NETWORK CN INC
Form 10-K
April 15, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2014

o 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 Number)

Room 801A and 807B, 8/F, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong

(Address of principal executive offices)
+ (852) 2833-2186

(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act: NONE
Securities registered pursuant to Section 12(g) of the Exchange Act:
Common Stock, $0.001 Par Value

(Title of Each Class)

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act. Yes o No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

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 þ No o

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 submit and post such files). Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

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. (Check one):

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

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

As of June 30, 2014, the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold was approximately $5.4 million.

The number of shares outstanding of each of the issuer's classes of common stock, as of April 15, 2015 is as follows:

Class of Securities	Shares Outstanding
Common Stock, $0.001 par value	116,628,217

NETWORK CN INC.

TABLE OF CONTENTS

PART I			
	Item 1.	Business	2
	Item 1A.	Risk Factors	11
	Item 1B.	Unresolved Staff Comments	11
	Item 2.	Properties	11
	Item 3.	Legal Proceedings	11
	Item 4.	Mine Safety Disclosures	11
PART II			
	Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	12
	Item 6.	Selected Financial Data	13
	Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	14
	Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	25
	Item 8.	Financial Statements and Supplementary Data	26
	Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	26
	Item 9A.	Controls and Procedures	26
	Item 9B.	Other Information	27
PART III			
	Item 10.	Directors, Executive Officers and Corporate Governance	27
	Item 11.	Executive Compensation	31
	Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	37
	Item 13.	Certain Relationships and Related Transactions, and Director Independence	40
	Item 14.	Principal Accounting Fees and Services	41
PART IV			
	Item 15.	Exhibits, Financial Statement Schedules	42
SIGNATURES			45
FINANCIAL STATEMENTS			F-1

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements contained in this annual report include "forward-looking statements" within the meaning of such term in Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause actual financial or operating results, performances or achievements expressed or implied by such forward-looking statements not to occur or be realized. Forward-looking statements made in this annual report generally are based on our best estimates of future results, performances or achievements, predicated upon current conditions and the most recent results of the companies involved and their respective industries. Forward-looking statements may be identified by the use of forward-looking terminology such as "may", "will", "could", "should", "project", "expect", "believe", "estimate", "anticipate", "intend", "conti "opportunity" or similar terms, variations of those terms or the negative of those terms or other variations of those terms or comparable words or expressions. Potential risks and uncertainties include, among other things, such factors as:

- our potential inability to raise additional capital;
- changes in domestic and foreign laws, regulations and taxes;
- uncertainties related to China's legal system and economic, political and social events in China;
- Securities and Exchange Commission regulations which affect trading in the securities of "penny stocks;" and
- changes in economic conditions, including a general economic downturn or a downturn in the securities markets.

Readers are urged to carefully review and consider the various disclosures made by us in this annual report and our other filings with the U.S. Securities and Exchange Commission (the "SEC"). These reports attempt to advise interested parties of the risks and factors that may affect our business, financial condition and results of operations and prospects. The forward-looking statements made in this annual report speak only as of the date hereof and we disclaim any obligation to provide updates, revisions or amendments to any forward-looking statements to reflect changes in our expectations or future events.

USE OF TERMS

Except as otherwise indicated by the context, references in this annual report to:

- "BVI" are references to the British Virgin Islands;
- "Botong" are references to Huizhi Botong Media Advertising Beijing Co., Ltd., a PRC limited company;
- "China" and "PRC" are to the People's Republic of China;
- "Cityhorizon BVI" are references to Cityhorizon Limited, a BVI limited company;
- the "Company", "NCN", "we", "us", or "our", are references to Network CN Inc., a Delaware corporation and its direct and indirect subsidiaries: NCN Group Limited, or NCN Group, a BVI limited company; NCN Media Services Limited, a BVI limited company; NCN Group Management Limited, or NCN Group Management, a Hong Kong limited company; Crown Winner International Limited, or Crown Winner, a Hong Kong Limited company, and its subsidiary, Business Boom Investments Limited, a BVI Limited company and its variable interest entity, Xingpin Shanghai Advertising Limited; Crown Eagle Investments Limited, a Hong Kong limited company; NCN Group (HK) Limited, a Hong Kong limited company; Cityhorizon Limited, or Cityhorizon Hong Kong, a Hong Kong limited company, and its subsidiary, Huizhong Lianhe Media Technology Co., Ltd., or Lianhe, a PRC limited company; Linkrich Enterprise Advertising and Investment Limited, or Linkrich Enterprise, a Hong Kong limited company, and its subsidiaries, Yi Gao Shanghai Advertising Limited, or Yi Gao, a PRC limited company and Chuanghua Shanghai advertising Limited, a PRC limited company; NCN Huamin Management Consultancy (Beijing) Company Limited, or NCN Huamin, a PRC limited company; and the Company's variable interest entity, Beijing Huizhong Bona Media Advertising Co., Ltd., or Bona, a PRC limited company;

- "NCN Management Services" are references to NCN Management Services Limited, a BVI limited company;

- “Quo Advertising ” are references to Shanghai Quo Advertising Co. Ltd, a PRC limited company;
- “RMB” are to the Renminbi, the legal currency of China;
- the “Securities Act” are to the Securities Act of 1933, as amended; and the “Exchange Act” are to the Securities Exchange Act of 1934, as amended;
- “U.S. dollar”, “$” and “US$” are to the legal currency of the United States; and

1

PART I

ITEM 1. BUSINESS

Overview of Our Business

Our mission is to become a nationwide leader in providing out-of-home advertising in China, primarily serving the needs of branded corporate customers. We seek to acquire rights to install and operate roadside advertising panels and mega-size advertising panels in the major cities in China. In most cases, we are responsible for installing advertising panels, although in some cases, advertising panels might have already been installed, and we will be responsible for operating and maintaining the panels. Once the advertising panels are put into operation, we sell advertising airtime to our customers directly. Since late 2006, we have been operating an advertising network of roadside LED digital video panels, mega-size LED digital video billboards and light boxes in major Chinese cities. Light Emitting Diode, or LED, technology has evolved to become a new and popular form of advertising in China, capable of delivering crisp, super-bright images both indoors and outdoors. During 2013, we extended our business direction to not just selling air-time for its media panels but also started working closely with property developers in media planning for the property at the very early stage. As a media planner we share the advertising profits with the property developers without paying significant rights fees, so we expect to achieve a positive return from these projects.

Total advertising revenues were $683,749, $891,366 and $1,835,940 for the years ended December 31, 2014, 2013 and 2012 respectively. Our net loss was $2,484,932, $3,893,493 and $1,210,629 for the years ended December 31, 2014, 2013 and 2012 respectively. Our results of operations were negatively affected by a variety of factors, which led to less than expected revenues and cash inflows during the fiscal year 2014, including the following:

- slower economic growth in PRC
- the rising costs to acquire advertising rights due to competition among bidders for those rights;
- slower than expected consumer acceptance of the digital form of advertising media;
- strong competition from other media companies; and
- many customers continued to be cost-conscious in their advertising budget especially on our new digital form of media.

To address these unfavorable market conditions, we continue to implement cost-cutting measures, including reductions in our workforce, office rentals, selling and marketing related expenses and other general and administrative expenses. We have also re-assessed the commercial viability of each of our concession rights contracts and have terminated those that we determined were no longer commercially viable due to high annual fees. Management has also successfully negotiated some reductions in advertising operating rights fees under the remaining contracts. Since the latter half of 2011, we have expanded our focus from LED media and have actively explored new prominent media projects in order to provide a wider range of media and advertising services and improve our financial performance.

In order to increase our operational efficiency and effectiveness, in early 2010, we began to restructure our organization by consolidating our PRC operations into one directly owned PRC entity, Yi Gao. For details, please refer to Item 1 – Business, “History - Corporate Restructuring” below.

Recent Developments

Extension of Convertible Promissory Notes

On November 19, 2007, the Company entered into a Note and Warrant Purchase Agreement, as amended (the "Purchase Agreement") with Shanghai Quo Advertising Co. Ltd and affiliated investment funds of Och-Ziff Capital Management Group (the "Investors") pursuant to which it agreed to issue in three tranches, 3% Senior Secured Convertible Promissory Notes due June 30, 2011, in the aggregate principal amount of up to $50,000,000 (the "3% Convertible Promissory Notes") and warrants to acquire an aggregate amount of 6,857,143 shares of the Company's Common Stock (the "Warrants"). Between November 19 - 28, 2007, the Company issued 3% Convertible Promissory Notes in the aggregate principal amount of $15,000,000, Warrants to purchase shares of the Company's common stock at $12.50 per share and Warrants to purchase shares of the Company's common stock at $17.50 per share. On January 31, 2008, the Company amended and restated the previously issued 3% Convertible Promissory Notes and issued to the Investors 3% Convertible Promissory Notes in the aggregate principal amount of $50,000,000 (the "Amended and Restated Notes"), Warrants to purchase shares of the Company's common stock at $12.50 per share and Warrants to purchase shares of the Company's common stock at $17.50 per share. In connection with the Amended and Restated Notes, the Company entered into a Security Agreement, dated as of January 31, 2008 (the "Security Agreement"), pursuant to which the Company granted to the collateral agent for the benefit of the Investors, a first-priority security interest in certain of the Company's assets, and 66% of the equity interest in the Company.

Table of Contents

On April 2, 2009, we entered into the Note Exchange Agreement with certain Investors, pursuant to which the parties agreed to cancel the Amended and Restated Notes in the principal amount of $5 million held by such Investors (including accrued and unpaid interest thereon), and all the Warrants, in exchange for our issuance of 1% Unsecured Senior Convertible Notes due 2012 in the principal amount of $5 million, or the 1% Convertible Promissory Notes. The 1% Convertible Promissory Notes bear interest at 1% per annum, were payable semi-annually in arrears, and matured on April 1, 2012. They were convertible at any time into shares of our common stock at an initial conversion price of $0.1163 per share, subject to customary anti-dilution adjustments. In the event of a default, the Note Holders have the right to redeem the 1% Convertible Promissory Notes at 110% of the principal amount, plus any accrued and unpaid interest. The parties also agreed to terminate the Security Agreement and release all security interests arising out of the Purchase Agreement and the Amended and Restated Notes.

The 1% Convertible Promissory Notes matured on April 1, 2012 and the Company issued new 1% convertible promissory notes (the “New 1% Convertible Promissory Notes”) to the Note Holders which were payable semi-annually in arrears, and were scheduled to mature on April 1, 2014, and are convertible at any time by the Note Holders into shares of the Company’s common stock at an initial conversion price of $0.09304 per share, subject to customary anti-dilution adjustments. In addition, in the event of a default, the Note Holders will have the right to redeem the New 1% Convertible Promissory Notes at 110% of the principal amount, plus any accrued and unpaid interest. On March 12, 2014, the Company and Note Holders agreed to extend the maturity date of the New 1% Convertible Promissory Notes to April 1, 2016 with other terms remaining unchanged and the Company issued new 1% convertible promissory notes will mature in 2016 to the Note Holders.

Completes Additional Private Placement

On February 24, 2014, the Company completed three private placements of 7.5 million shares of restricted common stock at $0.1 per share. The transaction took place with three investors and generated gross proceeds of $750,000 for the year ended December 31, 2014. Net proceeds from the financing will be used for general corporate purposes including initiation of activities related to the Company's proposed business in China.

The offering was made pursuant to an exemption from registration with the SEC pursuant to Regulation S. The securities have not been registered under the Securities Act of 1933 or any state securities laws and unless so registered may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933 and applicable state securities laws. The Company did not grant any registration rights to the new shareholders with respect to the Shares in the offering.

New Advertising Media Projects

In February 2014, we entered into a Cross Selling Agreement with Grand Vision Media Limited (“Grand Vision”) to cross sell our respective products. Grand Vision has its well-established sales team in Beijing, Guangzhou and Hong Kong, and we believe that we can leverage their sales force and enlarge our customer base. Grand Vision has the exclusive rights to operate the advertising panels at “Stellar International Theater Chain” theaters and they plan to install glasses-free 3D LED panels. At present, Stellar International Cineplex has established 56 modern cineplexes in many major cities in China, such as Beijing, Shanghai, Chengdu, Chongqing, Xuzhou, Tianjin, Shenyang, Lanzhou, Guangzhou, Qingdao and Hohhot. SMI Corp Ltd (“SMI”), the operator of Stellar International Theater Chain”, is a leading China theaters’ operator, currently engaged in movie theater operation, film operation, film investment, in-theater counter sales and online shopping. SMI offers more than 20 types of advertising and has planned to build 50 mega LED displayers per annum to attract potential advertisers. As SMI’s theaters network continues to expand, we believe that advertising platform will significantly benefit from its synergies effect. The rapid development of the Chinese film industry in recent years makes it as one of the world’s largest markets. Benefiting from China robust economy together with the improvement of its income per capita and urbanization rate, the Chinese film industry continues to flourish.

Identification of Potential Projects

We have extended our business direction to not just selling air-time for its media panels but started working closely with property developers in media planning for the property at the very early stage. By doing so, we are able to attract several property developers to grant us media rights within the whole property. These will include exhibition and conference centres, shopping malls, etc. This new business model will create a closer working relationship between the property owners and the Company as the property owners welcome a more thorough and well-planned media layout in their property at an early stage. Under this approach, we believe the property owners are more eager to work with us and even more ready to invest in the installation of media panels.

The Company will continually explore new media projects in order to provide a wider range of media and advertising services, rather than focusing primarily on LED media. The Company has identified several such potential projects which it intends to aggressively pursue in the coming year.

Table of Contents

History

We were incorporated under the laws of the State of Delaware on September 10, 1993, under the name EC Capital Limited. Our predecessor companies were involved in a variety of businesses and were operated by various management teams under different operating names. Between 2004 and 2006 we operated under the name Teda Travel Group Inc., which was primarily engaged in the provision of management services to hotels and resorts in China. On August 1, 2006, we changed our name to “Network CN Inc.” in order to better reflect our new vision to build a nationwide information and entertainment network in China.

From early 2006 until 2008, we had two business divisions: our Media Business Division and a Non-Media Business Division. We initially focused on the Non-Media Business Division, which was mainly comprised of a travel network through which we provided agency tour services and hotel management services. In 2006 and 2007, we earned substantially all of our revenues from providing tour services both inside and outside of the PRC. We also provided day-to-day management services to hotels and resorts in the PRC. During the latter half of 2006, we adjusted our primary focus away from the tourism and hotel management business to the building of a media network with the goal of becoming a nationwide leader in out-of-home, digital display advertising, roadside LED digital video panels and mega-size video billboards. In November 2006 we secured our first media-related contract for installing and managing out-of-home LED advertising video panels. In 2007, we secured further rights to operate mega-size LED and roadside LED panels in prominent cities in the PRC through either entering business agreements with authority parties or business combination exercise, and began generating revenues from our Media Business.

Corporate Restructuring

Started in 2011, we maintain our PRC office in Shanghai only and our advertising business is run through our PRC advertising entity Yi Gao. In order to comply with PRC regulations governing foreign ownership in the advertising industry in China, our operations and advertising business is also run through commercial arrangements with our PRC operating company, namely Xingpin. As we have extended our business direction recently, in 2014, we established a new wholly owned foreign enterprise, Chuanghua Shanghai Advertising Limited (“Chuanghua”) and Jiahe Shanghai Advertising Limited (“Jiahe”).

Corporate Structure

The following chart reflects our organization structure as of the date of this annual report:

Table of Contents

Available Information

We file with the SEC our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to reports to be filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended. The public may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549, on official business days during the hours of 10 a.m. to 3 p.m. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Our corporate headquarters are located at Room 801A and 807B, 8/F, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, Special Administrative Region of the People's Republic of China. Our telephone number is + (852) 2833-2186. We maintain a website at www.ncnmedia.com that links to our electronic SEC filings and contains information about our subsidiaries which is not a part of this report. All the above documents are available free of charge on our website as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC.

Table of Contents

Industry Overview

The world economy continued to struggle through uncertainty about the European sovereign debt crisis and the strength of the economic recovery in the United States which, in turn, hampered global economic revival since 2013. The unfavorable global and domestic climate created a number of challenges to China's advertising industry as budget conservatism prevailed among advertisers throughout the period. Most advertisers are cost-conscious and prefer to commit to short-term rather than long-term contracts. Current or potential advertisers may be unable to fund advertising purchases or determine to reduce purchases, all of which would lead to reduced demand for our advertising services, reduced gross margins, and increased delays of payments of accounts receivable or defaults of payments. We are also limited in our ability to reduce costs to offset the results of a prolonged or severe economic downturn given our fixed media costs associated with our operations. Competition in the domestic out-of-home advertising sector is very intense and many local operators offer significant sales discounts to compete for market share.

According to the latest figures released by CTR Market Research on November 13, 2014, China's advertising grew by 4.1% for the quarter ended September 30, 2014 compare to the quarter ended September 30, 2013. With the economic slowdown, as expected, China's advertising market also followed in step and realized slow but smooth growth.

In the past, we expended our resources to build an out-of-home media throughout different PRC cities. We believe that in order to increase our market share in out-of-home advertising in China we will have to increase our advertising locations, obtain more exclusive arrangements in desirable and prominent locations and to provide a wider range of media and advertising services through entering business agreements or business combination exercises with third parties.

Our Services

During 2012, we have three concession right contracts, one of which is to operate 52 roadside advertising panels along the Nanjing Road in Shanghai, China. All those panels were installed and are owned by us. In February 2012, we acquired rights to operate a mega-sized traditional advertising billboard located at Raffles City, Shanghai, China and 2 mega-sized traditional advertising billboards located at different section along Nanjing Road and Henan Road in Shanghai, China. All these three mega-sized advertising panels are installed and maintained by the authorizing party. In October 2012, we acquired rights to operate the 276 square meter advertising area located on the first floor of the Union Building at the entrance of Zhuhai sub-zone of Zhuhai-Macau Cross Border Industrial Zone.

During 2013, we terminated two concession rights contracts in February and March. From April to August 2013, we only operated the 276 square meter advertising area located on the first floor of the Union Building at the entrance of Zhuhai sub-zone of Zhuhai-Macau Cross Border Industrial Zone. From September 2013, we operated the 91 advertising lightboxes in arrival hall of Shanghai Hongqiao Railway Station.

In January 2014, we entered into an Operating Agreement to co-operate with "Shanghai Changfeng International Sourcing & Investment Co., Ltd." to operate the advertising area of the "Shanghai International Sourcing Center Base" ("the Base") in Shanghai. Under the agreement signed, Shanghai Changfeng International Sourcing & Investment Co., Ltd. ("ISC") is the owner of the Base and responsible for the Base's management. NWCN will be responsible for the media planning and will be the operator for the whole advertising media of the Base. In June and September 2014, we terminated the project in Shanghai Hongqiao Railway Station and Zuhai respectively.

Our Suppliers

In some of our current and past media projects, we are responsible for installing advertising panels and billboards. We design the shape of our advertising panels and billboards according to the terms approved in the relevant PRC governmental documents. We identify suppliers of component parts used in our advertising panels and contract assembly of our advertising panels to third-party contract assemblers who assemble our advertising panels according to our specification. We select component suppliers based on price and quality. During the fiscal years ended December 31, 2014, 2013 and 2012, we did not install any advertising panels and billboards.

During 2012, we had three concession right contacts, which is to operate 1) 52 roadside advertising panels along Nanjing Road in Shanghai, China, 2) a mega-sized advertising billboard located at Raffles City, Shanghai, China and two mega-sized advertising billboards located at different section along Nanjing Road and Henan Road in Shanghai, China and 3) the 276 square meter advertising area located on the first floor of the Union Building at the entrance of Zhuhai sub-zone of Zhuhai-Macau Cross Border Industrial Zone. The names of authorizing parties of these three concession right contracts are Shanghai Chuangtian Advertising Company Limited, Shanghai Shenpu Advertising & Decoration Co., Limited and Lek Pak Company Limited.

