CYIOS CORP
Form 10KSB/A
April 13, 2006

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

FORM 10-KSB/A-2
AMENDMENT NO. 2

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGEACT OF 1934 FOR FISCAL YEAR ENDED DECEMBER 31, 2004**

o **TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 000- 27243

WORLDTEQ GROUP INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter)

Nevada	**03-7392107**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

30 West Gude Drive, Rockville, Maryland 20850
(Address of principal executive offices) (Zip Code)

(301) 728-8744
(Issuer's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: COMMON STOCK, $0.001 PAR VALUE

(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Section13 or 15(d) of the Exchange Act during the past 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 x NO ¨

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Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. x

TRANSITIONAL SMALL BUSINESS DISCLOSURE FORMAT (CHECK ONE) YES ¨ NO x

The Index of Exhibits filed with this Report begins on page 30.

WorldTeq Group International Inc.'s revenues for its most recent fiscal year ended December 31, 2004 were $341,199.

On December 31, 2004, the aggregate market value of the voting stock of WorldTeq Group International, Inc. (consisting of common stock, $0.001 par value) held by non-affiliates of the Registrant (approximately 21,000,000 shares) was approximately $2,310,000 based on the closing price for such common stock ($0.11) on said date as reported by the OTC Bulletin Board.

As of December 31, 2004, there were 1,290,706 outstanding common shares of WorldTeq Group International, Inc. common stock.

WORLDTEQ GROUP INTERNATIONAL, INC.
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FORWARD LOOKING STATEMENTS

In addition to historical information, this Report contains forward-lookingstatements. Such forward-looking statements are generally accompanied by words such as "intends," "projects," "strategies," "believes," "anticipates," "plans," and similar terms that convey the uncertainty of future events or outcomes. The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in ITEM 6 of this Report, the section entitled "MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION." Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof and are in all cases subject to the Company's ability to cure its current liquidity problems. There is no assurance that the Company will be able to generate sufficient revenues from its current business activities to meet day-to-day operation liabilities or to pursue the business objectives discussed herein.

The forward-looking statements contained in this Report also may be impacted by future economic conditions. Any adverse effect on general economic conditions and consumer confidence may adversely affect the business of the Company.

WorldTeq Group International, Inc. undertakes no obligation to publicly revisethese forward-looking statements to reflect events or circumstances that arise after the date hereof. Factors that could cause actual results or conditions to differ from those anticipated by these and other forward-looking statements include those more fully described in the "Risk Factors" section and elsewhere in this report. In addition, readers should carefully review the risk factors described in other documents the Company files from time to time with the Securities and Exchange Commission.

ITEM 1. DESCRIPTION OF BUSINESS

CORPORATE HISTORY

WorldTeq Group International, Inc. was incorporated under the laws of Nevada on October 13, 1997, and was originally named Halo Holdings of Nevada, Inc. On October 15, 2001, we amended our articles of incorporation to adopt our current name, which we believe more accurately reflects the business in which we are now engaged.

From the date of our incorporation in 1997 until early 1999 our company was engaged in skydiving and related business ventures. Between February and April 1999 we sold our skydiving business and acquired three companies which were providers of Internet connectivity and related products and services. Specifically, in February 1999 we acquired Virtual Information Express, Inc. a Maryland corporation, which provided outsourced Internet services such as e-commerce applications and collaborative technologies. In March 1999, we acquired Computer Ease LLC, a Maryland limited liability company which provided Web design and development services to corporate clients and associations. Computer Ease was merged into our subsidiary A1 Internet Services, Inc., a Delaware corporation. In April 1999 we acquired Networld Ohio, Inc., an Ohio corporation, which is an Internet service provider ("ISP") based in Freemont, Ohio. In March 1999 we wound down Virtual Information Express. In November of 2000 we formed WorldTeq Corporation, a Delaware Corporation, to focus on adding Long Distance services to our product line. In May of 2003 Networld Ohio, Inc., a wholly owned subsidiary of WorldTeq Group International, Inc., was sold to our former president, Bruce Bertman for $1. WorldTeq recorded the sale as a credit to additional paid in capital for the net liabilities totaling approximately $435,000. Early in 2003 the company began a proactive approach to expand its business by searching for merger and acquisition candidates that would be beneficial to the company and it’s shareholders. In September of 2003 WorldTeq added financial services to its product line in the form of Payroll services through its stored-value debit card product, MonEcard. While much time and money was invested in attempting to enter and succeed in the payroll service market, WorldTeq found it difficult to build and maintain a customer base. The product has not been entirely shelved and the company is currently looking into the retail aspect of the market in offering the cards direct to single end-users or through a newtwork of resellers and multi-level marketing organizations. During most of 2004, the company developed a new online service, MundoTeq.com and soft launched the product in mid-October. MundoTeq.com was created to be one of the first all Spanish web portals. The goal was to make MundoTeq a place where all Spanish-speaking residents of the U.S. can get news, entertainment, shopping and much more! Early in 2005 it was decided to temporarily shelve the project for both lack of major funding for marketing and to allow management to fully concentrate on the company’s latest merger opportunity, to be discussed in a following section. MundoTeq can either be re-launched in the future or can be sold as a complete business.

OVERVIEW

Currently, we are a switch-less and facilities-based provider of Internet protocol and traditional fiber-based communications services, including voice and data, along with toll free and related services. We market our services to groups specializing in specific ethnic demographics, residential communities located in major metropolitan areas, associations, network marketing organizations, and multi-level-marketing organizations (MLM's). Our goal is to become a leading provider of communication services, including voice, data and Internet services to our targeted markets, comprised of affinity communities. We provide our services through a flexible network of owned, contracted facilities and resale arrangements. We have an extensive network available to us of IP gateways, international gateways, and domestic switches.

Through our subsidiary WorldTeq Corporation we provide agents, associations, and businesses with opportunities to generate revenues by supplying those associations, individuals, and businesses with Internet technology and communications solutions and services. Our products and services enable the agents and affinity groups to offer their members, customers and others a variety of revenue producing solutions and services without making large investments in technology, infrastructure or staff. The principal products and services which we offer are:

- - Long Distance Service
- - Toll Free Products
- - Financial Services / Corporate Payroll Solutions
- - Billing Services
- - Online Spanish language portal

RECENT DEVELOPMENTS

The company recently announced in the form of an 8-K filed with the SEC that it has signed a plan of exchange to acquire Harbin Yinhai Technology Development Company Ltd.

On January 21, 2005, the Registrant executed a Plan of Exchange (the "Agreement"), between and among the Registrant, Harbin Yinhai Technology Development Company Ltd., a corporation organized and existing under the laws of the Peoples' Republic of China ("Yinhai"), and Progressive Media Group, Inc., XCL Partners, Inc., Aero Financial, Inc. and Triple S Parts, Inc. (collectively, the "Consultants").

Pursuant to and at the closing of the Agreement, the shareholders of Yinhai (the "Yinhai Shareholders") will exchange all of their shares of registered capital of Yinhai for 12,211,857 shares of common stock of the Registrant, or approximately 90% of the Registrant's then outstanding shares of common stock. Upon completion of the exchange, the registered capital of Yinhai will be transferred to the Registrant, and Yinhai will become a wholly-owned subsidiary of the Registrant. An executed copy of the Initial Letter of Agreement is attached hereto as Exhibit 1.1.

Yinhai is a commercial printing company located in Harbin, Peoples' Republic of China, that, among other things, prints forms for use by banks in the Harbin area, and it has approximately 200 employees. It had unaudited revenue of approximately US$8.6 million in fiscal 2003, and net income of approximately US$1.57 million.

