

# SECURITIES & EXCHANGE COMMISSION EDGAR FILING

## Blockchain Industries, Inc.

**Form: 10QSB/A**

**Date Filed: 2006-10-27**

Corporate Issuer CIK: 1084370

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

FORM 10-QSB/A  
Amendment No. 1

(Mark One)

- [X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934. For the quarterly period ended July 31, 2006
- [ ] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934 For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-1084370

WORLDTRADESHOW.COM, INC.  
[Name of small business issuer in its charter]

NEVADA  
(State or other jurisdiction of  
incorporation or organization)

88-0355407  
(IRS Employer identification No.)

9449 Balboa Ave, Suite 114, San Diego, California 92123  
(Address of principal executive office) (Zip Code)

Registrant's telephone number including area code: (858)292-9637

Securities registered pursuant to Section 12(b) of the Act:  
None  
(Title of Class)

Securities registered pursuant to Section 12(g) of the Act:  
Common Stock, \$0.0001 Par Value  
(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 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  [ ]

State the number of shares outstanding of each of the issuer's classes of common equity, as of the last practicable date. As of Oct 1, 2006 the Company had issued and outstanding 37,710,506 shares of \$.001 par value common stock.



INDEX

PART I	<a href="#">FINANCIAL INFORMATION</a>	2
ITEM 1.	<a href="#">Financial Statements</a>	2

	<a href="#"><u>Independent Accountants' Report</u></a>	2
	<a href="#"><u>Balance Sheets as of July 31, 2006 (unaudited) and April 30, 2006</u></a>	3
	<a href="#"><u>Statements of Operations for the Three Months Ended July 31, 2006 and 2005 (unaudited) and cumulative from inception (September 15, 1995- July 31, 2006)</u></a>	4
	<a href="#"><u>Statement of Stockholders Equity from Inception September 19,1995-July 31,2006</u></a>	5
	<a href="#"><u>Statements of Cash Flows for the Three Months Ended July 31, 2006 and 2005 (unaudited) and cumulative from inception (September 15, 1995- July 31, 2006)</u></a>	6
	<a href="#"><u>Notes to Consolidated Financial Statements</u></a>	7
ITEM 2.	<a href="#"><u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a>	14
ITEM 3.	<a href="#"><u>Controls and Procedures</u></a>	24
PART II		25
ITEM 1.	<a href="#"><u>Legal Proceedings</u></a>	25
ITEM 2.	<a href="#"><u>Unregistered Sales of Equity Securities and Use of Proceeds</u></a>	25
ITEM 3.	<a href="#"><u>Defaults on Senior Securities</u></a>	25
ITEM 4.	<a href="#"><u>Submission of Matters to a Vote of Security Holders</u></a>	25
ITEM 5.	<a href="#"><u>Other Information</u></a>	25
ITEM 6.	<a href="#"><u>Exhibits</u></a>	25
	<a href="#"><u>SIGNATURES</u></a>	26



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We have reviewed the accompanying balance sheet of WorldTradeShow, Inc. as of July 31, 2006, and the related statements of operations, changes in stockholders' equity (deficit), and cash flows for the three months then ended. These financial statements are the representation of the management of WorldTradeShow, Inc.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Because of the Company's current status and limited operations there is substantial doubt about its ability to continue as a going concern. Management's plans in regard to its current status are also described in Note 12. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Chang G. Park, CPA

CHANG G. PARK, CPA

October 11, 2006

Chula Vista, CA 91910

Member of the California Society of Certified Public Accountants  
Registered with the Public Company Accounting Oversight Board

- 2 -

**WORLDTRADESHOW.COM, INC.**  
**(A Development Stage Company)**  
**Balance Sheets**

	For the Period Ending	
	July 31, 2006	April 30, 2006
<b>ASSETS</b>		
Current assets		
Cash	\$ 536	\$ 683
Accounts receivable	-	-
Total current assets	536	683
Equipment, net	-	-
Goodwill	264,000	264,000

Intangibles, net of accumulated amortization and impairment of \$ 79,167 and \$ 563,437, in 2006 and 2005, respectively

114,706

155,439

Total assets	\$ 379,242	\$ 420,122
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable	\$ 478	4,763
Due to related parties	2,765,549	2,667,581
Accrued liabilities	1,562,274	1,491,152
Demand notes payable	220,469	196,169
Total current liabilities	4,548,771	4,359,666
Due to shareholders	-	-
Long-term liabilities	-	-
Total liabilities	4,548,771	4,359,666
Shareholders' deficit		
Preferred stock; \$0.001 par value; 5,000,000 shares authorized none issued and outstanding	-	-
Common stock; \$0.0001 par value; 100,000,000 shares authorized 37,710,506 and 37,710,506 shares issued and outstanding as of January 31, 2006 and April 30, 2005, respectively	3,770	3,770
Additional paid-in capital	1,811,786	1,811,786
Deferred compensation	(39,300)	(39,300)
Foreign currency translation	-	-
Deficit accumulated during the development stage	(5,945,786)	(5,715,800)
Total shareholders' deficit	(4,169,530)	(3,939,544)
Total liabilities and shareholders' deficit	\$ 379,242	420,122

The accompanying notes are an integral part of these financial statements.

**WORLDTRADESHOW.COM, INC.**  
**(A Development Stage Company)**  
**Statements of Operations**

	Period Ending		Cumulative
	July 31, 2006	July 31, 2005	from inception (September 15, 1995 to July 31, 2006
<b>Revenue</b>	\$ -	\$ 1,040	\$ 114,538
<b>Cost of Sales</b>	-	-	158,143
<b>Gross profit</b>	-	1,040	(43,605)
<b>General and administrative expenses:</b>			
Consulting fees	55,250	45,000	2,961,284
Depreciation and amortization	38,860	79,278	104,547
Marketing and promotion	51,900	45,012	682,452
Office and rent	7,500	7,500	302,559
Professional fees	13,870	8,348	281,708
Other administrative expenses	6,792	52,003	751,645
Impairment on intangible assets	-	-	615,362
<b>Total general and administrative expenses</b>	174,171	237,140	5,643,807
<b>Other income</b>			
Other income (debt forgiveness)	-	-	235,813
Interest expense	(55,814)	(74,505)	(494,187)
<b>Net loss</b>	\$ (229,985)	\$ (310,605)	\$ (5,945,787)
<b>Loss per common share:</b>			
Basic	\$ (0.01)	\$ (0.01)	
<b>Weighted average shares outstanding:</b>			
Basic	37,710,506	37,710,506	
<b>Other comprehensive income (loss)</b>			
Foreign currency translation	-	-	-
<b>Comprehensive loss</b>	\$ (229,985)	\$ (310,605)	\$ (5,945,787)

The accompanying notes are an integral part of these financial statements.

