

SECURITIES AND EXCHANGE COMMISSION

FORM 10KSB/A

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]
[amend]

Filing Date: **2005-05-02** | Period of Report: **2004-12-31**
SEC Accession No. **0001144204-05-013561**

([HTML Version](#) on [secdatabase.com](#))

FILER

MB TECH INC

CIK: **1085819** | IRS No.: **880399260** | State of Incorporation: **NV** | Fiscal Year End: **1231**
Type: **10KSB/A** | Act: **34** | File No.: **000-26569** | Film No.: **05789923**
SIC: **6770** Blank checks

Mailing Address
8360 FEATHER DUSTER
COURT
--
LAS VEGAS NV 89113

Business Address
BUSINESS INCUBATION,
CENTER
SUITE 5408, DONGSEOUL
COLLEGE
SEONGNAM CITY M5 --
702-315-0324

U.S. SECURITIES AND EXCHANGE
COMMISSION Washington, D.C. 20549

FORM 10-KSB/A

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 000-32725

MB TECH, INC.

(Exact name of registrant as specified in its charter)

NEVADA

88-9399260

(State or jurisdiction of incorporation (I.R.S. Employer Identification No.)
or organization)

Suite 5408, Dongseoul College
Bokjeong-dong, Sujeong-gu, Seongnam City
Republic of Korea
(Address of principal executive offices) (Zip Code)

Registrant's telephone number: 82-31- 757-1765

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

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, \$0.001 Par Value

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) been subject to such
filing requirements for the past 90 days. Yes No

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

The Registrant had revenues of \$248,787 for the fiscal year ended on December
31, 2004.

The aggregate market value of the voting stock held by non-affiliates of the
Registrant as of December 31, 2004: Common Stock, par value \$0.001 per share -
\$2,756,290 based upon a total of 39,375,568 shares held by non-affiliates and
the last sales price on that date of \$ 0.07. As of March 31, 2005, the
Registrant had 74,095,990 shares of common stock issued and outstanding.

TABLE OF CONTENTS

	PAGE
PART I	
ITEM 1. BUSINESS	3
ITEM 2. PROPERTIES	4
ITEM 3. LEGAL PROCEEDINGS	4
ITEM 4. SUBMISSION TO MATTERS TO VOTE OF SECURITY HOLDERS	5
PART II	
ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS	5
ITEM 6. PLAN OF OPERATION	6
ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	8
ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	10
ITEM 8A. CONTROLS AND PROCEDURES	10

PART III	
ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT	10
ITEM 10. EXECUTIVE COMPENSATION	11
ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	11
ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	11
PART IV	
ITEM 13. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES, AND REPORTS ON FORM 8-K	12
ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES	13
SIGNATURES	15

PART I.

ITEM 1. DESCRIPTION OF THE BUSINESS AND CURRENT BUSINESS DEVELOPMENT

INTRODUCTION

The Registrant is a global manufacturer and distributor of electronic components. The Registrant and its subsidiaries produce products for the DBS satellite industry and state of the art RF microwave and communications technologies with consumer and military applications. The Registrant serves the satellite television market as a provider of hardware and bundled solutions, and is expanding to serve the satellite radio and military hardware and solutions sectors. Registrant strives to deliver a lower cost solution to increase satellite users, and capitalize on volume production for that new market.

BUSINESS AND PRODUCTS

The Registrant had established itself as a global provider of LNB (Low Noise Blockdown) converters. These essential components were required in every DBS (Direct Broadcast Satellite) dish and other receiving units, to convert satellite transmissions into useable signals.

The Registrant designed and manufactured LNB electronics - the signal converter needed on any DBS dish. These were the 18" pizza-sized dishes seen more and more frequently on building roof tops. The Registrant believed they could improve on the conventional design and could manufacture the units more efficiently and less expensively while still actually increasing the quality.

LNB business is not profitable products any more in DBS Market, so the Registrant has been try to move to the higher margin segment of the industry. The Registrant has instituted a paradigm shift in its core business from a supplier of electronic components for DBS satellites to and end-user consumer -driven Company delivering specialized antenna solution for the mass market

From 2003, the Registrant started to develop its "Flat Antenna" with an automatic satellite tracking system. The new Flat Antenna is portable, has the ability to search for multiple DBS satellites and does not require an engineer or special tools for installation by a consumer. The compact portable design makes the Antenna suitable for use indoors as well as outdoors. The Antenna is ideal for the yet to be tapped apartment, condominium and office building market as well as all other portable use solutions including boats in marinas and recreational vehicles or summer homes as an example. The Registrant has commenced development of in-motion models of the new Flat Antennae solution for buses, trains, motor homes, boats and automobiles.

The Registrant has made important development breakthroughs with its silicon chip-based phased-array antenna system with its partner Teltron. The product will allow for mobile in-motion use for DBS services in vehicles such as SUVs, limousines, and RVs.

The new silicon chip-based phased shift array antenna will ultimately have the ability to fit in the roof lining of an SUV whereas many other systems are anywhere from 9 inches to 2 feet rise above the roof line and are of far greater cost to the consumer. Both of these factors pose barriers to entering the mass

consumer market. The phased-array antenna has been tested successfully in a 3-inch height and will now be reduced to a 1-inch height with its complementary components. In this revised stature, the full satellite receiver complement is reduced in height and weight (a goal of nanotechnology), allowing for flexibility, portability, and tactical surface mobility.

The Registrant has initiated its marine satellite innovation in cooperation with A-Telecom Ltd, the leading low noise blocking converter (LNB) and satellite component manufacturing company worldwide. There are three parts of the marine system: antenna, media receiver, and software to track the satellite. The Registrant will be responsible for the antenna dish and utilize its existing tracking solution. A-Telecom will be responsible for the LNB and supporting hardware. The Registrant is directing the required modifications to existing technology and the development of a gyro-digital compass system which represents a key component in the new marine tracking system.

It is anticipated that the completion of the marine antenna will be the first quarter of 2005. The Registrant intends to market this product initially to the coastal service business and yacht market. The prototype presently has a unit sized as a 20-inch diameter dome with 21-inch height. The price is being targeted well below the industry overall which is in line with the company's overall corporate strategy of innovation and price performance.

The Registrant had one major customer located in South Korea which accounted for 95% of the total revenues for the year. The loss of the customer would have a material adverse effect on the Registrant. When the Registrant begins to ship the antenna products from 2005, the importance and dependence to one customer will be decrease.