The company has filed a 14C and has obtained written consent from the majority of the stockholders as of April 7, 2005, approving (i) a reverse split of the Company’s common stock at a ratio of 1:30 (the "Reverse Split"), and (ii) an amendment to the Company's Articles of Incorporation changing the name of the Company to "China Printing Inc." (the "Name Change"). The Board of Directors of the Company unanimously approved the Name Change on March 31, 2005 and the Reverse Split on April 1, 2005. Under Section 78.320 of the corporate law of the State of Nevada, action by stockholders may be taken without a meeting, without prior notice, by written consent of the holders of outstanding stock having at least a majority of the voting power that would be necessary to authorize the action at a meeting. No other vote or stockholder action is required. You are hereby being provided with notice of the approval of the Reverse Split and Name Change by less than unanimous written consent of the stockholders of the Company.

As a legal matter, the exchange transaction will become effective when Articles of Exchange are filed with the Secretary of State of the State of Nevada pursuant to the Nevada Revised Statutes Section 92A-200. The name change has taken effect and the company is now registered as China Printing Inc. and trades under the symbol CHPI on the OTC BB. A preliminary 14C was filed on May 16, 2005.

2004 KEY POINTS

During 2004, WorldTeq has had a considerably negative year as far as its staple business goes. Due to the concentration on developing MundoTeq and searching for quality M&A candidates, WorldTeq witnessed its revenues cut to 50% and because of capital investment in the development of MundoTeq the company operated throughout the year at a loss. However, as the year ended , it appeared that the company had found a good match in its search for M&A candidates and discussions began in what has become the course we are on now of the merging of Yinhai and WorldTeq.

EMPLOYEES

As of December 31, 2004 we had 3 full time employees and 1 part time employee categorized as follows:

- - 2 full time employees in administration staff; and

- - 1 full time and 1 part-time employee in product development and technical operations

There are no collective bargaining agreements in effect. We believe the relationships with our employees are good.

INTELLECTUAL PROPERTY

We have no patented technology that would preclude or inhibit competitors from entering our market. We have entered into confidentiality and invention assignment agreements with our employees to limit access to and disclosure of our proprietary information. We intend to apply for copyrights as we develop new products and solutions. There can be no assurance that these measures will prove sufficient to prevent misappropriation of our intellectual property or to deter independent third-party development of similar products.

The FCC has jurisdiction over all U.S. telecommunications common carriers to the extent they provide interstate or international communications services. Wile WorldTeq acts as a carrier reseller we still can be subject to the rules and regulations set, so that the FCC's current and future policies could have a material adverse effect on our business, operating results and financial condition.

In accordance with the FCC's Detariffing Order, our rates, terms and conditions for interstate and international services are no longer set forth in tariffs filed with the FCC. Nonetheless, we remain subject to the FCC's general requirements that rates must be just and reasonable, and not unreasonably discriminatory, and are also subject to the FCC's jurisdiction over complaints regarding our services. The detariffing of domestic interstate and international services may pose additional risks for us because we will no longer have the benefit of the "filed rate doctrine." This doctrine enabled us to bind our customers to the terms and conditions of the tariff without having each customer sign a written contract and enabled us to change rates and services on one day's notice. Since the rates and terms of service are no longer tariffed, we may be subjected to increased risk of claims from customers involving terms of service and rates that could impact our financial operations.

RISK FACTORS

You should consider carefully the risks described below and other information in this Form 10-KSB. If any of the events identified in the following risk factors actually occur, they could materially adversely affect our business, financial condition and results of operations.

WE HAVE A HISTORY OF LOSSES AND CANNOT BE CERTAIN WE WILL ACHIEVE POSITIVE CASH FLOW

Since inception, we have incurred significant operating losses and negative cash flow from operations. Although we have made significant steps toward profitability, we can give no assurances that we will not have continuing operating losses in the future.

Even thereafter, we cannot be certain that we will achieve or sustain positive cash flow or profitability from our operations. Our net losses and negative cash flow from operating activities are likely to continue even longer than we currently anticipate if:

- - We cannot establish and maintain a customer base that generates sufficient revenue;

- - Prices for our products or services decline faster than we have anticipated;

- - We cannot remain competitive in the innovation and quality of our products; and

- - We cannot attract and retain qualified personnel.

OUR ABILITY TO ACHIEVE OUR OBJECTIVES IS SUBJECT TO FINANCIAL, COMPETITIVE, REGULATORY, LEGAL, TECHNICAL AND OTHER FACTORS, MANY OF WHICH ARE BEYOND OUR CONTROL.

PURCHASES AND SALES OF OUR STOCK ARE SUBJECT TO PENNY STOCK REGULATIONS

Our stock has had a market price of less than $5.00 per share. The SEC has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price less than $5.00 per share, subject to certain exceptions. During periods when our common stock does not qualify for inclusion on the NASDAQ Small Cap Market or is removed there from, the common stock may become subject to rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 together with their spouse). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the transaction, of a disclosure schedule prepared by the SEC relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Consequently, the "penny stock" rules may restrict the ability of broker-dealers to sell our common stock and may affect the ability of investors to sell our common stock in the public market.

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OUR LIMITED OPERATING HISTORY MAKES IT DIFFICULT TO ASSESS OUR PAST PERFORMANCE AND FUTURE PROSPECTS

We have limited historical operating and financial information, which may make ur performance and our prospects difficult to evaluate. We have acquired five companies since the beginning of 1999 and disposed of substantially all of the businesses in which we were engaged in prior years. This limits the comparability of our operating and financial information from period to period.

Our prospects need to be considered in light of the substantial risks, expenses, uncertainties and difficulties frequently encountered by companies in the new nd rapidly evolving markets for Internet products and services. Such risks include the possibility that:

- - We may be unable to increase and sustain levels of interest in our products nd services by Associations, membership marketing companies and ISPs;

- - We may fail to sell our products successfully through our direct sales force;

- - Our competitors may develop services or products similar or superior to our own;

- - Market prices for our products and services may fall as a result of competition or other factors;

- - We may be unable to identify, attract, motivate and retain qualified personnel; and

- - We may fail to fully integrate our existing operations the technology and operations with any of the businesses that we might acquire.

We cannot be sure that we will be successful in addressing such risks, and the failure to do so could have a material adverse impact on our business, financial
condition and results of operation.

WE ARE DEPENDENT ON GLOBAL CROSSING FOR LONG DISTANCE AND OTHER VOICE SERVICES

Our ability to offer end-user access to a tier one Voice network on an affordable basis is dependent upon our relationship with Global Crossing. If this relationship were to be terminated, or if the terms were to be substantially amended, we might be required to enter into arrangements for services with other providers on less favorable terms. There is no assurance that we would be able to purchase voice services on comparable terms, and there is no assurance that we would be able to pass on additional costs to our customers. Our inability to obtain minutes on comparable terms could materially and adversely affect our business, financial condition and results of operations.

WE RELY ON OTHERS TO MARKET OUR PRODUCTS AND SERVICES TO END-USERS

We believe that we may derive the majority of our recurring revenues from subscription fees and fees for value added services paid by end-users of our products and services. The amount of these revenues is dependent upon the level of success achieved by resellers, membership marketing companies and multi-level market organizations (MLM's) in marketing our products and services to their members and customers. If sales to end-users do not meet our expectations, our business would be adversely affected and we would be required to develop alternate marketing and sales strategies.

