

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

FORM 10-QSB

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

For the quarterly period ended March 31, 2005

OR

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

Commission file number: 0-31761

WORLDWIDE MANUFACTURING USA, INC.

(Exact name of registrant as specified in its charter)

Colorado	84-1536519
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1142 Cherry Avenue	
San Bruno, CA	94066-6523
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (650) 794-9888

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 the number of shares outstanding of each of the issuer's classes of stock, as of the latest practicable date.

Class of Securities	Shares Outstanding at March 31, 2005
Common Stock, no par value	30,337,500

Transitional Small Business Disclosure Format Yes No ☒

INDEX

PART I. FINANCIAL INFORMATION

	Page
Item 1. Financial Statements	
Consolidated Balance Sheets (Unaudited) March 31, 2005	3
Consolidated Income Statements (Unaudited) for the three-month periods ended March 31, 2005 and March 31, 2004	5
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)	6
Consolidated Statements of Cash Flows (Unaudited) for the three months ending March 31, 2005 and 2004	7
Notes to Unaudited Consolidated Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	10
Item 3. Controls and Procedures	12
PART II. OTHER INFORMATION	12
Signatures	14
Certifications – Filed separately as exhibits	

Worldwide Manufacturing USA, Inc. and Subsidiaries
Consolidated Balance Sheets

	March 31,	December 31,
	<u>2005</u>	<u>2004</u>
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 213,468	\$ 169,738
Accounts receivable (net of allowance for doubtful accounts of \$14,000 at March 31, 2005 and December 31, 2004, respectively)	1,576,876	1,335,144
Inventories	665,133	607,354
Income taxes receivable	123,989	36,392
Prepaid expenses-related party (note 3)	30,000	-
Other current assets	<u>158,690</u>	<u>51,350</u>
Total current assets	2,768,156	2,199,978
Fixed assets:		
Vehicles	117,083	117,083
Furniture & fixtures	4,496	4,496
Equipment	573,114	452,830
Software	27,946	27,946
Other	<u>1,165</u>	<u>1,165</u>
Total fixed assets	723,804	603,520
Less accumulated depreciation	<u>(198,391)</u>	<u>(181,738)</u>
Net fixed assets	525,413	421,782
Other assets:		
Patents	97,720	-
Total assets	<u><u>\$ 3,391,289</u></u>	<u><u>\$ 2,621,760</u></u>

March 31, December 31,
2005 2004
(unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 1,203,057	\$ 1,170,518
Lines of credit	350,729	101,081
Accrued expenses	12,338	32,090
Other current liabilities	563,260	-
Current portion of long-term debt-related parties	<u>7,530</u>	<u>7,530</u>
Total current liabilities	2,136,914	1,311,219

Long-term liabilities:

Notes payable-less current portion-related parties	14,980	16,827
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Stockholders' equity:

Common stock, no par value; 100,000,000 shares authorized; 30,337,500 shares issued and outstanding	169,871	169,871
Retained earnings	<u>1,069,524</u>	<u>1,123,843</u>
Total stockholders' equity	1,239,395	1,293,714

Total liabilities and stockholders' equity	<u><u>\$ 3,391,289</u></u>	<u><u>\$ 2,621,760</u></u>
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See accompanying notes to the unaudited financial statements.

Worldwide Manufacturing USA, Inc. and Subsidiaries
Consolidated Statements of Operations

	For the Three Months Ended March 31,	
	2005	2004
	(unaudited)	
Revenues		
Regular sales, net of sales returns of \$0 and \$15,888, respectively	\$ 1,583,629	\$ 1,398,661
Cost of goods sold	<u>(1,170,632)</u>	<u>(722,718)</u>
Gross Profit	412,997	675,943
Other Expenses		
Other general and administrative	388,040	336,930
Advertising	82,469	-
Management and professional fees paid to related parties (note 3)	41,500	24,000
Depreciation	<u>16,653</u>	<u>15,569</u>
Total other expenses	<u>528,662</u>	<u>376,499</u>
Net operating income (loss)	(115,665)	299,444
Other income (expense)		
Interest income	42	11,192
Interest expense	<u>(2,130)</u>	<u>(2,590)</u>
Net income (loss) before income taxes	(117,753)	308,046
Net income (loss)	<u>\$ (54,319)</u>	<u>\$ 194,542</u>
Net loss per share	<u>\$ (.01)</u>	<u>\$.01</u>
Weighted average shares outstanding	<u>30,337,500</u>	<u>30,000,000</u>

See accompanying notes to the unaudited financial statements.