	Common Stock			Deferred Compensation Expense	Foreign Currency Translation	Deficit Accumulated during the Development Stage	Total Shareholders' Equity (Deficit)
	Number of Shares	Amount	Additional Paid In Capital				
<b>Inception, September 15, 1995</b>	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock issued for:							
Cash, October 1	31,240	31	156,169				156,200
Cash, December 5	6,950	7	69,493				69,500
Acquisition of license rights, April 17	56,000	56	5,544				5,600
Share issue costs			(45,000)				(45,000)
Comprehensive loss, April 30, 1996						(173,617)	(173,617)
<b>Balance, April 30, 1996</b>	94,190	94	186,206	-	-	(173,617)	12,683
Common stock issued for:							
Cash, August 28	6,071	6	169,994				170,000
Cash, January 31	6,938	7	138,743				138,750
Comprehensive loss, April 30, 1997						(436,130)	(436,130)
<b>Balance, April 30, 1997</b>	107,199	107	494,943	-	-	(609,747)	(114,697)
Comprehensive loss, April 30, 1998						(187,315)	(187,315)
<b>Balance, April 30, 1998</b>	107,199	107	494,943	-	-	(797,062)	(302,012)
Common stock issued for:							
Debt settlement, January 29	35,000	35	34,965				35,000
Cash, March 30	13,750	14	27,486				27,500
Obligation to issue stock, March 30	47,975	48	95,902				95,950
Debt settlement, April 6	37,700	38	75,362				75,400
Acquisition of intellectual property, April 6	25,000	25	49,975				50,000
Comprehensive loss, April 30, 1999					(553)	(138,713)	(139,266)
<b>Balance, April 30, 1999</b>	266,624	267	778,633	-	(553)	(935,775)	(157,428)
Common stock issued for:							
Cash, February 11	22,894	23	59,977				60,000
Debt settlement, February 14	119,899	120	113,783				113,903
Cash, February 23	21,505	21	19,979				20,000
Cash, March 16	6,955	7	24,993				25,000
Forward split 20:1, March 27	8,319,663	437	(437)				-
Comprehensive loss, April 30, 2000					(566)	(296,598)	(297,164)
<b>Balance, April 30, 2000</b>	8,757,540	875	996,928	-	(1,119)	(1,232,373)	(235,689)
Common stock issued for:							
Acquisition of Dudesmart.com, May 11	1,200,000	120	263,940				264,060
Cash, August 23	80,000	8	19,996				20,004
Stock Option Issued			140,630				140,630
Comprehensive loss, April 30, 2001						(680,009)	(680,009)
<b>Balance, April 30, 2001</b>	10,037,540	1,003	1,421,494	-	(1,119)	(1,912,382)	(491,004)
Comprehensive loss, April 30, 2002						(415,912)	(415,912)
<b>Balance, April 30, 2002</b>	10,037,540	1,003	1,421,494	-	(1,119)	(2,328,294)	(906,916)
Common stock issued for:							
License fee Hi-Tek Multimedia, February 25	27,500,000	2,750	272,250				275,000
Comprehensive loss, April 30, 2003						(544,959)	(544,959)
<b>Balance, April 30, 2003</b>	37,537,540	3,753	1,693,744	-	(1,119)	(2,873,253)	(1,176,875)
Comprehensive loss, April 30, 2004						(805,787)	(805,787)
<b>Balance, April 30, 2004</b>	37,537,540	3,753	1,693,744	-	(1,119)	(3,679,039)	(1,982,661)
Common stock issued for:							
Debt settlement, August 27, 2004	172,966	17	78,742				78,759

Stock Option Issued			39,300	(39,300)		-	
Comprehensive loss, April 30, 2005						(1,413,934)	(1,413,934)
<b>Balance, April 30, 2005</b>	37,710,506	3,770	1,811,786	(39,300)	(1,119)	(5,092,973)	(3,317,836)
Comprehensive loss, April 30, 2006					1,119	(622,828)	(621,709)
<b>Balance, April 30, 2006</b>	37,710,506	3,770	1,811,786	(39,300)	-	(5,715,801)	(3,939,545)
Comprehensive Loss, July 31, 2006					-	(229,985)	(229,985)
<b>Balance, July 31, 2006</b>	37,710,506	3,770	1,811,786	(39,300)		(5,945,786)	(4,169,530)

The accompanying notes are an integral part of these financial statements.

- 5 -

**WORLDTRADESHOW.COM, INC.**  
**(A Development Stage Company)**  
**Statement of Cash Flows (unaudited)**

	Period Ending		Cumulative from inception (September 15, 1995) to July 31, 2006
	July 31, 2006	July 31, 2005	
<b>Cash flows from operating activities:</b>			
Net loss	\$ (229,985)	\$ (310,605)	\$ (5,715,801)
<i>Adjustments to reconcile net loss to net cash (used) provided by operating activities:</i>			
Depreciation and amortization	38,860	79,278	104,325
Foreign currency translation	-	-	-
Stock options issued	-	-	140,630
Forgiveness of debt to related party	-	-	-
Impairment	-	-	563,437
<i>Changes in operating assets and liabilities:</i>			
(Increase) decrease in accounts receivable	-	1,873	-
(Increase) decrease in intangible assets	1,874	-	7,998
Increase (decrease) in accounts payable	(4,286)	-	477
Increase (decrease) in accrued liabilities	71,122	67,892	1,652,041
Net cash provided by (used in) operating activities	(122,415)	(161,562)	(3,246,893)
<b>Cash flows from investing activities:</b>			
Purchase of equipment	-	-	(10,087)
Acquisition of intellectual property (in-kind)	-	-	50,000
Net cash (used) provided by operating activities	-	-	39,913
<b>Cash flows from financing activities:</b>			
Common stock issued for cash	-	-	686,950
Share issuance costs	-	-	(45,000)
Settlement of debt and intellectual property (in-kind)	-	-	174,304
Settlement of obligation to issue capital stock	-	-	174,709
Proceeds from demand notes payable	24,300	21,850	196,169
Due to related parties	97,968	141,750	2,127,878
Net cash provided by financing activities	122,269	163,600	3,315,010



Net increase (decrease) in cash	(147)	2,038	683
<b>Cash, beginning of the period</b>	683	421	-
<b>Cash, end of the period</b>	\$ 536	\$ 2,460	\$ 683
<b>Non-cash investing and financing activities:</b>			
Other income	\$ -	\$ -	\$ 235,813
Stock options Issued	-	-	179,930
Common stock issued for license fee - HiTek Multimedia	-	-	275,000
Common stock issued for acquisition of Dudesmart.com	-	-	264,000
Common stock issued in exchange for intellectual property	-	-	55,600
Common stock issued in exchange for debt	-	-	399,013
<b>Supplemental cash flow disclosure:</b>			
Interest paid	\$ -	\$ -	\$ -
Taxes paid	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

- 6 -



**WorldTradeshow.com, Inc.**  
**(A Development Stage Company)**  
**Notes To Consolidated Financial Statements**  
**July 31, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the opinion of management, the accompanying unaudited consolidated interim financial statements reflect all adjustments (consisting of only normal and recurring adjustments) necessary to present fairly the financial position of WorldTradeShow.com, Inc. (the "Company"), as of July 31, 2006, and the results of its operations and cash flows for the three-month period ended July 31, 2006 and 2005. The results of operations for such interim periods are not necessarily indicative of the results for a full year. The accompanying unaudited condensed interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting and with instructions to Form 10-QSB and, accordingly, do not include all disclosures required by accounting principles generally accepted in the United States of America. The condensed financial statements should be read in conjunction with the audited financial statements and the notes to the audited financial statements included in the Company's Form 10-KSB registration report for the period ending April 30, 2006 filed with the Securities and Exchange Commission.

The accounting policies followed for interim financial reporting are the same as those disclosed in Note 2 of the notes to the financial statements included in the Company's Form 10-KSB registration report for the year ended April 30, 2006.

2. EQUIPMENT

Equipment at July 31, 2006 and April 30, 2006 consisted of the following:

		<u>2006</u>		<u>2005</u>
Computer equipment	\$	10,087	\$	10,087
Accumulated depreciation		<u>(10,087)</u>		<u>(10,087)</u>
Equipment, net	\$	-	\$	-

Depreciation expense charged to operations was \$0 and \$222 for the periods ending July 31, 2006 and April 30 2006, respectively.

### 3. INTANGIBLES, LONG-LIVED ASSETS AND GOODWILL

#### Chaisai Tora, Inc.

In March 1999, the Company acquired the business plan, customer database, and software related to the trade show business from Chaisai Tora, Inc. In consideration given for these intangibles, the Company issued 25,000 shares of its' common stock valued at \$2.00 per share, or \$50,000. The asset has been fully amortized in prior years.

#### Dudesmart.com

On June 23, 2000, the Company accepted a proposal to exchanged 1,200,000 shares of common stock for 100% of the outstanding common stock of Dudesmart.com, Inc., from a related entity (Note 8). At the time of the transaction, the shares were valued at \$.22 per share (estimated value \$264,000). Dudesmart.com will be the entertainment division for the Company specializing in the entertainment and gaming industry. At the date of accusation Dudesmart.com had no fixed assets and all development fees were expensed as occurred. Therefore the Company recognized this transaction as Goodwill. The Company anticipates that the Dudesmart.com will be fully operational in the second quarter of 2006. The Company from on an annual basis evaluates the fair value of its goodwill and would record impairment to its when there is evidence that events or changes in circumstances, and an analysis of future cash flows have made recovery of the asset's carrying value unlikely in accordance SFAS 142.

- 7 -



#### Hi-Tek Multimedia License Agreement

On April 24, 2003, the Company announced the License Agreement of an Internet Reservations Software License Agreement from Hi Tek Multimedia (Hi Tek), in exchange for 27,500,000 common shares. At the time of the transaction the shares were valued at \$0.01. The Company is utilizing the Hi-Tek internet reservations software. The license agreement was accounted for as an intangible asset on the balance sheet. During the fiscal year ended April 30, 2005 the Company recognized \$209,955 was impaired to bring the asset to its estimated recoverable value, leaving a net balance of \$65,045, which the Company believes it will be able to recover before the license agreement expires. The Company management continually reviews its Goodwill for impairment and believes that carrying value of the assets is stated at its fair market value.