ITEM 2. PROPERTIES

<TABLE>
<CAPTION>

Location	Type	Principal use	Size	Ownership	Lease Expiration
<S>	<C>	<C>	<C>	<C>	<C>
Seoul Korea	Office	HQ R&D Marketing	76 m2	Leased	April 5, 2006

</TABLE>

ITEM3. LEGAL PROCEEDINGS

In December 2003, the holder of the convertible promissory note filed a complaint against the Company in the United States District Court for the District of Minnesota. A default judgment was entered on February 12, 2004. In April 14, 2005, the plaintiff agreed and signed the Registrant's offer of settlement, which includes the following essential terms:

The Registrant will pay the principal and interest as per the original note at a total of \$200,000. The amount will be paid over an eighteen month period. \$25,000 will be paid upon acceptance of the offer, \$25,000 in the second month, and \$9,375 per month afterwards for sixteen months until the amount is paid in full. 200,000 shares of new restricted stock will be issued upon execution of settlement agreement.

In return, the plaintiff will give the Company a general release and agree to give the Company full relief from the default judgment and a dismissal of the complaint.

The Company's failure to satisfy the settlement terms will result in reinstatement of the original judgment, less any payment made.

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

No matters were submitted to a vote of our shareholders during the fiscal 2004.

PART II.

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's Common Stock is currently quoted on the NASD Electronic Bulletin Board (OTC: BB) under the trading symbol "MBTT". The following table sets forth the highest and lowest bid prices for the Common Stock for each calendar quarter for the year 2004 as reported by the National Quotation Bureau. Such quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

Fiscal 2004	HIGH BID	LOW BID
First Quarter	.34	.13
Second Quarter	.16	.03

Third Quarter	.25	.05
Fourth Quarter	.13	.06

Fiscal 2003

First Quarter	2.65	.25
Second Quarter	2.00	.23
Third Quarter	.90	.30
Fourth Quarter	.36	.13

The Company presently is authorized to issue 145,000,000 shares of Common Stock and 5,000,000 Preferred Stock, of which 62,303,417 Common shares were outstanding as of December 31, 2004.

Holders

There were approximately 166 holders of record of the Company's Common Stock as of December 31, 2004.

Dividends

The Company has not declared or paid cash dividends on its Common Stock since its inception and does not anticipate paying such dividends in the foreseeable future. The Company plans to retain any future earnings for use in the Company's business.

ITEM 6. SELECTED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>

<CAPTION>

	2004	2003	2001
<S>	<C>	<C>	<C>
SALES	\$ 248,787	\$ 404,269	\$ 1,360,295
COST OF SALES	280,035	266,838	1,100,323
GROSS PROFIT	(31,248)	137,431	259,972
EXPENSES	1,241,036	1,124,036	884,732
OPERATING LOSS	(1,273,035)	(986,605)	(624,760)
OTHER INCOME			
Interest income	--	209	154
Gain on disposal of subsidiary	240,633		
Other	10,837	--	--
	251,470	209	154
NON-OPERATING EXPENSES			
Interest expense	43,163	10,660	5,486
Other	--	2,105	2,434
	12,765	12,765	7,920
NET LOSS	\$ (1,064,728)	(999,161)	(632,526)

CONSOLIDATED BALANCE SHEET

ASSETS

	2004	2003	2002
CURRENT			
Cash and equivalents	\$ 218,218	\$ 294,807	\$ 640
Term deposit	--	10,884	2,430
Accounts receivable	291,237	412,874	--
Inventories	--	--	26,573
	590,455	718,565	29,643
EQUIPMENT	23,069	120,852	167,467
DEFERRED FINANCING COSTS	269,579	200,720	--
INVESTMENT	52,402		
PREPAIDS AND DEPOSITS	39,399	94,111	49,403
	\$ 893,904	\$ 1,134,248	\$ 246,513

</TABLE>

<TABLE>
<CAPTION>

	LIABILITIES		
<S>	<C>	<C>	<C>
CURRENT			
Bank loans	\$ --	\$ 108,836	\$ 105,300
Accounts payable	305,278	459,143	377,475
Loans from shareholders and directors	--	57,770	37,890
Notes payable	182,000	100,000	
Loans payable - current portion	--	8,073	14,680
	487,278	733,822	535,345
LOANS PAYABLE		12,255	25,448
CONVERTIBLE DEBENTURES	436,500	998,500	--
	923,778	1,732,322	547,600

STOCKHOLDERS' EQUITY

CAPITAL STOCK	63,013	37,639	6,407
PAID IN CAPITAL	1,522,157	1,605,876	962,531
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	17,468	9,240	(18,357)
ACCUMULATED DEFICIT	(1,632,512)	(2,250,829)	(1,251,668)
	(29,874)	(598,074)	(301,087)
	\$ 893,904	\$ 1,134,248	\$ 246,513

</TABLE>

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

The Registrant plans to be a global manufacturer and distributor of satellite components. The primary product of the Registrant is Low-Noise Blockdown converters ("LNB") which are the essential element enabling DBS (Direct Broadcast Satellite) satellites to receive and convert satellite transmission signals. The Registrant currently serves the satellite television market and is in the process of expanding to serve the satellite radio and military hardware sectors.

The Registrant manufactures several proprietary LNB solutions that differentiate it from its competitors. The Registrant's product line includes a dual-horn LNB which allows multiple set-top boxes to be connected to a single satellite dish enabling viewing of multiple channels simultaneously on different television monitors, and a tri-horn LNB which provides the ability to download signals from multiple satellites over a single dish. The Registrant plans to be a leader and pioneer in Satellite receiver technologies starting with the multihorn LNB however, instituted a paradigm shift in its core business from a supplier of electronic components for DBS satellites, to an end-user consumer-driven Company delivering specialized entertainment solutions for the mass market.

During September 2003 the Registrant completed the development of its "Flat Antenna" with an automatic satellite tracking system. The new Flat Antenna is portable, has the ability to search for multiple DBS satellites and does not require an engineer or special tools to install. The compact portable design makes the Antenna suitable for use indoors as well as out doors. The Antenna is ideal for the yet to be tapped apartment, condominium and office building market as well as all other portable use solutions including boats in marinas and recreational vehicles or summer homes as an example. The Registrant has commenced development of in-motion models of the new flat antennae solution for buses, trains, motor homes, boats and automobiles. These products will address the satellite television markets served by companies such as Direct TV.

On October 1, 2003 the Registrant received an order for 45,000 Flat Antennas from a leading distributor of satellite electronics and components to the commercial electronics market in Japan. The initial systems, originally scheduled for delivery beginning in March 2004, have been delayed to incorporate product refinements until September, 2004. As the distributor has been suffered financial difficulties, the Registrant has not received the purchase order or L/C yet. Even CEO's sudden death made distributor to be reorganized with new

management team. The new management required new field test data through all over the country for buyer's approval. The Registrant's Flat Antenna field test yielded excellent results, with signal reception and auto-tracking performing perfectly in Japan. In addition to make effort to close the existing contract, the Registrant is trying to expand the marketing channel in Japan through contact with the other import or distributor.

