NETWORK CN INC

FORM 10-Q
(Quarterly Report)

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: September 30, 2024

☐ **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
(State or other jurisdiction of incorporation or organization)

90-0370486
(I.R.S. Employer Identification No.)

13th Floor, SPA Centre, 53-55 Lockhart Road, Wan Chai, Hong Kong

(Address of principal executive offices, Zip Code)

(852) 9029-0586
(Registrant's telephone number, including area code)

____

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

Securities registered pursuant to Section 12(b) of the Act: NONE

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value	NWCN	OTC market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer ☐
Non-accelerated filer ☐
Accelerated filer ☐
Smaller reporting company ☒
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares outstanding of each of the issuer's classes of common stock, as of November 15, 2024 is as follows:

Class of Securities	Shares Outstanding
Common Stock, $0.001 par value	25,088,592

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PART I

FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

NETWORK CN INC.
CONSOLIDATED FINANCIAL STATEMENTS

NETWORK CN INC.
CONSOLIDATED BALANCE SHEETS

	Note(s)	As of September 30, 2024 (Unaudited)	As of December 31, 2023 (Audited)
ASSETS			
Current Assets			
Cash		$ 3,493	$ 5,334
Accounts receivables	4	31,127	176,671
Prepaid expenses and other current assets, net	5	3	2,101
Other Assets		729	2,006
Total Current Assets		35,352	186,112
Equipment, Net		179	1,055
Intangible Assets, Net	6	431,665	609,760
Right-of-use assets, Net	7	10,835	38,456
TOTAL ASSETS		$ 478,031	$ 835,383
LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current Liabilities			
Accounts payable, accrued expenses and other payables	8	$ 1,080,598	$ 1,102,679
Accrued expenses and other payables – related parties	14	2,873,933	2,504,223
Lease liabilities	11	3,949	6,825
1% convertible promissory note due 2025, net	10	645,000	645,000
Short term loans with a related party	9	1,501,368	1,443,785
Total Current Liabilities		6,104,848	5,702,512
Non-Current Liabilities			
Non-current portion of lease liabilities	11	2,331	-
1% convertible promissory note due 2027, net	10	2,500,000	2,247,062
Total Non- Current Liabilities		2,502,331	2,247,062
TOTAL LIABILITIES		8,607,179	7,949,574
STOCKHOLDERS' DEFICIT			
Preferred stock, $0.001 par value, 10,000,000 shares authorized None issued and outstanding		-	-
Common stock, $0.001 par value, 100,000,000 shares authorized. Shares issued and outstanding: 25,088,592 and 22,487,859 as of September 30, 2024 and December 31, 2023, respectively		25,088	22,488
Additional paid-in capital		132,130,400	132,451,674
Accumulated deficit		(142,002,256)	(141,287,445)
Accumulated other comprehensive income		1,717,620	1,699,092
TOTAL STOCKHOLDERS' DEFICIT	13	(8,129,148)	(7,114,191)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT		$ 478,031	$ 835,383

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

NETWORK CN INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
REVENUES				
Advertising services	$ 80,773	$ 35,149	$ 504,364	$ 377,121
COST OF REVENUES				
Cost of advertising services	(67,471)	(35,292)	(490,042)	(363,269)
GROSS LOSS/PROFIT	13,302	(143)	14,322	13,852
OPERATING EXPENSES				
General and administrative	(114,805)	(209,161)	(393,811)	(668,203)
Amortization of intangible assets	(86,473)	(79,697)	(259,421)	(303,298)
Loss on written off of intangible assets	-	-	-	(449,473)
Total Operating Expenses	(201,278)	(288,858)	(653,232)	(1,420,974)
LOSS FROM OPERATIONS	(187,976)	(289,001)	(638,910)	(1,407,122)
OTHER INCOME				
Interest income	4	3	16	21
Government grant	-	266	17	3,464
Gain on lease termination	-	-	-	11,373
Total Other Income	4	269	33	14,858
INTEREST AND OTHER DEBT-RELATED EXPENSES				
Amortization of debt discount	-	(18,685)	-	(55,657)
Interest expense	(75,172)	(60,363)	(222,996)	(175,939)
Total Interest and Other Debt–Related Expenses	(75,172)	(79,048)	(222,996)	(231,596)
NET LOSS BEFORE INCOME TAXES	(263,144)	(367,780)	(861,873)	(1,623,860)
Income taxes	-	-	-	-
NET LOSS	$ (263,144)	$ (367,780)	$ (861,873)	$ (1,623,860)
OTHER COMPREHENSIVE INCOME/(LOSS)				
Foreign currency translation gain/(loss)	(3,054)	323	18,528	8,404
Total Other Comprehensive Income	(3,054)	323	18,528	8,404
COMPREHENSIVE LOSS	$ (266,198)	$ (367,457)	$ (843,345)	$ (1,615,456)
NET LOSS PER COMMON SHARE – BASIC AND DILUTED	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.07)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED	25,088,592	24,623,959	24,332,211	24,390,446

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

NETWORK CN INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	
	Share	Amount	Capital	Deficit	Income	Total
Balance as of December 31, 2022	20,749,018	$ 20,749	$ 131,317,155	$ (139,381,092)	$ 1,705,434	$ (6,337,754)
Shares issued for intangible assets	606,881	607	(607)	-	-	-
Stock-based compensation for stock granted for intangible assets	-	-	1,136,258	-	-	1,136,258
Translation adjustment	-	-	-	-	(573)	(573)
Net loss for the period	-	-	-	(442,347)	-	(442,347)
Balance as of March 31, 2023	21,355,899	$ 21,356	$ 132,452,806	$ (139,823,439)	$ 1,704,861	$ (5,644,416)
Shares issued for intangible assets	2,065,924	2,066	(2,066)	-	-	-
Translation adjustment	-	-	-	-	8,654	8,654
Net loss for the period	-	-	-	(813,733)	-	(813,733)
Balance as of June 30, 2023	23,421,823	$ 23,422	$ 132,450,740	$ (140,637,172)	$ 1,713,515	$ (6,449,495)
Shares cancelled for intangible assets	(933,964)	(934)	934	-	-	-
Translation adjustment	-	-	-	-	323	323
Net loss for the period	-	-	-	(367,780)	-	(367,780)
Balance as of September 30, 2023	22,487,859	$ 22,488	$ 132,451,674	$ (141,004,952)	$ 1,713,838	$ (6,816,952)

NETWORK CN INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	
	Share	Amount	Capital	Deficit	Income	Total
Balance as of December 31, 2023	22,487,859	$ 22,488	$ 132,451,674	$ (141,287,445)	$ 1,699,092	$ (7,114,191)
Adjustment on adoption of ASU 2020-06	-	-	(400,000)	147,062	-	(252,938)
Stock-based compensation for stock granted for intangible assets	-	-	81,326	-	-	81,326
Shares issued to consultants	477,350	477	(477)	-	-	-
Translation adjustment	-	-	-	-	6,815	6,815
Net loss for the period	-	-	-	(320,210)	-	(320,210)
Balance as of March 31, 2024	22,965,209	$ 22,965	$ 132,132,523	$ (141,460,593)	$ 1,705,907	$ (7,599,198)
Translation adjustment	-	-	-	-	14,767	14,767
Shares issued for intangible assets	2,123,383	2,123	(2,123)	-	-	-
Net loss for the period	-	-	-	(278,519)	-	(278,519)
Balance as of June 30, 2024	25,088,592	$ 25,088	$ 132,130,400	$ (141,739,112)	$ 1,720,674	$ (7,862,950)
Translation adjustment	-	-	-	-	(3,054)	(3,054)
Net loss for the period	-	-	-	(263,144)	-	(263,144)
Balance as of September 30, 2024	25,088,592	25,088	132,130,400	(142,002,256)	1,717,620	(8,129,148)

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

NETWORK CN INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (861,873)	$ (1,623,860)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of equipment	876	1,029
Amortization expense of right-of-use assets	33,541	145,384
Amortization of intangible assets	259,421	303,298
Amortization of debt discount	-	55,657
Loss on written off intangible assets	-	449,473
Interest expenses	222,996	175,939
Changes in operating assets and liabilities:		
Accounts receivables	145,544	41,169
Other assets	1,277	(9,193)
Prepaid expenses and other current assets, net	2,098	(1,994)
Operating lease liabilities	(7,362)	(193,241)
Accounts payable, accrued expenses and other payables	124,633	484,432
Net cash used in operating activities	(78,849)	(171,907)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short-term loans – related party	57,582	141,906
Net cash provided by financing activities	57,582	141,906
EFFECT OF EXCHANGE RATE CHANGES ON CASH	19,426	14,255
NET DECREASE IN CASH	(1,841)	(15,746)
CASH, BEGINNING OF PERIOD	5,334	20,351
CASH, END OF PERIOD	$ 3,493	$ 4,605
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Income taxes	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:		
Stock-based compensation for stock granted for intangible assets (Note 1)	$ 81,326	$ 1,136,258

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

Note 1: Intangible Assets of are acquired advertising rights fee contracts and the Company measured the intangible assets acquired based on the fair value of the consideration given. The Company granted in aggregate 2,065,924 shares of the Company's common stock for the acquisition of advertising rights fee contracts. In connection with this stock grant, the Company measured the Company's shares at fair value of $0.55 per share and recognized the amount of $1,136,258 as the cost of intangible assets. On April 25, 2023, the Company agreed to issue 2,065,924 restricted shares of the Company's common stock to the employees for the intangible assets. In August, 2023, 933,964 shares issued for intangible assets were cancelled. On April 1, 2024, the Company issued 2,123,383 shares of common stock with a par value of $0.001 per share as part of the consideration for the acquisition of advertising rights for the Beijing office. The total value of the issued shares amounts to $2,123.38. In connection with this stock grant, the Company measured the Company's shares at fair value of $0.04 per share and recognized the amount of $81,326 as the cost of intangible assets.

NETWORK CN INC.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Network CN Inc. was originally incorporated on September 10, 1993 in Delaware with headquarters in the Hong Kong Special Administrative Region of the People's Republic of China ("PRC" or "China"). Since August 2006, Network CN Inc., has been principally engaged in the provision of out-of-home advertising in China through the operation of a network of roadside light emitting diode digital video panels, mega-size LED digital video billboards and light boxes in major cities.

Details of the Company's principal subsidiaries as of September 30, 2024, are described in Note 3 – Subsidiaries.

Going Concern

The Company has experienced recurring net losses $263,144 and $367,780 for the three months ended September 30, 2024 and 2023 respectively, and $861,873 and $1,623,860 for the nine months ended September 30, 2024 and 2023 respectively. As of September 30, 2024, and December 31, 2023, the Company has stockholders' deficit of $8,129,148 and $7,114,191, respectively. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company's plans regarding those concerns are addressed in the following paragraph. The unaudited consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In response to current financial conditions, the Company has actively explored new prominent media projects in order to provide a wider range of media and advertising services and improve our financial performance. If the project can start to operate, the Company expects that the project will improve the Company's future financial performance. The Company expects that the new project can generate positive cashflow.