During 2013, we had four concession right contacts, which is to operate 1) 52 roadside advertising panels along Nanjing Road in Shanghai, China, 2) a mega-sized advertising billboard located at Raffles City, Shanghai, China and two mega-sized advertising billboards located at different section along Nanjing Road and Henan Road in Shanghai, China, 3) the 276 square meter advertising area located on the first floor of the Union Building at the entrance of Zhuhai sub-zone of Zhuhai-Macau Cross Border Industrial Zone and 4) 91 advertising lightboxes in arrival hall of Shanghai Hongqiao Railway Station. The names of authorizing parties of these three concession right contracts are Shanghai Chuangtian Advertising Company Limited, Shanghai Shenpu Advertising & Decoration Co., Limited, Lek Pak Company Limited and Shanghai Railway Culture & Advertising Development Co., Ltd.

Table of Contents

During 2014, we had two concession right contacts, which is to operate 1) the 276 square meter advertising area located on the first floor of the Union Building at the entrance of Zhuhai sub-zone of Zhuhai-Macau Cross Border Industrial Zone and 2) 91 advertising lightboxes in arrival hall of Shanghai Hongqiao Railway Station. The names of authorizing parties of these two concession right contracts are Lek Pak Company Limited and Shanghai Railway Culture & Advertising Development Co., Ltd.

Our Customers

Our customers include large international and domestic brand name customers. The following tables set forth those customers which accounted for 10% or more of our advertising sales in each fiscal year:

Name of Customer	Advertising Sales %
For the year ended December 31, 2014	
Windcom Advertising and Trading	67%
Jiangsu Ninghu Real Estate Co., Ltd	16%
For the year ended December 31, 2013	
Windcom Advertising and Trading	67%
For the year ended December 31, 2012	
Shanghai Zhongchang Advertising Limited	12%
Shanghai Zhongteng Advertising Limited	11%
Shanghai Shengyi Advertising Limited	10%

Our customers usually place their advertising orders on a project basis instead of a recurring basis. Our management does not believe that our advertising business depends upon a few customers, or that the loss of any one customer would have a material adverse effect on our business.

Sales and Marketing

We sell our services through our direct sales force as well as through domestic advertising agencies. We employ sales professionals in the PRC and provide them in-house training to ensure we operate closely with and provide a high level of support to our customers. Selling through domestic advertising agencies enables us to leverage our direct sales resources and reach additional customers.

Competition

We compete with other advertising companies in China, including companies that operate out-of-home advertising media networks, such as Vision China Media, Focus Media, Air Media and Clear Media. The Company competes with these companies for advertising clients on the basis of the size of our advertising network, advertising coverage, panel locations, pricing, and range of advertising services that we offer. The Company also competes with these companies for rights to locate advertising panels and/or billboards in desirable locations in Chinese cities. In addition, commercial buildings, hotels, restaurants and other commercial locations may decide to install and operate their own billboards or LED panels. The Company also competes for overall advertising spending with other more traditional media such as newspapers, TV, magazines and radio, and more advanced media like internet advertising, frame and public transport.

The Company may also face competition from new entrants into the out-of-home advertising sector. Our sector is characterized by low initial fixed costs for entrance in term of advertising panel requirements and it is uncommon for advertising clients to enter into exclusive arrangements. Additionally, wholly foreign-owned advertising companies are allowed to operate in China, which may expose us to increasing competition from international advertising media companies attracted by the opportunities in China.

Increased competition could reduce our operating margins, profitability and result in a loss of market share. Some of our existing and potential competitors may have competitive advantages, such as more advertising locations and broader coverage and exclusive arrangements in desirable locations. These competitors could provide advertising clients with a wider range of media and advertising services, which could cause us to lose advertising clients or to reduce prices in order to compete, which could decrease our revenues, gross margins and profits. We cannot guarantee that we will be able to compete against these existing and new competitors.

Table of Contents

In addition, our business has been adversely affected by the global financial turmoil which began in late 2008. In order to enhance our competitive power, we will strictly control our operating costs and actively search for other prominent advertising projects in order to expand our advertising network. We believe that expanding our advertising network will enable us to offer more competitive pricing to our advertising clients, thereby increasing our profitability.

Our Intellectual Property

During 2012, we had obtained the following patent rights from the PRC State Intellectual Property Office:

l the technology of a display module and settings method for colored LED panels;
l the technology of a display system with a blind spot checking function; and
l a methodology and system for light intensity tuning of out-of-home LED panels.

As of March 31, 2015, we do not have any registered trademarks, copyrights, licenses or patent rights.

Our Research and Development

No material costs have been incurred on research and development activities for the fiscal years 2014, 2013 and 2012. We do not expect to incur significant research and development costs in the coming future.

Employees

As of December 31, 2014, the Company and its subsidiaries and variable interest entities had approximately 6 employees at our offices located at our Hong Kong and Shanghai offices, all of which are full-time employees.

Our employees are not represented by a labor organization or covered by a collective bargaining agreement. We believe that we maintain a satisfactory working relationship with our employees and we have not experienced any significant labor disputes or work stoppage or any difficulty in recruiting staff for our operations.

We are required under PRC law to make contributions to employee benefit plans at specified percentages of the after-tax profit. In addition, we are required by the PRC law to cover our employees in China with various type of social insurance. We believe that we are in material compliance with the relevant PRC laws.

Government Regulation

Limitations on Foreign Ownership in the Advertising Industry

The principal regulations governing foreign ownership in the advertising industry in China include:

l The Administrative Regulations on Foreign-invested Advertising Enterprises (2008).
l The Catalogue for Guiding Foreign Investment in Industry (2011);
l Advertising Law (1994);
l Regulations on Control of Advertisement (1987);
l Implementation Rules for Regulations on Control of Advertisement (2004); and
l The Administrative Regulations on Foreign-invested Advertising Enterprises (2004).

Since December 2005, the PRC government has allowed foreign investors to directly own 100% of an advertising business if the foreign investor has at least three years of direct operations in the advertising business outside of China or to set up an advertising joint venture if the foreign investor has at least two years of direct operations in the advertising industry outside of China.

Although the existing contractual arrangements with Bona and Xingpin, in the opinion of our PRC legal counsel, are in compliance with all existing PRC laws, rules and regulations and are enforceable in accordance with their terms and conditions, there are substantial uncertainties regarding the interpretation and implementation of current PRC laws and regulation. Accordingly, we cannot assure you that PRC regulatory authorities will not determine that our contractual arrangements and the business operations of our PRC operating companies as described herein violate PRC laws or regulations. If we were found to be in violation of any existing or future PRC laws or regulations, the relevant regulatory authorities would have broad discretion in dealing with such violation. Any actions taken may cause disruption to our business operations and may adversely affect our business, financial condition and results of operation. In early 2010, we began to restructure our organization by consolidating our PRC operations and advertising business into Yi Gao. Our current PRC operations and advertising business is conducted by Yi Gao and Chuanghua.

Table of Contents

Advertising Services

Business Licenses for Advertising Companies

The principal regulations governing the advertising businesses in China include:

- The Advertising Law (1994);
- Regulations on Control of Advertisement (1987); and
- The Implementing Rules for the Advertising Administrative Regulations (2004).

These regulations stipulate that companies that engage in advertising activities must obtain from the SAIC or its local branches a business license which specifically includes operating an advertising business within its business scope. Companies conducting advertising activities without such a license may be subject to penalties, including fines, confiscation of advertising income and orders to cease advertising operations. The business license of an advertising company is valid for the duration of its existence, unless the license is suspended or revoked due to a violation of any relevant law or regulation.

We do not expect to encounter any difficulties in maintaining our business licenses. Our PRC advertising operating companies hold business license from the local branches of the SAIC as required by the existing PRC regulations.

Advertising Content

PRC advertising laws and regulations set forth certain content requirements for advertisements in China, which include prohibitions on, among other things, misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest. Advertisements for anesthetic, psychotropic, toxic or radioactive drugs are prohibited. It is prohibited to disseminate tobacco advertisements via broadcast or print media. It is also prohibited to display tobacco advertisements in any waiting lounge, theater, cinema, conference hall, stadium or other public area. There are also specific restrictions and requirements regarding advertisements that relate to matters such as patented products or processes, pharmaceuticals, medical instruments, veterinary pharmaceuticals, agrochemicals, foodstuffs, alcohol and cosmetics. In addition, all advertisements relating to pharmaceuticals, medical instruments, agrochemicals and veterinary pharmaceuticals advertised through radio, film, television, newspaper, magazine and other forms of media, together with any other advertisements which are subject to censorship by administrative authorities according to relevant laws and administrative regulations, must be submitted to the relevant administrative authorities for content approval prior to dissemination.

Advertisers, advertising operators and advertising distributors are required by PRC advertising laws and regulations to ensure that the content of the advertisements they prepare or distribute are true and in full compliance with applicable laws. In providing advertising services, advertising operators and advertising distributors must review the prescribed supporting documents provided by advertisers for advertisements and verify that the content of the advertisements comply with applicable PRC laws and regulations. In addition, prior to distributing advertisements for certain commodities, which are subject to government censorship and approval, advertising distributors and advertisers are obligated to ensure that such censorship has been performed and approval has been obtained. Violation of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. In circumstances involving serious violations, the SAIC or its local branches may revoke violators' licenses or permits for advertising business operations. Furthermore, advertisers, advertising operators or advertising distributors may be subject to civil liability if they infringe on the legal rights and interests of third parties in the course of their advertising business. We have implemented procedures to ensure the content of our advertisement are properly reviewed and the advertisement would only be published upon the receipt of content approval from the relevant administrative authorities. However, we provide no assurance that all the content of the advertisement are true and in full compliance with applicable laws.

Out-of-home Advertising

The Advertising Law stipulates that the exhibition and display of out-of-home advertisements must not:

- utilize traffic safety facilities and traffic signs;
- impede the use of public facilities, traffic safety facilities and traffic signs;
- obstruct commercial and public activities or create an eyesore in urban areas;
- be placed in restrictive areas near government offices, cultural landmarks or historical or scenic sites; and
- be placed in areas prohibited by the local governments from having out-of-home advertisements.

In additional to the Advertising Law, the SAIC promulgated the Out-of-home Advertising Registration Administrative Regulations on December 8, 1995, as amended on December 3, 1998, and May 22, 2006, which governs the out-of-home advertising industry in China.

Table of Contents

Out-of-home advertisements in China must be registered with the local SAIC before dissemination. The advertising distributors are required to submit a registration application form and other supporting documents for registration. After review and examination, if an application complies with the requirements, the local SAIC will issue an Out-of-home Advertising Registration Certificate for such advertisement. Many municipal cities of China have respectively promulgated their own local regulations on the administration of out-of-home advertisements. Those municipal regulations set forth specific requirements on the out-of-home advertisements, such as the allowed places of dissemination and size requirements of the out-of-home advertisement facilities.

In addition to the regulations on out-of-home advertisements, the placement and installation of LED billboards are also subject to municipal local zoning requirements and relevant governmental approvals of the city where the LED billboards located. In Shanghai, prior to the placement and installation of LED billboards, installers are required to apply for an out-of-home advertising registration certificate for each LED billboard subject to a term of use approved by local government agency for each LED billboard. If the existing LED billboards placed by our LED location provider or us are required to be removed, the attractiveness of this portion of our advertising network will be diminished.

Foreign Currency Exchange

The principal regulation governing foreign currency exchange in China is the Rules on Foreign Exchange Control (1996), as amended. Under these rules, Renminbi is freely convertible for trade and service-related foreign exchange transactions, but not for direct investment, loan or investment outside China without the prior approval of the State Administration for Foreign Exchange of the PRC or other relevant authorities is obtained.

Pursuant to the Rules on Foreign Exchange Control, foreign investment enterprises in China may purchase foreign currency without the approval of the State Administration for Foreign Exchange of the PRC for trade and service-related foreign exchange transactions by providing commercial documents evidencing these transactions. They may also exchange Renmimbi into foreign currencies (subject to a cap approved by the State Administration for Foreign Exchange of the PRC) to satisfy foreign exchange liabilities or to pay dividends. However, the relevant PRC government authorities may limit or eliminate the ability of foreign investment enterprises to purchase and retain foreign currencies in the future. In addition, foreign exchange transactions for direct investment, loan and investment outside China are still subject to limitations and require approvals from the State Administration for Foreign Exchange of the PRC.

Dividend Distributions

The principal regulations governing distribution of dividends of wholly foreign-owned companies include:

l the Foreign Investment Enterprise Law (1986), as amended; and
l Administrative Rules under the Foreign Investment Enterprise Law (2001).

Under these regulations, foreign investment enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, wholly foreign-owned enterprises in China are required to set aside at least 10% of their after-tax profits each year, if any, to fund certain reserve funds, until such reserve funds have reached 50% of the enterprise's registered capital. These reserves are restricted and not distributable as cash dividends.

We have not received any dividends or fees from our PRC subsidiaries or affiliated Chinese entities in the past three years. As all our PRC subsidiaries are currently still operating at a net loss, we are unable to estimate the time to receive dividends or other fees.

Enterprise Income Tax Law

The Enterprise Income Tax Law, or EIT Law, was promulgated by the PRC's National People's Congress on March 16, 2007 to introduce a new uniform taxation regime in the PRC. Both resident and non-resident enterprises deriving income from the PRC were subject to the EIT Law from January 1, 2008. It applies a single income tax rate to all enterprises in the PRC. Under this EIT Law, enterprises that qualify as "new and high technology enterprises" ("high-tech companies") are entitled to a preferential tax rate of 15% and in other very limited situation entities may be subject to a EIT rate of 20%, but the general EIT rate is 25%.

We believe that each of our PRC operating entities were resident enterprises and subject to the enterprise income tax rate of 25% for their global income. We do not believe that any of our off-shore entities are resident enterprises as our off-shore entities didn't provide any services in the PRC and their management and controls are all located outside China; permanent establishment does not exist and hence they would not fall into the resident enterprise category. However, we cannot provide assurance that all our offshore operating entities are not "resident enterprises" as there are substantial uncertainties regarding the interpretation and implementation of current PRC tax rule and regulation.

Table of Contents

Environmental Matters

The Company's operations are subject to various environmental regulations. We believe that we are in substantial compliance with applicable laws, rules and regulations relating to the protection of the environment and that our compliance will have no material effect on our capital expenditures, earnings or competitive position.

ITEM 1A. RISK FACTORS

Smaller reporting companies are not required to provide the information required by this item.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We maintain our head office in Hong Kong at Room 801A and 807B, 8/F, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

We also maintain office space in Shanghai for certain of our PRC operating companies. Our Shanghai office currently occupies 122.17 square meters of space at Room 1103, Baohua City Jingdian Building, 518 Anyuan Road, Putuo District, Shanghai, China, for $2,416 per month.

We believe that all our properties have been adequately maintained, are generally in good condition, and are suitable and adequate for our business.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these, or other matters, may arise from time to time that may harm our business.

On July 5, 2013, Yi Gao received a notice from the People's Court of Huangpu District, Shanghai that Shanghai Shenpu advertising Co. Ltd (“Shenpu”), as plaintiff, had initiated a contract dispute against Yi Gao seeking an aggregate of RMB1,807,215 (equivalent to approximately US$291,000 at the then-prevailing exchange rate) for unpaid rights fee, penalty and production cost. On August 7, 2013, Yi Gao received a court verdict from the People's Court of Huangpu District, Shanghai that Yi Gao is liable to repay the unpaid fee of RMB650,000, penalty and production cost. On August 26, 2013, Yi Gao submitted an appeal to People's Court of Huangpu District, Shanghai that the penalty calculated is not reasonable. On November 13, 2013, Yi Gao withdrew the appeal. As a result, Yi Gao is liable to pay an aggregate of RMB765,463 (equivalent to approximately US$124,870 at the then-prevailing exchange rate) to Shenpu. On February 19, 2014, Yi Gao paid RMB45,221 to Shenpu.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Our Common Stock

Since August 1, 2006, our common stock has been quoted on the Over-the-Counter Bulletin Board, or OTCBB, maintained by the Financial Industry Regulatory Authority ("FINRA"), under the symbol "NWCN." From February 2011 to February 2012, our common stock, along with the securities of over 600 other issuers, was transferred from the OTCBB automated quotation system to the OTCQB, which is part of the OTC Market Group's quotation system, due to the quotation inactivity by our market makers. However, in February 2012, our common stock resumed quotation on the OTCBB as well. On April 6, 2015, the last reported sales price of our common stock on the OTCBB was $0.082 per share.

On September 16, 2011, we filed a Certificate of Amendment to our Certificate of Incorporation with the Delaware Secretary of State to effect a 1-for-5 reverse stock split of our outstanding common stock and a reduction of our authorized shares of common stock from 2,000,000,000 to 400,000,000. The CUSIP number for our common stock has been changed to 64125G209 accordingly. On September 21, 2011, FINRA approved the reverse split of our common stock and it commenced trading on a post-split basis on September 22, 2011.

The following table sets forth, for the periods indicated, the high and low closing prices of our common stock. These prices reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions.

	Closing Prices (1)	
	High	Low
FISCAL YEAR ENDED DECEMBER 31, 2014:		
Fourth Quarter	$0.090	$0.065
Third Quarter	$0.120	$0.065
Second Quarter	$0.120	$0.090
First Quarter	$0.185	$0.025
FISCAL YEAR ENDED DECEMBER 31, 2013:		
Fourth Quarter	$0.075	$0.025
Third Quarter	$0.165	$0.030
Second Quarter	$0.180	$0.052
First Quarter	$0.185	$0.100

(1) The above tables set forth the range of high and low closing prices per share of our common stock as reported by www.bloomberg.com for the periods indicated.

Approximate Number of Holders of Our Common Stock

As of March 31, 2015, the Company had approximately 150 stockholders of record and 115,784,467 shares of common stock were issued and outstanding. Because some of our common stock is held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

In December 2012, we changed our registrar and transfer agent for our common stock from Globex Transfer, LLC. to Pacific Stock Transfer Company. Their address is 4045 South Spencer Street, Suite 403, Las Vegas, NV 89119, USA and their telephone number and facsimile are +1 (702) 361-3033 and +1 (702) 433-1979, respectively.

Dividend Policy

The Company has not declared any dividends since incorporation and does not anticipate doing so in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Table of Contents

Our subsidiaries in the PRC may pay dividends to us through our Hong Kong subsidiaries, Cityhorizon Hong Kong and Linkrich Enterprise. Current PRC regulations only allow our subsidiaries to pay dividends to us out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. Also in accordance with its articles of association, each of our subsidiaries in the PRC is required to allocate to its enterprise development reserve at least 10% of its respective after-tax profits determined in accordance with the PRC accounting standards and regulations. Each of our subsidiaries in the PRC may stop allocations to its general reserve if such reserve has reached 50% of its registered capital. Allocations to the reserve can only be used for making up losses and other specified purposes and may not be paid to us in forms of loans, advances, or cash dividends. Dividends paid by our PRC subsidiaries to Cityhorizon Hong Kong and Linkrich Enterprise, our Hong Kong subsidiaries, will not be subject to Hong Kong capital gains or other income tax under current Hong Kong laws and regulations because they will not be deemed to be assessable income derived from or arising in Hong Kong.

We have not received any dividends or any other fees, including consulting fees, from our PRC subsidiaries or our affiliated Chinese entities in the past three years as all of our PRC operating companies, including our PRC subsidiaries and variable interest entities, are currently operating at an accumulated deficit and the above dividend restriction prevent us from receiving any dividends in the short term until they turn into accumulated profit. As such, we could only receive funds from them through the repayment of intercompany loans by our PRC subsidiaries or charging them service fees through the provision of management services. If our PRC operating entities continue to operate at a net loss, we will need to raise funds through the issuance of equity and debt securities to satisfy future payment requirements, and there is no assurance that we will be successful in raising such funds.