The final samples of the portable flat antenna were delivered to the Japanese importer for test and approval. The importer is expected to register the portable antenna product for import during the second quarter of 2005.

On December 2004, successful testing of the portable antenna model was completed in Shen-yang and Chin-Dao China in connection with the Korean DBS SKY Life. It's anticipated that this will serve more than 2 million Koreans who live in China and desire SKY Life service. Meetings have commenced with importers and distributors to enter the final phases of their import.

The Beam Tilting antenna, which needs no adjustment in elevation and allows for easy installation, and the Marine antenna will be completed in joint efforts with A-Telecom by the end of the first quarter 2005.

The Registrant has entered a cooperative agreement with Hyundai Digital Tech which is listed on KOSDAQ. Hyundai Digital Technology is one of the top developers of DVB/MPEG-2 Compliant set top boxes. The agreement identifies the joint goal to bundle the MB Tech core technologies and flat antennae with the set-top box for consumer markets. This strategic alliance is built on core technologies of a tracking board system that uses Satellite Network Identification, GPS technology and sense technology for detecting the signal strength of specific satellites. The MB Tech's Flat antenna and Hyundai's set-top box will be bundled to DirectTV and distributors throughout the world.

The Registrant has entered an exclusive agreement with Nano Equities World Corporation (NEWC) a Military Marketing and Sales corporation which will handle the military sales world wide. This organization based in the US will provide a hands-on presence for MB Tech's flat antennae for all military applications. Mr. Harry Kay is a director of MB Tech who has been elected as president of NEWC.

During the year ended December 31, 2004, the Registrant had revenue from sales generated from LNB of 248,787 US dollar compared to 404,269 US dollar revenues from Antenna, LNB, Set-top box, and Services during the same period in 2003. The reduction of the annual revenue results from the reconstruction of the company business to emphasize Flat Antennas and to de-emphasize LNBS.

On April 2004, the Registrant has established a new market oriented company, Faserwave Inc. in Korea. The new company is specializing in the antenna sector of the Company's business to develop, manufacture, and sell antenna only such as

the auto positioning flat antenna, phased array antenna, in-motion tracking antenna, etc.

By the establishment of new company, the Registrant focus more on the higher margin segment of satellite industry.

On December 20 2004, the Registrant entered into an Agreement which sets forth the terms and conditions for the assignment of 100% of MB Tech Korea's outstanding shares to Mr. Taehyun Shin who was CEO and President of MB Tech Korea.

A slump in business of MB Tech Korea made its financial state worse to pile up bad assets, accounts payable and liabilities, which could not be settled in near future with its normal course of business. The management tried to find out how to improve its financial situation and determined to reorganize MB Tech Korea. MB Tech Korea assigned its core assets to Faserwave and disposed its bad assets to Mr. Shin.

The sale of MB Tech Korea has the following meanings:

- o The disposition of bad assets,
- o The clearance of long-term accounts payable and liabilities,
- o The restructuring of the business with neither competitive power nor profit,
- o The lay-off of the inefficient employee, and
- o The improvement of cash flow by reducing fixed cost and indirect cost.

The Registrant will focus its business onto developing and marketing satellite antenna.

For LNB business, the Registrant established cooperative relationship with A-Telecom, a top tier manufacturer of LNB. The Registrant shall be in charge of marketing and selling LNB products for the North America market and A-Telecom shall develop and manufacture LNB under the brand of MB Tech.

The Registrant has experienced recurring losses since inception and has negative cash flows from operations that raise substantial doubt as to its ability to continue as a going concern. The Registrant's ability to continue as a going concern is contingent upon its ability to secure additional financing, initiate sale of its product and attain profitable operations. The Registrant expects to continue to meet its liquidity requirements by private equity and/or debt offerings of securities until it generates sufficient funds from operations.

<TABLE>
<CAPTION>

2005 OPERATION PLAN FOR MB TECH

(Unit: US dollar)

II	JUN.	JUL	AUG.	SEP.	OCT.	NOV.	DEC.	TOTAL
<S> Flat Antenna	<C>	<C>	<C>	<C> 165,000	<C> 1,010,000	<C> 2,020,000	<C> 2,180,000	<C> 5,375,000
Marine/vehicle Antenna				166,200	381,000	531,000	912,000	1,990,200
CATV Amp	163,000	163,000	163,000	326,000	326,000	489,000	489,000	2,119,000
Other	82,200	82,200	82,200	182,200	82,200	182,200	82,200	611,000
TOTAL	245,200	245,200	245,200	839,400	1,799,200	3,222,200	3,663,200	10,095,200

</TABLE>

Forward-Looking Statements

The foregoing Plan of Operation may contain "forward looking statements" within the meaning of Rule 175 under the Securities Act of 1933, as amended, and Rule 3b-6 under the Securities Act of 1934, as amended, including statements regarding, among other items, the Registrant's business strategies, continued growth in the Registrant's markets, projections, and anticipated trends in the Registrant's business and the industry in which it operates. The words "believe," "expect," "anticipate," "intends," "forecast," "project," and similar expressions identify forward-looking statements. These forward-looking statements are based largely on the Registrant's expectations and are subject to a number of risks and uncertainties, certain of which are beyond the Registrant's control. The Registrant cautions that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward looking statements, including, among others, the following: reduced or lack of increase in demand for the Registrant's products, competitive pricing pressures and the level of expenses incurred in the Registrant's operations. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained herein will in fact transpire or prove to be accurate. The Registrant disclaims any intent or obligation to update "forward looking statements."

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

The Registrant does not have changes in or disagreements with accountants on accounting and financial disclosure.

ITEM 8a. CONTROLS AND PROCEDURES

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), as of December 31, 2004, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation was carried out under the supervision

and with the participation of the Company's management, including the Company's

Chairman (who has served as the principal financial and accounting officer) and its President and CEO (who serves as the principal operating officer). Based upon that evaluation, the Company's Chairman and President have concluded that the Company's disclosure controls and procedures are effective in alerting them to material information regarding the Company's financial statement and disclosure obligation in order to allow the Company to meet its reporting requirements under the Exchange Act in a timely manner.

The Company's management, with the participation of its chief executive officer and chief financial officer, has determined that there has been no change in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III.