The existing cash and cash equivalents together with highly liquid current assets are insufficient to fund the Company's operations for the next twelve months. The Company will need to rely upon some combination of cash generated from the Company's operations, or proceeds from the issuance of the Company's equity and debt securities as well as the exercise of the conversion option by the Company's note holders to convert the notes to the Company's common stock, in order to maintain the Company's operations. Based on the Company's best estimates, the Company believes that there are sufficient financial resources to meet the cash requirements for the coming twelve months and the consolidated financial statements have been prepared on a going concern basis. However, there can be no assurance the Company will be able to continue as a going concern. These uncertainties may result in adverse effects on the continuation of the Company as a going concern. The accompanying consolidated financial statements do not reflect any adjustments that might result from the outcome of these uncertainties.

Recent development

Our Business in Beijing

The Company explored new media project in Beijing, China and decided to restart its business and expects that will improve the Company's future financial performance. On January 2, 2024, NCN Beijing entered into an employment contract with Li Jie ("the employee") under which the employee agreed to bring in the advertising rights in Beijing to the Company and the Company will reward him for 2,123,383 shares of the Company's common stock. On April 1, 2024, the Company issued 2,123,383 restricted shares of the Company's common stock to the employee, Li Jie. Pursuant to the terms of employment contract, if the employee can achieve the annual sales and profit before tax goal in 2024 and 2025, the Company will issue bonus shares of 1,061,691 and restricted shares of the Company's common stock to the employee, respectively.

Termination of commercial agreements

In May 2023, the Board of Directors agreed and approved the termination of all commercial agreements with Beijing Huizhong Bona Media Advertising Co., Ltd ("Bona") and Xingpin Shanghai Advertising Limited ("Xingpin"). The Company delivered termination notice to terminate all the commercial agreements with Bona and Xingpin and the Company will no longer able to exert control over Bona and Xingpin when the termination notices become effective.

Our Business in Chengdu and Tianjin

The Company actively developing its advertising network and explored new media project in Chengdu and Tianjin, China. The Company has established two newly subsidiaries, NCN (Chengdu) Culture Media Co., Ltd, ("NCN Chengdu") and NCN (Tianjin) Culture Co., Ltd ("NCN Tianjin"), a wholly foreign-owned enterprise in Chengdu and Tianjin, China. The Company owns 100% of the established subsidiary companies. In January 2023, NCN Chengdu and Tianjin started its operation and acquired rights to operate advertising panels in Chengdu and Tianjin. On April 25, 2023, the Company agreed to issue 933,964 and 1,131,960 restricted shares of the Company's common stock to the employee, Qi Hao and Yang Wu Qiang, respectively. On January 1, 2023, NCN Chengdu and Tianjin entered into an employment contract with Qi Hao and Yang Wu Qiang ("the employees") under which the employees agreed to bring in the advertising rights in Chengdu and Tianjin to the Company and the Company will reward him for 933,964 and 1,131,960 shares of the Company's common stock. On May 16, 2023, Mr. Qi Hao resigned and the Company early terminated the advertising rights fee contracts in Tianjin and 933,964 shares issued were cancelled. NCN (Tianjin) had no operation since mid-May 2023.

Our Business in Ningbo

The Company explored new media project in Ningbo, China and decided to restart its business and expects that will improve the Company's future financial performance. In April 2022, the Company has established a newly subsidiary, NCN (Ningbo) Culture Media Co., Ltd ("NCN Ningbo"), a wholly foreign-owned enterprise in Ningbo, China. The Company owns 100% of the established subsidiary company, NCN Ningbo. In August 2022, NCN Ningbo started its operation and acquired rights to operate advertising panels in Ningbo, China and sell advertising airtime to our customers directly. On February 1, 2023, the Company agreed to issue 606,881 restricted shares of the Company's common stock to the employee, Chen Zhu. On October 1, 2022, NCN Ningbo entered into an employment contract with Chen Zhu ("the employee") under which the employee agreed to bring in the advertising rights in Ningbo to the Company and the Company will reward him for 606,881 shares of the Company's common stock. Pursuant to the terms of employment contract, if the employee can achieve the annual sales and profit before tax goal in 2023 and 2024, the Company will issue bonus shares of 303,441 and 303,441 restricted shares of the Company's common stock to the employee, respectively.

Authorized capital

On April 28, 2020, the Board of Directors and Majority of stockholders of the Company approved to increase the total number of authorized shares of Common Stock from 26,666,667 to 100,000,000,000. On October 11, 2021, we filed a Certificate of Amendment to our Certificate of Incorporation with the Delaware Secretary of State to increase our authorized shares of common stock from 26,666,667 to 100,000,000,000 and the increase had approved by Delaware secretary of state on April 5, 2022. On March 22, 2023, the Board of Directors and Majority of stockholders of the Company approved to decrease the total number of authorized shares of Common Stock from 100,000,000,000 to 100,000,000.

On December 20, 2023, the Board of Directors and Majority of stockholders of the Company approved to amend the Company's Certificate of Incorporation, as amended, to increase the total number of authorized shares of Preferred Stock from 5,000,000 to 10,000,000. On February 7, 2024, we filed a Certificate of Amendment to our Certificate of Incorporation with the Delaware Secretary of State to increase the total number of authorized shares of Preferred Stock from 5,000,000 to 10,000,000 and the increase had approved by Delaware secretary of state on February 8, 2024.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Presentation and Preparation

The accompanying unaudited consolidated financial statements of Network CN Inc., its subsidiaries and variable interest entities (collectively "NCN" or the "Company" "we", "our" or "us") have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of our financial position and results of operations.

The unaudited consolidated financial statements for the three months and nine months ended September 30, 2024 and 2023 were not audited. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments or a description of the nature and amount of any adjustments other than normal recurring adjustments) have been made which are necessary for a fair presentation of financial statements. The results for the interim period are not necessarily indicative of the results to be expected for the full fiscal year. The year-end consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP.

The accompanying unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, previously filed with the Securities and Exchange Commission on May 1, 2024. The disclosures made in the unaudited interim consolidated financial statements generally do not repeat those in the annual statements.

(B) Principles of Consolidation

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

(C) Use of Estimates

In preparing unaudited consolidated financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Differences from those estimates are reported in the period they become known and are disclosed to the extent they are material to the unaudited consolidated financial statements taken as a whole.

(D) Intangible Assets

Intangible assets mainly acquired through purchased intangible assets. Purchased intangible assets are initially recognized and measured at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Identifiable intangible assets that have determinable lives continue to be amortized over their estimated useful lives using the straight-line method as follows:

Advertising rights fee contracts	3 years

(E) Accounts Receivable Net of Allowance for Expected Credit Losses

Accounts receivable primarily represents revenue recognized that was not invoiced at the balance sheet date and is primarily billed and collected in the following month. Trade accounts receivable are carried at the original invoiced amount less an estimated allowance for expected credit losses based on the probability of future collection. Management determines the adequacy of the allowance based on historical loss patterns, the number of days that customer invoices are past due, reasonable and supportable forecasts of future economic conditions to inform adjustments over historical loss data, and an evaluation of the potential risk of loss associated with specific accounts. When management becomes aware of circumstances that may further decrease the likelihood of collection, it records a specific allowance against amounts due, which reduces the receivable to the amount that management reasonably believes will be collected. The Company records changes in the estimate to the allowance for expected credit losses through provision for expected credit losses and reverses the allowance after the potential for recovery is considered remote.

(F) Leases

The Company adopted Accounting Standards Codification (ASC) Topic 842, Leases (ASC 842) effective as of January 1, 2019. Under ASC 842, the Company determines if an arrangement is or contains a lease at contract inception.

Operating lease right-of-use (ROU) assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized based on the present value of lease payments over the lease term at the commencement date of the lease. ROU assets also include any initial direct costs incurred and any lease payments made at or before the lease commencement date, less any lease incentive received. The Company uses its incremental borrowing rate in determining the present value of lease payments based on the information available at the date of lease commencement. The incremental borrowing rate reflects the rate of interest that a lessee would have to pay to borrow, on a collateralized basis over a similar term, an amount equal to the lease payments in a similar economic environment. Lease expense for an operating lease is recognized on a straight-line basis over the lease term.

The Company elected to not separate non-lease components from the associated lease components and to not recognize right-of-use assets and lease liabilities for leases with a term of twelve months or less.

(G) Convertible Promissory Notes

1% Convertible Promissory Notes, due in 2025

On January 14, 2020, the Company issued 1% unsecured senior convertible promissory notes to an individual with the principal amount of $645,000. The 1% convertible promissory notes bore interest at 1% per annum, payable semi-annually in arrears, matured on January 13, 2025, and were convertible at any time into shares of the Company's common stock at a fixed conversion price of $1.00 per share, subject to customary anti-dilution adjustments.

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 1% convertible promissory notes did not have any embedded conversion option which shall be bifurcated and separately accounted for as a derivative under ASC 815, nor did they contain a cash conversion feature. The Company accounted for the Notes in accordance with ASC 470, as a single debt instrument. No beneficial conversion feature (the "BCF") was recognized as the set conversion price for the Notes was greater than the fair value of the Company's share price at date of issuance.

1% Convertible Promissory Notes, due in 2027

On January 18, 2022, the Company entered into a Subscription Agreement under which the Subscriber agreed to purchase the 1% Senior Unsecured Convertible Note Agreement from the Company for an agreement purchase price of two million five hundred thousand US Dollars ($2,500,000). On the same date, the Company signed the with 1% Senior Unsecured Convertible Note Agreement under which the Company may sell and issue to the Subscriber up to an aggregate maximum amount of $2,500,000 in principal amount of Convertible Notes prior to January 19, 2027. The Convertible Promissory Notes issued to the Investor are convertible at the holder's option into shares of Company common stock at $1.25 per share.

The Company evaluates the conversion feature to determine whether it was beneficial as described in ASC 470-20. The intrinsic value of a beneficial conversion feature inherent to a convertible note payable, which is not bifurcated and accounted for separately from the convertible notes payable and may not be settled in cash upon conversion, is treated as a discount to the convertible notes payable. This discount is amortized over the period from the date of issuance to the date the notes is due using the effective interest method. If the notes payable are retired prior to the end of their contractual term, the unamortized discount is expensed in the period of retirement to interest expense. In general, the beneficial conversion feature is measured by comparing the effective conversion price, after considering the relative fair value of detachable instruments included in the financing transaction, if any, to the fair value of the shares of common stock at the commitment date to be received upon conversion.