#### Business.com.vn Marketing License Agreement

In February 2004, the Company entered into a marketing license agreement with Business.com.vn. Business.com.vn is the owner of a website (Hotels.com.vn) that promotes the online sale of hotel and tour packages on behalf of participating hotels and tour operators.

VNAT and VITA, Vietnam National Association of the Tourism and Vietnam Travel Association, recognize Hotels.com.vn as Vietnam's official Hotel Website. In Vietnam, there are over 3,500 hotels and 400 tour companies to be promoted worldwide via the internet to generate online sales throughout the Country of Vietnam.

The term of the marketing license agreement requires the Company to pay a licensing fee of \$450,000. The Company has negotiated to defer the license fee payment until February 10, 2007. In exchange for the license fee, the Company will earn a royalty equal to fifty (50%) percent of gross sales, from reservations made on the Hotels.com.vn website, as defined in the agreement. As of April 30, 2006, \$492,714 in unpaid license and royalty fees, including interest of \$50,075 accumulated at 18%. However the company was further able to negotiate to get three quarters interest waived for the year ending April 30, 2006. The amount is included in long-term liabilities in the balance sheet. The Company has impaired \$ 79,167 and \$274,315 for the years ending April 30, 2006 and 2005 respectively to bring the asset to its estimated recoverable value, leaving a net balance of \$155,439. Company management continually reviews its intangible assets for impairment and believes that carrying value of the assets is recoverable.

WTS and Hotels.com.vn are continuing to sign up 1 and 2 star hotels in Vietnam under 3 year contracts. The majority of hotels in the Vietnam are 1 and 2 star hotels, totaling approximately 3,000. Within the 64 provinces of Vietnam there are many hotels that are not 3, 4, or 5 stars, and the majority of these Hotels do not have websites. WTS and Hotels.com.vn supply these hotels with template websites so they can accept reservations online through the reservation engine. WTS projects that it will need additional sales and marketing staff as well as more customer care employees in Vietnam.

Currently, Hotels.com.vn has contracts with over 258 Hotels in Vietnam. We have contracted with over 90% of the 3-5 star hotels in Vietnam - the 2 star hotel signing is ongoing. Hotels.com.vn has been featured on Vietnamese television during a news television program, and has received an award from the Ministry of Trade in Vietnam. Hotels.com.vn was awarded the number one e-commerce travel tourism website and was ranked 13<sup>th</sup> overall in the Country of Vietnam. We expect to penetrate the hotel market with further funding for marketing in and out of Vietnam.



Summary of Intangible, long lived assets and goodwill:

Licenses:	Purchase Price	Amortization/ Impairment	Net Value
Chaisai Tora, Inc.	\$ 50,000	\$ 50,000	\$ -
Hi-Tek Software License	275,000	275,000	-
Business.com License Agreement	450,000	315,049	114,705
<b>Total Intangible Assets</b>	<b>\$ 775,000</b>	<b>\$ 640,049</b>	<b>\$ 114,705</b>
Dudesmart.com	\$ 264,000	\$ -	\$ 264,000
<b>Total Goodwill</b>	<b>\$ 264,000</b>	<b>\$ -</b>	<b>\$ 264,000</b>

Estimated Amortization Expense: For the year ended April 30, 2007 \$ 155,439.

4. PROVISION FOR INCOME TAXES

The components of the provision for income taxes are as follows:

	2006	2005
<b>Current Tax Expense</b>		
U.S. Federal	\$ -	\$ -
State and Local	800	800
<b>Total Current</b>	<b>800</b>	<b>800</b>
<b>Deferred Tax Expense</b>		
U.S. Federal	\$ -	\$ -
State and Local	-	-
<b>Total Deferred</b>	<b>-</b>	<b>-</b>
<b>Total Tax Provision</b>	<b>\$ 800</b>	<b>\$ 800</b>

The reconciliation of the effective income tax rate to the Federal statutory rate is as follows:

	2006	2005
Federal Income Tax Rate	(34.0)%	(34.0)%
Effect of Valuation Allowance	34.0%	34.0%
<b>Effective Income Tax Rate</b>	<b>0.0%</b>	<b>0.0%</b>

As of April 30, 2006, the Company has a federal net operating loss carry forwards of \$5,715,801 that can be utilized to reduce future taxable income. The net operating loss carry forward will expire at various dates beginning 2011 through 2018 if not utilized. Utilization of the net operating loss and tax credit carry forward may be subject to substantial annual limitations due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating loss and tax credit carry forwards before utilization. The Company has provided a full valuation allowance on the deferred tax asset because of uncertainty regarding realizability.

## 5. MAJOR CUSTOMER AND SEGMENT INFORMATION

The Company currently operates solely in one industry segment: the marketing and support of its hotel reservations system in Vietnam. No one customer accounted for approximately 5% of gross revenues for the period ending July 31, 2006. The Company has no operations or assets located outside of the United States. The Company's commissions revenue is concentrated in the Vietnam Hotel reservations system, creating a risk of concentration associated with the sale of a single product and limited customer base. The loss of this single market could cause severe damage to the Company's financial future.

- 9 -



## 6. RELATED PARTY TRANSACTIONS

### Company Officers

Mr. Sheldon Silverman resigned as the Company's president and became Chief Executive Officer on June 23, 2000. Mr. Silverman was again appointed Chief Executive Officer in July 2001.

Mr. Thomas Johnson became president of the Company on June 23, 2000 and a member of the board of directors on July 6, 2000. On June 30, 2001, Mr. Thomas Johnson resigned as President.

Dr. Lee Johnson became Chief Technical Officer of the Company on June 23, 2000 and a member of the board of directors on July 6, 2000. On August 31, 2004, Dr. Lee Johnson resigned as a director and joined the Board of Advisors.

Mr. Thomas Johnson and Dr. Lee Johnson, both former officers and members of the board of directors, are brothers. We believe that we would not be able to continue as a going concern at this time if Dr. Johnson did not control the Company.

During September 2004, John Spinelli was appointed to the Board of Directors, as well as, Director of International Sales & Marketing.

In March 2004 Carlos Rosette was appointed to the Board of Directors.

### Acquisition of Dudesmart.com, Inc.

On June 23, 2000, the Company accepted a proposal to exchange 1,200,000 shares of its common stock for 100% of the outstanding shares common stock of Dudesmart.com, Inc. In September 2000, the exchange was completed and Mr. Thomas Johnson and Dr. Lee Johnson, the sole shareholders of Dudesmart.com, Inc. each received 600,000 shares of the Company's common stock. At the time of the transaction, the shares were valued at \$.22 per share (total value \$264,000).

### License Agreement with Hi-Tek Multimedia, Inc.

On April 24, 2003, the Company announced acquiring an Internet Reservations Software License Agreement, in exchange for issuing 27,500,000 common shares to Hi-Tek Multimedia (Hi-Tek). Mr. Thomas Johnson and Mr. Lee Johnson are the sole shareholders of Hi-Tek. Hi-Tek, a strategic business partner and a leading International e-commerce software development enterprise, will be providing its proprietary software, HI-TEK Res, to generate revenue for the Company from business and consumer travelers seeking to reserve hotels at their selected destinations worldwide while visiting or attending tradeshows and conferences.

### Professional Services Agreement with Hi-Tek Multimedia, Inc.

WorldTradeShow.com retained Hi-Tek to design, program, produce and implement the following:

- Corporate and promotional web sites.
- Initial module of the WorldTradeShow.com reservation engine.
- Preliminary offline and online marketing plan, including designing and producing all supporting marketing and promotional materials (CD-ROM, media kit, web slide presentation and corporate literature).

- Consult with the management of the company on an as needed basis.

- 10 -



As of April 30, 2006 and 2005, the Company owed Hi-Tek approximately \$1,402,863 and \$930,082 respectively, for unpaid consulting fees, service fees, rent, expenses and cash advances which were included in amount due to related party on the balance sheet. Cash advances as of April 30, 2006 and 2005 amounted to \$83,050 and \$90,352, respectively. Additionally, Hi-Tek charges interest at a rate of 10 percent on the cash advances and "unpaid fees" resulted in accrued interest, which it has waived for the year ending April 30, 2006. As of April 30, 2006 and 2005, accrued interest on these advances was approximately \$6,700 and \$6,700, respectively. The agreement is renewable on an annual basis. Hi-Tek agreed to forgive the interest accrued as of April 30, 2004 in the amount of 23,800 during the year ended April 30, 2005. The amount forgiven is included in other income.