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS AND COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

(a) Officers and Directors as of December 31, 2004:

<TABLE>
<CAPTION>

Name	Position	Age	Education	Work Experience
<S>	<C>	<C>	<C>	<C>
Hanwook Bae	CEO & President Director	46	Youngnam University	StandardTek Inc., Director CJ Corporation, General Manager Samsung Electronics, General Manager Samsung Motor Inc., General Manager Samsung Singapore, General Manager Samsung Corporation, Manager
Sangeon Park	CFO Director	42	State University of New York MS accounting	IMC Direct, CFO Pionsoft, CFO Samsung Securities, Ltd. Manager Samsung Motors Inc. Manager Samsung Corporation
Kangrae Jo	Director	46	Youngnam University MBA	Green Cable Television, CEO
Harry Kay*	Outside Director	80	U.S. Marine Corp.	President and Chairman of K-Group Senior Management Positions of Public Companies Diplomatic Coordinator on behalf of US Government

</TABLE>

* The Registrant has appointed Mr. Harry Kay as an outside Director at Feb. 6th 2004. Mr. Kay has an extensive international background and high-level contacts in public, private and governmental organizations throughout the world.

(b) Compliance with Section 16(a) of the Exchange Act.

Section 16(a) of the Securities Exchange Act of 1934 requires executive officers and directors, and persons who beneficially own more than 10% of any class of the Registrant's equity securities to file initial reports of ownership and reports of changes in ownership with the Securities and Exchange Commission ("SEC"). Executive officers, directors and beneficial owners of more than 10% of any class of the Registrant's equity securities are required by SEC regulations to furnish the Registrant with copies of all Section 16(a) forms they file.

The Registrant is aware that each such reporting persons inadvertently failed to file Forms 3 at the time the Registrant became registered under Section 12 of such act (December 4, 1999). Such forms have not been prepared and filed to date. All affiliates are aware of this requirement and expect to file Form 3's within the next thirty days.

ITEM 10, EXECUTIVE COMPENSATION SALARY AND OPTIONS

For the year 2004, the Registrant paid compensation to its officers and directors as follows:

Name	Position	Salary	Stock
-----	-----	-----	-----

Hanwook Bae	CEO & President Director	3,000,000 shares
Sangeon Park	CFO Director	2,000,000 shares
Harry Kay	Outside Director	1,500,000 shares

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Name and address of Beneficial owner	Office	Total shares	Percent Ownership
Hanwook Bae	CEO & President, Director	9,687,932	15.5 %
Kangrae Jo	Director	8,000,000	12.8 %
Sangeon Park	CFO, Director	3,450,000	5.5 %
Harry Kay	Outside Director	1,500,000	2.4%

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

During the past two (2) years, the Company has not entered into a transaction with a value in excess of \$60,000 with a director, officer or beneficial owner of 5% or more of the Company's Common Stock.

PART IV.

ITEM 13. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) Index to Financial Statements and Schedules

	PAGE
Independent Auditors' Report	F-1
Consolidated Balance Sheet	F-2
Consolidated Statement of Operations	F-3
Consolidated Schedule of Expenses	F-4
Consolidated Statement of Stockholders' Equity	F-5
Consolidated Statement of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-7-F-16

(b) Reports on Form 8-K.

Registrant filed a current report on Form 8-K on December 20, 2004 to report under Item 8 the other events, the assignment of 100% shares of a subsidiary, MB Tech Korea, to Mr. Taehyun Shin who is CEO & President of MB Tech Korea.

(c) Exhibits included or incorporated by reference herein

Exhibit No.	Description
31.1	Chief Executive Officer certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Chief Financial Officer certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Chief Executive Officer certification pursuant to 18 U.S.C. Section

32.2 Chief Financial Officer certification pursuant to 18 U.S.C. Section 1350

ITEM 14 PRINCIPAL ACCOUNTING FEES AND SERVICES.

The following is a summary of the aggregate fees billed to Registrant by its principal accountant(s) for professional services rendered for the fiscal years ended December 31, 2004 and 2003.

FEE CATEGORY	FISCAL 2004 FEES (\$)	FISCAL 2003 FEES (\$)
-----	-----	-----
Audit Fees 1	39,000	22,000
Audit-Related Fees 2	0	0
Tax Fees 3	0	0
All Other Fees 4	0	0
Total Fees	39,000	22,000

1. Audit Fees. Consists of fees billed for professional services rendered for the audits of Registrant's financial statements for the fiscal years ended December 31, 2004 and 2003, and for review of the financial statements included in Registrant's Quarterly Reports on Form 10-QSB for those fiscal years.

2. Audit-Related Fees. Consists of fees billed for services rendered to Registrant for audit-related services, which generally include fees for audit and review services in connection with a proposed spin-off transaction, separate audits of employee benefit and pension plans, and ad hoc fees for consultation on financial accounting and reporting standards.

3. Tax Fees. Consists of fees billed for services rendered to Registrant for tax services, which generally include fees for corporate tax planning, consultation and compliance.

4. All Other Fees. Consists of fees billed for all other services rendered to Registrant, which generally include fees for consultation regarding computer system controls and human capital consultations. No services were performed related to financial information systems design and implementation for the fiscal years ended December 31, 2004 and 2003.

None of the "audit-related," "tax" and "all other" services in 2004, as defined above, were approved by the Audit Committee in reliance on the de minimus exception to the preapproval requirements under federal securities laws and regulations.

PRE-APPROVAL OF SERVICES OF PRINCIPAL ACCOUNTING FIRM

The Audit Committee's written policy is to pre-approve all audit and permissible non-audit services provided by Registrant's principal accounting firm (independent auditor). These services may include audit services, audit-related services, tax services and other permissible non-audit services. Any service incorporated within the independent auditor's engagement letter, which is approved by the Audit Committee, is deemed pre-approved. Any service

identified as to type and estimated fee in the independent auditor's written annual service plan, which is approved by the Audit Committee, is deemed pre-approved up to the dollar amount provided in such annual service plan.

During the year, the principal accounting firm may also provide additional accounting research and consultation services required by, and incident to, the audit of Registrant's financial statements and related reporting compliance. These additional audit-related services are pre-approved up to the amount approved in the annual service plan approved by the Audit Committee. The Audit Committee may also pre-approve services on a case-by-case basis during the year.

The Audit Committee's approval of proposed services and fees are noted in the meeting minutes of the Audit Committee and/or by signature of the Audit Committee on the engagement letter. The principal accounting firm of Registrant and management are periodically requested to summarize the principal accounting firm services and fees paid to date, and management is required to report whether the principal accounting firm's services and fees have been pre-approved in accordance with the required pre-approval process of the Audit Committee.

NON-AUDIT SERVICES

The Audit Committee of the Board of Directors has considered whether the provision of non-audit services by the Registrant's principal accountants is compatible with maintaining auditor independence.