Worldwide Manufacturing USA, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

	<u>Common Stock</u>		<u>Retained</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Earnings</u>	<u>Total</u>
Balance at January 1, 2004	30,000,000	\$ 34,871	\$ 602,357	\$ 637,228
Common stock issued for services	337,500	135,000	-	135,000
Net income-2004	-	-	521,486	521,486
Balance at December 31, 2004	<u>30,337,500</u>	<u>169,871</u>	<u>1,123,843</u>	<u>1,293,714</u>
Net loss-March 31, 2005	-	-	(54,319)	(54,319)
Balance at March 31, 2005	<u><u>30,337,500</u></u>	<u><u>\$ 169,871</u></u>	<u><u>\$ 1,069,524</u></u>	<u><u>\$ 1,239,395</u></u>

See accompanying notes to the unaudited financial statements.

Worldwide Manufacturing USA, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	For the Three Months Ended March 31,	
	2005	2004
	(unaudited)	
Operating activities		
Net income (loss)	\$ (54,319)	\$ 194,542
Adjustments to reconcile net income (loss) to net cash		
Provided by (used in) operating activities:		
Depreciation	16,653	15,569
Changes in operating assets and liabilities:		
Accounts receivable	(241,732)	1,956
Inventories	24,501	(20,539)
Income taxes receivable	(87,597)	7,200
Prepaid expenses	(30,000)	-
Other current assets	(107,340)	(8,134)
Other noncurrent assets	-	(31,896)
Accounts payable	32,539	(114,571)
Accrued expenses	(19,752)	67,272
Income taxes payable	-	(8,100)
Other current liabilities	<u>263,260</u>	<u>278,538</u>
Net cash provided by (used in) operating activities	(203,787)	381,837
Investing activities		
Purchase of fixed assets	<u>(284)</u>	<u>(1,220)</u>
Net cash used in investing activities	(284)	(1,220)
Financing activities		
Principal payments on long-term debt	(1,847)	(1,957)
Proceeds from lines of credit	249,648	21,140
Notes payable-related parties	-	(220,000)
Deferred offering costs	-	(7,466)
Payment of deferred compensation and S-corp distributions	<u>-</u>	<u>(15,000)</u>
Net cash provided by (used in) financing activities	<u>247,801</u>	<u>(23,283)</u>
Net increase in cash	43,730	157,334
Cash at beginning of period	<u>169,738</u>	<u>125,965</u>
Cash at end of period	<u>\$ 213,468</u>	<u>\$ 283,299</u>
Supplemental disclosures:		
Interest paid in cash	<u>\$ 2,130</u>	<u>\$ 2,590</u>
Purchase of business assets with other current liabilities	<u>\$ 300,000</u>	<u>\$ -</u>

See accompanying notes to the unaudited financial statements.

Worldwide Manufacturing USA, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
March 31, 2005

1. Management's Representation of Interim Financial Information

The accompanying financial statements have been prepared by Worldwide Manufacturing USA, Inc. without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and management believes that the disclosures are adequate to make the information presented not misleading. These financial statements include all of the adjustments, which in the opinion of management are necessary to a fair presentation of financial position and results of operations. All such adjustments are of a normal and recurring nature. These financial statements should be read in conjunction with the audited financial statements at December 31, 2004 as filed in the Company's Form 10-KSB filed with the Commission on March 31, 2005.

2. Segment Information

Segmental Data - 3 months ended March 31, 2005

<i>(amounts in thousands)</i>	<u>Reportable Segments</u>		
	<u>WWMUSA</u>	<u>Intech</u>	<u>Total</u>
External revenue	\$ 1,338	\$ 246	\$ 1,584
Intersegment revenue	-	888	888
Interest income	-	-	-
Interest expense	2	-	2
Depreciation	4	13	17
Net profit (loss)	(273)	115	(167) ⁽¹⁾
Assets	1,974	1,005	2,979
Expenditures for long-lived assets	-	-	-

⁽¹⁾ \$8,916 in intercompany profit was eliminated in consolidation.

