Additional paid-in capital	17,871,646
Deferred stock compensation	(4,063,750)
Accumulated deficit	(7,729,568)
Accumulated other comprehensive income	940
TOTAL STOCKHOLDERS EQUITY	6,140,511
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 6,978,230

See accompanying notes to condensed consolidated financial statements.

Table of Contents

NETWORK CN INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2006 AND 2005

(UNAUDITED)

(RESTATED)

	For the Three Months Ended September 30, 2006	For the Three Months Ended September 30, 2005	For the Nine Months Ended September 30, 2006	For the Nine Months Ended September 30, 2005
Revenue	\$ 1,943,771	\$ 156,158	\$ 2,355,440	\$ 269,619
Revenue related parties	-	121,206	100,478	330,530
Revenue, Net	1,943,771	277,364	2,455,918	600,149
Costs and Expenses				
Cost of tour services	1,875,555	-	2,091,368	-
Professional fees	1,014,154	85,516	1,303,941	771,660
Payroll	313,891	104,600	708,893	352,220
Management fees	-	7,692	-	23,077
Other selling, general & admin.	274,969	135,126	650,405	476,863
Total Expenses	3,478,569	332,934	4,754,607	1,623,820
Loss from Operations	(1,534,798)	(55,570)	(2,298,689)	(1,023,671)
Other Income (Expenses)				
Interest income	7,695	71	30,431	177
Interest expense	(2,333)	(4,474)	(2,965)	(12,908)
Other income	13,864	10,081	15,097	10,081
Total Other Income (Expenses)	19,226	5,678	42,563	(2,650)
Loss Before Income Taxes and Minority Interest	(1,515,572)	(49,892)	(2,256,126)	(1,026,321)
Minority interest	(12,547)	-	(7,834)	-
Income taxes	-	5,100	7,372	28,312
Loss From Continuing Operations	(1,503,025)	(54,992)	(2,255,664)	(1,054,633)
Discontinued Operations				
Equity loss of affiliate	-	(140,047)	-	(448,923)
Gain on debt forgiveness	-	-	-	3,350,000
Gain on disposal of affiliate	-	-	579,870	-
Income (Loss) from discontinued operation	-	(140,047)	579,870	2,901,077
Net Income (Loss)	(1,503,025)	(195,039)	(1,675,794)	1,846,444

Table of Contents**Other Comprehensive Income**

Foreign currency translation gain	940	-	940	-
Comprehensive Income (Loss)	\$ (1,502,085)	\$ (195,039)	\$ (1,674,854)	\$ 1,846,444

Net Income (Loss) per Common Share - Basic

Loss per common share from continuing operations	(0.027)	(0.003)	(0.047)	(0.049)
Income (Loss) per common share from discontinued operations	-	(0.006)	0.012	0.133
Net income (loss) per				