

NETWORK CN INC
Form 8-K/A
April 25, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

Amendment No. 3

CURRENT REPORT

Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of report (Date of earliest event reported)

January 31, 2007

NETWORK CN INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction

000-30264
(Commission File Number)

11-3177042
(I.R.S. Employer

of Incorporation)

Identification No.)

21/F., Chinachem Century Tower, 178 Gloucester Road, Wanchai,
Hong Kong
(Address of Principal Executive Offices)

(Zip Code)

(852) 2833-2186
Registrant's Telephone Number, Including Area Code

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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EXPLANATORY STATEMENT

This Amendment No. 3 on Form 8-K/A, which amends the Company's Form 8-K filed with the Securities and Exchange Commission (the SEC) on February 2, 2007, as amended by Amended No. 1 filed with the SEC on March 30, 2007, and Amendment No. 2 filed with the SEC on April 20, 2007, is being filed to correct certain scrivener and formatting errors in the financial statements and pro forma financial information filed with Amendment No. 2. The errors corrected include the following:

(i) Line item references in the Audited Balance Sheet and Statement of Cash Flows for Shanghai Quo Advertising Company Limited for 2005 and 2006 to "notes receivable" were corrected to refer to "amounts due from a stockholder." Similar changes were made in Notes 3 and 9(c) of the Notes to such Financial Statements. Note 7, regarding income tax, was also corrected to note that income tax is computed in the People's Republic of China based on financial statements prepared in accordance with PRC GAAP and Note 9, regarding subsequent events, includes corrections to non-material errors in the previously cited amounts of consideration paid to shareholders of Shanghai Quo Advertising Company Limited for their shares.

(ii) Line item references in the Company's unaudited pro forma condensed statements of operations for both 2005 and 2006 to net loss per common share have been corrected to note that the Company had net loss and Shanghai Quo Advertising Company Limited had net earnings for such periods. The historical net earnings per common share for Shanghai Quo Advertising Company Limited have also been included for both periods.

The financial statements and pro forma financial information, as corrected, are included in their entirety in this Amendment No. 3.

Item 2.01. Completion of Acquisition or Disposition of Assets

On February 2, 2007, Network CN Inc. (the "Company") filed a Current Report on Form 8-K reporting that on January 31, 2007 it completed the acquisition of 100% interest of Shanghai Quo Advertising Company Limited (Quo Advertising), an advertising agency headquartered in Shanghai, China from Lina Zhang and Qinxiu Zhang, pursuant to an agreement dated January 24, 2007. As part of the 8-K, we indicated that the financial statements and pro forma financials required under Item 9.01 would be filed no later than 71 days following the date that the Form 8-K was required to be filed. On April 20, 2007, we filed a Current Report on Form 8-K/A containing the required financial statements and pro forma information. This Current Report on Form 8-K/A is being filed to make certain corrections to the financial statements previously filed - the required financial statements and pro forma information, as corrected, are being filed herewith in their entirety.

The description of the acquisition of Quo Advertising contained in this Item 2.01 is qualified in its entirety by reference to the full text of the Stock Transfer Agreement and Trust Agreements dated as of January 24, 2007, by and among Crown Winner International Limited, a subsidiary of the Company and Lina Zhang and Qinxiu Zhang, which were filed as Exhibit 10.1 to 10.10 to the Current Report on Form 8-K/A filed with the SEC on March 30, 2007, which is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of businesses acquired.

Audited financial statements of Shanghai Quo Advertising Company Limited for the years ended December 31, 2006 and 2005, including the notes thereto.

(b) Pro forma financial information.

Unaudited pro forma condensed consolidated balance sheet of Network CN Inc. as at December 31, 2006.

Unaudited pro forma condensed consolidated statement of operations of Network CN Inc. for the years ended December 31, 2006 and 2005.

(c) Not applicable.

(d) Exhibits

- 10.1 * Stock Transfer Agreement dated January 24, 2007, incorporated by reference to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2007.
- 10.2 ** Agreement for Nominee Shareholding between Crown Winner International Limited and Lina Zhang dated January 24, 2007.
- 10.3 ** Agreement for Nominee Shareholding between Crown Winner International Limited and Qinxu Zhang dated January 24, 2007.
- 10.4 ** Letter of Guarantee Concerning the Obligation to Compensate between Crown Winner International Limited and Lina Zhang dated January 24, 2007.
- 10.5 ** Letter of Guarantee Concerning the Obligation to Compensate between Crown Winner International Limited and Qinxu Zhang dated January 24, 2007.
- 10.6 ** Declaration of Trust by Lina Zhang dated January 24, 2007.
- 10.7 ** Declaration of Trust by Qinxu Zhang dated January 24, 2007.
- 10.8 ** Letter of Resignation from Directorship by Lina Zhang.
- 10.9 ** Letter of Resignation from Directorship by Qinxu Zhang.
- 10.10 ** Letter of Resignation from acting as Legal Representative by Lina Zhang.
- 23.1 Consent of Jimmy C.H. Cheung & Co., Certified Public Accountants.
- 99.1 Audited financial statements of Shanghai Quo Advertising Company Limited for the years ended December 31, 2006 and 2005.
- 99.2 Unaudited pro forma condensed consolidated balance sheet of Network CN Inc. as at December 31, 2006.
Unaudited pro forma condensed consolidated statement of operations of Network CN Inc. for the years ended December 31, 2006 and 2005.

* Incorporated by reference to the Company's Current Report on Form 8-K filed with the SEC on January 25, 2007.

** Incorporated by reference to the Company's Current Report on Form 8-K/A filed with the SEC on March 30, 2007.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED THEREUNTO DULY AUTHORIZED.

NETWORK CN INC.

Date: April 25 , 2007

By: /s/ Daley Mok
Daley Mok
Chief Financial Officer

INDEX TO EXHIBITS

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