Worldwide Manufacturing USA, Inc. and Subsidiaries
Notes to Consolidated Financial Statements (Unaudited)
March 31, 2005

2. Segment Information (continued)

Segmental Data - 3 months ended March 31, 2004

<i>(amounts in thousands)</i>	<u>Reportable Segments</u>		
	<u>WWMUSA</u>	<u>Intech</u>	<u>Total</u>
External revenue	\$ 1,398	\$ -	\$ 1,398
Intersegment revenue	-	651	651
Interest income	6	5	11
Interest expense	3	-	3
Depreciation	4	12	16
Net profit (loss)	211	5	194 ⁽¹⁾
Assets	2,390	1,491	2,765
Expenditures for long-lived assets	1	-	1

⁽¹⁾ \$22,079 in intercompany profit was eliminated in consolidation.

3. Related Party Transactions

The Company paid cash in the amount of \$31,500 for management services and \$10,000 for legal services to certain shareholders, who are also members of the Board of Directors, as of March 31, 2005. The Company also prepaid \$30,000 to a certain shareholder for legal services, which are to be rendered through the end of the Company's fiscal year.

4. Acquisition of Chengde Science & Technology (Chengde)

On February 25, 2005, Worldwide USA completed an Agreement for Sale and Purchase of the Business Assets of Chengde located in Changchun Gaoxin District. Pursuant to the Agreement, the total purchase price is \$300,000. The allocation of the purchase price of the assets of Chengde is as follows: \$120,000 for equipment, \$82,280 for inventory, and \$97,720 for patents. As of March 31, 2005, no payment of cash or issuance of shares of common stock of the Company has occurred. The final payment is expected to occur within the next year. Accordingly, the assets have been recorded and the liability has been classified as other current liabilities. Subsequent to March 31, 2005, the Company paid cash in the amount of \$120,000 as the first installment of the purchase of the assets of Chengde.

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

DISCLAIMER REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this Form 10-QSB which are not statements of historical fact are what are known as "forward-looking statements," which are basically statements about the future. For that reason, these statements involve risk and uncertainty since no one can accurately predict the future. Words such as "plans," "intends," "hopes," "seeks," "anticipates," "expects," and the like, often identify such forward looking statements, but are not the only indication that a statement is a forward-looking statement. Such forward-looking statements include statements concerning our plans and objectives with respect to our present and future operations, and statements which express or imply that such present and future operations will or may produce revenues, income or profits. These and other factors may cause our actual results to differ materially from any forward- looking statement. We caution you not to place undue reliance on these forward-looking statements. Although we base these forward-looking statements on our expectations, assumptions, and projections about future events, actual events and results may differ materially, and our expectations, assumptions, and projections may prove to be inaccurate. The forward-looking statements speak only as of the date hereof, and we expressly disclaim any obligation to publicly release the results of any revisions to these forward-looking statements to reflect events or circumstances after the date of this filing.

REPORTING ENTITY

On September 30, 2003, Tabatha III, Inc. completed the acquisition of all of the issued and outstanding common stock of Worldwide Manufacturing USA, Inc. ("Worldwide USA") in a share exchange transaction. Worldwide issued 27,900,000 shares in the share exchange transaction for 100% of the issued and outstanding shares of Worldwide USA's common stock. Immediately prior to the acquisition, 10,762,000 shares of stock had been outstanding, and as part of the acquisition arrangement, John Ballard, Robert Smith, and Diane Thelen, shareholders in Tabatha III, Inc., agreed to surrender for cancellation a total of 8,662,000 common shares held by them. The total number of shares outstanding after the acquisition were 30,000,000. As a result of the share exchange transaction, Worldwide USA became our wholly-owned subsidiary. On November 3, 2003, we changed the corporate name from Tabatha III, Inc. to Worldwide Manufacturing USA, Inc.

The reverse acquisition described above has been treated as a recapitalization of Worldwide USA and the accompanying financial statements reflect the financial condition, results of operations and cash flows of Worldwide USA, the acquired company, for all periods presented. Unless otherwise indicated, references herein to the Company consist of Worldwide Manufacturing USA, Inc., formerly Tabatha III, Inc., its wholly owned subsidiary Worldwide Manufacturing USA, Inc., a California corporation, and its wholly owned subsidiary, Shanghai Intech Electro-Mechanical Products Co., an entity operating within the People's Republic of China.