#### Other Affiliated Entities

Mr. Sheldon Silverman owns shares personally and through a company under his control. From time to time, this company and Mr. Silverman have received Worldtradeshow.com, Inc. common shares in exchange for debt. For the periods ended July 31, 2006 and April 30, 2005, Mr. Silverman did not receive any common shares in exchange for debt.

#### Consulting Agreements

Dr. Lee Johnson, Mr. Thomas Johnson and Mr. Sheldon Silverman have entered into three separate consulting agreements with the Company, for which the Company has accrued unpaid consulting fees. Similar consulting agreements were extended for two of the individuals on an annual basis at terms similar to the original agreement through July 2005.

The above consultant agreements also contained 2,250,000 stock options, of which 150,000 remain exercisable due to expiration or have been forfeited by the officers. As the June 2000 consulting agreement provided for the options to be purchased at below the Company's market price on the date of grant, the Company has recorded consulting fees relating to these options of \$140,630 (Note 11).

#### Unpaid Consulting Fees / Advances from Related Parties

As of July 31, 2006 and April 30, 2006, the Company has unpaid consulting fees to officers / directors of approximately \$2,390,000 and \$2,330,000, respectively. \$1,250,000 of these fees currently bear interest at a rate of 8 percent. As of April 30, 2006, accrued interest on these fees were approximately \$234,113, which is included in due to related parties.

As of July 31, 2006 and April 30, 2006, the Company also has received advances of \$24,300 and \$180,000 respectively from a former officer and Board member. These advances currently bear interest at a rate of 8 percent. As of July 31, 2006 and April 30, 2006, accrued interest on these advances was approximately \$93,649 and \$88,184, respectively, which are included in due to related parties. These advances are not repayable until July 1, 2006 at which point the Company anticipates it will be able renegotiate the terms of the payments and all monies owed to the related parties. We are expecting close on negotiations in August 2006.

#### Office Leases

The Company leases its office space in San Diego, California, on a month-to-month basis from a related party. Rent expense under these agreements for the period ended July 31, 2006 and 2005 was \$7,500 and \$7,500, respectively.

- 11 -



## 7. MARKETING AND DISTRIBUTION AGREEMENTS

#### Partnership with DotVN

In May 2003, the Company announced a partnership with Dot.vn the official Vietnamese Registration Company. The Company is considered a re-seller of domain names, WTS will receive a commission for each domain name set up via the Companies web portal.

The Company is working closely with Dot.vn to market and distribute these domains on its WTS business web portal. The revenue from the partnership agreement is anticipated to allow the Company to start receiving operating funds during 2006.

#### Agreement to Market MASXIMA Discount Card

In November 2003, the Company signed an agreement with Grupo Campestre to market the Mexican MASXIMA Discount Card. The

signing of this Memorandum of Understanding allows the Company to promote and market the MASXIMA Discount Card, in Baja California, Mexico on its WorldTradeshow.com web portal.

WTS and Maxsima Discount Card Memorandum of Understanding (MOU) states "both parties will have a revenue sharing partnership, whereby WTS may retain up to 20% in recurring revenue."

#### Letter of Intent with All American Casting International

In November 2003, the Company signed a Letter of Intent ("LOI") with All America Casting International ("All American") to be the exclusive marketer and distributor of its broadband Voice Over Internet Protocol telecom technology to its Vietnamese enterprise clients. The LOI with All American is not currently proceeding. All American has not fulfilled its obligation as set forth in any of the points on the LOI. The Company is not pursuing any other agreements regarding Voice Telecommunications over the Internet

#### 8. BASIC AND FULLY DILUTED LOSS PER COMMON SHARE:

Effective November 30, 1998, the Company adopted the provisions of Statement of Financial Accounting Standards No. 128, Earnings per Share ("SFAS 128") which replaced the presentation of "primary" and "fully-diluted" earnings (loss) per common share required under previously promulgated accounting standards with the presentation of "basic" and "diluted" earnings (loss) per common share. Basic earnings (loss) per common share is calculated by dividing net income or loss by the weighted average number of common shares outstanding during the period. The calculation of diluted earnings (loss) per common share is similar to that of basic earnings (loss) per common share, except that the numerator and denominator are adjusted to reflect the decrease in earnings per share or the increase in loss per share that could occur if securities or other contracts to issue common stock, such as stock options and convertible notes, were exercised or converted into common stock.

#### 9. STOCK OPTIONS

On June 30, 2000, the Company issued 1,350,000 options to certain officers. The options have an exercise price of \$0.10 per share, vest over a three-year period, beginning July 1, 2000 and expire one year after becoming exercisable. As of April 30, 2005, no options had yet been exercised. As the consulting agreements provided for the options to be exercised at below the Company's market price on the date of grant, the Company recorded additional consulting fees relating to estimated value of these options of \$140,630. These options were subsequently cancelled and new options issued.

- 12 -



The fair value of these options was estimated at the date of grant using the Black-Scholes option-pricing model for the fiscal year ended April 30, 2001; dividend yield of 0%; expected volatility of 250%; risk-free interest rate of 6.5%; and expected life of 3 years.

On June 30, 2003, the Company issued 900,000 options to certain officers. The options have an exercise price of \$0.30 per share (estimated market price at date of grant), vest over a three-year period, beginning June 30, 2003 and expire one year after becoming exercisable. As of the date of this report, 750,000 options have expired or were forfeited and no options had yet been exercised.

In September 2004, the Company issued 200,000 options to a consultant. The options have an exercise price of \$0.75 per share, vest over a one-year period, beginning in September 2004 and expire one year after becoming exercisable. As of the date of this report, no options had yet been exercised. As the consulting agreement provided for the options to be purchased at below the Company's market price on the date of grant, the Company recorded deferred compensation relating to these options of \$39,300 during the second quarter of fiscal 2005 as the company believes the options will not be exercised.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options.

A summary of stock option activity for all plans follows:

<u>Outstanding Options</u>	<u>Options Outstanding</u>	<u>Exercise Price</u>
Authorized	-	-
Granted	2,450,000	\$0.75-\$0.30

Exercised	-	\$0.00
Canceled	(2,100,000)	\$0.30
Balance, July 31, 2006	350,000	\$0.75-\$0.30

Following is a summary of the status of fixed **options** outstanding at April 30, 2006:

<u>Exercise Price</u> <u>Range</u>	<u>Outstanding Options</u>			<u>Exercisable</u> <u>Options</u>	
	<u>Number</u>	<u>Weighted</u> <u>Average</u> <u>Remaining</u> <u>Contractual</u> <u>Life</u>	<u>Weighted</u> <u>Average</u> <u>Exercise Price</u>	<u>Number</u> <u>Exercisable</u>	<u>Weighted</u> <u>Average</u> <u>Exercise</u> <u>Price</u>
\$ .30-\$ .75	250,000	1 years	\$0.48	250,000	\$0.48
\$0.75	100,000	2 years	0.75	100,000	.75

Had compensation cost for the Company's stock-based compensation plan been determined based on the fair value at grant dates for awards under those plans consistent with the method described in SFAS 123, the Company's net loss would have been as follows:

	Period Ended July 31,	
	2006	2005
Net Loss:		
As reported	\$ 622,828	\$ 1,413,934
Pro forma	\$ 757,395	\$ 1,554,564
Basic loss per share:		
As reported	\$ (0.02)	\$ (0.04)
Pro forma	\$ (0.02)	\$ (0.04)

- 13 -

## 10. CONTINGENCIES

In the opinion of management, there are no matters requiring recognition or disclosure as a loss contingency in accordance with Statement of Financial Standards No. 5, *Accounting for Contingencies*.

## 11. GOING CONCERN

To date the Company has had limited sales due to the early stage of its efforts to transition into the marketing of its internet resources. Consequently, the Company has incurred recurring losses from operations. These factors, as well as the risks associated with raising capital through the issuance of equity and/or debt securities creates uncertainty as to the Company's ability to continue as a going concern.

The Company's plans to address its going concern issues include:

- \* Increasing sales of its products through national distribution channels and through direct marketing to consumers;
- \* Raising capital through the sale of debt and/or equity securities; and,
- \* Settling outstanding debts and accounts payable, when available, through the issuance of debt and/or equity securities.