Our board of directors has discretion on whether to pay dividends unless the distribution would render us unable to repay our debts as they become due. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. For instance, the terms of the outstanding promissory notes issued to affiliated funds of Och-Ziff on April 2, 2014 contain restrictions on the payment of dividends. The dividend restrictions provide that the Company or any of its subsidiaries shall not declare or pay dividends or other distributions in respect of the equity securities of such entity other than dividends or distributions of cash which amounts during any 12-month period that exceed ten percent (10%) of the consolidated net income of the Company based on the Company’s most recent audited financial statements disclosed in the Company’s annual report on Form 10-K (or equivalent form) filed with the U.S. Securities and Exchange Commission.

Securities Authorized for Issuance Under Equity Compensation Plans

See Item 12 - Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters, “Securities Authorized for Issuance Under Equity Compensation Plans”.

Recent Sales of Unregistered Securities

During the past three years, we did not offer or sell any unregistered securities that were not previously disclosed in a quarterly report on Form 10-Q or in a current report on Form 8-K.

Purchases of Our Equity Securities

No repurchases of our common stock were made during our fiscal year ended December 31, 2014.

ITEM 6. SELECTED FINANCIAL DATA

The following selected consolidated financial data should be read in conjunction with Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements and Notes to Financial Statements.

Table of Contents

Consolidated Statements of Operations Data

	Years ended December 31				
	2014	2013	2012	2011	2010
Revenues	$683,749	$891,366	$1,835,940	$1,794,552	$2,207,479
Cost of revenues	(1,032,972)	(1,253,460)	(1,467,698)	(1,115,461)	(1,503,898)
Operating expenses	(848,817)	(1,457,305)	(2,324,971)	(2,007,315)	(2,778,004)
Other income (expenses), net	7,990	36,365	1,888,489	(135,341)	49,681
Interest and other debt-related expenses	(1,294,882)	(2,110,459)	(1,142,389)	(638,983)	(578,642)
Net loss from continuing operations	(2,484,932)	(3,893,493)	(1,210,629)	(2,102,548)	(2,603,384)
Net loss attributable to NCN common stockholders	(2,484,932)	(3,893,493)	(1,210,629)	(2,102,548)	(2,603,384)
Net loss per share from continuing operations attributable to NCN common stockholders – basic and diluted	$(0.02)	$(0.04)	$(0.01)	$(0.02)	$(0.03)

Consolidated Balance Sheets Data

	Years ended December 31				
	2014	2013	2012	2011	2010
Cash	$22,645	$111,889	$21,008	$65,623	$170,621
Prepayments for advertising operating rights, net	-	-	581,990	182,969	209,186
Total assets	224,670	1,288,386	1,739,551	983,444	1,974,613
Convertible promissory notes	5,000,000	4,064,412	2,201,797	4,812,080	4,304,311
Total liabilities	9,553,860	8,945,257	5,771,840	6,039,862	5,499,149
Stockholders' (deficit) equity	$(9,329,190)	$(7,656,871)	$(4,032,289)	$(5,056,418)	$(3,524,536)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis should be read in conjunction with our consolidated financial statements and the notes thereto and the other financial information appearing elsewhere in this annual report. In addition to historical information, the following discussion contains certain forward-looking information. See "Special Note Regarding Forward-Looking Statements" above for certain information concerning those forward looking statements. Our financial statements are prepared in U.S. dollars and in accordance with U.S. GAAP. References in this Report to a particular "fiscal" year are to our fiscal year ended on December 31.

Overview of Our Business

Our mission is to become a nationwide leader in providing out-of-home advertising in China, primarily serving the needs of branded corporate customers. We seek to acquire rights to install and operate roadside advertising panels and mega-size advertising panels in the major cities in China. In most cases, we are responsible for installing advertising panels, although in some cases, advertising panels might have already been installed, and we will be responsible for operating and maintaining the panels. Once the advertising panels are put into operation, we sell advertising airtime to our customers directly. Since late 2006, we have been operating an advertising network of roadside LED digital video panels, mega-size LED digital video billboards and light boxes in major Chinese cities. Light Emitting Diode, or LED, technology has evolved to become a new and popular form of advertising in China, capable of delivering crisp, super-bright images both indoors and outdoors. In 2013, we have extended our business direction to not just selling air-time for media panels but started working closely with property developers in media planning for the property at the very early stage.

Total advertising revenues were $683,749, $891,366 and $1,835,940 for the years ended December 31, 2014, 2013 and 2012 respectively. Our net loss was $2,484,932, $3,893,493 and $1,210,629 for the years ended December 31, 2014, 2013 and 2012 respectively. Our results of operations were negatively affected by a variety of factors, which led to less than expected revenues and cash inflows during the fiscal year 2014, including the following:

- slower economic growth in PRC
- the rising costs to acquire advertising rights due to competition among bidders for those rights;
- slower than expected consumer acceptance of the digital form of advertising media;
- strong competition from other media companies; and
- many customers continued to be cost-conscious in their advertising budget especially on our new digital form of media.

To address these unfavorable market conditions, we continue to implement cost-cutting measures, including reductions in our workforce, office rentals, selling and marketing related expenses and other general and administrative expenses. Since the latter half of 2011, we have expanded our focus from LED media and have actively explored new prominent media projects in order to provide a wider range of media and advertising services and improve our financial performance.

Table of Contents

We have extended our business direction to not just selling air-time for media panels but also working closely with property developers in media planning for the property at the very early stage. By doing so, we are able to attract several property developers to grant us media right within the whole property. These will include exhibition and conference centers, shopping malls, etc. This new business model will create a closer work relationship between the property owners and the Company as the property owners welcome a more thorough and well-planned media layout in their property at an early stage. Under this approach, the property owners are more eager to work with us and even more ready to invest in the installation of media panels.

The Company will continually explore new media projects in order to provide a wider range of media and advertising services, rather than focusing primarily on LED media. The Company has identified several such potential projects which it intends to aggressively pursue in the coming year.

Recent Development

Extension of Convertible Promissory Notes

On November 19, 2007, the Company entered into a Note and Warrant Purchase Agreement, as amended (the “Purchase Agreement”) with Shanghai Quo Advertising Co. Ltd and affiliated investment funds of Och-Ziff Capital Management Group (the “Investors”) pursuant to which it agreed to issue in three tranches, 3% Senior Secured Convertible Promissory Notes due June 30, 2011, in the aggregate principal amount of up to $50,000,000 (the “3% Convertible Promissory Notes”) and warrants to acquire an aggregate amount of 6,857,143 shares of the Company’s Common Stock (the “Warrants”). Between November 19 - 28, 2007, the Company issued 3% Convertible Promissory Notes in the aggregate principal amount of $15,000,000, Warrants to purchase shares of the Company’s common stock at $12.50 per share and Warrants to purchase shares of the Company’s common stock at $17.50 per share. On January 31, 2008, the Company amended and restated the previously issued 3% Convertible Promissory Notes and issued to the Investors 3% Convertible Promissory Notes in the aggregate principal amount of $50,000,000 (the “Amended and Restated Notes”), Warrants to purchase shares of the Company’s common stock at $12.50 per share and Warrants to purchase shares of the Company’s common stock at $17.50 per share. In connection with the Amended and Restated Notes, the Company entered into a Security Agreement, dated as of January 31, 2008 (the “Security Agreement”), pursuant to which the Company granted to the collateral agent for the benefit of the Investors, a first-priority security interest in certain of the Company’s assets, and 66% of the equity interest in the Company.

On April 2, 2009, we entered into the Note Exchange Agreement with certain Investors, pursuant to which the parties agreed to cancel the Amended and Restated Notes in the principal amount of $5 million held by such Investors (including accrued and unpaid interest thereon), and all the Warrants, in exchange for our issuance of 1% Unsecured Senior Convertible Notes due 2012 in the principal amount of $5 million, or the 1% Convertible Promissory Notes. The 1% Convertible Promissory Notes bear interest at 1% per annum, were payable semi-annually in arrears, and matured on April 1, 2012. They were convertible at any time into shares of our common stock at an initial conversion price of $0.1163 per share, subject to customary anti-dilution adjustments. In the event of a default, the Note Holders have the right to redeem the 1% Convertible Promissory Notes at 110% of the principal amount, plus any accrued and unpaid interest. The parties also agreed to terminate the Security Agreement and release all security interests arising out of the Purchase Agreement and the Amended and Restated Notes.

The 1% Convertible Promissory Notes matured on April 1, 2012 and the Company issued new 1% convertible promissory notes (the “New 1% Convertible Promissory Notes”) to the Note Holders which were payable semi-annually in arrears, mature on April 1, 2014, and are convertible at any time by the Note Holders into shares of the Company’s common stock at an initial conversion price of $0.09304 per share, subject to customary anti-dilution adjustments. In addition, in the event of a default, the Note Holders will have the right to redeem the New 1% Convertible Promissory Notes at 110% of the principal amount, plus any accrued and unpaid interest. On March 12, 2014, the Company and

Note Holders agreed to extend the maturity date of the New 1% Convertible Promissory Notes to April 1, 2016 with other terms remaining unchanged and the Company issued new 1% convertible promissory notes will mature in 2016 to the Note Holders.

Completes Additional Private Placement

On February 24, 2014, the Company completed three private placements of 7.5 million shares of restricted common stock at $0.1 per share. The transaction took place with three investors and generated gross proceeds of $750,000 for the year ended December 31, 2014. Net proceeds from the financing will be used for general corporate purposes including initiation of activities related to the Company's proposed business in China.

Table of Contents

The offering was made pursuant to an exemption from registration with the SEC pursuant to Regulation S. The securities have not been registered under the Securities Act of 1933 or any state securities laws and unless so registered may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933 and applicable state securities laws. The Company did not grant any registration rights to the new shareholders with respect to the Shares in the offering.

New Advertising Media Projects

In February 2014, we entered into a Cross Selling Agreement with Grand Vision Media Limited (“Grand Vision”) to cross sell our respective products. Grand Vision has its well-established sales team in Beijing, Guangzhou and Hong Kong, and we believe that we can leverage their sales force and enlarge our customer base. Grand Vision has the exclusive rights to operate the advertising panels at “Stellar International Theater Chain” theaters and they plan to install glasses-free 3D LED panels. At present, Stellar International Cineplex has established 56 modern cineplexes in many major cities in China, such as Beijing, Shanghai, Chengdu, Chongqing, Xuzhou, Tianjin, Shenyang, Lanzhou, Guangzhou, Qingdao and Hohhot. SMI Corp Ltd (“SMI”), the operator of Stellar International Theater Chain”, is a leading China theaters’ operator, currently engaged in movie theater operation, film operation, film investment, in-theater counter sales and online shopping. SMI offers more than 20 types of advertising and has planned to build 50 mega LED displayers per annum to attract potential advertisers. As SMI’s theaters network continues to expand, we believe that advertising platform will significantly benefit from its synergies effect. The rapid development of the Chinese film industry in recent years makes it as one of the world’s largest markets. Benefiting from China robust economy together with the improvement of its income per capita and urbanization rate, the Chinese film industry continues to flourish.

Identification of Potential Projects

We have extended our business direction to not just selling air-time for its media panels but started working closely with property developers in media planning for the property at the very early stage. By doing so, we are able to attract several property developers to grant us media rights within the whole property. These will include exhibition and conference centres, shopping malls, etc. This new business model will create a closer working relationship between the property owners and the Company as the property owners welcome a more thorough and well-planned media layout in their property at an early stage. Under this approach, we believe the property owners are more eager to work with us and even more ready to invest in the installation of media panels.

The Company will continually explore new media projects in order to provide a wider range of media and advertising services, rather than focusing primarily on LED media. The Company has identified several such potential projects which it intends to aggressively pursue in the coming year.

Results of Operations

Comparison of Years Ended December 31, 2014 and 2013.

Revenues. Our revenues consist primarily of income from out-of-home advertising panels. We recognize revenue in the period when advertisements are either aired or published. Revenues for the year ended December 31, 2014 were $683,749, as compared to $891,366 for the year ended December 31, 2013, a decrease of 23%. The decrease was attributed to the termination of two media advertising projects in Shanghai and Zuhai.

Cost of Revenues. Cost of revenues primarily consists of fees to obtain rights to operate advertising panels, advertising agency service fees, media display equipment depreciation expenses and other miscellaneous expenses. Cost of revenues for the year ended December 31, 2014 was $1,032,972, a decrease of 18% compared to $1,253,460 for the year ended December 31, 2013. Approximately 79% of the decrease was attributable to the amortization of advertising operating rights fee which was $1,066,112 for 2014, as compared to $1,240,227 for the prior year. Approximately 23% of the decrease was attributable to the media display equipment depreciation expenses, which were $nil for 2014, as compared to $51,544 for the prior year. The decrease was offset by the increase in advertising production expenses of $4,943.

Gross Loss/Profit. Our gross loss for the year ended December 31, 2014 was $349,223 compared to a gross loss for the year ended December 31, 2013 of $362,094. The decrease in gross loss was primarily driven by the higher rate of decrease in revenues than cost of revenue.

Selling and Marketing Expenses. Selling and marketing expenses primarily consist of advertising and other marketing related expenses, compensation and related expenses for personnel engaged in sales and sales support functions. Selling and marketing expenses decreased by 41%, from $90,215 for the year ended December 31, 2013, to $52,977 for the year ended December 31, 2014. The decrease was mainly due to the restructuring of our sales team so as to enhance our operational effectiveness and efficiency.

Table of Contents

General and Administrative Expenses. General and administrative expenses primarily consist of compensation related expenses (including salaries paid to executive and employees, stock-based compensation expense for stock granted to directors, executive officers and employees for services rendered, employee bonuses and other staff welfare and benefits), rental expenses, amortization expenses of intangible rights, depreciation expenses, fees for professional services, travel expenses and miscellaneous office expenses. General and administrative expenses for the year ended December 31, 2014 decreased by 42% to $795,840, compared to $1,367,090 for the year ended December 31, 2013. Approximately 40% of the decrease in general and administrative expenses was due to the reversal of the overprovision of accrued expenses and approximately 35% of the decrease was due to the decrease in consultancy fee in 2014.

Other income (expenses), net - Other income, net for the year ended December 31, 2014 was $7,990, as compared to other income, net of $36,365 for the corresponding prior year period. The decrease in other income, net was primarily attributed to the decrease in consultancy fee income received.

Interest and Other Debt-Related Expenses. Interest and other debt-related expenses for the year ended December 31, 2014 decreased to $1,294,882, or by 39%, compared to $2,110,459 for the year ended December 31, 2013. The decrease was due to the decrease in amortization of debt discount as a result of the extension of convertible promissory notes in April 2014 and the decrease was offset by the increase of interest expenses for the short-term loans.

Income Taxes. The Company derives all of its income in the PRC and is subject to income tax in the PRC. No income tax was recorded for the year ended December 31, 2014 and 2013 as the Company and all of its subsidiaries and variable interest entities operated at a tax loss in fiscal 2014 and 2013.

Net Loss. The Company incurred a net loss of $2,484,932 for the year ended December 31, 2014, an decrease of 36% compared to a net loss of $3,893,493 for the year ended December 31, 2013. The decrease in net loss was primarily due to decrease in General and Administrative Expenses and Interest and Other Debt-Related Expenses for the year ended December 31, 2014.

Comparison of Years Ended December 31, 2013 and 2012.

Revenues. Our revenues consist primarily of income from out-of-home advertising panels. We recognize revenue in the period when advertisements are either aired or published. Revenues for the year ended December 31, 2013 were $891,366, as compared to $1,835,940 for the year ended December 31, 2012, a decrease of 51%. The decrease was attributed to the termination of two media advertising projects in Shanghai in February 2013 and March 2013. The decrease was offset by an increase of revenue from Zhuhai project and the new media project started in September 2013.

Cost of Revenues. Cost of revenues primarily consists of fees to obtain rights to operate advertising panels, advertising agency service fees, media display equipment depreciation expenses and other miscellaneous expenses. Cost of revenues for the year ended December 31, 2013 was $1,253,460, a decrease of 15% compared to 1,467,698 for the year ended December 31, 2012. Approximately 71% of the decrease was attributable to a decrease in media display equipment depreciation expenses, which were $51,544 for 2013, as compared to $203,496 for the prior year. The decrease was offset by the increase in amortization of advertising operating rights fee, which was $1,240,227 for 2013, as compared to $1,214,397 for the prior year.

Gross Loss/Profit. Our gross loss for the year ended December 31, 2013 was $362,094 compared to gross profit for the year ended December 31, 2012 of $368,242. The decrease in gross profit was primarily driven by the decrease in revenues.

Selling and Marketing Expenses. Selling and marketing expenses primarily consists of advertising and other marketing related expenses, compensation and related expenses for personnel engaged in sales and sales support functions. Selling and marketing expenses decreased by 66%, from $267,595 for the year ended December 31, 2012, to $90,215 for the year ended December 31, 2013. The decrease was mainly due to the restructuring of our sales team so as to enhance our operational effectiveness and efficiency.

General and Administrative Expenses. General and administrative expenses primarily consist of compensation related expenses (including salaries paid to executive and employees, stock-based compensation expense for stock granted to directors, executive officers and employees for services rendered, employee bonuses and other staff welfare and benefits), rental expenses, amortization expenses of intangible rights, depreciation expenses, fees for professional services, travel expenses and miscellaneous office expenses. General and administrative expenses for the year ended December 31, 2013 decreased by 34% to $1,367,090, compared to $2,092,180 for the year ended December 31, 2012. Approximately 59% of the decrease in general and administrative expenses was due to a decrease of compensation related expenses and approximately 33% of the decrease was due to an increase in stock based compensation expense arising from shares issued for consulting in 2012.

Gain from Write-off of Long-aged Payables. Gain from write-off of long-aged payables was $nil for the year ended December 31, 2013 compared to $34,804 for the year ended December 31, 2012. We believed the obligation for future settlement for such long-aged payables is remote and therefore wrote them off.

Table of Contents

Other income (expenses), net - Other income, net for the year ended December 31, 2013 was $36,365, as compared to other expenses, net of $1,888,489 for the corresponding prior year period. The increase in other income, net was primarily attributed to the extension of convertible promissory notes in April 2012, from which the Company recorded a one-time gain on extinguishment of debt amounting to $1,877,594 during 2012.

Interest and Other Debt-Related Expenses. Interest and other debt-related expenses for the year ended December 31, 2013 increased to $2,110,459, or by 85%, compared to $1,142,389 for the year ended December 31, 2012. Approximately 83% of the increase was due to the increase in amortization of debt discount as a result of the extension of convertible promissory notes in April 2012 and the remaining 17% was attributable to the increase in interest expense for the short-term loans.

Income Taxes. The Company derives all of its income in the PRC and is subject to income tax in the PRC. No income tax was recorded for the year ended December 31, 2013 and 2012 as the Company and all of its subsidiaries and variable interest entities operated at a tax loss in fiscal 2013 and 2012.

Net Loss. The Company incurred a net loss of $3,893,493 for the year ended December 31, 2013, an increase of 222% compared to a net loss of $1,210,629 for the year ended December 31, 2012. The increase in net loss was primarily due to a decrease in revenue and an increase in Interest and Other Debt-Related Expenses for the year ended December 31, 2013.

Liquidity and Capital Resources

Cash Flows

As of December 31, 2014, current assets were $186,142 and current liabilities were $4,536,256. Cash as of December 31, 2014 was $22,645 compared to $111,889 as of December 31, 2013, a decrease of $89,244. The decrease was mainly attributable to the cash used in operating activities

As of December 31, 2013, current assets were $1,205,226, and current liabilities were $8,915,509. Cash as of December 31, 2013 was $111,889 compared to $21,008 as of December 31, 2012, an increase of $90,881. The increase was mainly attributable to an increase in short-term loans offset by cash used in operating activities.