WE ARE SUBJECT TO RISKS AS WE MAKE ACQUISITIONS AND ENGAGE IN STRATEGIC ALLIANCES

As part of our business strategy, we may acquire, make investments in, or enter into strategic alliances with companies in complementary businesses, so as to optimize our market presence in the regions we presently serve and expand into other regions. In particular, we intend to acquire local and regional ISPs and E-commerce companies. Any such future acquisitions, investments or strategic alliances would involve risks, such as:

- - Incorrect assessment of the value, strengths and weaknesses of acquisition and investment opportunities;

- - Underestimating the difficulty of integrating the operations and personnel of newly acquired companies;

- - Potential disruption of our ongoing business, including possible diversions of resources and management time;

- - Potential inability to maintain uniform standards, control, procedures and policies; and

- - The threat of impairing relationships with employees and customers as a result of changes in management or ownership.

We cannot assure that we will be successful in overcoming these risks. Moreover, we cannot be certain that any desired acquisition, investment or strategic alliance could be made in a timely manner or on terms and conditions acceptable to us. Neither can we assure that we will be successful in identifying attractive acquisition candidates. We expect that competition for such acquisitions may be significant. Competition for Internet companies is based on a number of factors including price, terms and conditions, size, access to capital, and ability to offer cash, stock or other forms of consideration. We may compete with others who have similar acquisition strategies, many of whom may be larger and have access to greater financial and other resources than those available to us at any given time.

An additional risk associated with acquisitions is that many attractive acquisition candidates do not have audited financial statements and have varying degrees of internal controls. Although we may believe that the available financial information for a particular business is reliable, we cannot guarantee that a subsequent audit would not reveal matters of significance, including but not limited to those in connection with liabilities, contingent or otherwise. We expect that, from time to time in the future, we will enter into acquisition agreements, the pro forma effect of which are not known and cannot be predicted.

SALES OF SHARES BY OUR SHAREHOLDERS COULD DEPRESS OUR STOCK PRICE

The market price of our common stock could drop as a result of sales of a large number of our shares in the public market. The perception that such sales may occur could have the same effect. As of January 31, 2004, our executive officers, directors and affiliates owned, directly or indirectly, less then 1% of our common stock.

WE ARE SUBJECT TO SECURITY AND FRAUD RISKS

Despite our efforts to implement network security measures, such as limiting physical and network access to our computers, our Internet infrastructure is vulnerable to computer viruses, break-ins and similar disruptive problems caused by customers, employees or other Internet users. Computer viruses, break-ins or other disruptive or security problems could lead to interruptions, delays or cessation in service to our Internet customers. Further, such inappropriate or unauthorized use of the Internet could also potentially jeopardize the security of confidential information stored in the computer systems of our customers and other parties connected to the Internet, which may deter potential customers and give rise to liability to users whose security or privacy has been violated. The security and privacy concerns of existing and potential customers may inhibit the growth of the Internet service industry in general and our customer base and revenues in particular. A significant security breach could result in a loss of customers, damage to our reputation, direct damages, costs of repair and detection and other expenses. In addition, our revenues for any given period may be adversely affected by fraud or debt collection problems that we experience. The occurrence of any of these events could have a material adverse effect our business, results of operations and financial condition.

WE MAY BE HURT BY SYSTEM FAILURES

Our success is largely dependent upon our ability to deliver high speed, uninterrupted access to the Internet. Any system failure that causes interruptions in our operations could have a material adverse effect on us. We currently rely upon our vendor's Internet Network. Failures in this or any other telecommunications network on which we rely would result in customers' receiving no or diminished access to the Internet.

WE ARE SUBJECT TO INTELLECTUAL PROPERTY RISKS

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights in Internet-related industries are uncertain and still evolving and we cannot be certain as to the future viability or value of any of our intellectual property rights or those of other companies within the IT industry. We cannot assure that the steps we have taken to protect our intellectual property rights will be adequate or that third parties will not infringe or misappropriate our proprietary rights. Any such infringement or misappropriation, should it occur, could have a material adverse effect on our business, results of operations and financial condition. Furthermore, we cannot be certain that our business activities will not infringe the proprietary rights of others or that such other parties will not assert infringement claims against us. We anticipate that we may be subject to claims in the ordinary course of our business, including claims of alleged infringement of the trademarks and other intellectual property rights of third parties due to the dissemination of our content or the provision of access by our online services to content made available by third parties. Such claims and any resultant litigation, should it occur, could subject us to significant liability for damages and could result in invalidation of our property rights and, even if not meritorious, could be time-consuming and expensive to defend, and could result in the diversion of management time and attention, any of which could have a material adverse effect on our business, results of operations and financial condition.

We regard substantial elements of our products and services as proprietary, and we attempt to protect them by relying on trademark, service mark, trade dress, copyright and trade secret laws and restrictions on disclosure and transfer of title. We also enter into confidentiality agreements with our employees, suppliers, distributors, consultants, vendors and customer and license agreements with third parties and generally seek to control access to and distribution of our technology, documentation and other proprietary information. We are pursuing the registration of our service marks, but we currently have no patents or applications for patents pending for our products or services. Effective service mark, copyright and trade secret protection may not be available.

WE DO NOT EXPECT TO PAY DIVIDENDS

The Company does not anticipate paying cash dividends in the foreseeable future.

ITEM 2. LEGAL PROCEEDINGS

During 2004 WorldTeq Group International, Inc. nor any of its subsidiaries were involved in any lawsuits or litigation.

ITEM 3. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted during the fourth quarter of the fiscal year covered by this Report to a vote of security holders, through the solicitation of proxies or otherwise. The annual shareholder meeting has been postponed to a date in the near future.

ITEM 4. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

On October 10, 1998 shares of our common stock, par value $.001, were initially available to the public on the OTC Bulletin Board under the symbol "HALO". On May 24, 1999 the board of directors and shareholders approved a name change to A1 Internet.com Inc. and the symbol was changed to "AWON".

On January 4, 1999, the SEC approved amendments to Rules of the National Association of Securities Dealers that limit quotations on the OTC Bulletin Board to the stock of companies that are registered with the SEC under the Securities Exchange Act of 1934. The letter "E" is affixed to ticker symbols of those companies that have not completed the registration process with the SEC as of a certain date and indicates that the affected company will be removed from the OTC Bulletin board within 30 days. On November 19, 1999, an "E" was affixed to our OTC Bulletin Board trading symbol and our common stock began trading under the symbol "AWONE." Our common stock was removed from the OTC Bulletin Board on December 16, 1999, because we had not then completed the registration process, and began trading on the "Pink Sheets" of the National Quotation Bureau, LLC. The closing price of our common stock on the OTC Bulletin Board $4.125 as of December 15, 1999.

In March 2000, we completed our registration under the Securities Exchange Act of 1934, as amended. On March 20, 2000, our common stock was once again listed on the OTC Bulletin Board and began trading under the symbol "AWON." In late 2000 an "E" was affixed to our OTC Bulletin Board trading symbol and our common stock began trading under the symbol "AWONE. The closing price of our common stock on the "Pink Sheets" of the National Quotation Bureau, LLC was $.26 as of December 31, 2001. On March 22, 2002 our common stock was again listed on the OTC Bulletin Board and began trading under the symbol "WTEQ" to reflect our name change. The closing price of our common stock on the OTC was $0.11 as of December 31, 2004. Starting in April of 2005 the company has changed it’s name as part of the merger conditions to China Printing Inc. and began trading under the symbol “CPHI”

The following table sets forth, on a per share basis, the high and low sale prices for our common stock as reported by the OTC Bulletin Board Market, for the periods indicated. Such prices reflect inter-dealer prices, without retail mark-up, mark-down or commission, and do not necessarily represent actual transactions.

	HIGH	LOW
2003		
1st Quarter	0.090	0.040
2nd Quarter	0.090	0.020
3rd Quarter	0.110	0.010
4th Quarter	0.130	0.050
2004		
1st Quarter	0.280	0.100
2nd Quarter	0.360	0.130
3rd Quarter	0.200	0.080
4th Quarter	0.140	0.090

We have not declared any cash dividends on the common stock. We intend to retainfuture earnings, if any, for use in our business and do not anticipate paying regular cash dividends on the common stock.