There can be no assurance that the Company will be successful in its efforts to increase sales, issue debt and/or equity securities for cash or as payment for outstanding obligations.

The Company is in various stages of finalizing implementation strategies on a number of products and is actively attempting to market

its products nationally in Vietnam. As a result of capital constraints it is uncertain when it will be able to start its websites to utilize the available licenses.

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

The following discussion should be read in conjunction with our consolidated financial statements, and the related notes included elsewhere in this Quarterly Report on Form 10-QSB and the Annual Report on Form 10-KSB for the fiscal year ended April 30, 2006. Certain statements contained herein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, as discussed more fully herein.

- 14 -



THIS REPORT ON FORM 10-QSB CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. THE COMPANY'S ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THE RESULTS DISCUSSED IN SUCH FORWARD-LOOKING STATEMENTS.

### OVERVIEW

The Company's operating results have fluctuated in the past and may in the future fluctuate significantly, depending upon a variety of factors, including the timely deployment and expansion of new network, the incurrence of related capital costs, variability and length of the sales cycle associated with the Company's product and service offerings, the receipt of new value-added network services and consumer services subscriptions and the introduction of new services by WTS and its competitors.

Additional factors that may contribute to variability of operating results include but are not limited to: the pricing and mix of services offered by the Company; customer retention rate; market acceptance of new and enhanced versions of the Company's services; changes in pricing policies by the Company's competitors; the Company's ability to obtain sufficient supplies of sole or limited-source components; user demand for services; the ability to manage potential growth and expansion; the ability to identify, acquire and integrate successfully suitable acquisition candidates; and charges related to acquisitions. In response to competitive pressures, the Company may take certain pricing or marketing actions that could have a material adverse effect on the Company's business. In the event that the Company's operating results in any future period fall below the expectations of securities analysts and investors, the trading price of the Company's common stock would likely decline.

### PLAN OF OPERATION

We have a development strategy for the implementation of Phase I of the plan, which will require \$1,350,000 to complete. We have historically financed our operations through working capital provided by loans from management and our major vendor and controlling shareholder, Hi-Tek.com, Inc.. For the time being the Company anticipates that current operations will continue to be funded by shareholder loans or debt from our vendor and majority shareholder, Hi-Tek, until revenue from operations can sustain the cash flow requirements of the Company. For 2006 we have a commitment from our majority shareholders to fund our operations for that calendar year. Additionally, we may pursue additional private placement financing through close associates or friends and family members of management and our controlling shareholders. There can be no assurances that additional capital will be available on terms favorable to us or at all, or that we will be able to generate sufficient cash flow in order to sustain operations. To the extent that additional capital is raised through the sale of additional equity or debt securities, the issuance of such securities could result in additional dilution to our stockholders. In the event that we experience the need for additional capital, and are not able to generate capital from financing sources or from future operations, management may be required to modify, suspend or discontinue our operations and business plan.

The funds to complete Phase I, are projected by management to be used as follows: online and offline marketing programs, marketing Hotels.com.vn, utilizing the reservation software and completing online tradeshow software. The Company plans to obtain the necessary joint ventures, licenses, alliances and affiliates to market the web portal. WTS plans to hire sales and marketing staff in Vietnam and Mexico to complete agreements already in place. The Company also plans on hiring people, obtaining more agreements and alliances in Vietnam and Mexico.

November 2005-January 2006

WTS plans on pushing sales and marketing in Vietnam for Hotels.com.vn. The marketing has begun through search engines such as Google and Yahoo. Hotels.com.vn is beginning to work with tour companies in Vietnam and working out alliance and affiliate programs to start to promote tour packages. The selling of a tour package will give multiple reservations with groups of people





WTS and Hotels.com.vn are continuing to sign up 1 and 2 star hotels in Vietnam under 3 year contracts. The majority of hotels in the Vietnam are 1 and 2 star hotels, totaling approximately 3,000. Within the 64 provinces of Vietnam there are many hotels that are not 3, 4, or 5 stars, and the majority of these Hotels do not have websites. WTS and Hotels.com.vn supply these hotels with template websites so they can accept reservations online through the reservation engine. WTS projects that it will need additional sales and marketing staff as well as more customer care employees in Vietnam.

Currently, the Company has contracts with over 258 hotels in Vietnam, an increase of approximately 60, and we have contracted with over 90% of the 3-5 star hotels in Vietnam. The 2 star hotel signing is ongoing. Hotels.com.vn has been featured on Vietnamese television during a news television program, and has received an award from the Ministry of Trade in Vietnam. Hotels.com.vn was awarded the number one e-commerce travel tourism website and was ranked 13th overall in the Country of Vietnam. We expect to penetrate the hotel market with further funding for marketing in and out of Vietnam.

WTS has redesigned and launched the WorldTradeShow.com website. The new website has been redesigned to market specifically to Vietnam and Mexican tourism markets. Users are now able to make reservations for hotels in either country: via Hotels.com.vn for Vietnam, or Mybajaguide.com for Mexico. MyBajaGuide.com is slated to be launched in the spring of 2006. WTS has a Memorandum of Understanding (MOU) with MyBajaGuide.com for marketing their hotels, tours, restaurants, golf and businesses.

February - April 2006:

The launching of MyBajaGuide.com was launched in spring of 2006. WTS has a Memorandum of Understanding (MOU) with MyBajaGuide.com for marketing their hotels, tours, restaurants, golf resorts and businesses.

WTS projects launching the MyBajaGuide.com website this quarter, and the Company anticipates the need for additional sales and marketing staff in Mexico for this project. WTS will market the WTS Discount Card through the MyBajaGuide and WorldTradeShow Websites, and in newspapers and magazines in Mexico. WTS has initiated meetings with potential alliances and affiliates in both Mexico and Vietnam. We expect to have new agreements and MOUs announced during this quarter.

WTS will market MyBajaGuide.com, through newspapers, magazines, and tour companies in both California and Mexico. WTS will be working with current alliances and affiliates to cross-market hotel specials and discounts to advertise through websites, magazines, coupons, both on and offline.

WTS plans on officially inviting the Vietnamese Government tourism departments to our offices in late April of 2006. Invitations will be sent to VNAT, VNNIC, Saigon Tourist, Consulate General of Vietnam - San Francisco, and other affiliates and alliances in the USA, and Mexican. WTS is co-hosting a trade convention to showcase the Countries of Vietnam and Mexico tourism in late April 2006.

May - July 2006:

WTS will continue to market Hotels.com.vn and MyBajaGuide.com site during this quarter. Our target alliances and affiliates will be companies working in travel tourism in Asia and Latin America, including American and European travel and tourism Companies.

The DudeSmart.com division will be working on the WTS Discount Card for the Mexico and cross-market into Vietnam. The WTS Discount Card will be introduced to the Mexican market through a sales and marketing program in Baja, Mexico. The MyBajaGuide.com and WorldTradeShow.com websites will advertise and market and users will be able to download a temporary card from either website. WTS will first target hotels and restaurants, followed by golf clubs, travel tour companies, and rental car companies. The Discount Card will enable WTS to sign up more members to the MyBajaGuide.com website, and the sales staff in Mexico is excited to begin the project. Vendors have also expressed high interest in this program.



August - October 2006:

WTS anticipates hiring additional sales and marketing staff in Vietnam and Mexico to expand the hotel portals. Features and benefits such as the WTS Discount Card, tour packages, golf packages are planned in both Mexico and Vietnam.

WTS plans to sponsor golf tournaments in Vietnam, Mexico and the USA on the same day in all three countries. The WTS Discount Card will be one of the sponsors, and we plan on having television, newspapers, and magazines covering the event as well as some

celebrities making appearances. This will be part of our marketing and branding of WTS in three different Countries.

Use of Proceeds of \$1,350,000 USD:

Operations USA: \$400k  
Vietnam \$200k  
Expansion:  
Mexican \$200k  
Expansion:  
Marketing online: \$300k  
Marketing offline: \$250k

As of November 30, 2005 we have expended \$150,000 of the \$1,500,000. WTS has expended the initial funds on the back-end operations of MyBajaGuide.com, and the hiring of sales staff and web designers in the Tijuana office. The company believes that an additional \$1,350,000 of funding will be required to complete Phase I.

