

NETWORK CN INC
Form 10-Q
November 13, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended: September 30, 2015

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-30264

NETWORK CN INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	90-0370486
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2nd Floor, Goldsland Building, 22-26 Minden Avenue,
Tsim Sha Tsui, Kowloon, Hong Kong

(Address of principal executive offices, Zip Code)

(852) 2833-2186
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to

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submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

The number of shares outstanding of each of the issuer’s classes of common stock, as of November 13, 2015 is as follows:

Class of Securities	Shares Outstanding
Common Stock, \$0.001 par value	8,041,995

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PART I

FINANCIAL INFORMATION

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NETWORK CN INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	Note	As of September 30, 2015	As of December 31, 2014
ASSETS			
Current Assets			
Cash		\$ 6,823	\$ 22,645
Accounts receivable, net	5		11,926
Prepaid expenses and other current assets, net	6	103,222	151,571
Total Current Assets		110,045	186,142
Equipment, Net		19,867	38,528
TOTAL ASSETS		\$ 129,912	\$ 224,670
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current Liabilities			
1% convertible promissory note due 2016, net	9	\$ 5,000,000	\$ -
Accounts payable, accrued expenses and other payables	7	4,605,865	4,524,112
Capital lease obligation	8	12,825	12,144
Total Current Liabilities		9,618,690	4,536,256
Non-Current Liabilities			
1% convertible promissory note due 2016, net	9	-	5,000,000
Capital lease obligation, net of current portion	8	7,900	17,604
Total Non-Current Liabilities		7,900	5,017,604
TOTAL LIABILITIES		9,626,590	9,553,860
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STOCKHOLDERS' DEFICIT			
Preferred stock, \$0.001 par value, 5,000,000 shares authorized None issued and outstanding		-	-
Common stock, \$0.001 par value, 26,666,667 shares authorized Shares issued and outstanding: 8,041,995 and 7,718,964 as of September 30, 2015 and December 31, 2014, respectively+		8,042	7,719
Additional paid-in capital		123,667,406	123,268,503
Accumulated deficit		(134,876,160)	(134,308,106)
Accumulated other comprehensive income		1,704,034	1,702,694
TOTAL STOCKHOLDERS' DEFICIT	11	(9,496,678)	(9,329,190)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT		\$ 129,912	\$ 224,670

The accompanying notes are an integral part of the condensed consolidated financial statements.

+ As restated to give retroactive effect to the 1 for 15 shares reverse stock split which occurred on August 11, 2015.

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NETWORK CN INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS FOR THE
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(UNAUDITED)

	Note	Three Months Ended		Nine Months Ended	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
REVENUES					
Advertising services		\$ -	\$ 204,234	\$ -	\$ 667,752
COST OF REVENUES					
Cost of advertising services		-	(161,469)	-	(1,032,972)