Approximately 431,396 shares of common stock issued to stockholders are available for resale under Rule 144, subject to notice, volume and manner of sale restrictions under that rule As of December 31, 2004, the Company had approximately 1,290,706 shares issued and outstanding of the common stock. As of December 31, 2004, we had approximately 80 holders of our common stock. The number of record holders was determined from the records of our transfer agent and does not include beneficial owners of common stock whose shares are held in the names of various security brokers, dealers, and registered clearing agencies. The transfer agent for the Company is Corporate Stock Transfer, Inc. at 3200 Cherry Creek Drive South, Suite 430, Denver, Colorado 80209.

RECENT SALE OF UNREGISTERED SECURITIES:

There were no sales made of unregistered common stock during the year ended December 31, 2004

OPTIONS AND WARRANTS:

In February 2004, we registered 3,350,000 shares under our 2004 Employee Stock Option Plan on a Form S-8. We granted our CEO, Jeffrey Lieberman an option to purchase 2,000,000 shares at an exercise price of $0.13 per share. We also granted our VP of Sales, Brian Rosinski an option to purchase 350,000 shares at an exercise price of $0.13 per share. For both options, 16.667% of the Shares subject to the Option shall vest six months after February 25, 2004, and 1/36 of the Shares subject to the Option shall vest each month thereafter, subject to the Optionee continuing to be a Service Provider on such dates.

In February of 2004 the company issued 2,000,000 stock purchase warrants at .05 cents per share to XCL Partners for $100,000. Agreement for this can be found as Exhibit 5.1

On June 21, 2004 the company filed an SB-2 that allows the company to issue up to 8,000,000 shares of common stock, that are issuable upon exercise of common stock purchase warrants. In December 2004, in exchange for services and cash, we signed an agreement with XCL Partners and Chesapeake Group to issue 4,000,000 warrants for WorldTeq common stock under agreement as Exhibit 5.1 to XCL and 1 Million to Chesapeake at exhibit 5.2.

Both organizations are Investor Relations firms, and are to provide WorldTeq with business development and strategic consulting services, including formal presentations to potential business partners for merger and acquisition opportunities.

ITEM 5. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial condition and results of operations should be read in conjunction with the financial statements, related notes, and other detailed information included elsewhere in this Form 10-KSB. Certain information contained below and elsewhere in this Form 10-KSB, including information regarding our plans and strategy for our business, are forward-looking statements. See "Note Regarding Forward-Looking Statements."

LIQUIDITY AND CAPITAL RESOURCES

During 2004, WorldTeq has had a considerably negative year as far as its staple business goes. Due to the concentration on developing MundoTeq and searching for quality M&A candidates, WorldTeq witnessed its revenues cut to 50% and because of capital investment in the development of MundoTeq the company operated throughout the year at a loss. However, as the year ended , it appeared that the company had found a good match in its search for M&A candidates and discussions began in what has become the course we are on now of the merging of Yinhai and WorldTeq which could change its financial status for the better.

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RESULTS OF OPERATIONS

Total sales for the year ending 2004 decreased from 2003 by approximately 58% to $341,199. This was largely due to the continuing decrease in long distance business based on competition. Additionally, the company chose to focus on new markets, such as with MundoTeq.com. If MundoTeq.com had fully launched it still would have taken a solid year of ramping to recover most of the sales losses we witnessed in the past 5 years. Just as in 2003, the sale of Networld had a significant impact on the reduction of total sales. Additionally, the 2nd half of the year saw most of the company's assets focusing finding M&A candidates. As a result of these circumstances, our telecommunications revenue accounted for almost 100% of our total revenuefor 2004. Our net loss for the year ending 2004 was $1,836,773 or $1.65 per share, compared to $351,299 for 2003 or $0.45 per share.

Cost of sales for 2004 decrease from 2003 by 40%. This is due to the sale of Networld and the removal of the unprofitable wholesale telecommunications business.

Selling, General and Administrative expenses for the period ending December 31, 2004 increased by $1,142,660 or 164% compared to the same period ending 2003. The increase was due primarily to the fair value of warrants issued to consultants for services. Our bad debt expense for 2004 was $0 compared to $24,920 for 2003. This is due to the fact that while we had one large customer last year who defaulted, the improvements in our new billing system make sure non paying customers are no longer running long distance traffic through us.

Interest expense increased by 89% to $22,911 and depreciation expense totaled only $12,690 for the period ending December 31, 2004 compared to $37,091 for 2003.

ITEM 6. FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
WorldTeq Group International, Inc.
Rockville, Maryland

We have audited the accompanying consolidated balance sheet of WorldTeq Group International, Inc. and subsidiaries as of December 31, 2004, and the related consolidated statements of operations, stockholders' deficit, and cash flows for each of the two years then ended. These financial statements are the responsibility of WorldTeq's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WorldTeq Group International, Inc. as of December 31, 2004, and the results of its operations and its cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States.

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The accompanying financial statements have been prepared assuming that WorldTeq will continue as a going concern. As discussed in Note 2 to the financial statements, WorldTeq's significant operating losses raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

MALONE & BAILEY, PC
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Houston, Texas

May 19, 2005

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WORLDTEQ GROUP INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2004

ASSETS		
CURRENT ASSETS:		
Trade accounts receivable, net of allowance for doubtful accounts of $0	$	35,914
Other current assets		848
Total current assets		36,762
Equipment, net of $83,630 accumulated depreciation		7,185
Customer base, net of $11,458 amortization		38,542
Total assets	$	82,489
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Convertible notes payable to stockholder	$	187,432
Notes payable		3,000
Accounts payable		318,292
Accrued expenses		70,438
Total current liabilities		579,162
COMMITMENTS AND CONTINGENCIES		-
STOCKHOLDERS' DEFICIT:		
Series A convertible preferred stock, $.001 par; $4,749,989 liquidation value 5,000,000 shares authorized; 911,553 shares issued and outstanding		911
Common stock, $.001 par; 100,000,000 shares authorized; 1,290,206 shares issued and outstanding		1,290
Additional paid-in capital		22,564,785
Accumulated deficit		(23,005,159)
Shareholder receivable		(58,500)
Total stockholders' deficit		(496,673)
Total liabilities and stockholders' deficit	$	82,489

See accompanying summary of accounting policies and notes to financial statements.

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WORLDTEQ GROUP INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2004 and 2003

		2004		2003
Sales	$	341,199	$	820,933
Cost of sales		292,138		483,519
Selling, general and administrative		1,839,824		697,164
Depreciation		12,690		37,091
Amortization		11,458		-
Bad debts		-		24,920
Total operating expenses		2,156,110		1,242,694
Loss from operations		(1,814,911)		(421,761)
OTHER INCOME (EXPENSE)				
Other Income		1,049		1,481
Forgiveness of debt		-		81,088
Interest expense		(22,911)		(12,107)
NET INCOME (LOSS)	$	(1,836,773)	$	(351,299)
Basic and Diluted loss per share:	$	(1.65)	$	(0.45)
Weighted average shares outstanding		1,115,605		787,098

See accompanying summary of accounting policies and notes to financial statements.