## RESULTS OF OPERATIONS

THREE MONTH PERIOD ENDING MARCH 31, 2006 AS COMPARED TO THREE MONTH PERIOD ENDING MARCH 31, 2005

The Company had gross sales totaling \$1,824 for the period ended April 30, 2006, compared with \$0 in gross sales for the same period ending April 30, 2005. The Company just started to receive revenues from its efforts in signing up hotels to their reservations website Hotels.com.vn. Currently this is the Company's only revenue source, which were offset with the licensing cost. The Company experienced a net loss of \$229,958 for the period ended July 31, 2006, compared with a net loss of \$310,603 for the same period ended July 31, 2005. This represents a decrease of \$80,620 or 26% from the prior year. A substantial portion of the decrease in net loss is attributable to the decrease in administrative expenses and the reduction amortization expenses.

Consulting fees totaled \$55,250 for the period ended July 31, 2006, compared with \$45,000 for the same period ending July 31, 2005. This represented an increase of \$10,250 or 22.8% from the prior year. Marketing and advertising cost totaled \$51,900 for the period ended April 30, 2006, compared to \$45,012 for the same period ending July 31, 2005. Other administrative expenses incurred by the Company were \$6,792 for the period ended July 31, 2006, compared with \$52,003 for the same period ended July 31, 2005. This represented an increase of \$45,211 or 86.99% from the prior year. The decrease is due primarily to decreased activity in the administrative area.

## LIQUIDITY AND CAPITAL RESOURCES

As of July 31, 2006, the Company had cash of \$536, current liabilities of \$4,548,711 and no long-term liabilities. We anticipate that current operations will continue to be funded by shareholder loans or debt from our primary vendor and majority shareholder, Hi-Tek, until revenue from operations can sustain the cash flow requirements of the Company. We plan on signing a renewal of our service agreement with Hi-Tek to run for an additional 12 months through 2007, which provides for the payment of our monthly operating expenses and will allow us to operate without additional funding for the next twelve months.

- 17 -



## RESEARCH AND DEVELOPMENT ACTIVITIES

WTS has not directly engaged in research and development activities. Hi-Tek has developed and deployed WorldTradeShow.com's promotional website with FLASH animation technology. WTS will retain the proprietary rights to the website content and related technology.

## PATENTS, LICENSES, TRADEMARKS, FRANCHISES, CONCESSIONS, ROYALTY AGREEMENTS OR LABOR CONTRACTS

### WordTradeShow.com 's Partners & Strategic Alliances

Hi-Tek.

Hi-Tek, WTS's largest shareholder, is a private corporation with offices in San Diego, U.S.A., Tijuana, Mexico, and Hanoi and Ho Chi Minh City in Vietnam. This world-class technology company has been a leading visionary in providing Internet services and multimedia productions since 1992. Through strong values and technological performance, Hi-Tek has formed strong alliances with and obtained the cooperation of major Vietnamese ISP's (Internet Service Providers) such as Netsoft, VDC, and FPT, in order to

commercialize Vietnam's Internet services.

Hi-Tek ([www.Hi-Tek.com](http://www.Hi-Tek.com)) employs the latest Internet technologies to market and manage .VN domain name registration, website design/hosting, email systems, e-commerce and e-marketing to Vietnam, and the rest of the world, for the first time.

Hi-Tek, Inc. staffed with highly experienced graphic designers, programmers, network engineers and web marketing specialists, has produced effective, engaging and result-oriented communication products on CD-ROM and DVD, and enhanced internet website content for Fortune 500 companies worldwide.

Business.com.vn:

Business.com.vn ([www.Business.com.vn](http://www.Business.com.vn)) is a leading Vietnamese internet technology and marketing company, which is developing an exclusive e-commerce global business platform to promote, market and sell products and services of qualified Vietnamese companies. WTS is currently working with the government of Vietnam to produce a comprehensive business to business directory (B2B) and a business to consumer directory (B2C) portal listing various companies throughout Vietnam.

Currently, Business.com.vn has over 3,000 companies in its database with the potential of expanding to over 30,000 companies within Vietnam's 64 separate provinces. Vietnam, with a population of over 83 million people, is the second fastest growing economy in the world, according to the Vietnam Ministry of Trade. Vietnam signed the Bilateral Trade Agreement with the United States to expand business opportunities for both countries, and then Decree No. 33/2002/QD-TTg dated February 08, 2002 by Vietnam's Prime Minister was approved to begin implementing Vietnam Internet development plan for 2001-2005. Both of these significant events marked the beginning of great economic opportunities for WTS. To participate and capitalize in the countries' growth for online business tradeshows. There are over 6 million current Internet users in Vietnam, representing only 7.4% of the population, a number expected to increase significantly each year as the economy grows "WTS plans to work closely with Business.com.vn as a strategic marketing partner in Asia to help Vietnamese companies showcase their products, services and investment opportunities online. Businesses will receive instant worldwide exposure through the WTS portal. WTS will be the business tradeshow solution provider, and a vehicle to provide them exposure to import/export, travel and tourism companies, both inside and outside of Vietnam."

- 18 -



#### [Hotels.com.vn](http://Hotels.com.vn)

[Hotels.com.vn](http://Hotels.com.vn) ([www.HOTELS.com.vn](http://www.HOTELS.com.vn)) with over 258 Hotels being advertised is a comprehensive travel/tourism site. Worldwide travelers use this officially sanctioned Vietnam Tourism Association website as the ultimate online resource to review, select, and book hotel rooms, golf tee times (coming soon), purchase airline tickets, rent cars and conduct other travel related transactions. WTS has an opportunity to generate recurring revenue from over 3,000 major hotels, 200 travel companies, and others in the Vietnamese tourism industry.

Hotels.com.vn is the only hotel web portal that is officially recognized by Vietnam National Administration of Tourism (VNAT), the governmental agency exercising the state management function over tourist operations and activities throughout Vietnam. VNAT has full control over business development and planning, public relations, personnel training, research, and overseeing the implementation of policies and regulations in the tourism sector. According to VNAT's latest tourism statistics, the number of international visitors to Vietnam exceeded 3.5million in 2005 and generated over \$2 Billion USD in tourism revenue. Vietnam tourism is up 16% in 2006, the highest ever on record, indicating that Vietnam is fast becoming a very popular Asian destination to worldwide travelers.

The Vietnam Tourism Association (VITA) ([www.VietnamTourism.com](http://www.VietnamTourism.com)), directly under Vietnam National Administration of Tourism (VNAT) with members including Vietnamese enterprises, commercial organizations and individuals in the travel/tourism industry based at No. 7 Dao Duy Anh, Dong Da, Hanoi, Vietnam. Vietnam Trade Information Center (VTIC): Vietnam Trade Information Center (VTIC), [www.ASEMConnectVietnam.gov.vn](http://www.ASEMConnectVietnam.gov.vn) and [www.VINANET.com.VN](http://www.VINANET.com.VN) is the Vietnamese government agency responsible for managing and promoting Vietnam's Import/Export businesses and associations with a membership over 8,000 enterprises.

The term of the Business.com.vn marketing license agreement with WTS has entered into is for two years and requires WTS to pay a licensing fee of \$150,000 and \$300,000 for the years ending December 31, 2004 and 2005, respectively. The license fees for 2004 and 2005 were payable by August 10, 2004 and February 10, 2005, respectively. In the prior year, WTS has negotiated to defer the first license fee payment until February 10, 2005. Subsequently, WTS negotiated with Business.com.vn to extend the contract for up to two years to February 10, 2007. In exchange for the rights licensed, WTS will earn a royalty equal to fifty (50%) percent of gross commission, as defined in the agreement (see exhibit 10.2). The extension document also provides that once WTS is trading on the OTC BB, Business.com.vn has the option for payment, or shares to be negotiated at that time.

#### Partnership with [www.DotVN.com](http://www.DotVN.com) :

In May 2003, WTS announced a partnership with DotVN, the exclusive online Vietnamese domain registrar company. WTS receives a

15% commission on every .vn domain name sold through the WTS portal. WTS is working closely with DotVN to market and distribute these domains on its business web portal. Many global companies are doing business in Vietnam and many more want to participate. As Vietnam continues to grow economically, these businesses are positioning themselves to take advantage of the expansion. Those companies will have to acquire their Vietnamese Internet identity to brand their names, services and protect their trademarks. In addition, over 30,000 Vietnamese companies and the 80 million citizens of Vietnam will have the opportunity to register their choice of domain names. The .vn domain names have become un-restricted for worldwide registration, and it currently costs \$200 USD to register a .vn domain name per year. The www.VN affiliate program will allow WTS to generate revenue immediately from the registration of the .VN domain names.