On January 1, 2024, the Company adopted ASU 2020-06 to financial instruments outstanding as of the beginning of the fiscal year of adoption, with the cumulative effect of adoption recognized at the date of initial application through an adjustment to the opening balance of retained earnings. Under this method, EPS amounts are not restated in prior periods presented.

On May 13, 2024, as requested by the Convertible Note holders, the Company agreed to change the conversion price to $0.5 per shares. The two 1% Convertible Promissory Notes due 2025 and 2027 were cancelled and re-issued to the Investors at the holders' option into shares of Company common stock at $0.5 per share.

(H) Revenue Recognition

In accordance with ASC 606, *Revenue From Contracts with Customers*, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that are within the scope of the standard, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The standard also includes criteria for the capitalization and amortization of certain contract acquisition and fulfillment costs.

The Company recognize revenue when a customer obtains control of promised services. The amount of revenue recognized reflects the consideration we expect to be entitled to receive in exchange for such services. To achieve this core principle, we apply the following five steps:

1) Identify the contract(s) with a customer - A contract with a customer exists when (i) we enter into an enforceable contract with a customer that defines each party's rights regarding the goods or services to be transferred and identifies the payment terms related to those goods or services, (ii) the contract has commercial substance and, (iii) we determine that collection of substantially all consideration for goods or services that are transferred is probable based on the customer's intent and ability to pay the promised consideration. We apply judgment in determining the customer's ability and intention to pay, which is based on a variety of factors including the customer's historical payment experience or, in the case of a new customer, published credit and financial information pertaining to the customer. The contract term for contracts that provide a right to terminate a contract for convenience without significant penalty will reflect the term that each party has enforceable rights under the contract (the period through the earliest termination date). If the termination right is only provided to the customer, the unsatisfied performance obligations will be evaluated as customer options as discussed below.

2) Identify the performance obligations in the contract - Performance obligations promised in a contract are identified based on the goods or services that will be transferred to the customer that are both (i) capable of being distinct, whereby the customer can benefit from the good or service either on its own or together with other resources that are readily available from third parties or from us, and (ii) are distinct in the context of the contract, whereby the transfer of the goods or services is separately identifiable from other promises in the contract. If these criteria are not met the promised goods or services are accounted for as a combined performance obligation. Certain of our contracts (under which we deliver multiple promised services) require us to perform integration activities where we bear risk with respect to integration activities. Therefore, we must apply judgment to determine whether as a result of those integration activities and risks, the promised services are distinct on the context of the contract.

We typically do not include options that would result in a material right. If options to purchase additional services or options to renew are included in customer contracts, we evaluate the option in order to determine if our arrangement include promises that may represent a material right and needs to be accounted for as a performance obligation in the contract with the customer.

3) Determine the transaction price - The transaction price is determined based on the consideration to which we will be entitled in exchange for transferring goods or services to the customer. Our contract prices may include fixed amounts, variable amounts or a combination of both fixed and variable amounts. To the extent the transaction price includes variable consideration, we estimate the amount of variable consideration that should be included in the transaction price utilizing either the expected value method or the most likely amount method depending on the nature of the variable consideration. When determining if variable consideration should be constrained, management considers whether there are factors outside our control that could result in a significant reversal of revenue. In making these assessments, we consider the likelihood and magnitude of a potential reversal of revenue. These estimates are re-assessed each reporting period as required.

4) Allocate the transaction price to the performance obligations in the contract - If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price (SSP) basis unless the transaction price is variable and meets the criteria to be allocated entirely to a performance obligation or to a distinct good or service that forms part of a single performance obligation. For most performance obligations, we determine standalone selling price based on the price at which the performance obligation is sold separately. Although uncommon, if the standalone selling price is not observable through past transactions, we estimate the standalone selling price taking into account available information such as market conditions and internally approved pricing guidelines related to the performance obligations.

5) Recognize revenue when (or as) we satisfy a performance obligation: we satisfy performance obligations either over time or at a point-in-time as discussed in further detail below. Revenue is recognized when the related performance obligation is satisfied by transferring control of a promised good or service to a customer. The Company recognizes revenue when the performance obligation is satisfied over time as services are rendered.

(I) Recent Accounting Pronouncements

In March 2022, the Financial Accounting Standards Board ("FASB") issued ASU No 2022-02, "Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures" ("ASU 2022-02"). ASU 2022-02 eliminates the accounting guidance for troubled debt restructurings by creditors while enhancing disclosure requirements for certain loan refinancing and restructurings by creditors made to borrowers experiencing financial difficulty. In addition, the amendments require disclosure of current period gross write-offs for financing receivables and net investment in leases by year of origination in the vintage disclosures. ASU 2022-02 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Except for expanded disclosures to its vintage disclosures, ASU 2022-02 did not have a material effect on the Company's current financial position, results of operations or financial statements.

In October 2023, the FASB issued ASU No 2023-06, "Disclosure Agreements – Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative" ("ASU 2023-06"). ASU 2023-06 will align the disclosure and presentation requirements in the FASB Accounting Standards Codification with the SEC's regulations. The amendments in ASU 2023-06 will be applied prospectively and are effective when the SEC removes the related requirements from Regulations S-X or S-K. Any amendments the SEC does not remove by June 30, 2027 will not be effective. As the Company is currently subject to these SEC requirements, ASU 2023-06 is not expected to have a material effect on the Company's current financial position, results of operations or financial statement disclosures.

In November 2023, the FASB issued ASU No 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" ("ASU 202307"). ASU 2023-07 expands disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. ASU 2023-07 should be applied retrospectively to all prior periods presented in the financial statements. The Company does not expect ASU 2023-07 to have a material effect on the Company's current financial position, results of operations or financial statement disclosures.

In December 2023, the FASB issued ASU No 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 202309 expands disclosures in the rate reconciliation and requires disclosure of income taxes paid by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. ASU 2023-09 should be applied prospectively; however, retrospective application is permitted. The Company does not expect ASU 2023-09 to have a material effect on the Company's current financial position, results of operations or financial statement disclosures.

NOTE 3. SUBSIDIARIES

Details of the Company's principal subsidiaries as of September 30, 2024 was as follows:

Name	**Place of Incorporation**	**Ownership/Control interest attributable to the Company**	**Principal activities**
NCN Group Limited	BVI	100%	Investment holding
NCN Media Services Limited	BVI	100%	Investment holding
Cityhorizon Limited (2)	Hong Kong	100%	Not applicable
NCN Group Management Limited	Hong Kong	100%	Provision of administrative and management services
Crown Eagle Investment Limited	Hong Kong	100%	Investment holding
NCN Group (Global) Limited	Hong Kong	100%	Investment holding
ChenXing (Beijing) Advertising Co., Ltd	PRC	100%	Investment holding
Ruibo (Shenzhen) Advertising Co., Ltd	PRC	100%	Investment holding
NCN (Ningbo) Culture Media Co., Ltd	PRC	100%	Provision of advertising services
NCN (Nanjing) Culture Co., Ltd	PRC	100%	Provision of advertising services
NCN (Beijing) Advertising Co., Ltd.	PRC	100%	Provision of advertising services
NCN (Tianjin) Culture Co., Ltd	PRC	100%	Provision of advertising services
NCN (Chengdu) Culture Media Co., Ltd	PRC	100%	Provision of advertising services
NCN Huamin Management Consultancy (Beijing) Company Limited (1)	PRC	100%	Not applicable

Remarks:
1) The subsidiary business license has been revoked.
2) The Company has been deregistered on January 26, 2024.

NOTE 4. ACCOUNTS RECEIVABLES

Accounts receivables, net as of September 30, 2024 and December 31, 2023 were as follows:

	As of September 30, 2024	As of December 31, 2023
Accounts receivable	$ 31,127	$ 176,671
Total	$ 31,127	$ 176,671

The Company recorded no allowance for doubtful debt for accounts receivable as of September 30, 2024 and December 31, 2023.

NOTE 5. PREPAID EXPENSES AND OTHER CURRENT ASSETS, NET

Prepaid expenses and other current assets, net as of September 30, 2024 and December 31, 2023 were as follows:

	As of September 30, 2024	As of December 31, 2023
Prepaid expenses	3	2,101
Total	$ 3	$ 2,101

NOTE 6. INTANGIBLE ASSETS, NET

Intangible Assets, net as of September 30, 2024 and December 31, 2023 were as follows:

	As of September 30, 2024				As of December 31, 2023
	Ningbo (Note 1)	Chengdu (Note 2)	Beijing (Note 3)	Total	Total
Cost	$ 333,785	$ 622,578	$ 81,326	$ 1,037,689	$ 956,363
Less: accumulated amortization	(222,523)	(363,169)	(20,332)	(606,024)	(346,603)
Total	$ 111,262	$ 259,409	$ 60,994	$ 431,665	$ 609,760

Note:

1) Intangible Assets of Ningbo are acquired advertising rights fee contracts and the Company measured the intangible assets acquired based on the fair value of the consideration given. The Company granted 606,881 shares of the Company's common stock for the acquisition of advertising rights fee contracts. In connection with this stock grant, the Company measured the Company's shares at fair value of $0.55 per share and recognized the amount of $333,785 as the cost of intangible assets.

2) Intangible Assets of Chengdu are acquired advertising rights fee contracts and the Company measured the intangible assets acquired based on the fair value of the consideration given. The Company granted 1,131,960 shares of the Company's common stock for the acquisition of advertising rights fee contracts. In connection with this stock grant, the Company measured the Company's shares at fair value of $0.55 per share and recognized the amount of $622,578 as the cost of intangible assets.

3) Intangible Assets of Beijing are acquired advertising rights fee contracts and the Company measured the intangible assets acquired based on the fair value of the consideration given. The Company granted 2,123,383 shares of the Company's common stock for the acquisition of advertising rights fee contracts. In connection with this stock grant, the Company measured the Company's shares at fair value of $0.04 per share and recognized the amount of $81,326 as the cost of intangible assets.

The Company recorded amortization expenses for the three and nine months ended September 30, 2024, amounted to $86,473 and $259,421 respectively and $79,697 and $303,298 amortization expenses recorded for the three and nine months ended September 30, 2023. The Company recorded loss on written off of intangible asset for the three and nine months ended September 30, 2024 were $nil.

The estimated amortization is as follows:

Twelve Months Ending December 31,		Estimated amortization expense
2024		86,475
2025		318,081
2026		27,109
Thereafter		-
Total	$	431,665

NOTE 7. RIGHT-OF-USE ASSETS, NET

Right-of-use, net as of September 30, 2024 and December 31, 2023 were as follows:

		As of September 30, 2024		As of December 31, 2023
Cost	$	87,877	$	96,436
Less: accumulated depreciation		(77,042)		(57,980)
Total	$	10,835	$	38,456

Amortization expenses of right-of-use assets were $9,418 and $33,541 for the three and nine months ended September 30, 2024, respectively. Amortization expenses of right-of-use assets were $21,396 and $145,384 for the three and nine months ended September 30, 2023, respectively.