SIGNATURES

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

M B TECH, INC
Registrant

By /s/ Hanwook Bae

Hanwook Bae, President

By: /s/ Sangeon Park

Sangeon Park, Chief Financial Officer

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

Signature -----	Title ----	Date ----
/s/ Hanwook Bae ----- Hanwook Bae	Chief Executive Officer, Principal Executive Officer, Director	May 2, 2005
/s/ Sangeon Park ----- Sangeon Park	Chief Financial Officer Principal Financial Officer, Director	May 2, 2005
/s/ Kangrae Jo ----- Kangrae Jo	Director	May 2, 2005

MB TECH INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2004 AND 2003

CONTENTS

Independent Auditors' Report	F-1
Consolidated Balance Sheets	F-2
Consolidated Statements of Stockholders' Equity	F-3
Consolidated Statements of Operations	F-4
Consolidated Statements of Cash Flows	F-5
Notes to Consolidated Financial Statements	F- 6- F-16

INDEPENDENT AUDITORS' REPORT

To the Stockholders of
MB TECH INC.

We have audited the accompanying consolidated balance sheets of MB Tech Inc. and subsidiaries as of December 31, 2004 and 2003, and the related consolidated statements of stockholders' equity, operations, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2004 and 2003, and the results of its operation, accumulated deficit and its cash flows for the years ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"SF PARTNERSHIP, LLP"

TORONTO, CANADA
March 7, 2005

CHARTERED ACCOUNTANTS

F-1

MB TECH INC.
Consolidated Balance Sheets
December 31, 2004 and 2003

<TABLE>
<CAPTION>

<S>	2004	2003
	<C>	<C>
ASSETS		
CURRENT		
Cash and cash items	\$ 218,218	\$ 294,807
Term deposit	--	10,884
Accounts receivable (net of allowance for doubtful accounts 2004 - \$97,266; 2003 - \$2,723)	291,237	412,874
	-----	-----
	509,455	718,565
EQUIPMENT (note 3)	23,069	120,852
DEFERRED FINANCING COSTS (note 4)	269,579	200,720
INVESTMENT (note 5)	52,402	--
PREPAIDS AND DEPOSITS	39,399	94,111
	-----	-----
	\$ 893,904	\$ 1,134,248
	=====	=====
LIABILITIES		
CURRENT		
Bank loans	\$ --	\$ 108,836
Accounts payable	305,278	459,143
Loans from shareholders and directors	--	57,770
Note payable (note 6)	182,000	100,000
Loans payable - current portion	--	8,073
	-----	-----

	487,278	733,822
CONVERTIBLE DEBENTURES (note 7)	436,500	998,500
	-----	-----
	923,778	1,732,322
	-----	-----
STOCKHOLDERS' EQUITY		
CAPITAL STOCK (note 8)	63,013	37,639
PAID IN CAPITAL	1,522,157	1,605,876
ACCUMULATED OTHER COMPREHENSIVE INCOME	17,468	9,240
ACCUMULATED DEFICIT	(1,632,512)	(2,250,829)
	-----	-----
	(29,874)	(598,074)
	-----	-----
	\$ 893,904	\$ 1,134,248
	=====	=====

</TABLE>

APPROVED ON BEHALF OF THE BOARD

"HANWOOK BAE"

"SANGEON PARK"

Director

Director

(The accompanied notes of the financial statements are an integral part of these statements)

F-2

MB TECH INC.
Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2004 and 2003

<TABLE>
<CAPTION>

	NUMBER OF SHARES	CAPITAL STOCK	PAID IN CAPITAL IN EXCESS OF PAR VALUE	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 2003	6,407,427	\$ 6,407	\$ 962,531	\$ (18,357)	\$ (1,251,668)	\$ (301,087)
Common stock issued for cash	15,172,414	15,172	374,828	--	--	390,000
Capital reduction	(15,931,035)	(15,931)	15,931	--	--	--
Common stock issued on acquisition of MB Tech Co. Ltd.	22,000,000	22,000	(154,092)	--	--	(132,092)
Common stock issued for services	250,000	250	112,250	--	--	112,500
Common stock issued for services relating to public offering	8,240,000	8,240	300,760	--	--	309,000
Conversion of convertible debentures into common stock (note 8)	1,500,616	1,501	--	--	--	1,501
Common stock issuance costs	--	--	(6,332)	--	--	(6,332)
Foreign exchange on translation	--	--	--	27,597	--	27,597
Net Loss	--	--	--	--	(999,161)	(999,161)
Balance, December 31, 2003	37,639,422	\$ 37,639	\$ 1,605,876	\$ 9,240	\$ (2,250,829)	\$ (598,074)
Balance, January 1, 2004	37,639,422	\$ 37,639	\$ 1,605,876	\$ 9,240	\$ (2,250,829)	\$ (598,074)
Common stock issued for services - February 11, 2004 (note 8)	475,000	475	34,525	--	--	35,000
Conversion of convertible debentures into common stock (note 8)	14,419,078	14,419	1,047,581	--	--	1,062,000
Common stock issued for services August 18, 2004 (note 8)	2,600,000	2,600	88,400	--	--	91,000
Common stock issued for services - November 3, 2004 (note 8)	6,150,000	6,150	361,350	--	--	367,500
Common stock issued for services - December 22, 2004 (note 8)	450,000	450	17,550	--	--	18,000
Common shares issued to acquire investment (note 8)	1,280,000	1,280	49,920	--	--	51,200
Disposition of MB Tech Korea (note 12)	--	--	(1,683,045)	--	1,683,045	--
Foreign exchange on translation	--	--	--	8,228	--	8,228
Net Loss	--	--	--	--	(1,064,728)	(1,064,728)

Balance, December 31, 2004	63,013,500	\$	63,013	\$	1,522,157	\$	17,468	\$	(1,632,512)	\$	(29,874)
----------------------------	------------	----	--------	----	-----------	----	--------	----	-------------	----	----------

</TABLE>

(The accompanied notes of the financial statements are an integral part of these statements)

F-3

MB TECH INC.
Consolidated Statements of Operations
Years Ended December 31, 2004 and 2003

	2004	2003
NET SALES	\$ 248,787	\$ 404,269
COST OF SALES	280,035	266,838
GROSS (LOSS) PROFIT	(31,248)	137,431
EXPENSES	1,241,787	1,124,036
OPERATING LOSS	(1,273,035)	(986,605)
OTHER		
Gain on disposal of subsidiary (note 11)	(240,633)	--
Interest expense	43,163	10,451
Other (income) expense	(10,837)	2,105
	(208,307)	12,556
NET LOSS	\$ (1,064,728)	\$ (999,161)
BASIC AND FULLY DILUTED LOSS PER SHARE (note 8)	\$ (0.02)	\$ (0.04)
WEIGHTED AVERAGE NUMBER OF SHARES	46,912,200	24,435,103