The following table sets forth a summary of our cash flows for the periods indicated:

	Years ended December 31,		
	2014	2013	2012
Net cash used in operating activities	$ (1,318,405)	$ (608,424)	$ (582,753)
Net cash provided by (used in) investing activities	15,858	(1,307)	(167,120)
Net cash provided by financing activities	1,211,033	725,682	713,652
Effect of exchange rate changes on cash	2,270	(25,070)	(8,394)
Net (decrease) increase in cash	(89,244)	(90,881)	(44,615)
Cash at the beginning of year	111,889	21,008	65,623
Cash at the end of year	$ 22,645	$ 111,889	$ 21,008

Operating Activities

Net cash used in operating activities for the year ended December 31, 2014 was $1,318,405, as compared with $608,424 for the year ended December 31, 2013, an increase of $709,981. The increase in net cash used in operating activities was mainly attributable the inrease in fees for advertising operating rights prepaid to suppliers, payment of short term loan interest and decreased receipts in advance from customers.

Net cash used in operating activities for the year ended December 31, 2013 was $608,424, as compared with $582,753 for the year ended December 31, 2012, an increase of $25,671. The increase in net cash used in operating activities was mainly attributable the decrease in gross profit.

Investing Activities

Net cash provided by investing activities for the year ended December 31, 2014 was $15,858, as compared with net cash used in investing activities of $1,307 for the year ended December 31, 2013. The increase in net cash provided by investing activities was mainly attributable to the sales of a motor vehicle of our Shanghai office and offset by the leasehold improvement paid for the Shanghai office during 2014.

Table of Contents

Net cash used in investing activities for the year ended December 31, 2013 was $1,307, as compared with $167,120 for the year ended December 31, 2012. The decrease in net cash used in investing activities was mainly attributable to leasehold improvements paid for the relocation of our Hong Kong and Shanghai offices as well as a motor vehicle purchased during 2012.

Financing Activities

Net cash provided by financing activities was $1,211,033 for the year ended December 31, 2014, as compared with $725,682 for the year ended December 31, 2013. The increase was mainly due to the receipts of short-term loans and a private placement for financing our operations during the year ended December 31, 2014.

Net cash provided by financing activities was $725,682 for the year ended December 31, 2013, as compared with $713,652 for the year ended December 31, 2012. The increase was mainly due to the receipts of short-term loans for financing our operations during the year ended December 31, 2013.

Short-term Loans

As of December 31, 2014, the Company recorded an aggregated amount of $2,093,953 of short-term loans. Those loans were borrowed from an unrelated individual. Those loans are unsecured, bear a monthly interest of 1.5% and repayable on demand. Up to the date of this report, those loans have not yet been repaid.

As of December 31, 2013, the Company recorded an aggregated amount of $1,536,440 short-term loans. Those loans were borrowed from an unrelated individual. Those loans are unsecured, bear a monthly interest of 1.5% and repayable on demand.

Advertising Operating Rights Fee

Advertising operating rights fees are the major cost of our advertising revenue. To maintain the advertising operating rights, we are required to pay advertising operating rights fees in accordance with payment terms set forth in contracts we enter into with various parties. These parties generally require us to prepay advertising operating rights fees for a period of time.

Since May 2010, we have only kept one concession right contract, which is to operate 52 roadside advertising panels along the Nanjing Road in Shanghai, China. All those panels were installed and are owned by us. In February 2012, we secured a new advertising media projects under which we acquired rights to operate a mega-sized traditional advertising billboard located at Raffles City, Shanghai, China and 2 mega-sized traditional advertising billboards located at a different section along Nanjing Road and Henan Road in Shanghai, China. All these three mega-sized advertising panels are installed and maintained by the authorizing party. In October 2012, we secured a new media advertising project in Zhuhai, China. Pursuant to the agreement, we were granted the right to operate the 276 square meter advertising area located on the first floor of the Union Building at the entrance of Zhuhai sub-zone of Zhuhai-Macau Cross Border Industrial Zone. All those advertising panels and billboard are installed and maintained by the authorizing party. The two media projects in Shanghai were terminated in February and March 2013, respectively. In September 2013, we secured a new media advertising project in Shanghai, China to operate the 91 advertising lightboxes in arrival hall of Shanghai Hongqiao Railway Station, in June 2014, we terminated this media project. In September 2014, we terminated media advertising project in Zhuhai, China.

The details of our advertising operating rights fee were as follows:

Years Ended December 31,

	2014	2013	2012
Prepayments for advertising operating rights	$-	$143,529	$1,499,506
Settlement of accrued advertising operating rights	-	-	-
Total payments	$-	$143,529	$1,499,506
Amortization of prepayments for advertising operating rights	$-	$668,547	$1,098,447
Accrued advertising operating rights fee recognized	1,066,112	571,680	115,950
Total advertising operating rights fee expensed	$1,066,112	$1,240,227	$1,214,397

Table of Contents

	As of December 31,			
	2013		2013	
Prepayments for advertising operating rights, net	$	-	$	-
Accrued advertising operating rights	$	(525,790)	$	(639,153)

For future advertising operating rights commitments under non-cancellable advertising operating right contracts, please refer to the table under the following sub-section – “Contractual Obligations and Commercial Commitments.”

We financed the above payments through the issuance of our equity and debt securities. As we currently only generate limited revenue from our media operation, we intend to continue to raise funds through the issuance of equity and debt securities to satisfy future payment requirements. There can be no assurance that we will be able to enter into such agreements.

In the event that advertising operating rights fees cannot be paid in accordance with the payment terms set forth in our contracts, we may not be able to continue to operate our advertising panels and our ability to generate revenue will be adversely affected. As such, failure to raise additional funds would have significant negative impact on our financial condition.

Capital Expenditures

During the years ended December 31, 2014, 2013 and 2012, we acquired assets of $14,268, $1,719 and $170,314 respectively which were financed through the cash flow generated from our operations.

Contractual Obligations and Commercial Commitments

The following table presents certain payments due under contractual obligations with minimum firm commitments as of December 31, 2014:

	Payments due by period				
	Total	Due in 2015	Due in 2016 – 2017	Due in 2018-2019	Thereafter
Debt Obligations (a)	$5,000,000	$-	$5,000,000	$-	$-
Operating Lease Obligations (b)	45,357	34,018	11,339	-	-
Short Term Loan (c)	2,093,953	2,093,953	-	-	-
Capital Lease Obligation (d)	29,748	12,144	17,604	-	-

(a) Debt Obligations. We issued an aggregate of $5,000,000 in 1% Convertible Promissory Notes in April 2009 to our investors and such 1% Convertible Promissory Notes matured on April 1, 2014. On March 12, 2014, the Company and the Note Holders tentatively agreed to extend the maturity date of the 1% Convertible Promissory Notes for a period of two years. For details, please refer to the Note 10 of the consolidated financial statements.

(b) Operating Lease Obligations. We have entered into various non-cancelable operating lease agreements for our offices. Such operating leases do not contain significant restrictive provisions.

(c) Short Term Loan. We have entered short-term loan agreement with an unrelated individual. Those loans are unsecured, bear a monthly interest of 1.5% and repayable on demand or have due date in 2015.

(d) Capital Lease Obligation. We have purchased a motor vehicle under capital leases.

Going Concern

Our cash flow projections indicate that our current assets and projected revenues from our existing project will not be sufficient to fund operations over the next twelve months. This raises substantial doubt about our ability to continue as a going concern. We intend to rely on Keywin's exercise of its outstanding option to purchase $2 million in shares of our common stock or on the issuance of additional equity and debt securities as well as on our notes' holders' exercise of their conversion option to convert our notes to our common stock, in order to fund our operations. However, it may be difficult for us to raise funds in the current economic environment. If adequate capital is not available to us, we may need to sell assets, seek to undertake a restructuring of our obligations with our creditors, or even cease our operations. We cannot give assurance that we will be able to generate sufficient revenue or raise new funds, or that Keywin will exercise its option before their expiration and our notes' holder will exercise their conversion option before the note is due. In any such case, we may not be able to continue as a going concern.

Table of Contents

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our investors.

Critical Accounting Policies

The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including but not limited to those related to income taxes and impairment of long-lived assets. We base our estimates on historical experience and on various other assumptions and factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Based on our ongoing review, we plan to adjust to our judgments and estimates where facts and circumstances dictate. Actual results could differ from our estimates.

We believe the following critical accounting policies are important to the portrayal of our financial condition and results and require our management's most difficult, subjective or complex judgments, often because of the need to make estimates about the effect of matters that are inherently uncertain.

Principles of Consolidation –The consolidated financial statements include the financial statements of Network CN Inc., its subsidiaries and variable interest entities for which it is the primary beneficiary. These variable interest entities are those in which the Company, through contractual arrangements, bears the risks and enjoys the rewards normally associated with ownership of the entities. Upon making this determination, the Company is deemed to be the primary beneficiary of these entities, which are then required to be consolidated for financial reporting purpose. All significant intercompany transactions and balances have been eliminated upon consolidation.

Prepayments for Advertising Operating Rights, Net –Prepayments for advertising operating rights are measured at cost less accumulated amortization and impairment losses, if any. Cost includes prepaid expenses directly attributable to the acquisition of advertising operating rights. Such prepaid expenses are in general charged to the consolidated statements of operations on a straight-line basis over the operating period. All the costs expected to be amortized after twelve months of the balance sheet date are classified as non-current assets.

An impairment loss is recognized when the carrying amount of the prepayments for advertising operating rights exceeds the sum of the undiscounted cash flows expected to be generated from the advertising operating right’s use and eventual disposition. An impairment loss is measured as the amount by which the carrying amount exceeds the fair value of the asset calculated using a discounted cash flow analysis.

Equipment, Net –Equipment is stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided on a straight-line basis, less estimated residual values over the assets’ estimated useful lives. The estimated useful lives are as follows:

Media display equipment	5 - 7 years
Office equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Motor vehicles	5 years
Leasehold improvements	Over the unexpired lease terms

Construction in progress is carried at cost less impairment losses, if any. It relates to construction of media display equipment. No provision for depreciation is made on construction in progress until the relevant assets are completed and put into use.

When equipment is retired or otherwise disposed of, the related cost, accumulated depreciation and provision for impairment loss, if any are removed from the respective accounts, and any gain or loss is reflected in the consolidated statements of operations. Repairs and maintenance costs on equipment are expensed as incurred.

Impairment of Long-Lived Assets –Long-lived assets, such as equipment, are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized when the carrying amount of a long-lived asset exceeds the sum of the undiscounted cash flows expected to be generated from the asset's use and eventual disposition. An impairment loss is measured as the amount by which the carrying amount exceeds the fair value of the asset calculated using a discounted cash flow analysis.

Table of Contents

Convertible Promissory Notes and Warrants

1) Debt Restructuring and Issuance of 1% Convertible Promissory Note

On April 2, 2009, the Company issued 1% unsecured senior convertible promissory notes to the previous 3% convertible promissory note holders who agreed to cancel these 3% convertible promissory notes in the principal amount of $5,000,000 (including all accrued and unpaid interest thereon), and all of the warrants, in exchange for the 1% unsecured senior convertible promissory notes in the principal amount of $5,000,000. The 1% convertible promissory notes bore interest at 1% per annum, payable semi-annually in arrears, matured on April 1, 2012, and were convertible at any time into shares of the Company's common stock at a fixed conversion price of $0.1163 per share, subject to customary anti-dilution adjustments. Pursuant to ASC Topic 470, Debt, the Company determined that the original convertible notes and the 1% convertible notes were with substantially different terms and hence the exchange was recorded as an extinguishment of original notes and issuance of new notes.

The Company determined the 1% convertible promissory notes to be conventional convertible instruments under ASC Topic 815, Derivatives and Hedging. Its embedded conversion option qualified for equity classification. The embedded beneficial conversion feature was recognized and measured by allocating a portion of the proceeds equal to the intrinsic value of that feature to additional paid-in capital. The debt discount resulting from the allocation of proceeds to the beneficial conversion feature is amortized over the term of the 1% convertible promissory notes from the respective dates of issuance using the effective interest method.

2) Extension of 1% Convertible Promissory Note

The 1% convertible promissory notes matured on April 1, 2012 and on the same date, the Company and the note holders agreed to the following: 1) extension of the maturity date of the 1% convertible promissory notes for a period of two years and 2) modification of the 1% convertible promissory notes to be convertible at any time into shares of the Company's common stock at a conversion price of $0.09304 per share, subject to customary anti-dilution adjustments. In all other respects not specifically mentioned, the terms of the 1% convertible promissory notes remain the same and are fully enforceable in accordance with their terms. Subsequently, the Company issued to the note holders new 1% convertible promissory notes with a maturity date of April 1, 2014 . Pursuant to ASC Topic 470, the Company determined that the modification is substantially different and hence the modification was recorded as an extinguishment of notes and issuance of new notes. The Company allocated the amount of the reacquisition price to the repurchased beneficial conversion feature using the intrinsic value of that conversion feature at the extinguishment date and the residual amount was allocated to the convertible security. Thus, the Company recorded a gain on extinguishment of debt. The 1% Convertible Promissory Notes were scheduled to mature on April 1, 2014 and on March 12, 2014, the Company and the respective holders agreed to extend the maturity date of the 1% Convertible Promissory Notes for a period of two years. In all other respects not specifically mentioned, the terms of the 1% Convertible Promissory Notes shall remain the same and shall be fully enforceable in accordance with its terms. Subsequently, the Company issued to the note holders new 1% convertible promissory notes which will mature on April 1, 2016 . The Company allocated the amount of the reacquisition price to the repurchased beneficial conversion feature using the intrinsic value of that conversion feature at the extinguishment date and the residual amount was allocated to the convertible security. Thus, the Company recorded no gain or loss on extinguishment of debt.

The Company determined the modified new 1% convertible promissory notes to be conventional convertible instruments under ASC Topic 815. Its embedded conversion option qualified for equity classification. The embedded beneficial conversion feature was recognized and measured by allocating a portion of the proceeds equal to the intrinsic value of that feature to additional paid-in capital. The debt discount resulting from the allocation of proceeds to the beneficial conversion feature is amortized over the term of the new 1% convertible promissory notes from the respective dates of issuance using the effective interest method.

Revenue Recognition –The Company recognizes revenue in the period when advertisements are either aired or published.

Stock-based Compensation –The Company adopted ASC Topic 718, Compensation - Stock Compensation, using a modified prospective application transition method, which establishes accounting for stock-based awards in exchange for employee services. Under this application, the Company is required to record stock-based compensation expense for all awards granted after the date of adoption and unvested awards that were outstanding as of the date of adoption. It requires that stock-based compensation cost is measured at grant date, based on the fair value of the award, and recognized as expense over the requisite services period.

Table of Contents

Common stock, stock options and warrants issued to other than employees or directors in exchange for services are recorded on the basis of their fair value. In accordance with ASC Topic 505, Equity, the non-employee stock options or warrants are measured at their fair value by using the Black-Scholes option pricing model as of the earlier of the date at which a commitment for performance to earn the equity instruments is reached ("performance commitment date") or the date at which performance is complete ("performance completion date"). The stock-based compensation expenses are recognized on a straight-line basis over the shorter of the period over which services are to be received or the vesting period. Accounting for non-employee stock options or warrants which involve only performance conditions when no performance commitment date or performance completion date has occurred as of reporting date requires measurement at the equity instruments then-current fair value. Any subsequent changes in the market value of the underlying common stock are reflected in the expense recorded in the subsequent period in which that change occurs.

Income Taxes –The Company accounts for income taxes under ASC Topic 740, Income Tax. Deferred tax assets and liabilities are provided for the future tax effects attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases, and for the expected future tax benefits from items including tax loss carry forwards.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or reversed. The expense or benefit related to adjusting deferred tax assets and liabilities as a result of a change in tax rates is recognized in income or loss in the period that includes the enactment date.

Foreign Currency Translation –The assets and liabilities of the Company's subsidiaries and variable interest entities denominated in currencies other than U.S. dollars are translated into U.S. dollars using the applicable exchange rates at the balance sheet date. For consolidated statements of operations' items, amounts denominated in currencies other than U.S. dollars were translated into U.S. dollars using the average exchange rate during the year. Equity accounts were translated at their historical exchange rates. Net gains and losses resulting from translation of foreign currency financial statements are included in the statements of stockholders' equity as accumulated other comprehensive income (loss). Foreign currency transaction gains and losses are reflected in the consolidated statements of operations.

Recent Accounting Pronouncements

In January 2014, the FASB has issued ASU 2014-06, Technical Corrections and Improvements Related to Glossary Terms. These amendments relate to glossary terms and cover a wide range of Topics in the Codification. These amendments are presented in four sections: 1) Deletion of Master Glossary Terms arising because of terms that were carried forward from source literature to the Codification but were not utilized in the Codification; 2) Addition of Master Glossary Term Links arising from Master Glossary terms whose links did not carry forward to the Codification; 3) Duplicate Master Glossary Terms arising from Master Glossary terms that appear multiple times in the Master Glossary with similar, but not identical, definitions; and 4) Other Technical Corrections Related to Glossary Terms arising from miscellaneous changes to update Master Glossary terms. The adoption of ASU 2014-06 did not have a material impact on our financial statements. The Company does not believe the adoption of this standard will have a material effect on its consolidated financial statements.

In January 2014, the FASB has issued ASU 2014-03, Derivatives and Hedging (Topic 815) — Accounting for Certain Receive-Variable Pay-Fixed Interest Rate Swaps—Simplified Hedge Accounting Approach. These amendments permit private companies (other than financial institutions) the option to use a simplified hedge accounting approach to account for interest rate swaps that are entered into for the purpose of converting variable-rate interest payments to fixed-rate payments. When a private company applies the simplified hedge accounting approach, the income statement charge for interest expense will be similar to the amount that would result if the company had directly entered into a fixed-rate borrowing instead of a variable-rate borrowing and an interest rate swap. Furthermore, the simplified hedge accounting approach provides a practical expedient to measuring the fair value of swaps by allowing the use of settlement value, which removes the consideration of nonperformance risk. A full retrospective approach or modified retrospective approach is allowed for transition. Disclosures for a change in accounting principle are required upon adoption. The Company does not believe the adoption of this standard will have a material effect on its consolidated financial statements.

In March 2014, the FASB has issued ASU 2014-07, Consolidation (Topic 810) — Applying Variable Interest Entities Guidance to Common Control Leasing Arrangements. These amendments allow a private company to elect (when certain conditions exist) not to apply variable interest entity guidance to a lessor under common control. Instead, the private company would make certain disclosures about the lessor and leasing arrangement. A private company lessee could elect the alternative when: 1) The private company lessee and the lessor are under common control; 2) The private company lessee has a leasing arrangement with the lessor; 3) Substantially all of the activity between the private company lessee and the lessor is related to the leasing activities between those two companies; and 4) If the private company lessee explicitly guarantees or provides collateral for any obligation of the lessor related to the asset leased by the private company, then the principal amount of the obligation at inception does not exceed the value of the asset leased by the private company from the lessor. The Company does not believe the adoption of this standard will have a material effect on its consolidated financial statements.

Table of Contents

In April 2014, the FASB has issued ASU 2014-08, Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) — Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. The amendments in ASU 2014-08 change the criteria for reporting discontinued operations while enhancing disclosures in this area. It also addresses sources of confusion and inconsistent application related to financial reporting of discontinued operations guidance in U.S. GAAP. Under the new guidance, only disposals representing a strategic shift in operations should be presented as discontinued operations. Those strategic shifts should have a major effect on the organization's operations and financial results. Examples include a disposal of a major geographic area, a major line of business, or a major equity method investment. In addition, the new guidance requires expanded disclosures about discontinued operations that will provide financial statement users with more information about the assets, liabilities, income, and expenses of discontinued operations. The Company does not believe the adoption of this standard will have a material effect on its consolidated financial statements.

In May 2014, the FASB has issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The amendments in ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards (e.g., insurance contracts or lease contracts). This ASU will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance, and creates a Topic 606 Revenue from Contracts with Customers. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) Identify the contract(s) with a customer. (2) Identify the performance obligations in the contract. (3) Determine the transaction price. (4) Allocate the transaction price to the performance obligations in the contract. (5) Recognize revenue when (or as) the entity satisfies a performance obligation. The Company has not determined the effect the adoption of the standard will have on its consolidated financial statements.