The Company has several operating advertising rights agreements with lease terms ranging from 2 to 3 years.

NOTE 8. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER PAYABLES

Accounts payable, accrued expenses and other payables as of September 30, 2024 and December 31, 2023 were as follows:

		As of September 30, 2024		As of December 31, 2023
Accounts payable	$	119,068	$	279,910
Payment in advance		12,951		1,447
Accrued staff benefits and related fees		381,665		389,781
Accrued professional fees		129,932		128,929
Accrued interest expenses		97,947		74,338
Franchise tax payable		-		-
Other accrued expenses		238,544		127,783
Other payables		100,491		100,491
Total	$	1,080,598	$	1,102,679

NOTE 9. SHORT-TERM LOANS

As of September 30, 2024 and December 31, 2023, the Company recorded an aggregated amount of $1,501,368 and $1,443,785 of short-term loans, respectively. Those loans were borrowed from a shareholder and the loans are unsecured, bear a monthly interest of 1.5% and are repayable on demand. However, according to the agreement, the Company shall have the option to shorten or extend the life of those short-term loans if the need arises and the Company has agreed with the lender to extend the short-term loans on the due date. As of the date of this report, the balance of $1,501,368 have not yet been repaid.

The interest expenses of the short-term loans were $67,246 and $199,387 for the three and nine months ended September 30, 2024, respectively, while interest expenses amounted $52,436 and $152,416 for the three and nine months ended September 30, 2023, respectively.

NOTE 10. CONVERTIBLE PROMISSORY NOTES

Issuance of 1% Convertible Promissory Notes, due 2025 in 2020

On January 14, 2020, the Company entered into a Subscription Agreement with Tsang Wai Yee Terri ("the Subscriber") under which the Subscriber agreed to purchase the 1% Senior Unsecured Convertible Note Agreement from the Company for an agreement purchase price of six hundred and forty-five thousand US Dollars ($645,000). On the same date, the Company signed the 1% Senior Unsecured Convertible Note Agreement under which the Company may sell and issue to the Subscriber up to an aggregate maximum amount of $645,000 in principal amount of Convertible Notes prior to January 13, 2025. The Convertible Promissory Notes issued to the Investor are convertible at the holder's option into shares of Company common stock at $1.00 per share.

Issuance of 1% Convertible Promissory Notes, due 2027 in 2022

On January 18, 2022, the Company entered into a Subscription Agreement under which the Subscriber agreed to purchase the 1% Senior Unsecured Convertible Note Agreement from the Company for an agreement purchase price of two million five hundred thousand US Dollars ($2,500,000). On the same date, the Company signed the with 1% Senior Unsecured Convertible Note Agreement under which the Company may sell and issue to the Subscriber up to an aggregate maximum amount of $2,500,000 in principal amount of Convertible Notes prior to January 19, 2027. The Convertible Promissory Notes issued to the Investor are convertible at the holder's option into shares of Company common stock at $1.25 per share.

On May 13, 2024, as requested by the Convertible Note holders, the Company agreed to change the conversion price to $0.5 per shares. The two 1% Convertible Promissory Notes due 2025 and 2027 were cancelled and re-issued to the Investors at the holders' option into shares of Company common stock at $0.5 per share.

The following table details the accounting treatment of the convertible promissory notes:

	1% Convertible Promissory Notes, due in 2025	1% Convertible Promissory Notes, due in 2027	Total
Net carrying value of convertible promissory notes as of December 31, 2022	$ 645,000	$ -	$ 645,000
Proceeds of 1% convertible promissory notes	-	2,500,000	2,500,000
Less: Allocated intrinsic value of beneficial conversion feature (Note a)	-	(400,000)	(400,000)
Add: Accumulated amortization of debt discount	-	147,062	147,062
Net carrying value of convertible promissory notes as of December 31, 2023 and January 31, 2024	645,000	2,247,062	2,892,062
Add: Adjustment form adoption of ASU 2020-06 (Note b)	-	252,938	252,938
Net carrying value of convertible promissory notes as of September 30, 2024	$ 645,000	$ 2,500,000	$ 3,145,000
Less: Current	(645,000)	-	(645,000)
Non-current	-	2,500,000	2,500,000

Note:

(a) At the time of issuance, the Company evaluated the intrinsic value of the beneficial conversion feature ("BCF") associated with the conversion feature of the convertible promissory note. The BCF was recorded into additional paid-in capital. Additionally, the convertible promissory note was considered to have an embedded BCF because the effective conversion price was less than the fair value of the Company's common stock on notes issuance date. The value of the BCF was recorded as a discount on the convertible promissory note. Hence, in connection with the issuance of the convertible promissory note, the Company recorded a total debt discount of $400,000 that will be amortized over the term of the Note using effective-interest rate method.

(b) On January 1, 2024, the Company adopted ASU 2020-06 to financial instruments outstanding as of the beginning of the fiscal year of adoption, with the cumulative effect of adoption recognized at the date of initial application through an adjustment to the opening balance of retained earnings.

Amortization of debt discount

The following table details the amortization of debt discount:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
1% convertible promissory notes, due in 2025	$ -	$ -	$ -	$ -
1% convertible promissory notes, due in 2027	-	18,685	-	55,657
Total	$ -	$ 18,685	$ -	$ 55,657

Interest Expense

The following table details the interest expenses:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
1% convertible promissory notes, due in 2025	$ 1,626	$ 1,626	$ 4,842	$ 4,824
1% convertible promissory notes, due in 2027	6,301	6,301	18,767	18,699
Total	$ 7,927	$ 7,927	$ 23,609	$ 23,523

NOTE 11. LEASE LIABILITIES

As of September 30, 2024, future minimum commitments under the Company's non-cancelable operating lease, in accordance with ASC 842, are as follows:

Fiscal years ending September 30,	Operating leases
2024	2,345
2025	4,050
2026	-
Thereafter	-
Total undiscounted cash flows	6,395
Less: imputed interest	(115)
Present value of lease liabilities	6,280
Less: Non-current portion of lease liabilities	2,331
Current portion of lease liabilities	$ 3,949

As of September 30, 2024 and December 31, 2023, the remaining weighted-average lease term was 0.60 years and 1.39 years, respectively and the weighted-average incremental borrowing rate used to determine the operating lease liabilities was 2.16% and 3.66% respectively.

Supplementary cash flow information related to lease where the Company was the lessee for the nine months September 30, 2024 and 2023 was as follows:

	For the Nine Months Ended	
	September 30, 2024	September 30, 2023
Operating cash outflows from operating lease	$ (7,362)	$ (193,241)

NOTE 12. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company accounts for loss contingencies in accordance with ASC Topic 450 and other related guidelines. As of September 30, 2024 and December 31, 2023, the Company's management is of the opinion that there are no commitments and contingencies to account for.

NOTE 13. STOCKHOLDERS' DEFICIT

Stock, Options and Warrants Issued for Services

On October 1, 2022, NCN (Ningbo) Culture Media Co., Ltd, a wholly foreign-owned enterprise in Ningbo, China of the Company entered into an employment contract with Chen Zhu ("the employee") under which the employee agreed to bring in the advertising rights in Ningbo to the Company and the Company will reward him for 606,881 shares of the Company's common stock. On February 1, 2023, the Company agreed to issue 606,881 restricted shares of the Company's common stock to the employee, Chen Zhu. Pursuant to the terms of employment contract, if the employee can achieve the annual sales and profit before tax goal in 2023 and 2024, the Company will issue bonus shares of 303,441 and 303,441 restricted shares of the Company's common stock to the employee, respectively.

In January 2023, NCN Chengdu and Tianjin started its operation and acquired rights to operate advertising panels in Chengdu and Tianjin. On April 25, 2023, the Company agreed to issue 933,964 and 1,131,960 restricted shares of the Company's common stock to the employee, Qi Hao and Yang Wu Qiang, respectively. On January 1, 2023, NCN Chengdu and Tianjin entered into an employment contract with Qi Hao and Yang Wu Qiang ("the employees") under which the employees agreed to bring in the advertising rights in Chengdu and Tianjin to the Company and the Company will reward him for 933,964 and 1,131,960 shares of the Company's common stock.

In August 2023, the Company cancelled 933,964 restricted shares of the Company's common stock to the employee, Qi Hao.

In October 2023, the Company granted 427,350 shares of common stock to a consultant for services rendered. The value of stock grant recognized for the years ended December 31,2023 was $42,735 as non-cash stock-based compensation and the Company issued shares to the consultant in January 2024.

In December 2023, the Company granted 50,000 shares of common stock to a consultant for services rendered. The value of stock grant recognized for the years ended December 31, 2023 was $1,915 non-cash stock-based compensation and the Company issued shares to the consultant in January 2024.

On January 2, 2024, NCN Beijing entered into an employment contract with Li Jie ("the employee") under which the employee agreed to bring in the advertising rights in Beijing to the Company and the Company will reward him for 2,123,383 shares of the Company's common stock. Pursuant to the terms of employment contract, if the employee can achieve the annual sales and profit before tax goal in 2024 and 2025, the Company will issue bonus shares of 1,061,691 and restricted shares of the Company's common stock to the employee, respectively. On April 1, 2024, the Company issued 2,123,383 restricted shares of the Company's common stock to the employee, Li Jie.

Restriction on payment of dividends

The Company has not declared any dividends since incorporation.

NOTE 14. RELATED PARTY TRANSACTIONS

Except as set forth below, during the three and nine months ended September 30, 2024 and 2023, the Company did not enter into any material transactions or series of transactions that would be considered material in which any officer, director or beneficial owner of 5% or more of any class of the Company's capital stock, or any immediate family member of any of the preceding persons, had a direct or indirect material interest.

As of September 30, 2024 and December 31, 2023, the Company recorded an aggregated amount of $1,501,368 and $1,443,785 of short-term loans from a shareholder that the loans are unsecured, bear a monthly interest of 1.5% and repayable on demand. However, according to the agreements, the Company shall have the option to shorten or extend the life of those short-term loans if the need arises and the Company has agreed with the shareholder to extend the short-term loans on the due date. As of September 30, 2024 and December 31, 2023, the Company recorded an interest payable recorded in accounts payable, accrued expenses and other payables of $573,713 and $374,324, respectively. The interest expenses of the short-term loans for the three months September 30, 2024 and 2023 amounted to $67,246 and $52,116, respectively. The interest expenses of the short-term loans for the nine months September 30, 2024 and 2023 amounted to $199,387 and $151,455, respectively. On January 18, 2022, the shareholder agreed to purchase the 1% Senior Unsecured Convertible Note Agreement from the Company and converted the short-term loan and interest payable to convertible note. As of the date of this report, except the loan and interest payable balance of $2,500,000 converted to convertible note, the remaining loans have not yet been repaid.