WORLDTEQ GROUP INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
YEARS ENDED DECEMBER 31, 2004 and 2003

	Preferred Stock			Common Stock		
	Shares		Amount	Shares		Amount
Balances, December 31, 2002	1,055,553	$	1,055	721,000	$	721
Sale of Networld	-		-	-		-
Issuance of options to consultants	-		-	-		-
Shares issued for debt	-		-	197,725		198
Exercise of consultants options	-		-	66,667		67
Net loss	-		-	-		-
Balances, December 31, 2003	1,055,553		1,055	985,392		986
Exercise of consultants warrants	-			300,000		300
Warrants to consultants	-		-	-		-
Conversion of preferred shares into common shares	(144,000)		144	4,815		4
Net loss	-		-	-		-
Balances, December 31, 2004	911,553	$	911	1,290,206	$	1,290

See accompanying summary of accounting policies and notes to financial statements.

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WORLDTEQ GROUP INTERNATIONAL, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
YEARS ENDED DECEMBER 31, 2004 and 2003

	Paid-In Capital	Accumulated Deficit	Shareholder Receivable	Total
Balances, December 31, 2002	$ 20,109,925	$ (20,817,087)	$ -	$ (705,386)
Sale of Networld	352,458	-	-	352,458
Issuance of options to consultants	53,000	-	-	53,000
Shares issued for debt	149,802	-	-	150,000
Exercise of consultants options	99,933	-	-	100,000
Net loss	-	(351,299)	-	(351,299)
Balances, December 31, 2003	20,765,118	(21,168,386)	-	(401,227)
Exercise of consultants warrants	479,700		(58,500)	421,500
Warrants to consultants	1,319,827	-	-	1,319,827
Conversion of preferred shares into common shares	139		-	-
Net loss	-	(1,836,773)	-	(1,836,773)
Balances, December 31, 2004	$ 22,564,785	$ (23,005,159)	$ (58,500)	$ (496,673)

See accompanying summary of accounting policies and notes to financial statements.

WORLDTEQ GROUP INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

		2004		2003
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss	$	(1,836,773)	$	(351,299)
Adjustments to reconcile net loss to net cash used in operating activities:				
Non-cash stock and option compensation		1,319,827		53,000
Depreciation and amortization		24,148		37,091
Bad debt		-		24,920
Change in assets and liabilities:				
Accounts payable		74,342		(49,856)
Accrued expenses		24,379		52,559
Deferred revenue		-		(51,616)
Trade accounts receivable		(3,685)		21,825
Other current assets		(848)		12,574
Net cash used in operating activities		(398,610)		(250,802)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of equipment		(54,609)		-
Net cash used in investing activities		(54,609)		-
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from exercise of options		421,500		100,000
Proceeds from notes payable		3,000		-
Proceeds from shareholder note payable, net		-		97,609
Capital contribution		-		-
Payments on notes payable		(3,088)		
Net cash provided by financing activities		421,412		197,609
CHANGE IN CASH		(31,807)		(53,193)
CASH AND CASH EQUIVALENTS, beginning of year		31,807		85,000
CASH AND CASH EQUIVALENTS, end of year	$	-	$	31,807
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Payment of interest	$	-	$	-
NON-CASH FINANCING ACTIVITIES:				
Stock issued notes payable	$	-	$	150,000
Net liabilities assumed by Networld acquirer		-		352,458

Exchange of preferred stock to common stock	(144)	-

See accompanying summary of accounting policies and notes to financial statements.

WORLDTEQ GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

ITEM 7. FOOTNOTES TO FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation: WorldTeq Group International, Inc. was originally created to act as a holding for a multiple of wholly-owned subsidiaries and that financial statements of all subsidiaries would be consolidated into one. During 2004 WorldTeq Corporation was the only subsidiary reporting financial statements for said consolidation. Significant inter-company accounts and transactions have been eliminated.

Estimates and assumptions: Preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses at the balance sheet date and for the period then ended. Actual results could differ from these estimates.

Cash and cash equivalents include all highly liquid investments purchased with original maturities of three months or less. Restricted cash is a credit card merchant cash deposit to secure customer credit card long distance payments.

Revenue recognition. Revenue from long-distance services is recognized when services are rendered. Deferred revenue represents collected prepaid long-distance services.

An allowance for doubtful accounts is provided based on credit experience.

Property and Equipment. The Company calculates depreciation for financial reporting for its computers and other equipment using the straight-line method over the useful lives of the assets, estimated at 3 - 5 years.

Income taxes. Income taxes are computed using the tax liability method of accounting, whereby deferred income taxes are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates that will be in effect when the differences reverse.

Loss per Share. Basic loss per share equals net loss divided by weighted average shares outstanding during the year. Diluted earnings per share include the impact of common stock equivalents using the treasury stock method when the effect is dilutive. There were no common stock equivalents during 2004 or 2003.

Stock Based Compensation. The Company accounts for its employee stock-based compensation plans under Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees. Worldteq granted options to purchase 2,350,000 shares of common stock to two employees during the three months ending March 31, 2004. All options begin vesting six months after the date issued, February 25, 2004, and vest 1/36 each month thereafter, have an exercise price of $.13 per share and expire 10 years from the date of grant.

The following table illustrates the effect on net loss and net loss per share if Worldteq had applied the fair value provisions of FASB Statement No. 123, *Accounting for Stock-Based Compensation*, to stock-based employee compensation.

	For the year ended December 31,			
		2004		2003
Net loss available to common stockholders, as reported	$	(1,836,773)	$	(351,299)
Less: stock based compensation determined under fair value based method		(281,771)		-
Pro forma net loss	$	(2,118,544)	$	(351,299)
Basic and diluted net loss per share				
As reported	$	(1.65)	$	(0.45)
Pro forma	$	(1.89)	$	(0.45)

New Accounting Principles. WorldTeq does not expect the adoption of recently issued accounting pronouncements to have a significant impact on its financial position, results of operations or cash flow.

NOTE 2 - GOING CONCERN

The financial statements have been prepared assuming that WorldTeq will continue as a going concern. WorldTeq has a significant accumulated deficit and working capital deficiency at December 31, 2004 and is unable to meet its obligations as they come due; all of which raise substantial doubt about WorldTeq's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should WorldTeq be unable to continue as a going concern.

The continued support of WorldTeq's creditors, lenders and shareholders is required in order for WorldTeq to continue as a going concern. Management's plans to support WorldTeq's operations include cutting overhead costs, borrowing additional funds and raising additional capital. WorldTeq's inability to obtain additional capital or obtain such capital on favorable terms could have a material adverse effect on its financial position, results of operations and its ability to continue operations.

NOTE 3 - SALE OF NETWORLD

In May 2003, Worldteq sold its Networld of Ohio subsidiary to a company owned by the majority stockholder for $1 and the assumption of approximately $352,000 in net liabilities. The transaction was recorded as an increase in additional paid-in capital in 2003.

NOTE 4 - CUSTOMER BASE

In February 2004, Worldteq purchased long-distance customer base for $50,000 in cash. This amount is being amortized over four years.

NOTE 5 - NOTES PAYABLE

In February 2003, WorldTeq signed a note with the majority stockholder. This note is secured by all asset of WorldTeq, bears interest at 8% and is due in monthly installments of $4,000, with the balance due February 2004. The note is convertible at the option of the holder at $.10 per share or the average of the closing bid price for the prior 20 day period. During 2003, the holder of the note converted $100,000 into 178,117 shares of common stock. On March 31, 2005,this debt to was settled in exchange for the issuance of 56,566 shares of common stock.

A note to a shareholder was past due at December 31, 2004 and incured interest at 15% and was convertible at the option of the holder at $.10 per share or the average of the closing price for the prior 20-day period. During 2003, the holder of the note converted $50,000 into 19,608 shares of common stock. On March 31, 2005,this debt to was settled in exchange for the issuance of 19,394 shares of common stock.

NOTE 6 - INCOME TAXES

WorldTeq has had losses since inception and therefore has no income tax liability. The net deferred tax asset generated by the loss carry-forward has been fully reserved. The cumulative net operating loss carry-forward is approximately $20,916,946 at December 31, 2004, and will expire in various years through 2024.