In June 2014, the FASB has issued ASU 2014-12, Compensation – Stock Compensation (Topic 718) - Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The amendments in ASU 2014-12 require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718, Compensation – Stock Compensation, as it relates to awards with performance conditions that affect vesting to account for such awards. The performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. The Company has not determined the effect the adoption of the standard will have on its consolidated financial statements.

In August 2014, the FASB has issued ASU 2014-13, Consolidation (Topic 810) - Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity. The amendments in ASU 2014-13 provide an alternative to Topic 820, Fair Value Measurement, for measuring the financial assets and the financial liabilities of a consolidated collateralized financing entity to eliminate the difference in the fair value of the financial assets of a collateralized financing entity, as determined under GAAP, when they differ from the fair value of its financial liabilities even when the financial liabilities have recourse only to the financial assets. When the measurement alternative is elected, both the financial assets and the financial liabilities of the collateralized financing entity should be measured using the more observable of the fair value of the financial assets or the fair value of the financial liabilities. The amendments clarify that when the measurement alternative is elected, a reporting entity's consolidated net income (loss) should reflect the reporting entity's own economic interests in the collateralized financing entity, including: (1) changes in the fair value of the beneficial interests retained by the reporting entity, and (2) beneficial interests that represent compensation for services. The Company has not determined the effect the adoption of the standard will have on its consolidated financial statements.

In August 2014, the FASB has issued ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. The amendments in ASU 2014-15 are intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. Under GAAP, financial statements are prepared under the presumption that the reporting organization will continue to operate as a going concern, except in limited circumstances. The going concern basis of accounting is critical to financial reporting because it establishes the fundamental basis for measuring and classifying assets and liabilities. Currently, GAAP lacks guidance about management's responsibility to evaluate whether there is substantial doubt about the organization's ability to continue as a going concern or to provide related footnote disclosures. This ASU provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. The Company has not determined the effect the adoption of the standard will have on its consolidated financial statements.

Table of Contents

In November 2014, the FASB has issued ASU 2014-16, Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity. The amendments in ASU 2014-16 do not change the current criteria in U.S. GAAP for determining when separation of certain embedded derivative features in a hybrid financial instrument is required. The amendments clarify how current U.S. GAAP should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. Specifically, the amendments clarify that an entity should consider all relevant terms and features, including the embedded derivative feature being evaluated for bifurcation, in evaluating the nature of the host contract. Furthermore, the amendments clarify that no single term or feature would necessarily determine the economic characteristics and risks of the host contract. Rather, the nature of the host contract depends upon the economic characteristics and risks of the entire hybrid financial instrument. The amendments in this ASU also clarify that, in evaluating the nature of a host contract, an entity should assess the substance of the relevant terms and features (i.e., the relative strength of the debt-like or equity-like terms and features given the facts and circumstances) when considering how to weight those terms and features. The Company does not believe the adoption of this standard will have a material effect on its consolidated financial statements.

In December 2014, the FASB has issued ASU 2014-18, Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination. The amendments in ASU 2014-18 allow a private company that elects this accounting alternative to recognize or otherwise consider the fair value of intangible assets as a result of any in-scope transactions should no longer recognize separately from goodwill: (1) customer-related intangible assets unless they are capable of being sold or licensed independently from the other assets of the business, and (2) noncompetition agreements. An entity that elects the accounting alternative in ASU 2014-18 must adopt the private company alternative to amortize goodwill as described in ASU No. 2014-02, Intangibles—Goodwill and Other (Topic 350): Accounting for Goodwill. However, an entity that elects the accounting alternative in Update 2014-02 is not required to adopt the amendments in this ASU. The Company does not believe the adoption of this standard will have a material effect on its consolidated financial statements.

In January 2015, the FASB has issued ASU 2015-01, Income Statement - Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items. The amendments in ASU 2015-01 eliminates from U.S. GAAP the concept of extraordinary items. Subtopic 225-20, Income Statement - Extraordinary and Unusual Items, required that an entity separately classify, present, and disclose extraordinary events and transactions. Presently, an event or transaction is presumed to be an ordinary and usual activity of the reporting entity unless evidence clearly supports its classification as an extraordinary item. If an event or transaction meets the criteria for extraordinary classification, an entity is required to segregate the extraordinary item from the results of ordinary operations and show the item separately in the income statement, net of tax, after income from continuing operations. The entity also is required to disclose applicable income taxes and either present or disclose earnings-per-share data applicable to the extraordinary item. The Company does not believe the adoption of this standard will have a material effect on its consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The follow discussion about our market risk disclosures involves forward-looking statements. Actual results could differ from those projected in the forward-looking statements. We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. We do not use derivative financial instruments for speculative or trading purposes.

Interest Rate Sensitivity

We have no significant interest-bearing assets and our convertible promissory notes and short-term loans are fixed rate securities. Our current exposure to market risk for changes in interest rates relates primarily to the interest income generated by our cash deposits in banks and the fair value of our invested securities. Although we do not believe that interest rate has had a material impact on our financial position or results of operations to date, increase in interest rates in the future could increase interest cost on our new debt and could adversely impact our ability to refinance existing debt and limit our acquisition and development activities.

Foreign Currency Exchange Risk

While our reporting currency is the U.S. dollar, our consolidated revenues and consolidated costs and expenses are substantially denominated in RMB. As a result, we are exposed to foreign exchange risk as our revenues and results of operations may be affected by fluctuations in the exchange rate between U.S. dollars and RMB. If the RMB depreciates against the U.S. dollar, the value of our RMB revenues, earnings and assets as expressed in our U.S. dollar financial statements will decline. If the RMB appreciates against the U.S. dollar, any new RMB-denominated investments or expenditures will be more costly to us. Assets and liabilities are translated at exchange rates at the balance sheet dates and revenue and expenses are translated at the average exchange rates while stockholders’ equity is translated at historical exchange rates. Any resulting translation adjustments are not included in determining net income but are included in determining other comprehensive income, a component of stockholders’ equity. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk.

Table of Contents

The value of the RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions. Since July 2005, the RMB has not been pegged to the U.S. dollar. Although the People's Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future, PRC authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

Inflation Risk

Inflationary factors such as increases in the costs to acquire advertising rights and overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross margin and selling, general and administrative expenses as a percentage of revenues if the selling prices of our services do not increase with these increased costs.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Financial Statements

The financial statements required by this item begin on page F-1 hereof.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

During the Company's two most recent fiscal years ended December 31, 2014 and 2013, neither the Company nor anyone acting on its behalf consult with Union Power Hong Kong Certified Public Accountants Limited ("UPHK") with respect to (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that may be rendered on the Company's financial statements, and UPHK did not provide either a written report or oral advice to the Company that was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; or (ii) any matter that was the subject of a disagreement or any reportable events as defined and set forth in Item 304(a)(1)(iv) and (v), respectively, of Regulation S-K.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act, is recorded, processed, summarized, and reported during the year and that such information is accumulated and communicated to our management, including our Chief Executive Officer, Earnest Leung, and our Interim Chief Financial Officer, Shirley Cheng, as appropriate to allow timely decisions regarding required disclosure. Our internal control over financial reporting is designed to provide reasonable assurance to our management and Board of Directors regarding the reliability of financial reporting and published financial statements.

Our management, including our Chief Executive Officer and Interim Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures, as of December 31, 2014, in accordance with Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Based on and as a result of this evaluation, our Chief Executive Officer and our

Interim Chief Financial Officer have determined that as of the end of the period covered by this annual report, our disclosure controls and procedures were effective.

Management’s Report on Internal Control Over Financial Reporting

The Company’s management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Table of Contents

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time.

A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis.
A significant deficiency is a deficiency, or combination of control deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with government.

Our management, with the participation and under the supervision of our Chief Executive Officer, Earnest Leung and our Interim Chief Financial Officer, Shirley Cheng, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework and criteria established in Internal Control- Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, Dr. Leung and Ms. Cheng determined that our internal control over financial reporting was effective as of December 31, 2014.

Changes In Internal Control Over Financial Reporting.

We regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

There has been no change in our internal control over financial reporting that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table sets forth the names, ages and positions held with respect to each Director and Executive Officer of the Company as of the date of this Annual Report.

Name	Age	Position	Director Since
Earnest Leung	58	Chief Executive Officer and Chairperson of the Board	2009
Shirley Cheng	36	Chief Financial Officer, Director and Corporate Secretary	2015
Wong Wing Kong	49	Director	2015

Remarks:

Each Director serves until our 2015 annual stockholders meeting and until their respective successors are duly elected and qualified or earlier resignation or removal.

Earnest Leung has served as the Company's director since May 11, 2009, and as Chief Executive Officer and Chairperson of the Board of the Company since July 15, 2009. Dr. Leung has over 20 years' experience in the investment banking industry. Since November 2004, he has worked as a financial advisor and consultant in Hong Kong and currently serves as a director of Keywin Holdings Limited, an investment company, and of Statezone Ltd, a financial consulting company owned and controlled by Dr. Leung. From June 2009 to August 2011, he also served as a director and chief executive officer of China Boon Holdings Limited, which is listed on Hong Kong Main Board engaging in the distribution of consumer electronic products and home appliances as well as trading of scrap metals and leather and extending its business to cemetery business in 2009. Prior to that, Dr. Leung served, from September 1994 to October 2004, as Senior Director and Head of Investment, Asia for American Express Bank. Dr. Leung also held various senior investment positions with BNP Paribas Bank, New Zealand Insurance and Bank of America Trust. Dr. Leung holds an honorary doctor degree from International American University. Dr. Leung was appointed as a director because of his extensive knowledge of capital markets through his various senior positions in financial institutions and because of his in-depth business management experience.

Table of Contents

Shirley Cheng has served as the Company's Interim Chief Financial Officer and Corporate Secretary, since April 1, 2012. She has served as the Finance Manager of NCN Group Management Limited, the Company's subsidiary, since March 2008. Prior to that, Ms. Cheng served from 2004 to 2008 as an auditor with PricewaterhouseCoopers, an international firm of certified public accountants. Ms. Cheng holds a Bachelor's Degree in Business Administration with a major in Accountancy from the Hong Kong Baptist University and is an associate member of the Hong Kong Institute of Certified Public Accountants.

Wong Wing Kong has over 20 years' experience in the China Business and he is now the director and shareholder of Wideway Asia Pacific Limited. Since 2006, he has served as private financial advisor and consultant to various China companies. Prior to that, Mr. Wong was the owner of manufacturing company in China. Mr. Wong was appointed as a director because of his extensive knowledge of China markets through his various positions in China companies.

Identification of Certain Significant Employees

We have no employees who are not executive officers, but who are expected to make a significant contribution to our business.

Family Relationships

There are no family relationships between any directors or officers of the Company.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

1. had any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2. been convicted in a criminal proceeding or is a named subject to a pending criminal (excluding traffic violations and other minor offenses);

3. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, futures, commodities or banking activities; or

4. been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers, directors and beneficial owner of more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission statements of ownership and changes in ownership. The same persons are required to furnish us with copies of all Section 16(a) forms they file. We believe that, during fiscal 2014, all of our executive officers, directors and beneficial owner of more than 10% of a registered class of our equity securities complied with the applicable filing requirements.

In making these statements, we have relied upon examination of the copies of all Section 16(a) forms provided to us and the written representations of our executive officers, directors and beneficial owner of more than 10% of a registered class of our equity securities.

Code of Business Conduct and Ethics

A Code of Business Conduct and Ethics is a written standard designed to deter wrongdoing and to promote (a) honest and ethical conduct, (b) full, fair, accurate, timely and understandable disclosure in regulatory filings and public statements, (c) compliance with applicable laws, rules and regulations, (d) prompt reporting of violations of the code to an appropriate person and (e) accountability for adherence to the Code. We are not currently subject to any law, rule or regulation requiring that we adopt a Code of Business Conduct and Ethics. However, we have adopted a code of business conduct and ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Such code of business conduct and ethics is filed herewith as Exhibit 14.1 and is also available on our corporate website at www.ncnmedia.com .

Table of Contents

Board Leadership Structure

Our Board leadership structure is currently composed of combined Chairperson of the Board of Directors and Chief Executive Officer, Chief Financial Officer and the other members of our Board of Directors are non-executive members. The Board has three outstanding committees: (1) Audit Committee; (2) Remuneration Committee and (3) Nomination Committee. All these committees are composed of non-executive directors only.

Our Board of Directors has also determined a lead independent director is not necessary and has not appointed one at this time. In making these determinations, the Board of Directors considered the relative size of the Company, the size of the Board of Directors and the fact that all the other members of the Board of Directors are non-executive directors. The Board of Directors believes that Dr. Earnest Leung serves as both Chairperson of the board and Chief Executive Officer is in the best interest of the Company and its stockholders. Dr. Leung is the director most familiar with the PRC environment and our business, possess in-depth diverse business management experience, and is most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. The current combined position of Chairperson and Chief Executive Officer promotes a unified direction and leadership for the Board and gives a single, clear focus for the chain of command for our organization, strategy and business plans. The Board of Directors also believes that our overall corporate governance policies and practices adequately address any governance concerns raised by the dual chairperson and chief executive officer role.

Corporate Governance

Our board of directors currently has three standing committees which perform various duties on behalf of and report to the board of directors: (i) audit committee, (ii) remuneration committee and (iii) nominating committee. From time to time, the board of directors may establish other committees. Each of the three standing committees is comprised entirely of non-executive director as follows:

Name of Director	Audit	Nominating	Remuneration
Wong Wing Kong	C	C	C

C = Chairperson

On November 25, 2014, Mr. Charles Liu, Director the Company notified the Company of his intention to resign from his position as a director of the Company for personal reasons. Mr. Liu’s resignation will become effective on November 25, 2014. Mr. Liu’s resignation was not the result of any disagreement with the Company on any matter relating to the Company’s operations, policies or practices. The Board of Directors of the Company is currently reviewing candidates to fill the vacancy on the Board of Directors caused by Mr. Liu’s resignation and will announce the appointment of a suitable candidate as soon as such determination is made.

The Board of Directors has adopted a written charter for each of these committees, copies of which can be found on our website at www.ncnmedia.com .

Audit Committee

Our board of directors established an Audit Committee in September 2007. Our Audit Committee currently consists of one member: Wong Wing Kong. The Company does not have a qualified financial expert at this time because it has not been able to hire a qualified candidate. Further, the Company believes that it has inadequate financial resources at this time to hire such an expert. The Company intends to continue to search for a qualified individual for hire.

Mr. Wong Wing Kong serves as the chairperson of the Audit Committee.

The Audit Committee oversees our accounting, financial reporting and audit processes; appoints, determines the compensation of, and oversees, the independent auditors; pre-approves audit and non-audit services provided by the independent auditors; reviews the results and scope of audit and other services provided by the independent auditors; reviews the accounting principles and practices and procedures used in preparing our financial statements; and reviews our internal controls.

The Audit Committee works closely with management and our independent auditors. The Audit Committee also meets with our independent auditors without members of management present on regularly basis to review the results of their work. The Audit Committee also meets with our independent auditors to approve the annual scope and fees for the audit services to be performed.

Table of Contents

AUDIT COMMITTEE REPORT

The Audit Committee of the Company's Board of Directors (the "Audit Committee") consists of one non-employee director, Wong Wing Kong.

Management is responsible for the Company's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's consolidated financial statements and internal control over financial reporting in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States) and to issue a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes.

In early 2015, the Audit Committee has reviewed and discussed with management and the independent auditors the audited consolidated financial statements in the Company's 2014 Annual Report on Form 10-K. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles. The Audit Committee discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as amended.

The Company's independent auditors also provided to the Audit Committee the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditors' communications with the Audit Committee concerning independence. The Audit Committee discussed with the independent auditors their independence.

Based on the Audit Committee's discussions with management and the independent auditors, and the Audit Committee's review of the Company's audited consolidated financial statements, representation of management and the report of the independent auditors to the Audit Committee, the Audit Committee recommended that the Board of Directors include the audited consolidated financial statements in the Company's 2014 Annual Report on Form 10-K filed with the SEC.

The Audit Committee
Wong Wing Kong

Remuneration Committee

Our board of directors established a Remuneration Committee in September 2007. Our Remuneration Committee consists of one member: Wong Wing Kong. Mr. Wong Wing Kong serves as the chairperson of the Remuneration Committee.

The Remuneration Committee (i) oversees and makes general recommendations to the Board of Directors regarding our compensation and benefits policies; (ii) oversees, evaluates and approves cash and stock compensation plans, policies and programs for our executive officers; and (iii) oversees and sets compensation for the Board of Directors. Our Chief Executive Officer may not be present at any meeting of our compensation committee during which his compensation is deliberated.

All the compensation packages for executive officers and directors including both employee directors and non-employee directors are recommended and proposed by the Remuneration Committee. In determining compensation for executive officers other than the Chief Executive Officer, the Remuneration Committee considers, among other things, the recommendations of the Chief Executive Officer. However, the full Board of Directors determines all such compensation packages.

The Remuneration Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a sub-committee of the Remuneration Committee consisting of one or more members of the Committee. The Remuneration Committee has no current intention to delegate any of its authority to any subcommittee. Also, the Remuneration Committee did not engage any compensation consultants in determining or recommending the amount or form of executive and director compensation in the past.

Nominating Committee

Our board of directors established a Nominating Committee in September 2007. Our Nominating Committee currently consists of one member: Wong Wing Kong. Mr. Wong Wing Kong serves as the chairperson of the Nominating Committee.

The Nominating Committee (i) considers and periodically reports on matters relating to the identification, selection and qualification of the Board of Directors and candidates nominated to the Board of Directors and its committees; (ii) develops and recommends governance principles applicable to the Company; and (iii) oversees the evaluation of the Board of Directors and management from a corporate governance perspective.

Table of Contents

Although our bylaws do not contain provisions which specifically address the process by which a stockholder may nominate an individual to stand for election to the Board of Directors at our annual meeting of stockholders, the Nominating Committee will consider director candidates recommended by stockholders. In evaluating candidates submitted by stockholders, the Nominating Committee will consider (in addition to the criteria applicable to all director candidates described below) the needs of the Board and the qualifications of the candidate, and may also take into consideration the number of shares held by the recommending stockholder and the length of time that such shares have been held. In general, to have a candidate considered by the Nominating Committee, a stockholder must submit the recommendation in writing and must include the following information:

1. The name of the stockholder and evidence of the person's ownership of Company stock, including the number of shares owned and the length of time of ownership; and

2. The name of the candidate, the candidate's resume or a listing of his or her qualifications to be a director of the Company and the person's consent to be named as a director if selected by the Nominating Committee and nominated by the Board.

The stockholder recommendation and information described above must be sent to the Corporate Secretary at Network CN Inc., Room 801A and 807B, 8/F, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong. For a candidate to be considered for nomination by the Nominating Committee at an annual meeting, a stockholder recommendation must be received not less than 120 days prior to the anniversary date of the Company's most recent annual meeting of stockholders.

The Nominating Committee does not have any formal criteria for director nominees; however, it believes that director nominees should have certain minimum qualifications, including the highest personal and professional integrity and values, an inquiring and independent mind, practical wisdom and mature judgment. In evaluating director nominees, the Nominating Committee also considers an individual's skills, character, leadership experience, business experience and acumen, familiarity with relevant industry issues, national and international experience, and other relevant criteria that may contribute to our success. This evaluation is performed in light of the skill set and other characteristics that would most complement those of the current directors, including the diversity, maturity, skills and experience of the board as a whole, with the objective of recommending a group of persons that can best implement our business plan, develop our business and represent shareholder interests.

As described above, the Nominating Committee will consider candidates recommended by shareholders. It will also receive suggestions of candidates from current Board members, the Company's executive officers or other sources, which may be either unsolicited or in response to requests from the Nominating Committee.

After a person has been identified by the Nominating Committee as a potential candidate, the Nominating Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. The Nominating Committee members may contact the person if the person should be considered further. Generally, the Nominating Committee may request information from the candidate, review the person's accomplishments and qualifications and may conduct one or more interviews with the candidate and members of the committee or other Board members. In certain instances, Nominating Committee members or other Board members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have first-hand knowledge of the candidate's accomplishments. The Nominating Committee's evaluation process does not vary based on whether or not a candidate is recommended by a shareholder, although, as stated above, in the case of such a candidate the Board may take into consideration the number of shares held by the recommending shareholder and the length of time that such shares have been held.

