

**Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

**CHINA INFRASTRUCTURE CONSTRUCTION CORP.**

(a Colorado corporation)

6201 Bonhomme Road, Suite 466S

Houston, TX 77036

Telephone: (832) 606-7500

Fax: (281) 547-7378

Website: www.chnc-hdh.com

Email: hleveinski@pharmacologyuniversity.com

SIC Code: 8999, 8099

**Quarterly Report for the Period Ending November 30, 2021**

(the "Reporting Period")

As of the date hereof, the number of shares of Common Stock outstanding is 8,225,600,111.

As of November 30, 2021 (the Reporting Period end date), the number of shares of Common Stock outstanding was 7,902,266,778.

As of August 31, 2021 (the prior Reporting Period end date), the number of shares of Common Stock outstanding was 7,850,372,839.

As of May 31, 2021 (the most recent fiscal year end date), the number of shares of Common Stock outstanding was 7,814,238,100. (Erroneously stated as 7,850,488,100 shares in the report for the fiscal year then ended.)

Indicate by check mark whether the Issuer is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 under the Securities Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐ No: ☒

**1) Name of the Issuer and its predecessors (if any):**

CHINA INFRASTRUCTURE CONSTRUCTION CORP.

The Issuer was formed on February 28, 2003, as a limited liability company under the name Fidelity Aircraft Partners LLC. On December 16, 2009, it converted to a corporation under the name Fidelity Aviation Corporation, and on August 24, 2009, changed its name to China Infrastructure Construction Corp. On February 28, 2018, it changed its name to Hippocrates Direct Healthcare, Inc. On July 4, 2018, it resumed its present name. It is active and in good standing in the state of its incorporation. Management knows of no trading suspension orders issued by the SEC since inception.

The address of the Issuer's principal executive office appears above.

The address of the Issuer's principal place of business appears above.

Check box if principal executive office and principal place of business are the same address: ☒

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: None.

Has the Issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

## 2) Security Information

Trading Symbol: CHNC

Exact title and class of securities outstanding: Common Stock

CUSIP: 16948K106

Par or stated value: Without par value

Total shares authorized: 20,000,000,000 as of date the end of the Reporting Period and as of the date hereof.

Total shares outstanding: 7,902,266,778 as of the end of the Reporting Period and 8,225,600,111 as of the date hereof.

Number of shares in the public float: 1,737,650,205 as of the end of the Reporting Period and as of the date hereof.

Total number of shareholders of record: 392 and 396 as of the end of the Reporting Period and as of the date hereof, respectively.

### *Additional class of securities:*

Trading Symbol: N/A

Exact title and class of securities outstanding: Series A Convertible Preferred Stock

CUSIP: N/A

Par or stated value: \$0.001 per share

Total shares designated: 2,500,000 as Series A Convertible Preferred Stock as of the end of the Reporting Period and as of the date hereof (of 10,000,000 authorized preferred shares)

Total shares outstanding: 2,500,000 as of the end of the Reporting Period and as of the date hereof.

The holders of the outstanding Series A Convertible Preferred Stock have voting control of the Issuer.

The series is not publicly traded.

### Transfer Agent

Pacific Stock Transfer Company  
6725 Via Austi Parkway, Suite 300  
Las Vegas, NV 89119

Phone: (800) 785-7782

info@pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

## 3) Issuance History

### A. Changes to the Number of Outstanding Shares

See Exhibit A.

### B. Debt Securities, Including Promissory and Convertible Notes

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Out-standing Balance (\$)	Principal Amount at Issuance (\$)	Interest and/or Fees Acrued (\$)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting/investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
05/22/20	143,200	143,200	4,025	5/22/50	Not convertible	Small Business Administration	Cash
06/10/20	106,300	106,300	2,658	6/10/50	Not convertible	Small Business Administration	Cash
10/26/21	32,500	32,500	4,790	3/31/22	Not convertible	Park Avenue Funding <sup>1</sup>	Cash

<sup>1</sup> The individual with voting/investment control of the Noteholder is Aryeh Friedman.

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP  
☐ IFRS

B. The financial statements for this reporting period were prepared by:

Jorge Verar, CPA  
825 Town and Country Blvd., Suite 1200  
Houston, TX, 77024

Phone: (713) 931-3080  
Email: jverar@cpa.com

Relationship to Issuer: Independent Contractor

The following unaudited consolidated financial statements are provided for the most recent fiscal year:

- Consolidated balance sheets;
- Consolidated statements of operations;
- Consolidated statements of cash Flows;
- Consolidated statements of stockholders' deficit; and
- Notes to consolidated financial statements

The above financial statements are attached as Exhibit B.

#### 5) Issuer's Business, Products and Services

The Issuer's business, is (i) educational systems focused on medicinal cannabis, in cities throughout the United States of America and six countries in Latin America and (ii) providing services in therapeutic areas of clinical trials in the United States. The Issuer was formerly in the business of providing concierge medicine at an affordable price through its membership-based model in the Houston, Texas, area through its wholly owned subsidiary, Hippocrates Direct Healthcare, LLC, a Texas limited liability company, the address of which was that of the Issuer, whose contact information appears above; during the quarter ended August 31, 2020, the Issuer terminated this business.

The president of the Issuer is Dante Picazo, whose contact information is that of the Issuer.