Deferred income taxes consist of the following at December 31, 2004:

Long-term:		
Deferred tax assets	$	7,111,762
Valuation allowance		(7,111,762)
	$	-

NOTE 7 - PREFERRED STOCK

Series A Convertible Preferred Stock was issued in 1999 for net proceeds of $3,602,560. It is convertible into the Company's common stock at any time at the option of the holder on a one-for-one basis. This series is non-voting and pays no dividends. The liquidation value is $4.50 per share. During 2004, 144,000 shares were converted into 4,815 shares of common stock.

Note 8 - COMMON STOCK

In 2003, Worldteq issued 66,667 warrants valued at $53,000 to consultants for services. All of the warrants were exercised for a total of $100,000.

In 2003, note holders converted $150,000 of debt into 197,725 shares of common stock

In 2004, WorldTeq issued 300,000 warrants valued at $1,319,827 to consultants for services. All warrants were exercised for $480,000, of which $58,500 is still owed by a shareholder.

In 2005, note holders converted $188,000 of debt into 75,960 shares of common stock (see note 5).

NOTE 9 - STOCK OPTIONS AND WARRANTS

WorldTeq's Stock Option Plan provides for the grant of both qualified and non-qualified options to directors, employees and consultants of WorldTeq, and opportunities for directors, officers, employees and consultants of WorldTeq to make purchases of stock in WorldTeq. In addition, WorldTeq issues stock warrants from time to time to employees, consultants, stockholders and creditors as additional financial incentives. The plan and warrants issuance are administered by the Board of Directors of WorldTeq, who have substantial discretion to determine which persons, amounts, time, price, exercise terms, and restrictions, if any.

WorldTeq uses the intrinsic value method of calculating compensation expense for employees, as described and recommended by APB Opinion 25, and allowed by FASB Statement 123. During the years ended December 31, 2003 and 2004, no compensation expense was recognized for the issuance of options and warrants to employees, because no option prices were below market prices at the date of grant.

No options were issued to employees in 2003. On February 25, 2004, Worldteq granted options to purchase 2,350,000 shares of common stock to two employees. All options begin vesting six months after the date issued, February 25, 2004, and vest 1/36 each month thereafter, have an exercise price of $.13 per share and expire 10 years from the date of grant.

During the year ended December 31, 2004, WorldTeq issued 9,000,000 warrants valued at $1,319,827 to consultants. The stock-based compensation must be recorded at fair value calculated using Black Scholes. Variables used in the Black-Scholes option-pricing model include (1) 5.15% risk-free interest rate, (2) expected life of five years, (3) 200% volatility and (4) zero expected dividends.

Summary information regarding options and warrants is as follows:

	Options	Weighted Average Share Price	Warrants	Weighted average Share Price
Year ended December 31, 2003:				
Granted	-	-	2,000,000	.10
Excercised	-	-	(2,000,000)	-
Outstanding at December 31, 2003	1,232,000	$ .29	4,036,650	$ .66
Year ended December 31, 2004:				
Granted	2,350,000	.13	9,000,000	.05
Excercised	-	-	(9,000,000)	.05
Expired	-	-	(886,650)	2.45
Outstanding at December 31, 2004	3,582,000	$ .19	3,150,000	$ .16

Options outstanding and exercisable as of December 31, 2004:

	Outstanding		Exercisable
Exercise Price	Number of Shares	Remaining life	Number of Shares
$.29	87,000	1 years	87,000
.29	145,000	2 years	145,000
.29	600,000	3 years	600,000
.29	400,000	4 years	400,000
.13	2,350,000	10 years	271,991
	3,582,000		1,503,991

Warrants outstanding and exercisable as of December 31, 2004:

	Outstanding		Exercisable
Exercise Price	Number of Shares	Remaining life	Number of Shares
$2.75	150,000	2 years	150,000
.03	3,000,000	2 years	3,000,000
	3,150,000		3,150,000

NOTE 10 - COMMITMENTS AND CONTINGENCIES

WorldTeq has a dispute with its former long-distance carrier, relating to the balance due owed to the carrier in 2002 when the relationship terminated. At December 31, 2002 WorldTeq had a liability recorded of approximately $222,000 and received a credit totaling approximately $81,000 during 2003 leaving a liability of approximately $141,000 at December 31, 2003. However, Worldteq had been invoiced approximately $710,000. The disputed difference of approximately $488,000 relates mainly to charges incurred at various payphones. WorldTeq obtained a waiver from liability from the payphones owner and from Qwest for any of these charges. Management is currently in contact with Qwest and the differences are being reviewed by the Qwest. Management believes WorldTeq is not liable for the charges since waivers were obtained and has not recorded any liability related to these payphone fees. If WorldTeq is ultimately responsible for the charges they would be required to record an additional liability of approximately $488,000. The carrier has not made demand for payment of the balance since early 2003.

NOTE 11 - MAJOR CUSTOMERS AND VENDORS

One customer accounted for approximately 40% of Worldteq's revenues in 2004 and 2003. Global Crossing accounted for approximately 100% of long-distance carrier purchases in 2004 and 2003.

NOTE 12 - RESTATEMENT

The following summarizes the restatement of the balance sheet and income statement for the related errors due primarily to a miscalculation of the fair value of warrants issued to consultants for services and the effects of a 1:30 reverse stock split.

CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2004

ASSETS CURRENT ASSETS:		Previously Stated		Increase (Decrease)		Restated
Trade accounts receivable		35,914				35,914
Other current assets		848				848
Total current assets		36,762				36,762
EQUIPMENT, net		7,185				7,185
Customer base, net		38,542				38,542
Total assets	$	82,849			$	82,849
LIABILITIES AND STOCKHOLDERS' DEFICIT						
CURRENT LIABILITIES:						
Notes payable	$	-	$	3,000	$	3,000
Note payable stockholder		187,432				187,432
Accounts payable		327,272		(8,980)		318,292
Accrued expenses		4,800		65,638		70,438
Payroll liabilities and taxes		45,727		(45,727)		-
Total current liabilities		567,031		12,131		579,162
COMMITMENTS AND CONTINGENCIES						
STOCKHOLDERS' DEFICIT:						
Series A convertible preferred		911				911
Common stock		38,706		(37,416)		1,290
Additional paid-in capital		22,104,807		459,978		22,564,785
Accumulated deficit		(22,262,299)		(742,860)		(23,005,159)
Total stockholders' deficit		(117,875)		(378,798)		(496,673)
Total liabilities and stockholders' deficit	$	449,156	$	(366,667)	$	82,489

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CONSOLIDATED STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2004

CURRENT ASSETS:	Previously Stated	Increase (Decrease)	Restated
Sales	$ 341,199	$ -	$ 341,199
Cost of sales	299,618	(7,480)	292,138
Selling, general and administrative	817,332	1,022,492	1,839,824
Bad debts	-		-
Depreciation	12,690		12,690
Amortization	-	11,458	11,458
Operating expenses	1,129,640	1,026,470	2,156,110
Loss from operations	(788,441)	(1,026,470)	(1,814,911)
OTHER INCOME (EXPENSE)			
Other	(301,171)	300,122	1,049
Interest expense	(5,350)	(17,561)	(22,911)
NET LOSS	$ (1,093,913)	$ (742,860)	$ (1,836,773)
BASIC AND DILUTED LOSS PER COMMON SHARE:	$ (0.019)		$ (1.65)
Weighted Average Common Shares Outstanding	35,106,190		1,115,605

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NOTE 13 - SUBSEQUENT EVENTS

On April 6, 2005 Worldteq initiated a 1:30 reverse stock split and changed its name to China Printing, Inc. All references to stock in these financial statements reflect the reverse split.