The Company recorded rental expense of $4,256 and $17,026 for the three and nine months ended September 30, 2024 to Habitat Investment Holdings Limited, of which the Company's chief executive officer and convertible note holder are Habitat Investment Holdings Limited's director and shareholder. On December 13, 2023, the Company's chief executive officer resigned as director of Habitat Investment Holdings Limited.

The summary of amount due to related parties included in the accounts payable, accrued expenses and other payables as the following;

	As of September 30, 2024	As of December 31, 2023
Salaries payables to Earnest Leung	$ 1,835,680	$ 1,720,296
Salaries payables to Shirley Cheng	105,897	88,846
Salaries payables to Peter Li	15,387	-
Total	$ 1,956,964	$ 1,809,142

	As of September 30, 2024	As of December 31, 2023
Director's fee payables to Earnest Leung	$ 191,000	$ 182,000
Director's fee payables to Shirley Cheng	111,000	106,500
Director's fee payables to Frederick Wong	41,257	32,257
Total	$ 343,257	$ 320,757

In addition to the transactions and balances detailed elsewhere in these financial statements, the Company had the following salary transactions with related parties.

	As of September 30, 2024	As of September 30, 2023
Salaries to Earnest Leung	$ 115,385	$ 115,385
Salaries to Shirley Cheng	23,077	71,795
Salaries to Peter Li	16,026	-

Accrued Expenses Due to Related Parties

As of September 30, 2024 and December 31, 2023 the company has accrued expenses amounting to $2,873,933 and $2,504,223 due to related parties. These related parties included independent director, Officers and Shareholder. The accrued expenses represent obligations incurred but not yet paid, and they arose from transactions with these related entities.

	As of September 30, 2024	As of December 31, 2023
Independent director's fee	$ 343,257	$ 320,757
Salaries to officers	1,956,964	1,809,142
Short term loan interest (Shareholder)	573,712	374,324
	$ 2,873,933	$ 2,504,223

NOTE 15. NET LOSS PER COMMON SHARE

Net loss per common share information for the three and nine months ended September 30, 2024 and 2023 was as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Numerator:	$	$	$	$
Net loss attributable to NCN common stockholders	(263,144)	(367,780)	(861,873)	(1,623,860)
Denominator:				
Weighted average number of shares outstanding, basic *	25,088,592	24,623,959	24,332,211	24,390,446
Effect of dilutive securities	-	-		-
Options and warrants	-	-		-
Weighted average number of shares outstanding, diluted	25,088,592	24,623,959	24,332,211	24,390,446
Net loss per common share – basic and diluted	$ (0.01)	$ (0.01)	$ (0.04)	$ (0.07)

The diluted net loss per common share is the same as the basic net loss per common share for the three and nine months ended September 30, 2024 and 2023 as all potential common shares are anti-dilutive and are therefore excluded from the computation of diluted net loss per common share. There were no securities that could potentially dilute basic net loss per common share in the future that were not included in the computation of diluted net loss per common share because of anti-dilutive effect for the three and nine months ended September 30, 2024 and 2023.

NOTE 16. INCOME TAXES

Income is subject to taxation in various countries in which the Company and its subsidiaries operate or are incorporated. The loss before income taxes by geographical locations for the three and nine months ended September 30, 2024 and 2023 were summarized as follows:

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
United States	$ (123,884)	$ (145,826)	$ (348,866)	$ (923,270)
Foreign	(139,260)	(221,954)	(513,007)	(700,590)
Total	$ (263,144)	$ (367,780)	$ (861,873)	$ (1,623,860)

Other than the United States, the Company is subject to taxation in Hong Kong and PRC. Under Hong Kong tax laws, deferred tax assets are recognized for tax loss carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable. These tax losses do not expire under current Hong Kong tax legislation. Under PRC tax laws, tax losses may be carried forward for 5 years and no carry-back is allowed. As of September 30, 2024, the Company does not have available tax losses in the Hong Kong and PRC to utilize for future taxable profits.

The Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted on March 27, 2020. There are several different provisions with the CARES Act that impact income taxes for corporations. The Company has evaluated the tax implications and believes these provisions did not have a material impact to the financial statements.

As of September 30, 2024, the Company had an unused net operating loss carryforward of approximately $18,352,902 for income tax purposes. This net operating loss carryforward may result in future income tax benefits of approximately $3,844,733, which will expire on various from 2024 through 2037 as follows:

2024 to 2028	$ 2,279,146
2029 to 2033	892,375
2034 to 2037	217,937
Indefinitely	455,275
	$ 3,844,733

The realization of net operating loss carryforward is uncertain at this time, a valuation allowance in the same amount has been established. Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax liabilities and assets of September 30, 2024 and December 31, 2023 are as follows:

	As of September 30, 2024	As of December 31, 2023
Deferred tax liabilities	$ -	$ -
Deferred tax assets:	-	-
Effect of net operating loss carried forward	3,844,733	3,771,472
Less: valuation allowance	(3,844,733)	(3,771,472)
Net deferred tax assets	$ -	$ -

Movement of valuation allowance:

	As of September 30, 2024	As of December 31, 2023
At the beginning of the period/year	$ 3,771,472	$ 3,576,272
Additions/(Deductions)	73,261	204,200
At the end of the period/year	$ 3,844,733	$ 3,771,472

NOTE 17. SUBSEQUENT EVENT

On November 1, 2024, the Company and its subsidiary, NCN (Beijing) Advertising Co., Ltd., signed a Cooperation Agreement (CA) with Jingcai Jia (Beijing) Technology Co., Ltd., a leading advertising agency. This CA outlines the mutual intention to cooperate on future advertising campaigns and strategic marketing initiatives aimed at enhancing the brand visibility and market reach of its subsidiary.

According to the agreement, the Company will acquire 19.9% of new shares of Jingcai Jia (Beijing) Technology Co., Ltd. in exchange for a certain number of new shares of common stock of the Company. The number of shares issued will be determined based on a 10% discount on the average price of the 10-day closing trading days before the closing of the agreement.

The key objectives of this cooperation include but are not limited to the two companies will collaborate closely, pooling their resources such as customers, products, and services. They can leverage each other's networks and venture into new business opportunities

Management has assessed the potential impact of this CA on the financial statements and determined that it does not have a material effect on the current financial position or results of operations of the Company and its subsidiary. However, the successful implementation of this cooperation is expected to contribute positively to future business growth and profitability.

NOTE 18. CONTINGENT LIABILITY

The Company has committed to issuing bonus and restricted shares of the Company's common stock to its employees, contingent upon the achievement of specified sales and profit goals. These shares will be granted as part of the Company's employee incentive program.

As of the reporting date, the issuance of these shares is contingent upon the Company meeting its sales and profit targets. The potential obligation to issue these shares represents a contingent liability, as the issuance is dependent on future events that are not wholly within the control of the Company.

The fair value of the contingent shares will be measured and recognized as an expense in the period in which the performance conditions are satisfied. Until such time, no liability is recognized in the financial statements.

Number of Shares and Locations:

- **Ningbo Office:** 303,441 bonus shares and 303,441 restricted shares.
- **Beijing Office:** 1,061,691 bonus and restricted shares.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Special Note Regarding Forward Looking Statements

This Quarterly Report on Form 10-Q, including the following "Management's Discussion and Analysis of Financial Condition and Results of Operations", contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include, among others, those concerning our expected financial performance and strategic and operational plans, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and that a number of risks and uncertainties could cause actual results of the Company to differ materially from those anticipated, expressed or implied in the forward-looking statements. The words "believe", "expect", "anticipate", "project", "targets", "optimistic", "intend", "aim", "will" or similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Risks and uncertainties that could cause actual results to differ materially from those anticipated include risks related to 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"; changes in economic conditions, including a general economic downturn or a downturn in the securities markets; and any of the factors and risks mentioned in the "Risk Factors" sections of our Annual Report on Form 10-K for fiscal year ended December 31, 2023 and in Part 2, Item 1A of this Form 10-Q. The Company assumes no obligation and does not intend to update any forward-looking statements, except as required by law.

Use of Terms

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

- "BVI" are references to the British Virgin Islands;
- "China" and "PRC" are to the People's Republic of China; 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; NCN Group (Global) Limited, or NCN Global, a Hong Kong limited company, and its subsidiary, Ruibo (Shenzhen) Advertising Co., Ltd; Crown Eagle Investments Limited, or Crown Eagle, a Hong Kong limited company, and its subsidiary, ChenXing (Beijing) Advertising Co., Ltd; NCN (Ningbo) Culture Media Co., Ltd; NCN (Nanjing) Culture Co., Ltd; NCN (Beijing) Advertising Co., Ltd.; NCN (Tianjin) Culture Co., Ltd; NCN (Chengdu) Culture Media Co., Ltd;
- "WFOE" a wholly foreign owned enterprise incorporated in PRC;
- "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; and
- "U.S. dollar", "$" and "US$" are to the legal currency of the United States.

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.

Network CN Inc. a Delaware holding company with headquarter in Hong Kong and its operations conducted in China. 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. Since PRC regulations limit foreign ownership of companies that provide advertising services, our advertising business was initially provided through our contractual arrangements with our Variable Interest Entities (VIEs).

In early 2010, the Company fulfilled the requirements to directly own 100% of advertising business company in China, in order to increase our operational efficiency and effectiveness, we restructured our organization by consolidating our PRC operations into one directly owned PRC entity and no VIEs conduct business. Since 2010, we conduct 100% of our business through our wholly owned subsidiaries in PRC.

In August 2022, we focus in developing a new core retail channel "Community Channel" and we restarted our advertising business through our new PRC subsidiaries. The Company conducts 100% of our business through our wholly owned subsidiaries in PRC. During the year ended December 31, 2022, we conducted all of our business in the PRC through our PRC subsidiary in Ningbo only.

In 2023, the Company has established two newly subsidiaries, NCN (Chengdu) Culture Media Co., Ltd, ("NCN Chengdu") and NCN (Tianjin) Culture Co., Ltd ("NCN Tianjin"), a wholly foreign-owned enterprise in Chengdu and Tianjin, China. The Company owns 100% of the established subsidiary companies. In January 2023, NCN Chengdu and NCN Tianjin started its operation and acquired rights to operate advertising panels in Chengdu and Tianjin. On January 1, 2023, NCN Chengdu and NCN Tianjin entered into employment contracts which the employees agreed to bring in the advertising rights in Chengdu and Tianjin to the Company.

The Company has established a newly subsidiary, NCN (Beijing) advertising Co. Ltd ("NCN Beijing"), a wholly foreign-owned enterprise in Beijing, China. The Company owns 100% of the established subsidiary companies. In January 2024, NCN Beijing started its operation and acquired rights to operate advertising panels in Beijing. On January 1, 2024, NCN Beijing entered into employment contract which the employee agreed to bring in the advertising rights in Beijing to the Company.