- 19 -



#### Hanoi Tips:

Hanoi Trade and Investment & Tourism Promotion Solution ([www.hanoitips.com](http://www.hanoitips.com)), the Vietnamese Trade Information Program, is designed to assist those who wish to do business in Vietnam. With an extensive network and experience in Vietnamese industry and commerce, it can identify the right suppliers, and provides answers to questions about Vietnamese exports. Its primary role is to promote Vietnamese exports.

This strategic promotional program is designed to help both the U.S. and Vietnam's businesses to grow worldwide, promote trade, investments and tourism, in keeping with the bilateral trade agreement signed by both countries in 2001. Hanoi TIPS will also assist in advertising Vietnam's trademarks in the U.S. market, provide businesses with market information and development assistance. The Hanoi Trade Department will act as a bridge between Hanoi TIPS in San Diego and Vietnamese businesses, providing market information and product samples to showcase on the Hanoi TIPS website and its virtual showroom on WorldTradeShow.com's website.

Hanoi Tips has an extensive database of the top Fortune 500 companies of Vietnam. Members of Hanoi Tips will have opportunities to advertise, make agreements and letters of intent with WTS as well as market, promote their companies products and services on the WorldTradeShow.com portal.

#### MyBajaGuide.com:

WorldTradeShow.com will market the most efficient electronic promotional vehicle for Baja California Tourism. The official website, [www.MyBajaGuide.com](http://www.MyBajaGuide.com) provides visitors worldwide information about Baja, California as a travel destination. Website users have the ability to make reservations with airlines, hotels/resorts, car rentals, golf courses and restaurants.

Bordering California and Arizona to the south, Baja California Mexico is a peninsula with over 780 miles of beach along the Pacific Ocean and the Gulf of California. Each year, over 40 million visitors worldwide travel by land and sea to enjoy the beauty of this northern Mexico peninsula. The Baja California travel and tourism industry generated almost \$3 billion U.S. dollars in 2003, growing steadily at 6.7% annually.

#### Mexican Association of Hotels and Motels for Tijuana, Baja California, Mexico

WTS has been selected to manage the website for the official Mexican Association of Hotels and Motels for Tijuana, Baja California, Mexico. WTS will generate recurring revenue on advertisements, sponsorships and room reservation commissions from each participating hotel and motel. The Mexican Association of Hotels and Motels has over 130 hotels and motels currently listed in its membership, accommodating business and leisure travelers worldwide. Tijuana, with a population of about 2 million people, is one of the most frequently visited destinations in Mexico. Over 42 million people cross the U.S. and Mexican border each year to do business and tour this well-known cosmopolitan city.

#### Agreement to Market MASXIMA Discount Card

In November 2003, WTS signed an agreement with Grupo Campestre to market Mexican MASXIMA Discount Card. The signing of this Memorandum of Understanding allows WTS to promote and market the MASXIMA Discount Card, in Baja California, Mexico on its WorldTradeshow.com web portal.

In the Memorandum of Understanding (MOU), WTS and Maxsima Discount Card have a revenue sharing partnership, whereby WTS may retain up to 20% in revenue for sales it generates.

MASXIMA Card is the most recognized retail discount card in Mexico, serving over 8 million consumers throughout Baja California and interior Mexico. The Maxsima Discount Card offers customers savings from over 500 participating businesses, ranging from hotels, restaurants, rent-a-car agencies, department stores, gift stores and numerous other retailers serving majority of the Mexican travel/tourism market.

- 20 -



WTS plans to cross-market the MASXIMA Card between the Countries of Mexico and Vietnam. The WTS Discount Card will be launched in the summer of 2006 offering discounts in between the Countries.

#### Letter of Intent with All American Casting International

In November 2003, WTS signed a Letter of Intent ("LOI") with All America Casting International to be the exclusive marketer and distributor of its broadband Voice Over Internet Protocol telecom technology ("VOIP") to its Vietnamese enterprise clients. However, the LOI with All American Casting International is currently not proceeding. All American has not fulfilled its obligation as set forth in any of the points on the LOI. WTS is not pursuing any other agreements regarding VOIP technology at this time.

#### PURCHASES OR SALES OF PLANT AND SIGNIFICANT EQUIPMENT

None

#### EMPLOYEES

WTS currently has no employees, other than its officers and directors, who devote their time as required to its operations. In June 2000, WTS signed three consulting agreements with three different members of the Board of Directors. These agreements entitle each individual to a base salary ranging from \$7,500 to \$15,000 per month expired on January 30, 2001. Similar consulting agreements were extended for two of the individuals on an annual basis at terms similar to the original agreement through July 1, 2005. The other individual extended his agreement at terms similar to the original agreement through June 30, 2001. Each of the three individuals agreed not to withdraw a consulting fee until sufficient funding is secured. As of July 31, 2006 and April 30, 2006, WTS has unpaid consulting fees of approximately \$2,330,000 and \$2,330,000, respectively. One of the unpaid consulting fees bears interest at 12 percent. As of April 30, 2006 accrued interest on these unpaid fees was approximately \$392,000. These advances are not repayable until July 1, 2005 at which point WTS anticipates it will be able renegotiate the terms of the payments and all monies owed to the related parties. On August 1, 2005, the consulting agreements for Mr. Sheldon Silverman and Mr. Carlos Rosette were renewed. The term of Mr. Silverman's agreement commenced on August 1, 2005 and ends on July 31, 2006 and provides for compensation of \$15,000 per month for his services. The term of Mr. Rosette's agreement commenced on August 1, 2005 and ends on July 31, 2006, and provides for compensation of \$3,000 per month for his services.

#### GOING CONCERN

WTS has experienced recurring losses, has a working capital deficiency of \$4,169,530 and an accumulated deficit of \$5,945,786 as of April 30, 2006. These factors, among others raise substantial doubt as to 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.

#### FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS RELATED TO AN INVESTMENT IN WORLDTRADESHOW.COM, INC. STOCK



Some of the statements in this report or incorporated by reference are forward-looking, including, without limitation, the statements under the caption "Management's Discussion and Analysis or Plan of Operation". Forward-looking statements include those that contain words like "may," "will," "could," "should," "project," "believe," "anticipate," "expect," "plan," "estimate," "forecast," "potential," "intend," "maintain," "continue" and variations of these words or comparable words. In addition, all of the non-historical information herein is forward-looking, including any statement or implication about a future time, result or other circumstance. Forward-looking statements are not a guarantee of future performance and involve risks and uncertainties. Actual results may differ substantially from the results that the forward-looking statements suggest for various reasons. These forward-looking statements are made only as of the date of this report. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise. (Note: The statutory safe harbors of the Private Securities Litigation Reform Act will not be available to us until such time as we become a reporting company)

The forward-looking statements included herein are based on, among other items, assumptions that we will be able to meet our operating cash and any debt service requirements, that we will be able to successfully resolve disputes and other business matters as anticipated, that competitive and technological conditions within the medical device and electronic component industries will not affect us materially or adversely, that we will retain key personnel, that our forecasts will reasonably anticipate market demand for our products, and that there will be no significant unanticipated cost increases or other material adverse change in our operations or

business. Among the factors that could cause actual results to differ materially are the following:

- the impact of competitive products and their pricing;
- potential effects of inflation;
- lack of earnings visibility;
- dependence upon certain customers or markets;
- dependence upon suppliers;
- difficulties in integrating any acquired businesses and realizing cost savings or productivity gains;
- dependence on key personnel;
- difficulties regarding hiring and retaining qualified personnel in a competitive labor market; and
- Risks of doing business in international markets.

Other factors that could cause results to vary materially from current expectations are referred to elsewhere in this report.

Assumptions regarding the foregoing involve judgments that are difficult to make and future circumstances that are difficult to accurately predict. Forecasting and other management decisions are subjective in many respects and thus susceptible to interpretations and periodic revisions based on actual experience and business developments, the impact of which may cause us to alter our internal forecasts, and which may in turn affect expectations or future results. We do not undertake to publicly announce the changes that may occur in our expectations. Readers are cautioned against giving undue weight to any of the forward-looking statements. The inclusion of forward-looking information should not be regarded as a representation by us or any other person that our objectives or plans will be achieved. We are setting out some of the more specific risk factors below in full for the convenience of the readers:

The market price of our stock has fluctuated pursuant to the acquisition and our preparations for developing and marketing our products, and can be affected by economic and political uncertainties. Declines in the market price of our stock could adversely affect our ability to retain personnel with higher-priced stock incentives, to acquire businesses or assets in exchange for stock and/or to conduct future financing activities with the sale of stock.