(The accompanied notes of the financial statements are an integral part of these statements)

F-4

MB TECH INC.
Consolidated Statements of Cash Flows
Years Ended December 31, 2004 and 2003

<TABLE>
<CAPTION>

	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,064,728)	\$ (999,161)
Adjustments for:		
Gain on disposal of subsidiary	(240,633)	--
Depreciation	71,937	114,272
Amortization of financing fees	45,881	--
Stock issued in exchange for services	511,500	421,500
Net Changes in Assets & Liabilities		
Accounts receivable	121,637	(427,468)
Inventories	--	27,557
Prepays and deposits	54,712	(7,985)
Deferred finance charges	(114,740)	(200,720)
Accounts payable	(153,866)	49,087

	(768,300)	(1,022,918)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposition of subsidiary	240,633	--
Investment	(1,202)	--
Disposition (additions) of equipment	25,846	(55,179)
Term deposit	10,884	(8,400)
	276,161	(63,579)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common stock	--	383,668
Loans payable	(8,073)	(19,832)
Bank loans	(108,836)	--
Note payable	82,000	--
Convertible debentures	500,000	998,500
Loans from shareholders and directors	(57,770)	18,670
	407,321	1,381,006
FOREIGN EXCHANGE ON CASH AND CASH EQUIVALENTS		
	8,229	(342)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		
	(76,589)	294,167
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		
	294,807	640
CASH AND CASH EQUIVALENTS - END OF YEAR		
	\$ 218,218	\$ 294,807
INTEREST AND INCOME TAXES PAID:		
Interest paid	\$ 13,021	\$ 8,652
Income taxes paid	\$ --	\$ --

</TABLE>

(The accompanied notes of the financial statements are an integral part of these statements)

F-5

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

a) Description of Business

MB Tech Inc. ("the Company"), formerly known as Inspiration Products Group, Inc. was incorporated in September 1995 in the state of Nevada. In January 2003, the Company changed its name from Midwest Venture Holdings, Inc. to Inspiration Products Group, Inc. and then changed it again to MB Tech Inc. in May 2003.

On May 13, 2003, in accordance with a Share Exchange Agreement dated May 8, 2003 (the "Agreement"), the Company entered into a reverse-takeover transaction with MB Tech Co., Ltd. ("MB Tech Korea"), a Korean corporation and its shareholders. The Agreement provided for the acquisition by the Company of 100% of the issued and outstanding capital stock of MB Tech Korea. In exchange, the shareholders of MB Tech Korea received 22,000,000 common shares of the Company. As a result, the shareholders of MB Tech Korea controlled 84% of the Company. While the Company is the legal parent, as a result of the reverse-takeover, MB Tech Korea became the parent company for accounting purposes.

Upon completion of the share exchange, the business operations of MB Tech Korea constituted virtually all of the business operations of the Company. MB Tech Korea is a global provider of Satellite Receiver Converters (LNB) that is an integral part of every DBS (Direct Broadcast Satellite) TV receiver dish. The LNB Satellite Receiver Converter is the key component that allows a land-based receiver such as a TV set, an Internet receiver, or a GPS tracker to take a satellite transmission and convert it into a useable signal.

Based in Seoul, South Korea, the Company has been manufacturing high-quality LNBs for Canadian and Thai Direct Broadcast Satellite companies since April 2001.

The Company shifted its primary focus from the sale of LNB to the sale of flat antenna in 2003. On December 20, 2004, the Company sold the operating assets from "MB Tech Korea" to its newly incorporated wholly-owned subsidiary Faserwave Inc. ("Faserwave") operating in Seoul Korea. In return, Faserwave assumed short-term debt and the intercompany payable of MB Tech Korea to MB Tech Inc. Shares of "MB Tech Korea" were then disposed of to the president of MB Tech Korea at no consideration as described in note 12. As a result the Company continued on the same business under Faserwave.

b) Going Concern

The Company's consolidated financial statements are presented on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has experienced recurring losses since inception and has negative cash flows from operations that raise substantial doubt as to its ability to continue as a going concern. For the years ended December 31, 2004 and 2003, the Company experienced net losses of \$1,064,728 and \$999,161 respectively.

The Company's ability to continue as a going concern is contingent upon its ability to secure additional financing, initiating sale of its product and attaining profitable operations.

F-6

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

1. DESCRIPTION OF BUSINESS AND GOING CONCERN (CONT'D)

Management is pursuing various sources of equity financing in addition to increasing its sales base. During the year, the Company shifted its primary focus from the sale of LNB to the sale of flat antenna which management believes has a larger market and higher margins than LNB. Although the Company has plans to pursue additional financing, there can be no assurance that the Company will be able to secure financing when needed or obtain such on terms satisfactory to the Company, if at all.

The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are in accordance with generally accepted accounting principles of the United States of America, and their basis of application is consistent. Outlined below are those policies considered particularly significant:

a) Basis of Financial Statement Presentation

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

b) Basis of Consolidation

The merger of the Company and MB Tech Korea has been recorded as the recapitalization of the Company, with the net assets of the Company brought forward at their historical basis. The intention of the management of MB Tech Korea was to acquire the Company as a shell company listed on Nasdaq. Management does not intend to pursue the business of the Company. As such, accounting for the merger as the recapitalization of the Company is deemed appropriate.

c) Unit of Measurement

The US Dollar has been used as the unit of measurement in these financial statements.

F-7

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Cash and equivalents

Highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

e) Equipment

Equipment is stated at cost. Depreciation is computed based on the estimated useful life of the respective asset as follows:

	USEFUL LIFE (YEARS)	BASIS
Furniture and office equipment	5	Declining
Vehicles	5	Declining

f) Deferred Financing Costs

Deferred financing costs are stated at cost and are being amortized on a straight line basis over the term of the related financing of 5 years.

g) Revenue Recognition

The Company recognizes revenues from product sales.

Revenues from products sales are recognized in accordance with Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements" ("SAB No. 101") when delivery has occurred provided there is persuasive evidence of an agreement, the fee is fixed or determinable and collection of the related receivable is probable.

h) Use of Estimates

Preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results may ultimately differ from estimates, although management does not believe such changes will materially affect the financial statements in any individual year.

i) Investment

Investment in available-for-sale securities are recorded at fair value in accordance with FAS No.115 "Accounting for Certain Investments in Debt and Equity Securities."

F-8

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Currency Translation

The Company's functional currency is Korean won. Adjustments to

translate those statements into U.S. dollars at the balance sheet date are recorded in other comprehensive income.