Currently, the Company has three subsidiaries, NCN (Ningbo) Culture Media Co., Ltd ("NCN Ningbo"), NCN (Chengdu) Culture Media Co., Ltd, ("NCN Chengdu") and NCN (Beijing) advertising Co. Ltd has its operation.

Our Holding Company Structure and Operations in Hong Kong and China

We are a Delaware holding company without any operation and our operations are conducted by our wholly owned subsidiaries in Hong Kong and China and this structure involves unique risks to investors.

There are legal and operational risks associated with being based in and having all our operations in Hong Kong and China. The Chinese government recently took regulatory actions on certain U.S. listed Chinese companies and made statement that it will exert more oversight and control over offerings and listings by Chinese companies that are conducted overseas, such as those related to the use of variable interest entities and data security or anti-monopoly concerns. On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued an announcement to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws. On December 28, 2021, Cybersecurity Review Measures were published by Cyberspace Administration of China or the CAC, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of State Security, Ministry of Finance, Ministry of Commerce, People's Bank of China, State Administration of Radio and Television, China Securities Regulatory Commission ("CSRC"), State Secrecy Administration and State Cryptography Administration and became effective on February 15, 2022, which provides that, Critical Information Infrastructure Operators ("CIIOs") that purchase internet products and services and Online Platform Operators engaging in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office. On November 14, 2021, CAC published the Administration Measures for Cyber Data Security (Draft for Public Comments), or the "Cyber Data Security Measure (Draft)", which requires cyberspace operators with personal information of more than 1 million users who want to list abroad to file a cybersecurity review with the Office of Cybersecurity Review. On April 2, 2022, the CSRC released the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments), which provide that a domestic company that seeks to offer and list its securities in a overseas market shall strictly abide by applicable PRC laws and regulations, enhance legal awareness of keeping state secrets and strengthening archives administration, institute a sound confidentiality and archives administration system, and take necessary measures to fulfill confidentiality and archives administration obligations.

On July 7, 2022, CAC promulgated the Measures for the Security Assessment of Data Cross-border Transfer, effective on September 1, 2022, which requires the data processors to apply for data cross-border security assessment coordinated by the CAC under the following circumstances: (i) any data processor transfers important data to overseas; (ii) any critical information infrastructure operator or data processor who processes personal information of over 1 million people provides personal information to overseas; (iii) any data processor who provides personal information to overseas and has already provided personal information of more than 100,000 people or sensitive personal information of more than 10,000 people to overseas since January 1st of the previous year; and (iv) other circumstances under which the data cross-border transfer security assessment is required as prescribed by the CAC. On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (the "New Overseas Listing Rules") with five interpretive guidelines, which took effect on March 31, 2023. The New Overseas Listing Rules require Chinese domestic enterprises to complete filings with relevant governmental authorities and report related information under certain circumstances, such as: a) an issuer making an application for initial public offering and listing in an overseas market; b) an issuer making an overseas securities offering after having been listed on an overseas market; c) a domestic company seeking an overseas direct or indirect listing of its assets through single or multiple acquisition(s), share swap, transfer of shares or other means. The required filing scope is not limited to the initial public offering, but also includes subsequent overseas securities offering, single or multiple acquisition(s), share swap, transfer of shares or other means to seek an overseas direct or indirect listing and a secondary listing or dual major listing of issuers already listed overseas. According to the Notice on Arrangements for Overseas Securities Offering and Listing by Domestic Enterprises, published by the CSRC on February 17, 2023, a company that (i) has already completed overseas listing or (ii) has already obtained the approval for the offering or listing from overseas securities regulators or exchanges but has not completed such offering or listing before effective date of the new rules and also completes the offering or listing before September 30, 2023 will be considered as an existing listed company and is not required to make any filing until it conducts a new offering in the future. Furthermore, upon the occurrence of any of the material events specified below after an issuer has completed its offering and listed its securities on an overseas stock exchange, the issuer shall submit a report thereof to the CSRC within 3 working days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other competent authorities; (iii) change of listing status or transfer of listing segment; or (iv) voluntary or mandatory delisting. The new rules provide that the determination as to whether a domestic company is indirectly offering and listing securities on an overseas market shall be made on a substance over form basis, and if the issuer meets the following conditions, the offering and listing shall be determined as an indirect overseas offering and listing by a Chinese domestic company: (i) any of the revenue, profit, total assets or net assets of the Chinese domestic entity is more than 50% of the related financials in the issuer's audited consolidated financial statements for the most recent fiscal year; (ii) the senior managers in charge of business operation and management of the issuer are mostly Chinese citizens or with regular domicile in China, the main locations of its business operations are in China or main business activities are conducted in China.

We are headquartered in Hong Kong with all our executive officers and directors based in Hong Kong who are not Chinese citizens and most of our revenues and profits are generated by our subsidiaries in China. As of the date of this report, these new laws and guidelines have not impacted the Company's ability to conduct its business, accept foreign investments, or list and trade on a U.S. or other foreign exchange. The Company is headquartered in Hong Kong and it owns 100% equity interest of all its subsidiaries and our VIEs did not conduct any business and we conduct advertising services and believes the new data security or anti-monopoly laws and regulations of China do not apply to the Company or its subsidiaries. However, any change in foreign investment regulations, and other policies in China or related enforcement actions by China government could result in a material change in our operations and the value of our ordinary shares and could significantly limit or completely hinder our ability to offer our ordinary shares to investors or cause the value of our ordinary shares to significantly decline or be worthless. The Company's auditor is headquartered in the U.S. and it is not subject to the determinations announced by the PCAOB on December 16, 2021, which determinations were vacated on December 15, 2022, and Holding Foreign Companies Accountable Act and related regulations currently do not affect the Company as the Company's auditor is subject to PCAOB's inspection on a regular basis.

Permissions Required from the PRC Authorities with respect to the Operations of our PRC Subsidiaries

We conduct substantially all of our business in the PRC through our PRC subsidiaries, which are wholly foreign-owned enterprise operating business in Ningbo, Chengdu and Tianjin, China. The Company has established three subsidiaries, namely NCN (Ningbo) Culture Media Co., Ltd ("NCN Ningbo"), NCN (Chengdu) Culture Media Co., Ltd, ("NCN Chengdu") and NCN (Tianjin) Culture Co., Ltd ("NCN Tianjin"). Each of our PRC subsidiaries is required to obtain, and has obtained, a business license issued by the PRC State Administration for Market Regulation and its local counterparts. Our PRC subsidiaries are not covered by permissions requirements from the China Securities Regulatory Commission (CSRC), Cyberspace Administration of China (CAC) or any other governmental agency that is required to approve our business and operations.

According to the Measures for Administration of Advertising Operation Permits which became effective on January 1, 2005, our PRC subsidiaries' business scope does not fall under the category of advertising company that require to obtain advertising operation permit. Under applicable regulations governing advertising businesses in China, companies that engage in advertising activities must obtain from the SAIC or its local branches a business license which specifically includes within its scope the operation of an advertising business. 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. SAIC of its local branches informed us we are not required to obtain the Advertising Operation Permit when we established the subsidiaries. In the opinion of our PRC counsel, we are not required to obtain permit or approval from Chinese governing authorities to operate, other than business license.

As of the date of this report and to the Company's knowledge, we have not received any notice and have not been subject to any penalty or other disciplinary action from any PRC authority for the failure to obtain or the insufficiency of any approval or permit in connection with the conduct or service of our business operations. We have not been denied by any PRC authority with respect to the application of any requisite permissions by us and our PRC subsidiaries in China.

Our PRC subsidiaries are not covered by permissions requirements from the China Securities Regulatory Commission (CSRC), Cyberspace Administration of China (CAC) or any other governmental agency that is required to approve our business and operations. However, the Chinese government may intervene or influence our operations in China or any securities offering at any time, which could result in a material change in our operations and our ordinary shares could decline in value or become worthless. We provide media and advertising services through lightboxes or billboards and services do not pose national security risks, we are not subject to the report requirement under Cybersecurity Review Measures published by Cyberspace Administration of China, National Development and Reform Commission, Ministry of Industry and Information Technology, Ministry of Public Security, Ministry of State Security, Ministry of Finance, Ministry of Commerce, People's Bank of China, State Administration of Radio and Television, China Securities Regulatory Commission, State Secrecy Administration and State Cryptography Administration on December 28, 2021, which became effective on February 15, 2022.

As of the date of this report, we (1) are not required to obtain permissions from any PRC authorities to issue our ordinary shares to foreign investors, (2) are not subject to permission requirements from CSRC, CAC or any other entity that is required to approve of our operations in China, and (3) have not received or were denied such permissions by any PRC authorities.

We are headquartered in Hong Kong with our chief executive officer, chief financial officer and all members of the board of directors based in Hong Kong who are not Chinese citizens. Although we don't believe we are a Chinese domestic entity as defined in the New Overseas Listing Rules published by CSRC on February 17, 2023, it is not certain whether we might be determined as a Chinese entity under new rules, which will require us to file related documents with CSRC. Also, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the "Opinions on Severely Cracking Down on Illegal Securities Activities According to Law," or the Opinions, which were made available to the public on July 6, 2021. The Opinions emphasized the need to strengthen the administration over illegal securities activities, and the need to strengthen the supervision over overseas listings by Chinese companies. Given the current PRC regulatory environment, it is uncertain when and whether our PRC subsidiary, will be required to obtain permission from the PRC government in connection with our listing on U.S. exchanges in the future, and even when such permission is obtained, whether it will be denied or rescinded. If we or our subsidiaries do not receive or maintain such permissions or approvals, inadvertently conclude that such permissions or approvals are not required, or applicable laws, regulations, or interpretations change and we are required to obtain such permissions or approvals in the future, it could significantly limit or completely hinder our ability to offer or continue to offer our securities to investors and cause the value of our securities to significantly decline or become worthless.

For more information relating to our business, please refer to Part I, "Item 1 - Business" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Recent development

The Company is dedicated in pioneering the "Community Channel", a new core retail channel in China's advertising landscape, and striving to expand this core retail channel across large and small communities throughout China in future. We believe our strategy will position us in the heart of advertising industry and propels our leadership. In early 2024, the Company signed co-operative agreement with a new strategic partner, an online sales platform company, to expand our advertising network in "Community Channel". Through the co-operative agreement, the Company can partner with over 50 property management companies to advertise in or organize advertising campaign in 50,000+ well-established residential communities under their management throughout China. Our strategic partner will be focusing on sales to broaden our customer coverage thus we are able to reach key suppliers and provide tailor-made advertising campaign based on targeted audience as defined by age, gender, regions, interest etc.