WE NEED ADDITIONAL CAPITAL TO ACHIEVE OUR GOALS, BUT WE DO NOT HAVE ANY COMMITMENTS TO OBTAIN SUCH CAPITAL AND CAN NOT GIVE ASSURANCE THAT WE WILL BE ABLE TO OBTAIN CAPITAL AS AND WHEN REQUIRED.

- 22 -



FUTURE REVENUE GROWTH DEPENDS ON OUR ABILITY TO IMPROVE THE EFFECTIVENESS AND BREADTH OF OUR SALES ORGANIZATION.

WE MAY NOT BE ABLE TO PROTECT OUR PROPRIETARY RIGHTS AND MAY INCUR SIGNIFICANT COSTS ATTEMPTING TO DO SO. Our success and ability to compete are dependent to a significant degree on our proprietary technology. We rely on a combination of copyright, trade secret and trademark

THE MARKET FOR OUR COMMON STOCK IS LIMITED. Our common stock is thinly-traded and any recently reported sales price may not be a true market-based valuation of our common stock. There can be no assurance that an active market for our common stock will develop. In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to operating performance.

OUR COMMON STOCK IS CONSIDERED A "PENNY STOCK" AND, AS SUCH, THE MARKET FOR OUR COMMON STOCK MAY BE FURTHER LIMITED BY CERTAIN SEC RULES. As long as the price of our common stock remains below \$5.00 per share, the stock is likely to be subject to certain "penny stock" rules promulgated by the SEC. Those rules impose certain sales practice requirements on brokers who sell penny stock to persons other than established customers and accredited investors (generally institutions with assets in excess of \$5,000,000 or individuals with net worth in excess of \$1,000,000). For transactions covered by the penny stock rules, the broker must make a special suitability determination for the purchaser and receive the purchaser's written consent to the transaction prior to the sale. Furthermore, the penny stock rules generally require, among other things, that brokers engaged in secondary trading of penny stocks provide customers with written disclosure documents, monthly statements of the market value of penny stocks, disclosure of the bid and ask prices, disclosure of the compensation to the brokerage firm, and disclosure of the sales person working for the brokerage firm. These rules and regulations adversely affect the ability of brokers to sell our common stock and limit the liquidity of our securities.

THE TRADING PRICE OF OUR COMMON STOCK IS VOLATILE AND COULD DECLINE SUBSTANTIALLY. The trading price of our common stock is volatile and is likely to continue to be volatile. Our stock price could be subject to wide fluctuations in response to a variety of issues, including broad market factors that may have a material adverse impact on our stock price, regardless of our actual performance. The factors include, but are not limited to, the following:

- Periodic variations in the actual or anticipated financial results of our business or that of our competitors;
- Downward revisions in estimates of our future operating results or of the future operating results of our competitors;
- Material announcements by us or our competitors;
- Adverse changes in general market conditions or economic trends or in conditions or trends in the market in which we operate.

WE HAVE THE ABILITY TO ISSUE ADDITIONAL EQUITY SECURITIES, WHICH WOULD LEAD TO DILUTION OF OUR ISSUED AND OUTSTANDING COMMON STOCK. The issuance of additional equity securities or securities convertible into equity securities would result in dilution of our existing stockholders' equity interests in us. Our Board of Directors has the authority to issue, without vote or action of stockholders, preferred stock in one or more series, and has the ability to fix the rights, preferences, privileges and restrictions of any such series. Any such series of preferred stock could contain dividend rights, conversion rights, voting rights, terms of redemption, redemption prices, liquidation preferences or other rights superior to the rights of holders of our common stock. If we issue convertible preferred stock, a subsequent conversion may dilute the current common stockholders' interest. In addition, as of January 31, 2006, we were authorized to issue, without stockholder approval, up to 16,751,136 shares of common stock. Of that amount, 140,398 shares of our common stock were issuable upon the exercise of vested options.

- 23 -



WE DO NOT INTEND TO PAY CASH DIVIDENDS. AS A RESULT, STOCKHOLDERS WILL BENEFIT FROM AN INVESTMENT IN OUR COMMON STOCK ONLY IF IT APPRECIATES IN VALUE. We have never paid a cash dividend on our common stock, and we do not plan to pay any cash dividends on our common stock in the foreseeable future. We currently intend to retain any future earnings to finance our operations and further expansion and growth of our business, including acquisitions. As a result, the success of an investment in our common stock will depend upon any future appreciation in its value. We cannot guarantee that our common stock will appreciate in value or even maintain the price at which stockholders have purchased their shares.

(a) Disclosure Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures. Based upon that evaluation, the CEO and CFO concluded that as of July 31, 2006 our disclosure controls and procedures were effective in timely alerting them to the material information relating to the Company required to be included in the Company's periodic filings with the SEC, subject to the various limitations on effectiveness set forth below under the heading, "LIMITATIONS ON THE EFFECTIVENESS OF INTERNAL CONTROLS," such that the information relating to the Company, required to be disclosed in SEC reports (i) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) is accumulated and communicated to the Company's management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Controls over financial reporting

Changes in internal control over financial reporting. There has been no change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended July 31, 2006 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) Limitations on Effectiveness of Disclosure Controls and Procedures

The Company's management, including the CEO and CFO, does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their 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 internal control. The design of any 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 goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, and/or the degree of compliance with the policies or procedures may deteriorate.

- 24 -



PART II

ITEM 1. LEGAL PROCEEDINGS

None.

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

None.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

23.1 Consent of Independent Registered Public Accounting Firm

31.1 Certification Pursuant to Section 302 of Sarbanes Oxley Act of 2002.

32.1 Certification Pursuant to 18 U.S.C. Section 1350

The Company incorporates by reference all exhibits to its Form 10-KSB for the year ending June 30, 2006.

- 25 -



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 25, 2006

WORLDTRADESHOW.COM, INC.

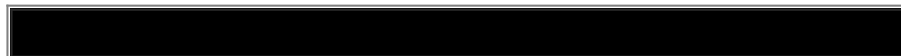
By: /S/ Sheldon Silverman  
Sheldon Silverman  
Chief Executive Officer, Chief Financial  
Officer and Chairman of the Board



In accordance with the Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

	Title	Date
<u>/S/ Sheldon Silverman</u> Sheldon Silverman	Chief Executive Officer, Chief Financial Officer and Chairman of the Board	October 25, 2006

- 26 -



To Whom It May Concern:

The firm of Chang G. Park, CPA, Certified Public Accountant, consents to the inclusion of our report of October 11, 2006, on the reviewed financial statements of WorldTradeShow.com, Inc. as of July 31, 2006, in any filings that are necessary now or in the near future with the U.S. Securities and Exchange Commission.

Very truly yours,

/s/ Chang G. Park, CPA  
CHANG G. PARK, CPA

Chula Vista, CA 91910  
October 11, 2006

**Member of the California Society of Certified Public Accountants  
Registered with the Public Company Accounting Oversight Board**

## FORM 10-KSB CERTIFICATION

CERTIFICATION PURSUANT TO  
RULE 13a-14(a) AND 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANE-OXLEY ACT.

I, Sheldon Silverman, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of WorldTradeShow.com, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of WorldTradeShow.com, Inc. as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for WorldTradeShow.com, Inc. and have:
  - a. Designed such disclosure controls and procedures to ensure that material information relating to WorldTradeShow.com, Inc., including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of WorldTradeShow.com, Inc.'s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in WorldTradeShow.com, Inc. internal controls over financial reporting that occurred during NatureWell Incorporated's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect, WorldTradeShow.com, Inc.'s internal control over financial reporting.
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to WorldTradeShow.com, Inc.'s auditors and the audit committee of WorldTradeShow.com, Inc.'s board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect WorldTradeShow.com, Inc.'s ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in WorldTradeShow.com, Inc.'s internal control over financial reporting.

Dated: October 25, 2006

/s/ SHELDON SILVERMAN  
Sheldon Silverman,  
President, Chief  
Executive Officer, and  
Chief Financial Officer

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

In connection with the quarterly report of WorldTradeShow.com, Inc. (the "Company") on Form 10-QSB for the period ended July 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report") the undersigned hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 25, 2006

/s/ SHELDON SILVERMAN  
Sheldon Silverman,  
President, Chief  
Executive Officer, and  
Chief Financial Officer