On March 31, 2005, note holders converted $188,000 of debt into 75,960 shares of common stock (see note 5).

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We do not have any changes in and disagreements with accountants.

ITEM 8A. CONTROLS AND PROCEDURES

QuarterlyEvaluation of Controls. As of the end of the period covered by this annual report on Form 10-KSB, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures ("Disclosure Controls"). This evaluation (“Evaluation”) was performed by our Chairman, President, Chief Executive Officer, and Chief Financial Officer, Timothy Carnahan, (our “CEO” and “CFO”). In this section, we present the conclusions of our CEO and CFO based on and as of the date of the Evaluation with respect to the effectiveness of our Disclosure Controls.

CEO and CFO Certifications. Attached to this annual report, as Exhibits 31.1 through 31.2, are certain certifications of the CEO and CFO, which are required in accordance with the Exchange Act and the Commission's rules implementing such section (the "Rule 13a-14(a)/15d-14(a) Certifications"). This section of the annual report contains the information concerning the Evaluation referred to in the Rule 13a-14(a)/15d-14(a) Certifications. This information should be read in conjunction with the Rule 13a-14(a)/15d-14(a) Certifications for a more complete understanding of the topic presented.

Disclosure Controls. Disclosure Controls are procedures designed with the objective of ensuring that information required to be disclosed in our reports filed with the Commission under the Exchange Act, such as this annual report, is recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms. Disclosure Controls are also designed with the objective of ensuring that material information relating to us is made known to the CEO and the CFO by others, particularly during the period in which the applicable report is being prepared.

Limitations on the Effectiveness of Controls. Our management does not expect that our Disclosure Controls will prevent all error and all fraud. A control system, no matter how well developed and operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met. Further, the design of the control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their design and monitoring costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of a system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated objectives under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Scope of the Evaluation. The CEO and CFO's evaluation of our Disclosure Controls included a review of the controls' (i) objectives, (ii) design, (iii) implementation, and (iv) the effect of the controls on the information generated for use in this annual report. In the course of the Evaluation, the CEO and CFO sought to identify data errors, control problems, acts of fraud, and they sought to confirm that appropriate corrective action, including process improvement, was being undertaken. This type of evaluation is done on a quarterly basis so that the conclusions concerning the effectiveness of our controls can be reported in our quarterly reports on Form 10-QSB and annual reports on Form 10-KSB. The overall goals of these various evaluation activities are to monitor our Disclosure Controls, and to make modifications if and as necessary. Our intent in this regard is that the Disclosure Controls will be maintained as dynamic systems that change (including improvements and corrections) as conditions warrant.

Conclusions. Based upon the Evaluation, our disclosure controls and procedures are designed to provide reasonable assurance of achieving our objectives. Our CEO and CFO have concluded that our disclosure controls and procedures are effective at that reasonable assurance level to ensure that material information relating to the Company is made known to management, including the CEO and CFO, particularly during the period when our periodic reports are being prepared, and that our Internal Controls are effective at that assurance level to provide reasonable assurance that our financial statements are fairly presented in conformity with accounting principles generally accepted in the United States. Additionally, there has been no change in our Internal Controls that occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to affect, our Internal Controls.”

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

The following table sets forth information regarding the executive officers and directors of the Company as of March 5, 2004.

Name	Age	Position	Since
Jeff Lieberman	36	President, Treasurer and Chairman of the Board of Directors	February 2003
Brian Rosinski	29	Secretary and Director	April 2003
Timothy Carnahan	36	Director, and Chairman Of the Compensation Committee	October 2003

JEFF LIEBERMAN - Mr. Lieberman serves as our President, Treasurer and Chairman of the Board of Directors. Mr. Lieberman has more than 10 years of experience in the high technology industry. He has been with the company since its inception as a private company through its acquisition by HALO Holdings in 1999 until today. He graduated from the University of Maryland in 1991 with a Bachelor of Science Degree in Personnel Management and Labor Relations. After completion of his degree he studied for and passed his Series 6, 63, and series 7 tests to become a fully licensed stockbroker and financial planner. After a short internship with a small firm he accepted a position in 1991 with Robinson & Lukens, a conservative brokerage house located in Washington D.C. There he worked very closely with many retired clients with a structured focus on income and money preservation investment strategies.

TIMOTHY CARNAHAN - Mr. Carnahan serves as Director and Chairman of the Compensation Committee. Mr. Carnahan is the President and Founder of CYIOS Corporation, a Washington DC based firm, founded in 1994. CYIOS is a defense contractor offering services and products that reduce the time frame for achieving mission-critical goals. With the Department of Defense being CYIOS's major customer, Mr. Carnahan has security clearance at the Pentagon. CYIOS built the Army Knowledge Online (AKO) to facilitate greater knowledge transfer amongst Army personnel. Mr. Carnahan attended Old Dominion University in Norfolk, VA from 1985 to 1989. He graduates with a Bachelors degree in Computer Science.

BRIAN ROSINSKI - Mr. Rosinski serves as our Vice President of Sales, Secretary and Director. Mr. Rosinski has more than 7 years of experience in the high technology and customer service industries. He has been with the company since 2001. Prior to his involvement with WorldTeq, Mr. Rosinski managed a customer service call center for Teligent, Inc. from September 1999 until March 2001.

KEY CONSULTANTS

The following lists the key consultants to WorldTeq as of March 5, 2004:

Name	Field
XCL Partners	Investment Banking Consultant
Chesapeake	Investor Relations Consultant

There are no other officers or significant employees.

FAMILY RELATIONSHIPS.

No family relationships exist between the directors and the officers.

LEGAL PROCEEDINGS.

CURRENT DIRECTORS, EXECUTIVE OFFICERS AND THOSE NOMINATED TO BECOME A DIRECTOR OR OFFICER:

During the past five years, no current director, current executive officer, person nominated to become a director of the Company:

(1) was a general partner or executive officer of any business against which any bankruptcy petition was filed, either at the time of the bankruptcy or two years prior to that time; The officers and directors of the Company due to the Operating Subsidiary filing a voluntary petition under Chapter 11 of the Bankruptcy Code.

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

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

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

CONTROL PERSONS:

In the beginning of 2003, our former CEO and current control person, Bruce Bertman, was convicted in the Southern District of Florida for wire, mail and securities fraud and conspiracy in connection with the sale of WorldTeq Group International common stock. There are no allegations of financial statement impropriety, unlike recent actions taken against companies such as WorldCom. We have no reason to believe our financial statements as filed with the SEC are in any way inaccurate or will in any way require restatement.

OUTSTANDING ISSUES INVOLVING PRIOR DIRECTORS AND/OR BOARD MEMBERS:

On March 30, 1999, our wholly-owned subsidiary, Skydive USA, was sold to Larry Kerschenbaum and Thomas Keese, two of our founding shareholders, officers and directors. In consideration for Skydive USA, Messrs. Kerschenbaum and Keese returned to us a total of 400,000 shares of our outstanding common stock.

The company has a confessed judgment on file from Mr. Kerschenbaum in the amount of $262,213.21 and has perfected its position in the state of Florida. The company feels there is little chance of collection and has written this amount off.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder require WorldTeq's officers and directors, and persons who beneficially own more than ten percent of a registered class of WorldTeq's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission and to furnish WorldTeq with copies.

Based on its reviews of the copies of the Section 16(a) forms received by it, or written representations from certain reporting persons, WorldTeq Group International, Inc. believes that, during the last fiscal year, the following individuals satisfied their Section 16(a) filing requirements however on an untimely basis: Jeff Lieberman and Brian Rosinski.