Our Business in Beijing

The Company explored new media project in Beijing, China and decided to restart its business and expects that will improve the Company's future financial performance. On January 2, 2024, NCN Beijing entered into an employment contract with Li Jie ("the employee") under which the employee agreed to bring in the advertising rights in Beijing to the Company and the Company will reward him for 2,123,383 shares of the Company's common stock. On April 1, 2024, the Company issued 2,123,383 restricted shares of the Company's common stock to the employee, Li Jie. Pursuant to the terms of employment contract, if the employee can achieve the annual sales and profit before tax goal in 2024 and 2025, the Company will issue bonus shares of 1,061,691 and restricted shares of the Company's common stock to the employee, respectively.

Termination of commercial agreements

In May 2023, the Board of Directors agreed and approved the termination of all commercial agreements with Beijing Huizhong Bona Media Advertising Co., Ltd ("Bona") and Xingpin Shanghai Advertising Limited ("Xingpin"). The Company delivered termination notice to terminate all the commercial agreements with Bona and Xingpin and the Company will no longer able to exert control over Bona and Xingpin when the termination notices become effective.

Our Business in Chengdu and Tianjin

The Company actively developing its advertising network and explored new media project in Chengdu and Tianjin, China. The Company has established two newly subsidiaries, NCN (Chengdu) Culture Media Co., Ltd, ("NCN Chengdu") and NCN (Tianjin) Culture Co., Ltd ("NCN Tianjin"), a wholly foreign-owned enterprise in Chengdu and Tianjin, China. The Company owns 100% of the established subsidiary companies. In January 2023, NCN Chengdu and Tianjin started its operation and acquired rights to operate advertising panels in Chengdu and Tianjin. On April 25, 2023, the Company agreed to issue 933,964 and 1,131,960 restricted shares of the Company's common stock to the employee, Qi Hao and Yang Wu Qiang, respectively. On January 1, 2023, NCN Chengdu and Tianjin entered into an employment contract with Qi Hao and Yang Wu Qiang ("the employees") under which the employees agreed to bring in the advertising rights in Chengdu and Tianjin to the Company and the Company will reward him for 933,964 and 1,131,960 shares of the Company's common stock. On May 16, 2023, Mr. Qi Hao resigned his position and the Company early terminated the advertising rights fee contracts in Tianjin and 933,964 shares issued will be cancelled. NCN (Tianjin) had no operation since mid-May 2023.

Our Business in Ningbo

The Company explored new media project in Ningbo, China and decided to restart its business and expects that will improve the Company's future financial performance. In April 2022, the Company has established a newly subsidiary, NCN (Ningbo) Culture Media Co., Ltd ("NCN Ningbo"), a wholly foreign-owned enterprise in Ningbo, China. The Company owns 100% of the established subsidiary company, NCN Ningbo. In August 2022, NCN Ningbo started its operation and acquired rights to operate advertising panels in Ningbo, China and sell advertising airtime to our customers directly. On February 1, 2023, the Company agreed to issue 606,881 restricted shares of the Company's common stock to the employee, Chen Zhu. On October 1, 2022, NCN Ningbo entered into an employment contract with Chen Zhu ("the employee") under which the employee agreed to bring in the advertising rights in Ningbo to the Company and the Company will reward him for 606,881 shares of the Company's common stock. Pursuant to the terms of employment contract, if the employee can achieve the annual sales and profit before tax goal in 2023 and 2024, the Company will issue bonus shares of 303,441 and 303,441 restricted shares of the Company's common stock to the employee, respectively.

Issuance of Convertible Promissory Note

On January 18, 2022, the Company entered into a Subscription Agreement under which the Subscriber agreed to purchase the 1% Senior Unsecured Convertible Note Agreement from the Company for an agreement purchase price of two million five hundred thousand US Dollars ($2,500,000). On the same date, the Company signed the with 1% Senior Unsecured Convertible Note Agreement under which the Company may sell and issue to the Subscriber up to an aggregate maximum amount of $2,500,000 in principal amount of Convertible Notes prior to January 19, 2027. The Convertible Promissory Notes issued to the Investor are convertible at the holder's option into shares of Company common stock at $1.25 per share.

On May 13, 2024, as requested by the Convertible Note holder, the Company agreed to change the conversion price to $0.5 per shares. The 1% Convertible Promissory Notes due 2025 and 2027 was cancelled and re-issued to the Investor at the holders' option into shares of Company common stock at $0.5 per share.

Authorized capital

On April 28, 2020, the Board of Directors and Majority of stockholders of the Company approved to increase the total number of authorized shares of Common Stock from 26,666,667 to 100,000,000,000. On October 11, 2021, we filed a Certificate of Amendment to our Certificate of Incorporation with the Delaware Secretary of State to increase our authorized shares of common stock from 26,666,667 to 100,000,000,000 and the increase had approved by Delaware secretary of state on April 5, 2022. On March 22, 2023, the Board of Directors and Majority of stockholders of the Company approved to decrease the total number of authorized shares of Common Stock from 100,000,000,000 to 100,000,000.

On December 20, 2023, the Board of Directors and Majority of stockholders of the Company approved to amend the Company's Certificate of Incorporation, as amended, to increase the total number of authorized shares of Preferred Stock from 5,000,000 to 10,000,000. On February 7, 2024, we filed a Certificate of Amendment to our Certificate of Incorporation with the Delaware Secretary of State to increase the total number of authorized shares of Preferred Stock from 5,000,000 to 10,000,000 and the increase had approved by Delaware secretary of state on February 8, 2024.

Results of Operations

The following results of operations is based upon and should be read in conjunction with the Company's unaudited consolidated financial statements and the notes thereto included in Part I – Financial Information, "Item 1. Financial Statement." All amounts are expressed in U.S. dollars.

Comparison of Three Months Ended September 30, 2024 and September 30, 2023

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 three months ended September 30, 2024 was $80,773, as compared to $35,149 for the prior year, the increase was attributed to the start of business in Beijing in January 2024.

Cost of Revenues. Cost of revenues primarily consists of fees to obtain rights to operate advertising panels and production cost. Cost of revenues for the three months ended September 30, 2024 was $67,471 as compared to $35,292 for the prior year.

Gross Profit/Loss. Our gross profit for the three months September 30, 2024 was $13,302 compared to gross loss of $143 for 2023.

General and Administrative Expenses **–** General and administrative expenses primarily consist of compensation related expenses (including salaries paid to executive and employees, employee bonuses and other staff welfare and benefits, rental expenses, depreciation expenses, fees for professional services, travel expenses and miscellaneous office expenses). General and administrative expenses for the three months ended September 30, 2024 decreased by 45.11% to $114,806, as compared to $209,161 for the corresponding prior year period. The decrease in general and administrative expenses for the three months ended September 30, 2024 compared to September 30, 2023 was due to the decrease in salary and office expense from Ningbo, Tianjin and Chengdu, and Beijing office.

Amortization of intangible assets – Amortization of intangible assets for the three months ended September 30, 2024 was $86,473, compared to $79,697 for the corresponding prior year period. It was mainly due to increase of intangible assets on acquisition on Beijing intangible assets.

Other income **–** Other income for the three months ended September 30, 2024 decreased to 98.51% to $4, as compared to $269 for the corresponding prior year period. The decrease was mainly due to less government grant received in 2024.

Interest and Other Debt-Related Expenses **–** Interest expense and other debt-related expenses for the three months ended September 30, 2024 decreased to 4.9% to $75,172, as compared to $79,048 for the corresponding prior year period. The changes were due to the decrease in interest to short term loan and the adoption of ASU 2020-06.

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 during the three months ended September 30, 2024 and 2023, because the Company and all of its subsidiaries and variable interest entities operated at a taxable loss during the respective periods.

Net Loss – The Company incurred a net loss of $263,144 for the three months ended September 30, 2024, as compared to a net loss of $367,780 for the corresponding prior year period. The result was driven by the decrease in general and administrative expenses from the new offices in PRC.

Comparison of Nine Months Ended September 30, 2024 and September 30, 2023

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 nine months ended September 30, 2024 was $504,364, as compared to $377,121 for the prior year, the increase was attributed to the start of business in Beijing in January 2024.

Cost of Revenues. Cost of revenues primarily consists of fees to obtain rights to operate advertising panels and production costs. Cost of revenues for the nine months ended September 30, 2024 was $490,042 as compared to $363,269 for the prior year.

Gross Profit. Our gross profit for the nine months September 30, 2024 was $14,322 compared to gross profit of $13,852 for 2023.

General and Administrative Expenses – General and administrative expenses primarily consist of compensation related expenses (including salaries paid to executive and employees, employee bonuses and other staff welfare and benefits, rental expenses, depreciation expenses, fees for professional services, travel expenses and miscellaneous office expenses). General and administrative expenses for the nine months ended September 30, 2024 decreased by 41.06% to $393,811, compared to $668,202 for the corresponding prior year period. The decrease in general and administrative expenses for the nine months ended September 30, 2024 compared to September 30, 2023 was due to the decrease in salary and office expense from Ningbo, Tianjin, Chengdu and Beijing office.

Amortization of intangible assets – Amortization of intangible assets for the nine months ended September 30, 2024 was $259,421, compared to $303,298 for the corresponding prior year period. It was mainly due to decrease of intangible assets after the written off of intangible assets on early termination of contract with employee in prior year period.

Loss on written off of intangible assets – Loss on written off of intangible assets for the nine months ended September 30, 2024 was $nil, compared to $449,473 for the corresponding prior year period. In the same period 2023, the total amount of intangible assets written off was $449,473. This was due to the written off of intangible assets on early termination of contracts in NCN Tianjin with employee in prior year period.

Other income **–** Other income for the nine months ended September 30, 2024 decreased to 99.78% to $33, as compared to $14,858 for the corresponding prior year period. The major difference was due to, prior year period, the termination of agreements with Beijing Huizhong Bona Media Advertising Co., Ltd ("Bona") and Xingpin Shanghai Advertising Limited ("Xingpin") resulted in the derecognition of the lease liability associated with leases. The difference between the carrying amounts of the lease liability resulted in a gain of $11,373, and also government grants of $3,464 received for the nine months ended September 30, 2023.

Interest and Other Debt-Related Expenses – Interest expense and other debt-related expenses for the nine months ended September 30, 2024 was $222,996, compared to $231,596 for the corresponding prior year.

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 during the nine months ended September 30, 2024 and 2023, because the Company and all of its subsidiaries and variable interest entities operated at a taxable loss during the respective periods.

Net Loss – The Company incurred a net loss of $861,873 for the nine months ended September 30, 2024, as compared to a net loss of $1,623,860 for the corresponding prior year period. The result was mainly driven by the decrease in general and administrative expenses from the new offices in PRC.

Liquidity and Capital Resources

As of September 30, 2024, we had cash of $3,493, as compared to $5,334 as of December 31, 2023, a decrease of $1,841 which was due to decrease of settlement of office expenses.