Foreign currency transactions of the Korean operation have been translated to Korean Won at the rate prevailing at the time of the transaction. Realized foreign exchange gains and losses have been charged to income in the year.

k) Financial Instruments

Fair values of cash equivalents, short-term and long-term investments and short-term debt approximate cost. The estimated fair values of other financial instruments, including debt, equity and risk management instruments, have been determined using market information and valuation methodologies, primarily discounted cash flow analysis. These estimates require considerable judgment in interpreting market data, and changes in assumptions or estimation methods could significantly affect the fair value estimates.

l) Loss per Common Share

The Company calculates net loss per share based on SFAS No. 128, "Earnings Per Share". Basic loss per share is computed by dividing net loss attributable to the common stockholders by the weighted average number of common shares outstanding. Fully diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

m) Comprehensive Income

The Company adopted SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 establishes standards for reporting and presentation of comprehensive income and its components in a full set of financial statements. Comprehensive income is presented in the statements of stockholders' deficit, and consists of net income and unrealized gains (losses) on available for sale marketable securities; foreign currency translation adjustments and changes in market value of future contracts that qualify as a hedge; and negative equity adjustments recognized in accordance with SFAS No. 87. SFAS No. 130 requires only additional disclosures in the financial statements and does not affect the Company's financial position or results of operations.

F-9

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Recent Accounting Pronouncements

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Non-monetary Assets - an amendment of APB Opinion No. 29" (Statement 153). This Statement amends Opinion 29 to eliminate the exception for non-monetary exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. A non-monetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The adoption of FAS 153 will not have a material impact on the Company's consolidated financial statements.

In December 2004, the FASB issued a revision to SFAS No. 123, "Share-Based Payment" (Statement 123). This Statement requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which the employee is required to provide service in exchange for the award requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. Employee share purchase plans will not result in

recognition of compensation cost if certain conditions are met; those conditions are much the same as the related conditions in Statement 123. This Statement is effective for public entities that do not file as a small business issuers as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. This Statement applies to all awards granted after the required effective date and to awards modified, repurchased, or cancelled after that date. The cumulative effect of initially applying this Statement, if any, is recognized as of the required effective date and is not expected to have a material impact on the Company's consolidated financial statements.

3. EQUIPMENT

Equipment is comprised as follows:

<TABLE>
<CAPTION>

	2004		2003	
	COST	ACCUMULATED DEPRECIATION	Cost	Accumulated Depreciation
<S>	<C>	<C>	<C>	<C>
Structures and fixtures	\$ --	\$ --	\$ 22,297	\$ 14,345
Furniture and office equipment	21,751	2,782	55,698	29,983
Vehicles	4,621	521	25,684	19,688
Mould	--	--	224,264	170,380
Software	--	--	52,074	24,769
	\$ 26,372	\$ 3,303	\$380,017	\$259,165
Net carrying amount		\$ 23,069		\$120,852

</TABLE>

F-10

MB TECH INC
Notes to Financial Statements
December 31, 2004 and 2003

4. DEFERRED FINANCING COSTS

<TABLE>
<CAPTION>

	2004		2003	
	COST	ACCUMULATED DEPRECIATION	Cost	Accumulated Depreciation
<S>	<C>	<C>	<C>	<C>
Financing costs	\$315,460	\$ 45,881	\$200,720	\$ --
Net carrying amount		\$269,579		\$200,720

</TABLE>

5. INVESTMENT

The investment represents a 5% ownership in a privately owned company located and operating in Seoul, Korea.

6. NOTE PAYABLE

During 2001, the Company issued a 5-year \$100,000 8% convertible note payable due November 30, 2006. In December 2003, the note holder filed a complaint against the Company alleging breach of the convertible promissory note for which conversion notices had been issued as described in note 13.

7. CONVERTIBLE DEBENTURES

Pursuant to SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" the Company accounts for the convertible debentures as a liability at face value and no formal accounting recognition is assigned to the value inherent in the conversion feature. The convertible debentures have a face value of \$500,000 with an annual coupon rate of 1% payable quarterly. The debentures are convertible, to a maximum of 25,000,000 shares of common stock at any time

prior to maturity in September 2009, at a conversion price of the lesser of (a) the lesser of \$0.22 or one hundred twenty-five percent (125%) of the average of the closing bid price for 5 trading days immediately prior to closing or (b) 100% of the average of the three lowest closing bid prices in the forty (40) days immediately preceding conversion.

BALANCE - JANUARY 1, 2003	\$	--
Issued - November 2003		1,000,000
Converted - November 2003		(1,500)

BALANCE - DECEMBER 31, 2003		998,500
Converted - February 2004		(500,000)
Converted - March 2004		(125,000)
Converted - April 2004		(84,636)
Converted - May 2004		(100,000)
Converted - July 2004		(6,500)
Converted - September 2004		(182,364)
Issued - October 2004		500,000
Converted - November 2004		(46,500)
Converted - December 2004		(17,000)

BALANCE - DECEMBER 31, 2004	\$	436,500
		=====

F-11

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

8. CAPITAL STOCK

Authorized
145,000,000 common shares, par value \$0.001
5,000,000 preferred shares, par value \$0.001

	2004	2003
Issued		
63,013,500 common shares (2003 - 37,639,422)	\$ 63,013	\$ 37,639
	=====	

In May 2003 the Company issued 15,172,414 common shares for \$390,000. Subsequently, the Company underwent a capital reduction, whereby 15,931,035 common shares were returned to treasury on a proportionate basis by all shareholders for no consideration.

In June 2003, the Company issued 22,000,000 common shares in exchange for all the outstanding common shares of MB Tech Korea as described in note 1.

In July 2003, the Company issued 250,000 common shares for consulting services valued at \$112,500.

In October 2003, the Company issued 8,240,000 common shares for \$309,000 of consulting services with regard to the reverse takeover transactions as described in note 1.

In November 2003, the Company issued 80,000,000 common shares held in escrow as security for the convertible debt as described in note 7. The common shares are issued to the debt holder from escrow as it exercises its conversion right. Subsequently 15,919,694 shares have been issued on conversion of the convertible debt (as described below). As a result 64,080,306 shares remain in escrow. As the debt holder is not entitled to the rights of common shares held in escrow until conversion, the shares remaining in escrow have not been presented as outstanding on the statement of stockholders equity nor have they been included in the earnings per share calculation.

In November 2003, the Company issued 1,500,616 common shares upon the conversion of \$1,500 of the convertible debentures as described in note 7.

In February 2004, the Company issued 2,357,185 common shares upon conversion of \$500,000 of the convertible debentures as described in note 7.