Board Oversight of Risk

Our Board of Directors recognizes that, although risk management is a primary responsibility of the Company's management, the Board plays a critical role in oversight of risk. The Board, in order to more specifically carry out this responsibility, has assigned certain task focusing on reviewing different areas including strategic, operational, financial and reporting, compensation, compliance, corporate governance and other risks to the relevant Board Committees as summarized above. Each Committee then reports to the full Board ensuring the Board's full involvement in carrying out its responsibility for risk management.

ITEM 11. EXECUTIVE COMPENSATION

Persons Covered

As of December 31, 2014, there were only two Executive Officers including Chief Executive Officer and Interim Chief Financial Officer in the Company. The Company's Chief Executive Officer and Interim Chief Financial Officer during fiscal year 2014 and the Company's executive officer as of December 31, 2014, or the Named Executive Officers are set forth below:

Name	Position
Earnest Leung	Chief Executive Officer and Chairperson of the Board
Shirley Cheng	Interim Chief Financial Officer and Corporate Secretary

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On February 18, 2015, the Company's board of directors appointed Ms. Cheng to serve as the Company's Chief Financial Officer, effective immediately.

Table of Contents

Compensation Discussion and Analysis

Overview

The Company's executive compensation program is generally designed to align the interests of executives with the interests of shareholders and to reward executives for achieving the Company's objectives. The executive compensation program is also designed to attract and retain the services of qualified executives.

All the compensation packages for executive officers are recommended and proposed by the Remuneration Committee. In determining compensation for executive officers, the Remuneration Committee considers the officers' current compensation, the level of executive compensation packages for similarly situated companies, changes in cost of living, our financial condition, our operating results and individual performance. However, the full Board of Directors determines all such compensation packages.

Executive compensation generally consists of base salary, bonuses and long-term incentive equity compensation such as stock grants or additional options to purchase shares of the Company's common stock as well as various health and welfare benefits. The Board has determined that both the base salary and long-term incentive equity compensation should be the principal component of executive compensation. The Board has not adopted a formal bonus plan, and all bonuses are discretionary.

Elements of Compensation

The executive compensation for (i) the Company's Chief Executive Officer and Chief Financial Officer and (ii) the Company's compensated executive officer who were serving as executive officers (collectively "Named Executive Officers") for fiscal 2014 primarily consisted of base salary, long term incentive equity compensation, income tax reimbursement, and other compensation and benefit programs generally available to other employees,

Base Salary. The Board establishes base salaries for the Company's Named Executive Officers based on the scope of their responsibilities, taking into account competitive market compensation paid by other companies in the Company's peer group for similar positions. Generally, the Board believes that executive base salaries should be targeted near the median of the range of salaries for executives in similar positions and with similar responsibilities at comparable companies in line with our compensation philosophy.

Base salaries are reviewed annually, and may be adjusted to realign salaries with market levels after taking into account individual responsibilities, performance and experience.

Bonuses . Bonuses are intended to compensate the Named Executive Officers for achieving the Company's financial performance and other objectives established by the Board each year. The Board currently does not adopt a formal bonus plan and all bonuses are discretionary.

Long-Term Incentive Equity Compensation . The Board believes that stock-based awards promote the long-term growth and profitability of the Company by providing executive officers with incentives to improve shareholder value and contribute to the success of the Company and by enabling the Company to attract, retain and reward the best available persons for executive officer positions. The Named Executive Officers were eligible to receive certain number of shares of common stock of the Company. On July 15, 2009, the Company agreed to grant certain number of shares of common stock of the Company to each of Dr. Earnest Leung, Mr. Godfrey Hui and Ms. Jennifer Fu in the following amounts: Dr. Leung : 6,000,000 shares; Mr. Hui: 2,000,000 shares and Ms Fu: 200,000 shares for their first two years' service to the Company. The Company cannot currently determine the number or type of additional awards that may be granted to eligible participants under the long-term incentive equity compensation plan in the future. Such determination will be made from time to time by the Remuneration Committee (or Board).

Income Tax Reimbursement . Dr. Earnest Leung and Mr. Godfrey Hui were fully reimbursed by the Company for their Hong Kong personal income taxes resulting from their employment under the employment agreement dated July 15, 2009 while Ms Jennifer Fu was reimbursed by the Company for her Hong Kong personal income taxes resulting from 200,000 shares of common stock of the Company granted to her.

Change-In-Control and Termination Arrangements . The employment agreements with current Named Executives may be terminated by giving the other party three-month advanced notice, except Ms. Shirley Cheng may be terminated with one-month advance notice. Other than as disclosed above, the Company does not have change-in-control arrangements with any of its current Named Executives, and the Company is not obligated to pay severance or other enhanced benefits to executive officers, unless otherwise stated in Hong Kong Employment Ordinance, upon termination of their employment.

Table of Contents

Summary Compensation Table

The following table sets forth information concerning all compensation awarded to, earned by or paid during fiscal years 2014, 2013 and 2012, to the Named Executive Officers:

Name and Principal Position	Year	Salary ($)	(1) Bonus ($)	(2) Stock Awards ($)	Options Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	(3) All Other Compensation ($)	Total ($)
Earnest Leung, Chief Executive Officer and Director	2014	27,404	-	-	-	-	-	2,147	29,551
	2013	-	-	-	-	-	-	1,923	1,923
	2012	-	-	-	-	-	-	1,763	1,763
Shirley Cheng Interim Chief Financial Officer and Corporate Secretary	2014	63,000	-	-	-	-	-	2,147	65,147
	2013	63,000	-	-	-	-	-	1,923	64,923
	2012	48,234	-	-	-	-	-	1,378	49,612
Godfrey Hui, Former Deputy Chief Executive Officer and Former Director	2014	-	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-	-
	2012	-	-	-	-	-	-	1,763	1,763
Jennifer Fu, Former	2014	-	-	-	-	-	-	-	-

Chief Financial Officer and Former Corporate Secretary									
	2013	-	-	-	-	-	-	-	-
	2012	17,800	-	-	-	-	-	3,880	21,680

(1) No bonus was paid to the Named Executive Officers in fiscal 2014, 2013 and 2012. The amounts reflected the salary paid to the Executives during each of fiscal years. The Company withheld 10 months', 12 months and 12 months' salary payment for Dr. Leung during the fiscal year ended December 31, 2014, 2013 and 2012 respectively. The Company withheld 12 months' salary payment for Mr. Hui during the fiscal year ended December 31, 2012.

(2) As required by SEC rules, amounts in the column "Stock Awards" present the aggregate grant date fair value of awards made each year computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification™ 718 Compensation—Stock Compensation ("FASB ASC 718"). The grant date fair value of each of the executives' award is measured based on the closing price of our common stock on the date of grant.

These amounts do not reflect whether the recipient has actually realized or will realize a financial benefit from the awards. Under generally accepted accounting principles, compensation expense with respect to stock awards granted to our employees, executives and directors is generally recognized over the requisite services period. The SEC's disclosure rules previously required that we present stock award information based on the amount recognized during the corresponding year for financial statement reporting purposes with respect to these awards. However, the recent changes in the SEC's disclosure rules require that we now present stock award amounts using the grant date fair value of the awards granted during the corresponding year.

Table of Contents

The aggregate number of stock awards vested to each of the Named Executive Officers for his/her service rendered in each fiscal period was summarized as follows:

Named Executive Officer	2014	2013	2012
Earnest Leung	-	-	-
Shirley Cheng	-	-	-
Godfrey Hui	-	-	-
Jennifer Fu	-	-	-

As of December 31, 2014, all the above stocks were issued to each of Named Executive Officers.

(3) All other compensation only represents the followings:

(a) a monthly contribution of (From January to May 2012: HK$1,000 or approximately $128; From June 2012 to May 2014: HK$1,250 or approximately $160; From June 2014 to December 2014:HK$1,500 or approximately $192) paid by the Company into a mandatory provident fund for the benefit of each of the Named Executive Officers;

(b) monthly cash allowance of HK$40,000 (approximately $5,128) paid to Dr. Earnest Leung and Mr. Godfrey Hui commencing from July 2009 and monthly allowance of HK$6,000 (approximately $769) paid to Ms. Jennifer Fu commencing from February 2010; The Company withheld 10 months', 12 months and 12 months' cash allowance payment for Dr. Leung during the fiscal year ended December 31, 2014, 2013 and 2012 respectively. The Company withheld 12 months' cash allowance payment for Mr. Hui during the fiscal year ended December 31, 2012.; and

(c) Income tax reimbursement paid to Dr. Earnest Leung, Mr. Godfrey Hui and Ms Jennifer Fu during each fiscal year. As of December 31, 2014, the accrued income tax reimbursement to Dr. Leung and Mr. Hui and Ms. Fu and Ms. Cheng was $129,852, $59,878, $nil and $nil respectively. During the year ended December 31, 2012, income tax reimbursement of HK$9,266 (approximately $1,188) was paid to Ms. Fu.

There is no item that is not a perquisite or personal benefit (such as tax reimbursements and contributions to the mandatory provident fund) whose value exceeds $10,000 for each Named Executives.

Employment Contracts

On July 15, 2009, the Company entered into separate executive employment agreements with each of Dr. Earnest Leung and Mr. Godfrey Hui, in connection with their services to the Company as our Chief Executive Officer and Deputy Chief Executive Officer, respectively. Under the terms of the agreements, each of Dr. Leung and Mr. Hui will receive a monthly salary of HK$60,000 (approximately $7,692) and a monthly allowance of HK$40,000 (approximately $5,128) and we have agreed to grant each of Dr. Leung and Mr. Hui, 6 million shares and 2 million shares of our common stock, respectively, for their first two years of service to the Company. We will fully reimburse them for their Hong Kong personal income taxes resulting from their employment under the agreements. Each of the executives has also agreed to customary non-competition and confidentiality provisions and the agreements may be terminated by the Company at any time without notice or payment, in the event that any of the executives engage in misconduct or dereliction of duty.

On February 5, 2010, Jennifer Fu was appointed as the Company's Chief Financial Officer. Ms Fu is entitled to a monthly salary of HK$49,000 (approximately $6,282) which was subsequently increased to HK$51,750 (approximately $6,635) in February 2011 and a monthly allowance of HK$6,000 (approximately $769). We have agreed to grant Ms. Fu 0.2 million shares of our common stock for her first two years of service to the Company and will fully reimburse her for her Hong Kong personal income taxes resulting from the 0.2 million shares granted to her.

The employment may be terminated by the Company at any time without notice or payment, in the event that any of the executives engage in misconduct or dereliction of duty.

On April 1, 2012, Shirley Cheng was appointed as the Company's Interim Chief Financial Officer. Ms Cheng is entitled to a monthly salary of HK$40,950 (approximately $5,250). The employment may be terminated by the Company at any time without notice or payment, in the event that any of the executives engage in misconduct or dereliction of duty.

Table of Contents

Retirement Benefits

Currently, we do not provide any employees, including our named executive officers any company sponsored retirement benefits other than a state pension scheme in which all of our employees in China participate.

Grants of Plan-Based Awards

The following table sets forth information regarding grants of awards to the Named Executive Officers during the year ended December 31, 2014:

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#) (1)	Exercise or Base Price of Option Awards ($/share)	Grant Date Fair Value of Stock and Options Awards	Closing Price on Grant Date ($/share)
Earnest Leung	-	-	-	-	-	-
Shirley Cheng	-	-	-	-	-	-

No stock awards were granted to the Company’s Named Executive Officers during fiscal year 2014.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth the equity awards outstanding at December 31, 2014 for each of the named executive officers.

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)
Earnest Leung	-	-	-	-	-	-
Shirley Cheng	-	-	-	-	-	-
Godfrey Hui	-	-	-	-	-	-
Jennifer Fu	-	-	-	-	-	-

Potential Payments upon Termination or Change-in Control

The employment agreements with current Named Executives may be terminated by giving the other party three-month advanced notice, except Ms. Shirley Cheng may be terminated with one-month advance notice. Other than as disclosed above, the Company does not have change-in-control arrangements with any of its current Named Executives, and the Company is not obligated to pay severance or other enhanced benefits to executive officers, unless otherwise stated in Hong Kong Employment Ordinance, upon termination of their employment. Accordingly, there is no potential payments payable to our current Named Executive Officers upon termination or change-in control.

Director Compensation

Overview

All the compensation packages for each of directors are proposed by the Remuneration Committee and approved by the Board of Directors. Director compensation packages in 2014 generally consist of cash compensation and long-term incentive equity compensation.

Cash compensation On July 2012, the Remuneration Committee proposed the monthly cash compensation for each director remain unchanged, which was approved by the Board. As such, all employee directors and non-employee directors were entitled to a uniform monthly cash compensation of $1,500 for their service from July 1, 2012 to June 30, 2013. On August 2013, the Remuneration Committee proposed the monthly cash compensation for each director remain unchanged, which was approved by the Board. On February 2015, the Remuneration Committee proposed the monthly cash compensation for each director decreased to $1,000 from July 2014 to Jun 30, 2015, which was approved by the Board.

Table of Contents

Long-Term Incentive Equity Compensation. The Board believes that stock-based awards promote the long-term growth and profitability of the Company by providing directors with incentives to improve shareholder value and contribute to the success of the Company. Our Board determined the number of stock to be granted to directors for their service by considering the aggregate fair value as at the grant date of the past stock awards given to non-employee director and the Company's performance. In July 2012, the non-employee directors, Mr. Ronald Lee, Mr. Gerald Godfrey and Mr. Charles Liu, were also granted an award of 120,000 shares each, at a fair value of $22,200 at the date of grant and to be vested on July 1, 2013, for their one-year service from July 1, 2012 to June 30, 2013. In August 2013, the directors, Dr. Leung, Mr. Gerald Godfrey and Mr. Charles Liu, were also granted an award of 120,000 shares each, at a fair value of $8,388 at the date of grant and to be vested on July 1, 2014, for their one-year service from July 1, 2013 to June 30, 2014. In February 2015, the director, Dr. Leung was also granted an award of 200,000 shares each, at a fair value of $11,200 at the date of grant and to be vested on June 30, 2015, for their one-year service from July 1, 2014 to June 30, 2015. In February 2015, the director, Mr. Wong Wing Kong and Ms. Shirley Cheng were also granted an award of 200,000 shares each, at a fair value of $11,200 at the date of grant and to be vested on June 30, 2015, for their service from February 18, 2015 to June 30, 2015.

The following table provides information about the compensation earned by directors who served during fiscal year 2014:

Name of director(3)	Fees Earned or Paid(1) in Cash ($)	Stock Awards(2) ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings($)	All Other Compensation ($)	Total ($)
Earnest Leung	15,000	5,600	-	-	-	-	20,600
Gerald Godfrey*	15,000	-	-	-	-	-	15,000
Charles Liu*	13,000	-	-	-	-	-	13,000

*Non-employee directors

(1) For the service periods from January to June 2014, both the employee directors and non-employee directors were entitled to a monthly cash compensation of $1,500. For the service periods from July 2014 to December 2014, both the employee directors and non-employee directors were entitled to a monthly cash compensation of $1,000.

(2) As required by SEC rules, amounts in the column "Stock Awards" present the aggregate grant date fair value of awards made each year computed in accordance with ASC Topic 718. The grant date fair value of each of the directors' award is measured based on the closing price of our common stock on the date of grant. These amounts do not reflect whether the recipient has actually realized or will realize a financial benefit from the awards. Under generally accepted accounting principles, compensation expense with respect to stock awards granted to our employees, executives and directors is generally recognized over the requisite services period.

(3) On November 25, 2014, Mr. Charles Liu notified the Company of his intention to resign from his position as a director of the Company for personal reasons. Mr. Liu's resignation will become effective on November 25, 2014.

(4) On February 18, 2015, Mr. Gerald Godfrey was retired from his position as a director.

Remuneration Committee Interlocks and Insider Participation

The current member of the Remuneration Committee is non-executive director, and all past members were independent directors at all times during their service on such Committee. None of the past or present members of our Remuneration Committee are present or past employees or officers of ours or any of our subsidiaries. No member of the Remuneration Committee has had any relationship with us requiring disclosure under Item 404 of Regulation S-K under the Securities Exchange Act of 1934, as amended. None of our executive officers has served on the Board or Remuneration Committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served on our Board or Remuneration Committee.

Table of Contents

Limitation of Liability and Indemnification of Officers and Directors

Our bylaws provide for the indemnification of our present and prior directors and officers or any person who may have served at our request as a director or officer of another corporation in which we own shares of capital stock or of which we are a creditor, against expenses actually and necessarily incurred by them in connection with the defense of any actions, suits or proceedings in which they, or any of them, are made parties, or a party, by reason of being or having been director(s) or officer(s) of us or of such other corporation, in the absence of negligence or misconduct in the performance of their duties. This indemnification policy could result in substantial expenditure by us, which we may be unable to recoup.

Insofar as indemnification by us for liabilities arising under the Securities Exchange Act of 1934, as amended, may be permitted to our directors, officers and controlling persons pursuant to provisions of the Articles of Incorporation and Bylaws, or otherwise, we have been advised that in the opinion of the SEC, such indemnification is against public policy and is, therefore, unenforceable. In the event that a claim for indemnification by such director, officer or controlling person of us in the successful defense of any action, suit or proceeding is asserted by such director, officer or controlling person in connection with the securities being offered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

At the present time, there is no pending litigation or proceeding involving a director, officer, employee or other agent of ours in which indemnification would be required or permitted. We are not aware of any threatened litigation or proceeding which may result in a claim for such indemnification.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2014 with respect to compensation plans, under which securities are authorized for issuance, aggregated as to (i) compensation plans previously approved by security holders, and (ii) compensation plans not previously approved by security holders.

Equity Compensation Plan Information

Plan Category	Number Of Securities To Be Issued Upon Exercise Of Outstanding Options, Warrants And Rights (A)	Weighted Average Exercise Price Of Outstanding Options, Warrants And Rights (B)	Number Of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected In Column (A)) (C)
Equity compensation plans approved by security holders	-	-	10,222,548 (1)
Equity compensation plans not approved by security holders	20,000 (2)	$3.5	-

Total	20,000 (2)	$3.5	10,222,548

(1) We reserved 600,000 shares for issuance under our 2004 Stock Incentive Plan, of which 200,000 shares are still available for issuance as of December 31, 2014. We reserved 40,200,000 shares for issuance under our Amended and Restated 2007 Equity Incentive Plan of which 10,022,548 are still available for issuance as of December 31, 2014. See below subsection- " Equity Incentive Plans" for more information about the plan.

(2) A warrant to purchase 20,000 shares of restricted common stock was granted to a consultant on August 25, 2006 with an exercise price of $3.5 per share. The warrant shall remain exercisable until August 25, 2016. The warrant remained unexercised as of December 31, 2014.

Option Grants in the Last Fiscal Year

None.

Table of Contents

Equity Incentive Plan

In April 2004, our Board of Directors and holders of a majority of our then outstanding common stock authorized and approved the 2004 Stock Incentive Plan, or the 2004 Plan. Under the 2004 Plan, we reserved 600,000 shares of our common stock for issuance upon exercise of incentive and non-qualified stock options, stock bonuses and rights to purchase awarded from time-to-time, to our officers, directors, employees and consultants. As of December 31, 2014, 400,000 shares have been issued under the plan and 200,000 shares remain available for issuance. No options, warrants or other rights to acquire shares of our common stock have been granted or are outstanding under the plan. A registration statement on Form S-8 was filed with the SEC with respect to 400,000 shares of common stock issuable under the plan on April 22, 2004 (SEC File No. 333-114644).