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

	For the Nine Months Ended	
	September 30, 2024	September 30, 2023
Net cash used in operating activities	$ (78,849)	$ (171,907)
Net cash used in investing activities	-	-
Net cash provided by financing activities	57,582	141,906
Effect of exchange rate changes on cash	19,426	14,255
Net decrease in cash	(1,841)	(15,746)
Cash, beginning of period	5,334	20,351
Cash, end of period	$ 3,493	$ 4,605

Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2024 was $78,849, as compared to $171,907 for the corresponding prior year period. This was mainly attributable to decrease in accounts receivables and inventories during the nine months ended September 30, 2024.

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 the issuance of additional equity and debt securities as well as on our noteholders' 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. We cannot give assurance that we will be able to generate sufficient revenue or raise new funds, and our note holders 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.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2024 and 2023 were $nil and $nil respectively.

Financing Activities

Net cash provided by financing activities was $57,582 for the nine months ended September 30, 2024, as compared to $141,906 for the corresponding prior year period. The decrease was mainly due to decrease in proceeds from short-term loans during the nine months ended September 30, 2024.

Short-Term Loans

As of September 30, 2024 and December 31, 2023, the Company recorded an aggregated amount of $1,501,368 and $1,443,785 of short-term loans, respectively. Those loans were borrowed from a shareholder and the loans are unsecured, bear a monthly interest of 1.5% and are repayable on demand. However, according to the agreement, the Company shall have the option to shorten or extend the life of those short-term loans if the need arises and the Company has agreed with the lender to extend the short-term loans on the due date. As of the date of this report, the balance of $1,501,368 have not yet been repaid.

Capital Expenditures

Net cash used in investing activities for the nine months ended September 30, 2024 and 2023 were $nil and $nil from the purchase of office equipment.

Contractual Obligations and Commercial Commitments

The following table presents certain payments due under contractual obligations with minimum firm commitments as of September 30, 2024:

	Payments due by period				
	Total	Due in 2023	Due in 2024-2025	Due in 2026-2027	Thereafter
Debt Obligations (a)	$ 645,000	$ -	$ 645,000	$ -	$ -
Debt Obligations (a)	$ 2,500,000	$ -	$ -	$ 2,500,000	$ -
Short-Term Loans (b)	$ 1,501,368	$ 1,501,368	$ -	$ -	$ -

(a) Debt Obligations. We issued an aggregate of $645,000 in 1% Convertible Promissory Notes in January 2020 and such 1% Convertible Promissory Notes matured in January 2025 and we issued an aggregate of $2,500,000 in 1% Convertible Promissory Notes in January 2022 and such 1% Convertible Promissory Notes matured in January 2027. For details, please refer to the Note 10 of the unaudited consolidated financial statements.

(b) Short-Term Loan. We have entered into short-term loan agreements with one individual. This loan with an aggregate amount of $1,501,368 are unsecured, bear a monthly interest of 1.5% and shall be repayable in one month. However, according to the agreement, the Company shall have the option to shorten or extend the life of those short-term loans if the need arises and the Company has agreed with the lender to extend the short-term loans on the due date. Up to the date of this report, those loans have not yet been repaid.

Transfer of Cash To and From Our Subsidiaries

The Company is incorporated in State of Delaware as a holding company with no actual operations and it currently conducts its business through its subsidiaries in China and our corporate headquarter is in Hong Kong. There has been no cash flows and transfers of other assets between the holding company and its subsidiaries other than that as of September 30, 2024, NCN Group Limited (BVI) and NCN Group Management Limited, a wholly owned subsidiaries of the Company have paid approximately $43,387 and $49,625 for corporate expenses on behalf of the holding company respectively and not as the dividend payment or distribution. None of our subsidiaries has made any dividend payment or distribution to our holding company as of the date of this report and they have no plans to make any distribution or dividend payment to the holding company in the near future. Neither the Company nor any of its subsidiaries has made any dividends or distributions to U.S. investors as of the date of this report.

Cash may be transferred within our consolidated group in the following manner:

- we may transfer funds to our subsidiaries by way of capital contributions or loans, through intermediate holding companies or otherwise;
- we may provide loans to our subsidiaries and vice versa; and
- our subsidiaries may make dividends or other distributions to us, through intermediate holding companies or otherwise.

Cash transfers were generally for maintain minimum working capital purpose for each subsidiary, we intend to keep any future earnings to finance the expansion of its business, and it does not anticipate that any cash dividends will be paid in the foreseeable future. We have established stringent controls and procedures for cash flows within our Company. Each transfer of cash between our subsidiaries is subject to internal approval.

We have made the following aggregate cash intercompany payments and transfers from January 1, 2024 to September 30, 2024.

DATE	DISTRIBUTOR		RECIPIENT		AMOUNT	DISCRIPTION
1/4/2024	NCN Group Management	HK to	NCN Global	HK	US$1.28	Loan to subsidiary
3/7/2024	NCN Group	HK to	NCN Group Management	HK	US$384.62	Loan to subsidiary
8/19/2024	NCN Group Management	HK to	NCN Global	HK	US$1.28	Loan to subsidiary

These payments reflect that cash provided by proceeds from short-term loans from our Hong Kong subsidiary and transfer of funds among our Hong Kong subsidiaries or BVI subsidiaries. Transfers of funds among our Hong Kong subsidiaries or from our Hong Kong subsidiaries to our BVI subsidiaries are free of restrictions. We may transfer of funds from Hong Kong subsidiaries or BVI subsidiaries to PRC subsidiaries are subject to review and conversion of HK$ or US$ to Renminbi Yuan (“RMB”), which represents the SAFE to monitor foreign exchange activities. Under the existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements with the banks. Currently, we don’t have any intention to distribute earnings or settle amounts owed under our operating structure.

All transfers of cash are related to the operations of the subsidiaries in the ordinary course of business. For our Hong Kong subsidiaries, our subsidiary in British Virgin Islands and the holding company (“Non-PRC Entities”), there is no restrictions on foreign exchange for such entities and they are able to transfer cash among these entities, across borders and to US investors. Also, there is no restrictions and limitations on the abilities of Non-PRC Entities to distribute earnings from their businesses, including from subsidiaries to the parent company or from the holding company to the U.S. investors as well as the abilities to settle amounts owed.

We may face difficulties or limitations on our ability to transfer cash to any wholly foreign-owned enterprises: Under PRC laws and regulations, our PRC subsidiaries, as wholly foreign-owned enterprises in China, may pay dividends only out of their respective accumulated after-tax profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such funds reaches 50% of its registered capital. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to discretional funds. These reserve funds and discretional funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of China is subject to examination by the banks designated by SAFE and declaration and payment of withholding tax. Additionally, if our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions or payments to us. As a holding company, we may rely on dividends and other distributions on equity paid by our subsidiaries, including our PRC subsidiaries, for our cash and financing requirements. However, our PRC subsidiaries will not be able to pay dividends until they generate accumulated profits and meet the requirements described above. Also, PRC may impose greater restrictions on our Hong Kong subsidiaries' abilities to transfer cash out of Hong Kong and to the holding company, which could adversely affect our business, financial condition and results of operations. PRC laws and regulations allow an offshore holding company to provide funding to our wholly owned subsidiary in China only through loans or capital contributions, subject to the filing or approval of government authorities and limits on the amount of capital contributions and loans. Subject to satisfaction of applicable government registration and approval requirements, we may extend inter-company loans to our wholly owned subsidiaries in China or make additional capital contributions to fund their capital expenditures or working capital. For an increase of its registered capital, the subsidiaries need to file such change of registered capital with the MOFCOM or its local counterparts. If the holding company provides funding to its subsidiaries through loans, the total amount of such loans may not exceed the difference between the entity's total investment as approved by the foreign investment authorities and its registered capital. Such loans must be registered with SAFE or its local branches.

The PRC government may continue to strengthen its capital controls and our PRC subsidiaries' dividends and other distributions may be subject to tighten scrutiny in the future. The PRC government also imposes controls on the conversion of RMB into foreign currencies and the remittance of currencies out of the PRC. Therefore, we may experience difficulties in completing the administrative procedures necessary to obtain and remit foreign currency for the payment of dividends from our profits, if any. Furthermore, if our subsidiaries in the PRC incur debt on their own in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments. There are no other material restrictions on foreign currency restrictions with respect to our ability to transfer payments among our subsidiaries to the holding company and by holding company as a distribution to the holders of the Company. Other than discussed above, we don't have any cash management policies that dictate the amount of such funding among our subsidiaries.

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the unaudited consolidated financial statements unless otherwise disclosed, and we do not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on our financial position or results of operations.

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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to ensure that information that would be required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including to our Chief Executive Officer to allow timely decisions regarding required disclosure.

As required by Rule 13a-15 under the Exchange Act, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2024. Based on that evaluation, our Chief Executive Officer concluded that as of September 30, 2024, and as of the date that the evaluation of the effectiveness of our disclosure controls and procedures was completed, our disclosure controls and procedures were not effective as a result of the material weaknesses in its internal control over financial reporting that existed as of such date.

Our management identified a material weakness in our internal control over financial reporting, which are indicative of many small companies with small staff that 1) insufficient segregation of duties and effective risk assessment and 2) lack of accounting staff with sufficient US GAAP experience.

Remediation of Material Weakness

We will try our best effort to fulfill our staff shortage. However, current talent availability in market is tough and we need more efforts to compete for staff in the open market.

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 to our internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. 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.

ITEM 1A. RISK FACTORS.

There have been no material changes to the risk factors disclosed in Item 1A of our Form 10-K for the fiscal year ended December 31, 2023, other than as disclosed below. Additional risks and uncertainties, including risks and uncertainties not presently known to us, or that we currently deem immaterial, could also have an adverse effect on our business, financial condition and/or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

We have not sold any equity securities during the quarter ended September 30, 2024 which sale was not previously disclosed in a current report on Form 8-K filed during that period.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Not applicable.

ITEM 6. EXHIBITS.

The following exhibits are filed as part of this report or incorporated by reference:

Exhibit No.	Description
31.1	Certifications of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certifications of Principal Executive Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101 *	Financial statements and footnotes of Network CN Inc. for the fiscal quarter ended September 30, 2024, formatted in XBRL (eXtensible Business Reporting Language) pursuant to Rule 405 of Regulation S-T (furnished herewith)

* Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, or Section 18 of the Securities Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 20, 2024

NETWORK CN INC.

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

Exhibit 31.1

CERTIFICATIONS

I, Earnest Leung, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Network CN Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 20, 2024

/s/ Earnest Leung

Earnest Leung
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.1

**CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Earnest Leung, the Chief Executive Officer of NETWORK CN INC. (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 (the "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, each of the undersigned has executed this statement on the 20th day of November 2024.

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

A signed original of this written statement required by Section 906 has been provided to Network CN Inc. and will be retained by Network CN Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.