In February 2004, the Company issued 475,000 common shares for consulting services valued at \$35,000.

In March 2004, the Company issued 965,241 common shares upon the conversion of \$125,000 of the convertible debentures as described in note 7.

F-12

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

8. CAPITAL STOCK (CONT'D)

In April 2004, the Company issued 1,000,000 common shares upon the conversion of \$84,636 of the convertible debentures as described in note 7.

In May 2004, the Company issued 1,256,506 common shares upon the conversion of \$100,000 of the convertible debentures as described in note 7.

In July 2004, the Company issued 140,535 common shares upon conversion of \$6,500 of the convertible debentures as described in note 7.

In August 2004, the Company issued 100,000 common shares for consulting services valued at \$3,500.

In August 2004, the Company issued 2,500,000 common shares for salaries valued at \$87,500.

In September 2004, the Company issued 5,947,831 common shares upon the conversion of \$182,364 of the convertible debentures as described in note 7.

In November 2004, the Company issued 5,000,000 common shares for salaries valued at \$250,000.

In November 2004, the Company issued 150,000 common shares for consulting services valued at \$7,500.

In November 2004, the Company issued 1,000,000 common shares as settlement for an outstanding trade payable valued at \$110,000.

In November 2004, the Company issued 2,251,054 common shares upon conversion of \$46,500 of the convertible debentures as described in note 7.

In December 2004, the Company issued 450,000 common shares for consulting services valued at \$18,000.

In December 2004, the Company issued 1,280,000 common shares in exchange for 7,000 shares of A-Telecom valued at \$51,200.

In December 2004, the Company issued 500,726 common shares upon conversion of \$17,000 of the convertible debentures as described in note 7.

The convertible debentures as described in note 7 have not been included in the calculation of the diluted earnings per share as their inclusion would be antidilutive.

F-13

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

9. INCOME TAXES

The Company accounts for income taxes pursuant to SFAS No. 109, "Accounting for Income Taxes". Corporate income tax rates applicable to the Korean subsidiary in 2004 and 2003 are 16.5 percent of the first 100 million Korean Won (\$88,000) of taxable income and 29.7 percent of the excess. The U.S. tax rate is approximately 34%. However, no income tax is

payable in 2004 and 2003 due to tax losses.

The Company has deferred income tax assets as follows:

	2004	2003
Temporary difference on Research and Development expense deducted over 5 years for tax purposes	\$ 32,000	\$ --
Net operating loss carryforwards	480,000	220,000
Tax benefits from other miscellaneous timing differences:		
Allowance for bad debts	15,500	--
Valuation allowance	(527,500)	(220,000)
	-----	-----
	\$ --	\$ --
	=====	=====

Tax losses from the Korean subsidiary can be carried forward for five years to offset future taxable income. The U.S. tax losses can be carried forward for fifteen years to offset future taxable income.

Deferred tax assets due to future benefits of undeducted Research and Development expenses and net operating losses have not been recorded in the financial statements when it is not more likely than not that the benefit will be utilized.

10. MAJOR CUSTOMERS

The Company had one major customer located in South Korea which accounted for 95% of the total revenues for the year.

F-14

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

11. GAIN ON DISPOSAL OF SUBSIDIARY

On December 20, 2004, MB Tech Inc. entered into an agreement with the CEO and President of MB Tech Korea for the assignment of 100% of subsidiary, MB Tech Korea's, outstanding shares at no consideration. The gain represents the excess of the liabilities over the assets remaining in MB Tech Korea when the shares were sold as outlined below:

Cash	\$ 728
Short-term financial instrument	14,080
Accounts receivable	102,573
Other short-term loans	612
Inventories	124,190
Other current assets	6,307
Property and equipment (net)	13,939
Intangible assets	2,793
Other assets	211
Trade accounts and notes payable	(203,729)
Other accounts payable	(47,708)
Short-term borrowings	(114,388)
Short-term borrowings from shareholders and directors	(52,726)
Other current liabilities	(62,359)
Retirement and severance benefits	(25,156)

Gain on disposal of subsidiary	\$ (240,633)
	=====

12. RELATED PARTY TRANSACTIONS

During the year the Company issued 3,000,000 and 2,000,000 shares to the Chief Executive Officer, Mr. Hanwook Bae, who owned 15.5% of the outstanding common shares of the company, and the Chief Financial Officer, Mr. Sangeon Park, who owned 5.5% of the outstanding common shares of the company, respectively for services performed. The fair market value of these services were \$150,000 and \$100,000 respectively (2003 - \$36,000 and \$18,000)

MB TECH INC.
Notes to Financial Statements
December 31, 2004 and 2003

13. CONTINGENCIES

In December 2003, the holder of the convertible promissory note described in note 6 filed a complaint against the Company in the United States District Court for the District of Minnesota. A default judgment was entered on February 12, 2004. The plaintiff is currently considering the Company's offer of settlement, which includes the following essential terms: the Company would pay the principal and interest as per the original note plus attorneys fees at a total of \$200,000. The amount will be paid over an eighteen month period. \$25,000 will be paid upon acceptance of the offer, \$25,000 in the second month, and \$9,375 per month afterwards for sixteen months until the amount is paid in full.

200,000 shares of new restricted stock would be issued upon execution of conditional post-judgment settlement agreement. In return, the plaintiff would give the Company a general release and agree to give the Company full relief from the default judgment and a dismissal of the complaint.

As at March 7, 2005, the settlement amount can not be reasonably determined.

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Hanwook Bae, certify that:

1. I have reviewed this Form 10-KSB for the fiscal year ended December 31, 2004 of MB Tech, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the small business issuer'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
 - c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: April 15, 2005

/s/ Hanwook Bae

Hanwook Bae
President/Director

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Sangeon Park, certify that:

1. I have reviewed this Form 10-KSB for the fiscal year ended December 31, 2004 of MB Tech, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Evaluated the effectiveness of the small business issuer'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
 - c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

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

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: April 15, 2005

/s/ Sangeon Park

Park Sangeon Park
Chief Financial Officer

CERTIFICATION OF PERIODIC REPORT

I, Hanwook Bae, President of MB Tech, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- The Form 10-KSB for the fiscal year ended December 31, 2004 fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o (d); and
- The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 15, 2005

/s/ Hanwook Bae

Hanwook Bae
President/Director

CERTIFICATION OF PERIODIC REPORT

I, Sangeon Park, Chief Financial Officer of MB Tech, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- The Form 10-KSB for the fiscal year ended December 31, 2004 fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o (d)); and
- The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 15, 2005

/s/ Sangeon Park

Sangeon Park
Chief Financial Officer