In March 2007, our Board of Directors authorized and approved the 2007 Stock Option/Stock Issuance Plan, or the 2007 Plan. The purpose of the plan is to promote the best interests of the Company and its stockholders by providing a means of non-cash remuneration to selected participants who contribute to the operating progress and earning power of the Company. The plan also provides incentives to employees and directors by offering them an opportunity to acquire a proprietary interest in the Company. Under the 2007 Plan, we reserved 1,500,000 shares of our common stock for issuance upon exercise of incentive and non-qualified stock options, stock bonuses and rights to purchase awarded from time to time, to our officers, directors, employees and consultants. A registration statement on Form S-8 was filed with the SEC on April 6, 2007 (SEC File No. 333-141943) with respect to 1,500,000 shares of common stock issuable under the 2007 Plan as well as options to purchase 45,000 shares of common stock issued to the Company's legal counsel in February 2006. Such options were not issued under the 2004 Plan or the 2007 Plan. The Company's stockholders approved the 2007 Plan in November 2007.

In July 2009, the Board of Directors approved the issuance of 7,399,452 shares in excess of the number of shares of common stock available for issuance under the 2007 Plan, and in accordance with the 2007 Plan, the Company is required to seek stockholder approval within twelve months after the date of such excess grant. The Board of Directors has no immediate plans to issue additional shares under the 2007 Plan, however, the Board of Directors believes that increasing the maximum number of shares of common stock that may be issued under the 2007 Plan will be instrumental for us to continue to attract and retain outstanding employees. Accordingly, on June 2, 2010, the Board of Directors approved the amendment and restatement of the 2007 Equity Incentive Plan (the "First Amendment of 2007 Plan"), with the only change being to increase the maximum number of shares of common stock of the Company, par value $0.001 per share that may be issued and sold under the 2007 Plan from 1,500,000 to 21,400,000 and submitted it for stockholder's approval. A registration statement on Form S-8 was filed with the SEC on July 30, 2010 (SEC File No. 333-168417) with respect to the First Amendment of 2007 Plan.

On July 30, 2012, the Board of Directors approved the second amendment and restatement of the 2007 Equity Incentive Plan (the "Second Amendment of 2007 Plan"), with the only change being to increase the maximum number of shares of common stock of the Company, par value $0.001 per share that may be issued and sold under the 2007 Plan from 21,400,000 to 31,400,000, and submitted it for stockholder's approval. The Board of Directors believes that such arrangements will be instrumental for the Company to be able to continue to attract and retain outstanding employees. A registration statement on Form S-8 was filed with the SEC on October 12, 2012 (SEC File No. 333-184398) with respect to the Second Amendment of 2007 Plan.

On October 31, 2012, the Board of Directors approved the third amendment and restatement of the 2007 Equity Incentive Plan (the "Third Amendment of 2007 Plan"), with the only change being to increase the maximum number of shares of common stock of the Company, par value $0.001 per share that may be issued and sold under the 2007 Plan from 31,400,000 to 40,200,000, and submitted it for stockholder's approval. The Board of Directors believes that such arrangements will be instrumental for us to be able to continue to attract and retain outstanding employees. A registration statement on Form S-8 was filed with the SEC on January 16, 2014 (SEC File No. 333-193381) with respect to the Third Amendment of 2007 Plan.

As of December 31, 2014, 30,177,452 shares have been issued under the plan and 10,022,548 shares remain available for issuance. No options, warrants or other rights to acquire shares of our common stock have been granted or are outstanding under the plan.

Both of the Plans are administered by our Board of Directors. Under each plan, the Board determines which of our employees, officers, directors and consultants are granted awards, as well as the material terms of each award, including whether options are to be incentive stock options or non-qualified stock options.

Subject to the provisions of the Plans, and the Internal Revenue Code with respect to incentive stock options, the Board determines who shall receive awards, the number of shares of common stock that may be purchased, the time and manner of exercise of options and exercise prices. At its discretion, the Board also determines the form of consideration to be received upon exercise and may permit the exercise price of options granted under the plans to be paid in whole or in part with previously acquired shares and/or the surrender of options. The term of options granted under the plans may not exceed ten years, or five years for an incentive stock option granted to an optionee owning more than 10% of our voting stock. The exercise price for incentive stock options may not be less than 100% of the fair market value of our common stock at the time the option is granted. However, incentive stock options granted to a 10% holder of our voting stock may not be exercisable at less than 110% of the fair market value of our common stock at the date of the grant. The exercise price for non-qualified options will be determined by the board.

Table of Contents

Security Ownership of Certain Beneficial Owners and Management

The following tables set forth information as of April 15, 2015, regarding the beneficial ownership of our common stock (a) by each stockholder who is known by the Company to own beneficially in excess of 5% of our outstanding common stock; (b) by each of the Company's officers and directors; (c) and by the Company's officers and directors as a group. Except as otherwise indicated, all persons listed below have (i) sole voting power and investment power with respect to their shares of common stock, except to the extent that authority is shared by spouses under applicable law, and (ii) record and beneficial ownership with respect to their shares of stock. Unless otherwise identified, the address of the directors and officers of the Company listed above is Room 801A and 807B, 8/F, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.

Title of Class	Name and Address of Beneficial Owner	Office, If Any	Amount & Nature of Beneficial Ownership (1)	Percent of Class (4)
Common Stock	Earnest Leung	CEO and Director	60,737,527 (2)	41.3
Common Stock	Shirley Cheng	CFO and director	-	-
Common Stock	Wong Wing Kong	Director	3,000,000	2.0
All Officers and Directors as a group (3 persons named above)			63,737,527	
Common Stock	Keywin Holdings Limited (5) Room 801A and 807B, 8/F, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong	5% Security Holder	54,444,927 (3)	37.1
Common Stock	Sino Portfolio International Ltd(6) 3104 -7, 31/F, Central Plaza, 18 Harbour Road, Hong Kong	5% Security Holder	27,536,288	18.7
Common Stock	Godfrey Hui Room 801A and 807B, 8/F, Tsim Sha Tsui Centre, 66 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong	5% Security Holder	13,105,112	8.9
Total Shares Owned by Persons Named above			104,378,926	

* Less than 1%

(1) Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

(2) Includes 24,141,897 shares held by Keywin Holdings Limited of which Dr. Earnest Leung is the director and also an option for Keywin Holdings Limited to purchase an aggregate of 30,303,030 shares of the Company's common stock, exercisable for an aggregate purchase price of $2,000,000 by January 1, 2016.

(3) Includes an option to purchase an aggregate of 30,303,030 shares of the Company's common stock, exercisable for an aggregate purchase price of $2,000,000 by January, 2016.

(4) A total of 116,628,217 shares of our common stock outstanding are considered to be outstanding pursuant to SEC Rule 13d-3(d)(1) as of April 15, 2015. For each beneficial owner above, any options exercisable within 60 days have been included in the denominator.

(5) Dr. Earnest Leung, its sole director, and Ms Pui Chu Tang, its shareholder and Dr. Leung's spouse, have voting and dispositive control over the shares held by Keywin Holdings Limited.

(6) Ms Angela Chan, its sole director, and Mrs. Chen Yang Foo Oi, its shareholder, have voting and dispositive control over the shares held by Sino Portfolio International Ltd.

Table of Contents

Changes in Control
There are no arrangements known to us, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in control of the Company.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Related Party Transactions

Except as set forth below, during our last two fiscal years, we have not entered into any material transactions or series of transactions that would be considered material in which any director or executive officer or beneficial owner of 5% or more of any class of our capital stock, or any immediate family member of any of the preceding persons, had a direct or indirect material interest:

In April 2009, in connection with debt restructuring, Statezone Ltd. of which Dr. Earnest Leung, the Company's Chief Executive Officer and a Director (being appointed on July 15, 2009 and May 11, 2009 respectively) is the sole director, provided agency and financial advisory services to the Company. Accordingly, the Company paid an aggregate service fee of $350,000 of which $250,000 has been recorded as issuance costs for 1% Convertible Promissory Notes and $100,000 has been recorded as prepaid expenses and other current assets, net since April 2009. Such $100,000 is refundable unless Keywin Option is exercised and completed.

On January 1, 2010, the Company and Keywin, of which Dr. Earnest Leung is the director and his spouse is the sole shareholder, entered into the third Amendment, pursuant to which the Company agreed to further extend the exercise period for the Keywin Option under the Note Exchange and Option Agreement between the Company and Keywin, to purchase an aggregate of 24,562,837 shares of our common stock for an aggregate purchase price of $2,000,000, to an eighteen-month period ended on October 1, 2010, and provide the Company with the right to unilaterally terminate the exercise period upon 30 days' written notice. On September 30, 2010 and June 1, 2011, the exercise period for the Keywin Option was extended to a twenty-seven-month period ended on June 30, 2011 and a thirty-three-month period ended on January 1, 2012 respectively. On December 30, 2011, the exercise period for the Keywin Option was further extended to a thirty-nine-month period ending on July 1, 2012. On June 28, 2012, the exercise period for the Keywin Option was further extended to a forty-five-month period ending on January 1, 2013. On December 28, 2012, the exercise period for the Keywin Option was further extended to a fifty-seven-month period ending on January 1, 2014. On December 31, 2013, the exercise period for the Keywin Option was further extended to a sixty-nine-month period ending on January 1, 2015. On December 12, 2014, the exercise period for the Keywin Option was further extended to a eighty-one-month period ending on January 1, 2016 and aggregate amount of shares amended to 30,303,030 shares.

During the year ended December 31, 2014, 2013 and 2012, the Company received an aggregate loans from Dr. Earnest Leung amounting to $nil, $13,250 and $117,948 and repaid loans of $85,244, $71,924 and $197,364 to Dr. Earnest Leung respectively. The amount is unsecured, bears no interest and repayable on demand. The maximum amount outstanding during the year ended December 31, 2014, 2013 and 2012 is 85,244, $143,918 and $341,282 respectively. As of December 31, 2014 and 2013, the Company recorded an amount of $nil and $85,244 payable to director respectively.

Related Party Transaction Policy

Our Company has adopted a written Related Party Transaction Policy, or the Policy, for the purpose of describing the procedures used to identify, review, approve and disclose, if necessary, any transaction in which (i) the Company is a participant and (ii) a related person has or will have a direct or indirect material interest.

Once a related party transaction in which the aggregate amount involved will or may be expected to exceed $120,000 in any calendar year has been identified, the Audit Committee must review the transaction for approval or ratification. In determining whether to approve or ratify a related party transaction, the Audit Committee shall consider all relevant facts and circumstances, including the following factors:

- the benefits to the Company of the transaction;
- the nature of the related party's interest in the transaction;
- whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company and its stockholders;
- the potential impact of the transaction on a director's independence; and
- any other matters the Audit Committee deems appropriate.

No director may participate in any discussion, approval or ratification of a transaction in which he or she is a related person.

40

Table of Contents

Promoters and Certain Control Persons

We did not have any promoters at any time during the past five fiscal years.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Union Power Hong Kong Certified Public Accountants Limited (Formerly known as "Hong Kong Great Wall Certified Public Accountants Limited") is our Principal Independent Registered Public Accountants engaged to audit our financial statements for the fiscal years ended December 31, 2014 and 2013. The following table shows the fees that we paid or accrued for the audit and other services provided by Union Power Hong Kong Certified Public Accountants Limited, for the fiscal years ended December 31, 2014 and 2013.

Fee Category		2014		2013
Audit Fees	$	64,744	$	61,537
Audit-Related Fees	$	--	$	--
Tax Fees	$	--	$	--
All Other Fees	$	--	$	--

Audit Fees

This category consists of fees for professional services rendered by our principal independent registered public accountant for the audit of our annual financial statements, review of financial statements included in our quarterly reports and services that are normally provided by the independent registered public accounting firms in connection with statutory and regulatory filings or engagements for those fiscal years.

Audit-Related Fees

This category consists of fees for assurance and related services by our principal independent registered public accountant that are reasonably related to the performance of the audit or review of our financial statements and are not reported above under "Audit Fees". The services for the fees disclosed under this category include consultations concerning financial accounting and reporting standards.

Tax Fees

This category consists of fees for professional services rendered by our principal independent registered public accountant for tax compliance, tax advice, and tax planning. .

All Other Fees

This category consists of fees for services provided by our principal independent registered public accountant other than the services described above.

Policy on Pre-Approval of Audit Services

The Audit Committee pre-approves all services, including both audit and non-audit services, provided by our independent registered public accounting firm. All audit services (including statutory audit engagements as required under local country laws) must be accepted by the Audit Committee before the audit commences.

Each year, management and the independent registered public accounting firm will jointly submit a pre-approval request, which will list each known and/or anticipated audit and non-audit service for the upcoming calendar year and which will include associated budgeted fees. The Audit Committee will review the requests and approve a list of annual pre-approved non-audit services.

All services provided by Union Power Hong Kong Certified Public Accountants Limited during the fiscal years ended December 31, 2014 and 2013 were pre-approved by the Audit Committee.

Table of Contents

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following consolidated financial statements are filed as a part of this Form 10-K :

(i)	Reports of Independent Registered Public Accounting Firms
(ii)	Consolidated Balance Sheets as of December 31, 2014 and 2013
(iii)	Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2014, 2013 and 2012
(iv)	Consolidated Statement of Stockholders' Equity for the years ended December 31, 2014, 2013 and 2012
(v)	Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012
(vi)	Notes to Consolidated Financial Statements

(b) The following Exhibits are filed as part of this Annual Report on Form 10-K:

Exhibit No.	Description
3.1	Amended And Restated Certificate Of Incorporation (incorporated herein by reference from Exhibit A to Registrant's Definitive Information Statement on Schedule 14C filed with the SEC on January 10, 2007)
3.2	Amended and Restated By-Laws, adopted on January 10, 2006 (incorporated herein by reference from Exhibit 3-(II) to Registrant's. Current Report on Form 8-K filed with the SEC on January 18, 2006)
3.3	Amended and Restated Certificate of Incorporation filed with the Delaware Secretary of State on July 27, 2009 (incorporated herein by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on July 29, 2009).
3.4	Certificate of Amendment of Certificate of Incorporation filed with the Delaware Secretary of State on September 16, 2011 (incorporated herein by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on September 19, 2011).
3.5	Amended and Restated Certificate of Incorporation filed with the Delaware Secretary of State on September 16, 2011. (incorporated herein by reference from Exhibit 3.5 to the Registrant's Annual Report on Form 10-K filed with the SEC on April 16, 2012)
4.1	Form of Registrant's Common Stock Certificate (incorporated herein by reference from Exhibit 4.1 to Registrant's Current Report on Form S-8 filed with the SEC on July 30, 2010).
4.2	Form of Registrant's Common Stock Certificate (incorporated herein by reference from Exhibit 4.2 to the Registrant's Annual Report on Form 10-K filed with the SEC on April 16, 2012)
4.3	Form of Warrant, in connection with 3% Convertible Promissory Notes and Warrants. (incorporated herein by reference from Exhibit 4.2 to Registrant's Current Report on Form 8-K filed with the SEC on February 6, 2008).
4.4	TEDA Travel Group, Inc. 2004 Stock Incentive Plan, effective on April 16, 2004 (incorporated herein by reference from Exhibit 4.1 to Registrant's Registration Statement on Form S-8 filed with the SEC on April 22, 2004)
4.5	2007 Stock Option/Stock Issuance Plan, effective on April 6, 2007 (incorporated herein by reference from Exhibit 10.1 to Registrant's Registration Statement on Form S-8 filed with the SEC on April 6, 2007)
4.6	

	Form of Note 1% Senior Unsecured Convertible Promissory Note, dated April 2, 2009 (incorporated herein by reference to Exhibit 4.1 from Registrant's Current Report on Form 8-K filed with the SEC on April 6, 2009)
4.7	Registration Rights Agreement, in connection with debt restructuring, dated April 2, 2009, by and among the Company, Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited, Sculptor Finance (SI) Ireland Limited and Keywin Holdings Limited. (incorporated herein by reference from Exhibit 4.2 Registrant's Current Report on Form 8-K filed with the SEC on April 6, 2009)
4.8	Network CN Inc. Amended and Restated 2007 Equity Incentive Plan (incorporated herein by reference from Exhibit 4.1 to Registrant's Current Report on Form S-8 filed with the SEC on July 30, 2010).
4.9	Form of Note 1% Senior Unsecured Convertible Promissory Note, dated April 2, 2012 (incorporated herein by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2012).
4.10	Network CN Inc. Second Amended and Restated 2007 Equity Incentive Plan (incorporated herein by reference from Exhibit 4.2 to Registrant's Current Report on Form S-8 filed with the SEC on October 12, 2012).
4.11	Network CN Inc. Third Amended and Restated 2007 Equity Incentive Plan (incorporated herein by reference from Exhibit 4.2 to Registrant's Current Report on Form S-8 filed with the SEC on January 16, 2014).
10.1	Registration Rights Agreement, dated November 19, 2007, by and among (i) Network CN Inc., Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited and Sculptor Finance (SI) Ireland Limited, OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd. and OZ Global Special Investments Master Fund, L.P. (incorporated herein by reference from Exhibit 99.4 to Registrant's Current Report on Form 8-K filed with the SEC on November 26, 2007)
10.2	Note Exchange Agreement, dated April 2, 2009, by and among the Company, Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited, Sculptor Finance (SI) Ireland Limited, OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd. and OZ Global Special Investments Master Fund, L.P. (incorporated herein by reference from Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on April , 2009)

Table of Contents

10.3	Note Exchange and Option Agreement, dated April 2, 2009, between the Company and Keywin Holdings Limited. (incorporated herein by reference from Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on April 6, 2009)
10.4	Letter Agreement and Termination of Investor Rights Agreement, dated April 2, 2009, by and among the Company, Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited, Sculptor Finance (SI) Ireland Limited, OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ Global Special Investments Master Fund, L.P. and Keywin Holdings Limited. (incorporated herein by reference from Exhibit 10.3 to Registrant's Current Report on Form 8-K filed with the SEC on April 6, 2009)
10.5	Employment Agreement, dated July 15, 2009, between the Company and Earnest Leung. (incorporated herein by reference from Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009)
10.6	Employment Agreement, dated July 15, 2009, between the Company and Godfrey Hui. (incorporated herein by reference from Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009)
10.7	Amendment No. 1 to Note Exchange and Option Agreement, dated July 1, 2009, between Keywin Holdings Limited and the Company. (incorporated herein by reference from Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009)
10.8	Amendment No. 2 to Note Exchange and Option Agreement dated September 30, 2009, between Keywin Holding Limited and the Company. (incorporated herein by reference from Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 6, 2009)
10.9	Amendment No. 3 to Note Exchange and Option Agreement, dated January 1, 2010, between Keywin Holding Limited and the Company (incorporated herein by reference from Exhibit 10.23 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 31, 2010)
10.10	Amendment No. 4 to Note Exchange and Option Agreement, dated September 30, 2010, between Keywin Holding Limited and the Company (incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2010)
10.11	Amendment No. 5 to Note Exchange and Option Agreement, dated June 1, 2011, between Keywin Holding Limited and the Company (incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2011)
10.12	Amendment No. 6 to Note Exchange and Option Agreement, dated December 30, 2011, between Keywin Holding Limited and the Company (incorporated herein by reference from Exhibit 10.16 to the Registrant's Annual Report on Form 10-K filed with the SEC on April 16, 2012)
10.13	Amendment No. 7 to Note Exchange and Option Agreement, dated June 28, 2012, between Keywin Holding Limited and the Company(incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 14, 2012)
10.14	Amendment No.8 to Note Exchange and Option Agreement, dated December 28, 2012, between Keywin Holding Limited and the Company (incorporated herein by reference from Exhibit 10.20 to the Registrant's Annual Report on Form 10-K filed with the SEC on May 10, 2013)
10.15	Amendment No.9 to Note Exchange and Option Agreement, dated December 31, 2013, between Keywin Holding Limited and the Company (incorporated herein by reference from Exhibit 10.21 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 31, 2014)
10.16	

