

NETWORK CN INC
Form 10QSB/A
November 09, 2006

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 March 31, 2006

o 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)

Suite 2102, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong

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(Address of principal executive offices)

(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)

As of May 8, 2006, the Issuer had outstanding 55,239,422 shares of the Issuer's common stock, \$0.001 par value.

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

Transitional Small Business Disclosure format (Check one): YES NO

Explanatory note

This Amendment to the Quarterly Report on Form 10-QSB for the quarter ended March 31, 2006, originally filed with United States Securities and Exchange Commission on May 15, 2006, is being filed for the purpose of providing additional information in the Registrant's financial statement for the quarter ended March 31, 2006, as requested by the Securities and Exchange Commission.

TEDA TRAVEL GROUP INC.

FORM 10-QSB

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SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

On one or more occasions, we may make statements in this Quarterly Report on Form 10-QSB regarding our assumptions, projections, expectations, targets, intentions or beliefs about future events. All statements other than statements of historical facts, included or incorporated by reference herein relating to management's current expectations of future financial performance, continued growth, changes in economic conditions or capital markets and changes in customer usage patterns and preferences are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

Words or phrases such as anticipates, may, will, should, believes, estimates, expects, intends, plans, predicts, projects, will continue or similar expressions identify forward-looking statements. 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 affect 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, 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

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Form 10-QSB, 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 on Form 10-QSB 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, the Company and Teda refer specifically to Teda Travel Group Inc. and its subsidiaries.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

TEDA TRAVEL GROUP INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

MARCH 31, 2006

(UNAUDITED)

Current Assets	
Cash	\$ 4,783,812
Accounts receivable, net	324,874
Earnest deposit	1,038,461
Prepaid expenses and other current assets	98,881
Total Current Assets	\$ 6,246,028
Property and Equipment, Net	\$ 32,466
Other Assets	
Intangible license rights, net	370,860
Investment held for discontinued operations	2,420,130
Total Other Assets	\$ 2,790,990
Total Assets	\$ 9,069,484
Current Liabilities	
Accounts payable and accrued expenses	\$ 583,294
Deposit received	3,000,000
Capital lease payable	9,359
Due to related parties	105,452
Total Current Liabilities	\$ 3,698,105
Long-term Liabilities	

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Capital lease payable	\$	780
Total Long-Term Liabilities	\$	780
Total Liabilities	\$	3,698,885
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 55,180,218 shares issued and outstanding		55,180
Additional paid-in capital		11,653,745
Deferred stock compensation		(35,730)
Accumulated deficit		(6,302,596)
Total Stockholders' Equity	\$	5,370,599
Total Liabilities and Stockholders' Equity	\$	9,069,484

See accompanying notes to condensed consolidated financial statements.

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TEDA TRAVEL GROUP INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005 (RESTATED)

(UNAUDITED)

	2006	2005
Revenue	\$ 83,407	\$ 43,388
Revenue <input type="checkbox"/> related parties	105,855	100,581
Revenue, Net	\$ 189,262	\$ 143,969
Expenses		
Professional fees	91,805	432,995
Payroll	170,351	108,024
Management fees	-	7,692
Other selling, general & admin.	176,948	179,295
Total Expenses	\$ 439,104	\$ 728,006
Loss from Operations	\$ (249,842)	\$ (584,037)
Other Income (Expenses)		
Interest income	\$ 6,698	\$ -
Other income (expenses)	-	(3,003)
Total Other Income (Expenses)	\$ 6,698	\$ (3,003)
Loss Before Income Taxes and Minority Interest	\$ (243,144)	\$ (587,040)
Minority interest	1,694	-
Income taxes	7,372	10,173

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Net Loss From Continuing Operations	\$	(248,822)	\$	(597,213)
Discontinued Operations				
Loss from discontinued operation		-		(66,565)
Net Loss	\$	(248,822)	\$	(663,778)
Net Loss per Common Share - Basic				
Loss per common share from continuing operations	\$	(0.01)	\$	(0.03)
Loss per common share from discontinued operations		-		-
Net loss per common share - basic	\$	(0.01)	\$	(0.03)
Weighted Average Shares Outstanding - Basic		33,698,739		21,667,885
Net Loss per Common Share - Diluted				
Loss per common share from continuing operations	\$	(0.01)	\$	(0.03)
Loss per common share from discontinued operations		-		-
Net loss per common share - diluted	\$	(0.01)	\$	(0.03)
Weighted Average Shares Outstanding - Diluted		33,698,739		21,667,885

See accompanying notes to condensed consolidated financial statements.

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TEDA TRAVEL GROUP INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED)

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (248,822)	\$ (663,778)
Adjustments to reconcile net loss to net cash used in operating activities:		

Robert R. Bellick