RESULTS OF OPERATIONS

Net sales for the three months ending March 31, 2005 were \$1,583,629 compared to net sales of \$1,398,661 for the same period in 2004. This increase of \$184,968, approximately 13.2%, was the result of greater demand for the Company's products and services. Gross profit decreased by \$262,946 or 38.9% from \$675,943 in the quarter ending March 31, 2004 to \$412,997 for the quarter ending March 31, 2005. The decrease of 38.9% was the result of purchasing \$250,000 of materials for the newly acquired acquisition of Chengde Science Technology Co. Ltd., that were subsequently sold at much lower margins.

Cost of goods sold for the three months ended March 31, 2005 was \$1,170,632 compared to \$722,718. The increase of \$447,914 or 62% was the result of the Company's purchasing of materials for the new factory.

The gross margin percentage decreased from 48% gross margin in March 2004 to approximately 26% as experienced for the three months ending March 31, 2005. The decrease in gross margin reflects the purchasing of materials for the Chengde factory. Net loss before tax for the three months ending March 31, 2005 was \$117,753 compared to net income before tax of \$308,046 for the three months ended March 31, 2004. The decline in pre-tax income of \$425,799 was due to the purchase of materials for the Chengde factory, expansion of the Company's workforce pursuant to the Company's goal to seek potential merger/acquisition targets as well as handling the additional requirements of being a public company.

General and administration expenses for the three months ended March 31, 2005 totaled \$528,662 compared to \$376,499. The increase of \$152,163 or 40% was due to the increase in personnel costs and compensation expenses primarily related to the acquisition of Chengde.

Upon consummation of the stock transfer and exchange with Tabatha III, effective September 30, 2003, the election by Worldwide Manufacturing USA, Inc. to be taxed at the shareholder level was terminated. The termination of the Company's S election will affect profitability and results in increased liabilities in future periods as compared with historical financial statements since federal and state income taxes will become a corporate expense. For the first nine months of 2004, income tax expense totaled \$217,293. There will be a lesser impact on net equity in future periods since the historical financial statements include dividend distributions taken by the Company's shareholders to offset income taxes attributable to corporate earnings taxed on their personal returns.

LIQUIDITY

The Company renewed and increased the line of credit with Wells Fargo Bank from \$350,000 to \$550,000 on March 10, 2005 to be used as necessary for working capital needs. Under the terms of the revolving line of credit with Wells Fargo Bank, Worldwide may borrow up to \$550,000 at 0.5% above the bank's prime interest rate through March 10, 2006 (6.25% at Apr 01, 2005). There is presently no annual fee. These funds may be used for any purpose. The revolving line of credit is secured by all assets of Worldwide Manufacturing USA, Inc. At March 31, 2005, approximately \$200,000 was still available from this line of credit at an interest rate of 6.25%.

In addition, net profits of the Company will be used in order to provide capital for the expansion of inventory held for the convenience of customers, and for acquiring additional equipment, if needed.

During the three-month period ending March 31, 2005, net cash used in operations was \$203,787 as compared with cash of \$381,837 provided by operations during the comparative period of 2004. This reflects the acquisition expense and purchasing of materials for Chengde.

PLAN OF OPERATION

The Company is currently increasing its Marketing Distribution Channels through contacts with local manufacturing representatives. In addition, the Company has completed the first phase of the acquisition of Chengde and plans on providing additional working capital to increase business at the new factory along with increasing productivity. Further, the Company is seeking additional mergers or acquisitions in order to increase sales and to enhance the Company's competitive position.

ITEM 3. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to Worldwide Manufacturing USA, Inc. (and its consolidated subsidiaries) required to be included in our periodic SEC reports. It should be noted that design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurances that any design will succeed in achieving the stated goals under all potential future conditions regardless of how remote. In addition, there has been no change in our internal controls over financial reporting during the most recent fiscal period that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

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|---------|---|
| Item 1. | Legal Proceedings
None |
| Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds
None |
| Item 3. | Defaults upon Senior Securities
None |

- Item 4. Submission of Matters to a Vote of Security Holders
None
- Item 5. Other Information
None
- Item 6. Exhibits

The following exhibits are filed herewith:

- 31.1 Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
- 31.2 Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended.
- 32.1 Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WORLDWIDE MANUFACTURING USA, INC.

By: /s/ Jimmy Wang
Principal Executive Officer

Date: May 16, 2005

By: /s/ John D. Ballard
Chief Financial Officer and Principal Accounting Officer

Date: May 16, 2005