	Amendment No.10 to Note Exchange and Option Agreement, dated December 12, 2014, between Keywin Holding Limited and the Company*
10.17	Lease Agreement, dated February 15, 2012, between NCN Group Management Limited and Leighton Property Company Limited (incorporated herein by reference from Exhibit 10.23 to the Registrant's Annual Report on Form 10-K filed with the SEC on April 16, 2012).
10.18	Exclusive Management Consulting Services Agreement dated January 1, 2008, by and among Lianhe, Bona and Bona's PRC shareholders, namely Mr Dayong Hao and Mr. Kaiyin Liu (incorporated herein by reference from Exhibit 10.26 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.19	Exclusive Technology Consulting Services Agreement dated January 1, 2008, by and among Lianhe, Bona and Bona's PRC shareholders, namely Mr Dayong Hao and Mr. Kaiyin Liu (incorporated herein by reference from Exhibit 10.27 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.20	Equity Pledge Agreement dated January 1, 2008, between Lianhe and Bona's PRC shareholders, namely Mr. Dayong Hao and Mr. Kaiyin Liu (incorporated herein by reference from Exhibit 10.28 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.21	Option Agreement dated January 1, 2008, between Lianhe and Bona's PRC shareholders, namely Mr Dayong Hao and Mr. Kaiyin Liu (incorporated herein by reference from Exhibit 10.29 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.22	Exclusive Management Consulting Services Agreement dated January 1, 2008, by and among Lianhe, Quo Advertising and Quo Advertising's PRC shareholders, namely Ms. Zhang Lina and Ms. Zhang Qinxiu (incorporated herein by reference from Exhibit 10.30 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)

Table of Contents

10.23	Exclusive Technology Consulting Services Agreement dated January 1, 2008, by and among Lianhe, Quo Advertising and Quo Advertising's PRC shareholders, namely Ms. Zhang Lina and Ms. Zhang Qinxiu (incorporated herein by reference from Exhibit 10.31 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.24	Equity Pledge Agreement dated January 1, 2008, between Lianhe and Quo Advertising's PRC shareholders, namely Ms. Zhang Lina and Ms. Zhang Qinxiu (incorporated herein by reference from Exhibit 10.32 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.25	Option Agreement dated January 1, 2008, by and among Lianhe, Quo Advertising and Quo Advertising's PRC shareholders, namely Ms. Zhang Lina and Ms. Zhang Qinxiu (incorporated herein by reference from Exhibit 10.33 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.26	Agreement in connection with the transfer of operation from Quo Advertising to Yi Gao dated January 1, 2010, by and among Quo Advertising, Linkrich Enterprise, Mr. Hao Da Yong, Ms. Shen Xiao Zhou, Ms. Kang Qian and Ms. Ying Zhen Zhen. (incorporated herein by reference from Exhibit 10.34 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.27	Declaration of Trust in connection with Quo Advertising holding 30% equity interest of Yi Gao on behalf of Linkrich Enterprise dated January 1, 2010 (incorporated herein by reference from Exhibit 10.35 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.28	Consultancy Agreement in connection with debt restructuring dated December 1, 2008, between NCN Group Ltd and Statezone Limited (incorporated herein by reference from Exhibit 10.36 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.29	Sino-Foreign Cooperative Joint Venture Agreement for Yi Gao Shanghai Advertising Limited dated January 1, 2009, between Quo Advertising and Linkrich Enterprise (incorporated herein by reference from Exhibit 10.33 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 18, 2011)
14.1	Code of Business Conduct and Ethics for Network CN Inc. as approved and amended by the Board of Directors as of September 1, 2007 and September 29, 2008 respectively (incorporated herein by reference from Exhibit 14.1 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 18, 2011)
21.1	Subsidiaries of the registrant.*
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By: /s/ Earnest Leung
Earnest Leung
Chief Executive Officer
(Principal Executive Officer)

Date: April 15, 2015

By: /s/ Shirley Cheng
Shirley Cheng
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: April 15, 2015

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Earnest Leung and Jennifer Fu, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or substitute or substitutes may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Name	Title	Date
/s/ Earnest Leung Earnest Leung	Chief Executive Officer and Director (Principal Executive Officer)	April 15, 2015
/s/ Shirley Cheng Shirley Cheng	Chief Financial Officer and Director (Principal Financial and Accounting Officer)	April 15, 2015
/s/ Wong Wing Kong Wong Wing Kong	Director	April 15, 2015

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended And Restated Certificate Of Incorporation (incorporated herein by reference from Exhibit A to Registrant's Definitive Information Statement on Schedule 14C filed with the SEC on January 10, 2007)
3.2	Amended and Restated By-Laws, adopted on January 10, 2006 (incorporated herein by reference from Exhibit 3-(II) to Registrant's. Current Report on Form 8-K filed with the SEC on January 18, 2006)
3.3	Amended and Restated Certificate of Incorporation filed with the Delaware Secretary of State on July 27, 2009 (incorporated herein by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on July 29, 2009).
3.4	Certificate of Amendment of Certificate of Incorporation filed with the Delaware Secretary of State on September 16, 2011 (incorporated herein by reference from Exhibit 3.1 to Registrant's Current Report on Form 8-K filed with the SEC on September 19, 2011).
3.5	Amended and Restated Certificate of Incorporation filed with the Delaware Secretary of State on September 16, 2011. (incorporated herein by reference from Exhibit 3.5 to the Registrant's Annual Report on Form 10-K filed with the SEC on April 16, 2012)
4.1	Form of Registrant's Common Stock Certificate (incorporated herein by reference from Exhibit 4.1 to Registrant's Current Report on Form S-8 filed with the SEC on July 30, 2010).
4.2	Form of Registrant's Common Stock Certificate (incorporated herein by reference from Exhibit 4.2 to the Registrant's Annual Report on Form 10-K filed with the SEC on April 16, 2012)
4.3	Form of Warrant, in connection with 3% Convertible Promissory Notes and Warrants. (incorporated herein by reference from Exhibit 4.2 to Registrant's Current Report on Form 8-K filed with the SEC on February 6, 2008).
4.4	TEDA Travel Group, Inc. 2004 Stock Incentive Plan, effective on April 16, 2004 (incorporated herein by reference from Exhibit 4.1 to Registrant's Registration Statement on Form S-8 filed with the SEC on April 22, 2004)
4.5	2007 Stock Option/Stock Issuance Plan, effective on April 6, 2007 (incorporated herein by reference from Exhibit 10.1 to Registrant's Registration Statement on Form S-8 filed with the SEC on April 6, 2007)
4.6	Form of Note 1% Senior Unsecured Convertible Promissory Note, dated April 2, 2009 (incorporated herein by reference to Exhibit 4.1 from Registrant's Current Report on Form 8-K filed with the SEC on April 6, 2009)
4.7	Registration Rights Agreement, in connection with debt restructuring, dated April 2, 2009, by and among the Company, Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited, Sculptor Finance (SI) Ireland Limited and Keywin Holdings Limited. (incorporated herein by reference from Exhibit 4.2 Registrant's Current Report on Form 8-K filed with the SEC on April 6, 2009)
4.8	Network CN Inc. Amended and Restated 2007 Equity Incentive Plan (incorporated herein by reference from Exhibit 4.1 to Registrant's Current Report on Form S-8 filed with the SEC on July 30, 2010).
4.9	Form of Note 1% Senior Unsecured Convertible Promissory Note, dated April 2, 2012 (incorporated herein by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 14, 2012).
4.10	Network CN Inc. Second Amended and Restated 2007 Equity Incentive Plan (incorporated herein by reference from Exhibit 4.2 to Registrant's Current Report on Form S-8 filed with the SEC on October 12, 2012).

4.11	Network CN Inc. Third Amended and Restated 2007 Equity Incentive Plan (incorporated herein by reference from Exhibit 4.2 to Registrant's Current Report on Form S-8 filed with the SEC on January 16, 2014).
10.1	Registration Rights Agreement, dated November 19, 2007, by and among (i) Network CN Inc., Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited and Sculptor Finance (SI) Ireland Limited, OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd. and OZ Global Special Investments Master Fund, L.P. (incorporated herein by reference from Exhibit 99.4 to Registrant's Current Report on Form 8-K filed with the SEC on November 26, 2007)
10.2	Note Exchange Agreement, dated April 2, 2009, by and among the Company, Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited, Sculptor Finance (SI) Ireland Limited, OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd. and OZ Global Special Investments Master Fund, L.P. (incorporated herein by reference from Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the SEC on April , 2009)
10.3	Note Exchange and Option Agreement, dated April 2, 2009, between the Company and Keywin Holdings Limited. (incorporated herein by reference from Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the SEC on April 6, 2009)
10.4	Letter Agreement and Termination of Investor Rights Agreement, dated April 2, 2009, by and among the Company, Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited, Sculptor Finance (SI) Ireland Limited, OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ Global Special Investments Master Fund, L.P. and Keywin Holdings Limited. (incorporated herein by reference from Exhibit 10.3 to Registrant's Current Report on Form 8-K filed with the SEC on April 6, 2009)
10.5	Employment Agreement, dated July 15, 2009, between the Company and Earnest Leung. (incorporated herein by reference from Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009)
10.6	Employment Agreement, dated July 15, 2009, between the Company and Godfrey Hui. (incorporated herein by reference from Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009)

10.7	Amendment No. 1 to Note Exchange and Option Agreement, dated July 1, 2009, between Keywin Holdings Limited and the Company. (incorporated herein by reference from Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 10, 2009)
10.8	Amendment No. 2 to Note Exchange and Option Agreement dated September 30, 2009, between Keywin Holdings Limited and the Company. (incorporated herein by reference from Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 6, 2009)
10.9	Amendment No. 3 to Note Exchange and Option Agreement, dated January 1, 2010, between Keywin Holdings Limited and the Company (incorporated herein by reference from Exhibit 10.23 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 31, 2010)
10.10	Amendment No. 4 to Note Exchange and Option Agreement, dated September 30, 2010, between Keywin Holdings Limited and the Company (incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on November 8, 2010)
10.11	Amendment No. 5 to Note Exchange and Option Agreement, dated June 1, 2011, between Keywin Holdings Limited and the Company (incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 8, 2011)
10.12	Amendment No. 6 to Note Exchange and Option Agreement, dated December 30, 2011, between Keywin Holdings Limited and the Company (incorporated herein by reference from Exhibit 10.16 to the Registrant's Annual Report on Form 10-K filed with the SEC on April 16, 2012)
10.13	Amendment No. 7 to Note Exchange and Option Agreement, dated June 28, 2012, between Keywin Holdings Limited and the Company(incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the SEC on August 14, 2012)
10.14	Amendment No.8 to Note Exchange and Option Agreement, dated December 28, 2012, between Keywin Holdings Limited and the Company (incorporated herein by reference from Exhibit 10.20 to the Registrant's Annual Report on Form 10-K filed with the SEC on May 10, 2013)
10.15	Amendment No.9 to Note Exchange and Option Agreement, dated December 31, 2013, between Keywin Holdings Limited and the Company (incorporated herein by reference from Exhibit 10.21 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 31, 2014)
10.16	Amendment No.10 to Note Exchange and Option Agreement, dated December 12, 2014, between Keywin Holdings Limited and the Company*
10.17	Lease Agreement, dated February 15, 2012, between NCN Group Management Limited and Leighton Property Company Limited (incorporated herein by reference from Exhibit 10.23 to the Registrant's Annual Report on Form 10-K filed with the SEC on April 16, 2012).
10.18	Exclusive Management Consulting Services Agreement dated January 1, 2008, by and among Lianhe, Bona and Bona's PRC shareholders, namely Mr Dayong Hao and Mr. Kaiyin Liu (incorporated herein by reference from Exhibit 10.26 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.19	Exclusive Technology Consulting Services Agreement dated January 1, 2008, by and among Lianhe, Bona and Bona's PRC shareholders, namely Mr Dayong Hao and Mr. Kaiyin Liu (incorporated herein by reference from Exhibit 10.27 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.20	Equity Pledge Agreement dated January 1, 2008, between Lianhe and Bona's PRC shareholders, namely Mr. Dayong Hao and Mr. Kaiyin Liu (incorporated herein by reference from Exhibit 10.28 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)

10.21	Option Agreement dated January 1, 2008, between Lianhe and Bona's PRC shareholders, namely Mr Dayong Hao and Mr. Kaiyin Liu (incorporated herein by reference from Exhibit 10.29 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.22	Exclusive Management Consulting Services Agreement dated January 1, 2008, by and among Lianhe, Quo Advertising and Quo Advertising's PRC shareholders, namely Ms. Zhang Lina and Ms. Zhang Qinxiu (incorporated herein by reference from Exhibit 10.30 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.23	Exclusive Technology Consulting Services Agreement dated January 1, 2008, by and among Lianhe, Quo Advertising and Quo Advertising's PRC shareholders, namely Ms. Zhang Lina and Ms. Zhang Qinxiu (incorporated herein by reference from Exhibit 10.31 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.24	Equity Pledge Agreement dated January 1, 2008, between Lianhe and Quo Advertising's PRC shareholders, namely Ms. Zhang Lina and Ms. Zhang Qinxiu (incorporated herein by reference from Exhibit 10.32 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.25	Option Agreement dated January 1, 2008, by and among Lianhe, Quo Advertising and Quo Advertising's PRC shareholders, namely Ms. Zhang Lina and Ms. Zhang Qinxiu (incorporated herein by reference from Exhibit 10.33 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.26	Agreement in connection with the transfer of operation from Quo Advertising to Yi Gao dated January 1, 2010, by and among Quo Advertising, Linkrich Enterprise, Mr. Hao Da Yong, Ms. Shen Xiao Zhou, Ms. Kang Qian and Ms. Ying Zhen Zhen. (incorporated herein by reference from Exhibit 10.34 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)

Table of Contents

10.27	Declaration of Trust in connection with Quo Advertising holding 30% equity interest of Yi Gao on behalf of Linkrich Enterprise dated January 1, 2010 (incorporated herein by reference from Exhibit 10.35 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.28	Consultancy Agreement in connection with debt restructuring dated December 1, 2008, between NCN Group Ltd and Statezone Limited (incorporated herein by reference from Exhibit 10.36 to the Registrant's Annual Report on Form 10-K/A filed with the SEC on January 28, 2011)
10.29	Sino-Foreign Cooperative Joint Venture Agreement for Yi Gao Shanghai Advertising Limited dated January 1, 2009, between Quo Advertising and Linkrich Enterprise (incorporated herein by reference from Exhibit 10.33 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 18, 2011)
14.1	Code of Business Conduct and Ethics for Network CN Inc. as approved and amended by the Board of Directors as of September 1, 2007 and September 29, 2008 respectively (incorporated herein by reference from Exhibit 14.1 to the Registrant's Annual Report on Form 10-K filed with the SEC on March 18, 2011)
21.1	Subsidiaries of the registrant.*
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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* Filed herewith.

Table of Contents

NETWORK CN INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Contents	Page
Report of Independent Registered Public Accounting Firm	F-2
Consolidated Balance Sheets as of December 31, 2014 and 2013	F-3
Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2014, 2013 and 2012	F-4
Consolidated Statements of Stockholders' Deficit for the years ended December 31, 2014, 2013 and 2012	F-5
Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012	F-6
Notes to Consolidated Financial Statements	F-7

Table of Contents

Report of Independent Registered Public Accounting Firm
The Board of Directors and Stockholders of:
Network CN Inc. and subsidiaries

We have audited the accompanying consolidated balance sheets of Network CN Inc. and its subsidiaries and variable interest entities (collectively referred to as the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of operations and comprehensive loss, stockholders' deficit and cash flows for each of the three years in the period ended December 31, 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit of the consolidated financial statements included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. Our audit also included examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2014, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred net losses of $2,484,932, $3,893,493 and $1,210,629 for the years ended December 31, 2014, 2013 and 2012 respectively. Additionally, the Company used net cash in operating activities of $1,318,405, $680,424 and $582,753 for the years ended December 31, 2014, 2013 and 2012, respectively. As of December 31, 2014, 2013 and 2012, the Company had a stockholders' deficit of $9,329,190, $7,656,871 and $4,032,289, respectively. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

UNION POWER HK CPA LIMITED

Certified Public Accountants

Hong Kong SAR

April 15, 2015

Table of Contents

NETWORK CN INC.
CONSOLIDATED BALANCE SHEETS

	Note	As of December 31, 2014	2013
ASSETS			
Current Assets			
Cash		$ 22,645	$ 111,889
Accounts receivable, net	4	11,926	759,977
Prepayments for advertising operating rights, net	5	-	-
Prepaid expenses and other current assets, net	6	151,571	333,360
Total Current Assets		186,142	1,205,226
Equipment, Net	7	38,528	83,160
TOTAL ASSETS		$ 224,670	$ 1,288,386
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current Liabilities			
Accounts payable, accrued expenses and other payables	8	$ 4,524,112	$ 4,839,861
1% convertible promissory notes due 2014, net	9	-	4,064,412
Capital lease obligation	10	12,144	11,236
Total Current Liabilities		4,536,256	8,915,509
Non-Current Liabilities			
1% convertible promissory note due 2016, net	9	5,000,000	-
Capital lease obligation, net of current portion	10	17,604	29,748
Total Non-Current Liabilities		5,017,604	29,748
TOTAL LIABILITIES		9,553,860	8,945,257
COMMITMENTS AND CONTINGENCIES	11		
STOCKHOLDERS' DEFICIT	12		
Preferred stock, $0.001 par value, 5,000,000 shares authorized None issued and outstanding		-	-
Common stock, $0.001 par value, 400,000,000 shares authorized Shares issued and outstanding: 115,784,467 and 106,419,467 as		115,784	106,419

of December 31, 2014 and 2013, respectively				
Additional paid-in capital		123,160,438		122,359,290
Accumulated deficit		(134,308,106)		(131,823,174)
Accumulated other comprehensive income		1,702,694		1,700,594
TOTAL STOCKHOLDERS' DEFICIT		(9,329,190)		(7,656,871)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$	224,670	$	1,288,386

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

F-3

Table of Contents

NETWORK CN INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

		For the Years Ended December 31,		
	Note(s)	2014	2013	2012
REVENUES				
Advertising services		$ 683,749	$ 891,366	$ 1,835,940
COST OF REVENUES				
Cost of advertising services		(1,032,972)	(1,253,460)	(1,467,698)
GROSS (LOSS)/PROFIT		(349,223)	(362,094)	368,242
OPERATING EXPENSES				
Selling and marketing		(52,977)	(90,215)	(267,595)
General and administrative		(795,840)	(1,367,090)	(2,092,180)
Gain from write-off of long-aged payables		-	-	34,804
Total Operating Expenses		(848,817)	(1,457,305)	(2,324,971)
LOSS FROM OPERATIONS		(1,198,040)	(1,819,399)	(1,956,729)
OTHER INCOME (EXPENSES), NET				
Interest income		31	60	155
Gain on extinguishment of debt	9	-	-	1,877,594
Other income, net		7,959	36,305	10,740
Total Other Income (Expenses), Net		7,990	36,365	1,888,489
INTEREST AND OTHER DEBT-RELATED EXPENSES				
Amortization of deferred charges and debt discount	9	(935,588)	(1,862,615)	(1,019,861)
Interest expense	8,9,10	(359,294)	(247,844)	(122,528)
Total Interest and Other Debt-Related Expenses		(1,294,882)	(2,110,459)	(1,142,389)
NET LOSS BEFORE INCOME TAXES		(2,484,932)	(3,893,493)	(1,210,629)
Income taxes	16	-	-	-
NET LOSS		(2,484,932)	(3,893,493)	(1,210,629)
OTHER COMPREHENSIVE GAIN/(LOSS)				
Foreign currency translation gain/(loss)		2,100	(18,921)	(11,290)
Total other comprehensive gain/(loss)		2,100	(18,921)	(11,290)
COMPREHENSIVE LOSS		$ (2,482,832)	$ (3,912,414)	$ (1,221,919)
NET LOSS PER COMMON SHARE – BASIC AND DILUTED	14	$ (0.02)	$ (0.04)	$ (0.01)

WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED *	14	115,047,825	105,253,782