CODE OF ETHICS

On March 31, 2003, the Board of Directors of the Company adopted a written Code of Ethics designed to deter wrongdoing and promote honest and ethical conduct, full, fair and accurate disclosure, compliance with laws, prompt internal reporting and accountability to adherence to the Code of Ethics. This Code of Ethics has been filed with the Securities and Exchange Commissionas an Exhibit to its Form 10-KSB for 2003.

ITEM 10. EXECUTIVE COMPENSATION

(a) GENERAL. No salary or regular compensation is paid to our directors. Pursuant to our By-laws, directors are eligible to be reimbursed for their actual out of pocket expenses incurred in attending Board of Directors meetings and other director functions, as well as fixed fees and other compensation to be determined by the Board of Directors. No such compensation or expense reimbursements have been requested by the directors or paid to date. Salary amounts paid and stock options granted to our executive officers are detailed in subsection (b) below.

(b) SUMMARY COMPENSATION TABLE. The following table sets forth certain summary information concerning the compensation paid to the Chief Executive Officer and certain executive officers for the fiscal years ended December 31, 2002 and 2003.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation			
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Award(s) ($)	Securities Underlying Options (#)	LTIP Payouts ($)	Other ($)
Jeff Lieberman, CEO, President, Treasurer and Chairman of the Board	2003	51,321		50,000	N/A			
	2004	72,000		50,000	N/A			
Brian Rosinski, (1) Secretary and Director	2002	30,113			N/A			
	2003	36,113			N/A			
Tim Carnahan, (2) Director	2002			N/A	N/A			
	2003			0	N/A			

(1) Mr. Rosinski has been a full time employee since 2001. He became a director and executive officer in April 2003.

(2) Mr. Carnahan has been a director since 2003. Mr. Carnahan did not receive any salary or bonus.

(3) Mr. Lieberman has been a full time employee of the company since 1999.

(c) OPTION/SAR GRANTS. The Company has established the 2000 Incentive and Non-statutory Stock Option Plan, which authorizes the issuance of up to 5,000,000 shares of the Company's common stock. The Plan will remain in effect until 2010 unless terminated earlier by an action of the Board. All employees, board members and consultants of the Company are eligible to receive options under the Plan at the discretion of the Board. Options issued under the Plan vest according to the individual option agreement for each grantee. During 2002 and 2003 no options were issued under this plan.

In 2003 the Company established the WorldTeq 2003 Individual Employee Stock Plan (the "2003 Plan"), which authorized the issuance of up to 5,000,000 shares of the Company's common stock. The 2003 Plan will remain in effect until August 1, 2007 unless terminated earlier either by action of the board or an event specified under the 2003 Plan. All employees, board members and consultants of the Company are eligible to receive options under the Plan at the discretion of the Board. Options issued under the Plan vest according to the individual option agreement for each grantee. During fiscal year 2003 the company issued 4,000,000 warrants with a strike price of $.05 per share. Additionally the company granted 1,000,000 warrants with a strike price of $.10 per share.

In 2004, the company created the "The 2004 Employee Stock Option Plan," which was used to then grant 2,000,000 options to Jeffrey Lieberman and 350,000 options to Brian Rosinski, with both being allowed to exercise, at whole or in part at 16.667% of the Shares subject to the Option shall vest six months after the Vesting Commencement Date, and 1/36 of the Shares subject to the Option shall vest each month thereafter, subject to the Optionee continuing to be a Service Provider on such dates.

The following table sets forth certain summary information concerning options granted to officers and directors in fiscal year 2004:

Option/SAR Grants in Last Fiscal Year

Individual Grants

Name	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date
Jeff Lieberman, CEO, President, Treasurer and Chairman of the Board	0	2,000,000		
Brian Rosinski, Secretary and Director	0	350,000		
Tim Carnahan, (2) Director	0	0		

(d) AGGREGATE OPTION/SAR EXERCISES.
The following table summarizes information about options outstanding at December 31, 2003:

Range of Exercise prices	Number	Outstanding Remaining Contractual Life
$ .05	3,000,000	2006
$ .05	2,000,000	N/A
$ .27	850,000	2006
$ .10	1,000,000	N/A

(e) LONG TERM INCENTIVE PLAN AWARDS. No long-term incentive plans have been awarded.

(f) COMPENSATION OF DIRECTORS. No salary or regular compensation is paid to our directors. Our directors are entitled to reimbursement of out of pocket expenses incurred in connection with their duties as directors. To date, no such expenses have been requested or paid.

(g) EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT. - None

(h) REPORT ON REPRICING OF OPTIONS/SARs. None.

The Company intends to maintain insurance against all liability incurred by its officers and directors in defense of any actions to which they may be made parties by reason of their positions as officers and directors and is in the process of obtaining this insurance.

Nevada law authorizes a Nevada corporation to indemnify its officers and directors against claims or liabilities arising out of such person's conduct as officers or directors if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Company. The Articles of Incorporation provide for indemnification of the directors and officers of the Company. In addition, the Bylaws of the Company provide for indemnification of the directors, officers, employees, or agents of the Company. In general, these provisions provide for indemnification in instances when such persons acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Company.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of WorldTeq Group International's common stock and Series A preferred stock as of December 31, 2003, by each shareholder known by us to be the beneficial owner of more than 5% of WorldTeq Group International's common stock, each director and all executive officers and directors as a group. Unless otherwise indicated by footnote, each of the shareholders named in the table has sole voting and investment power with respect to the shares of common stock beneficially owned.

TITLE OF CLASS	NAME AND ADDRESS	Number of	% OF
Common	Jeff Lieberman 5225 Pooks Hill Road, Apt A18S Bethesda, MD 20814	171,000(1)	0.83
Common	Bruce Bertman 10101 Johns Drive Damascus, MD 20872	12,357,511	36.7%
Common	All Executive officers and Directors and affiliates as a group	266,000(2)	34.57

Notes:
(1) Mr. Lieberman is our CEO and Chairman, and has sole voting authority for all of these shares.

(2) Total includes, Mr. Jeff Lieberman only.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) The following transactions have been undertaken within the last three years with related parties. BRUCE BERTMAN

In May 2003, WorldTeq sold its Networld subsidiary to an entity owned by Bruce Bertman for $1. WorldTeq recorded the sale as a credit to additional paid in capital for the net liabilities totaling approximately $435,000.

In September 2003, the board of directors approved the conversion of $100,000 of notes payable to Bruce Bertman into 5,353,511 shares of common stock. The number of shares issued was determined based on the formula outlined in Bruce Bertman's Secured Convertible Promissory Note. The Note allowed Mr. Bertman to convert at the lower of either $.10 per share or the average closing bid price of WTEQ common stock for the prior 20-day period. The average closing bid was $0.018714 per share for the period ended August 18, 2003 when Mr. Bertman converted.

ITEM 13. EXHIBITS AND REPORTS

List of Exhibits

31.1 Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002

31.2 Certification Pursuant to Section 13a-14 of the Securities Exchange Act of 1934 of Timothy Carnahan (CYIOS Chief Financial Officer)

32.1 Certification of the Company’s Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Written Statement of Principal Financial and Accounting Officer Furnished Pursuant to 18 U.S.C. Section 1350, as Adopted by Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURE

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly
authorized.

WorldTeq Group International, Inc.

/s/ Jeffrey Lieberman
Jeffrey Lieberman
Chief Executive Officer,
President, Treasurer and Chairman of the Board

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Jeffrey Lieberman
Jeffrey Lieberman
Chief Executive Officer,
President, Treasurer and Chairman of the Board

/s/ Brian Rosinski
Brian Rosinski
Secretary and Director

Dated: June 3, 2005