The COVID-19 pandemic has had a material adverse effect on the Issuer's educational business because governmental measures taken to control it resulted in the closing of classrooms and other educational venues, and also hindered the Issuer's franchising and consulting activities; however, over the six-month period ending November 30, 2021, the

Issuer's clinical trials business improved. As the pandemic abates, the Issuer expects that some of these restrictions will be temporarily or permanently removed. Because of the persistence of the pandemic – and particularly the incidence of COVID-19 variants – the Issuer is unable to predict the course of the pandemic and the resulting restrictions or when the Issuer and its customers will be able to resume normal operations. Assuming that governmental vaccination and other programs are successful, this may occur in the near future. However, if they are not successful, these restrictions could continue indefinitely. The ultimate extent of the impact of the pandemic will depend on future developments, which are highly uncertain.

## 6) Issuer's Facilities

The Issuer leases premises approximately 4,500 square feet located at 6201 Bonhomme Road, Suites 460S and 466S, Houston, Texas. The lease currently provides for base rent of \$3,382 per month, increasing to (i) \$3,529 per month on July 1, 2020, (ii) \$3,676 per month on July 1, 2021, and (iii) \$3,823 per month on July 1, 2022, subject to CPI increase. The lease expires on June 30, 2023. The leased space is shared with the Issuer's subsidiaries.

In addition, two of the Company's officers lease 1,400 square feet in Houston, Texas, under a lease the term of which commenced on February 29, 2020, and will expire on February 27, 2021, at a rent of \$3,449 per month; these officers have made a portion of these premises available to the Company for use as officer space, for which the Company pays them \$2,817 per month.

The Company rents space for its Sleep Center operations on a temporary basis as needed.

## 7) Officers, Directors, and Control Persons

The following information is provided regarding any person or entity owning 5% or more of the Issuer, as well as any officer and director of the Issuer, regardless of the number of shares that they own, as of the date hereof.

Name of Officer/Director and Control Person	Affiliation with Company (e.g., Officer/Director/Owner of more than 5%)	Residential Address (City/State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding
Dante Picazo	Officer, Director, Owner of more than 5%	Houston, TX	4,595,467,205	Common Stock	55.9
Elizabeth Hernandez	Owner of more than 5%	Houston, TX	500,000,000	Common Stock	6.1
Dante Picazo	Officer, Director, Owner of more than 5%	Houston, TX	2,000,000	Series A Convertible Preferred	80.0
Elizabeth Hernandez	Owner of more than 5%	Houston, TX	500,000	Series A Convertible Preferred	20.0
Henry Levinski	Officer, Director	Euless, TX	50,000,000	Common Stock	0.61
Jose Torres	Officer	San Juan, PR	40,000,000	Common Stock	0.49

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

No.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

No.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or

state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated;  
or

No.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

No.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the Issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None.

## **9) Third Party Providers**

The names, addresses, telephone numbers and email addresses of each of the following outside providers are:

### Securities Counsel

Barry J. Miller  
Barry J. Miller PLLC  
2999 Bloomfield Park Drive  
West Bloomfield, MI 48323

Phone: (248) 232-8039  
Email: bjmilller@bjmpllc.com

### Accountant or Auditor:

Jorge Verar, CPA  
825 Town and Country Blvd., Suite 1200  
Houston, TX, 77024

Phone: (713) 931-3080  
Email: jverar@cpa.com

### Investor Relations Consultant

None

Other Service Providers: Any other service provider(s), including, counsel, advisor(s) or consultant(s) that assisted, advised, prepared or provided information with respect to this disclosure statement, or provided assistance or services to the Issuer during the reporting period.

The Issuer's transfer agent provided reports as to issuances and transfers of the Issuer's capital stock and the names of the holders of capital stock and the number of shares respectively held by them.

**10) Issuer Certification**

I, Dante Picazo, Principal Executive Officer and Principal Financial Officer of China Infrastructure Construction Corp., certify that:

1. I have reviewed this annual disclosure statement of China Infrastructure Construction Corp.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer as of, and for, the periods presented in this disclosure statement.

January 15, 2022

/s/ Dante Picazo

Dante Picazo

Principal Executive Officer and Principal Financial Officer

# EXHIBIT A

Number of Shares outstanding as of June 1, 2019	<u>Opening Balances:</u> Common: 6,217,652,762 Series A Preferred: 500,000								
Date of Transaction <sup>1</sup>	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g., for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
12/20/19	New Issue	11,904,762	Common Stock	0.0021 <sup>2</sup>	No	Leroy Wilits	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Robert Gomez	Merger consideration	Restricted	<sup>4</sup>
12/20/19	New Issue	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Ricardo Delacruz	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	3,125,000	Common Stock	0.0016 <sup>2</sup>	No	George and Sky Noel	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	3,125,000	Common Stock	0.0016 <sup>2</sup>	No	Shana Rodriguez	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	5,882,353	Common Stock	0.0017 <sup>2</sup>	No	David Esparza	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Maryanne Velasquez	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Annabel Velasquez	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	9,411,764	Common Stock	0.0017 <sup>2</sup>	No	Laura Grimaldo	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	8,823,529	Common Stock	0.0017 <sup>2</sup>	No	Rosa Casares	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Tommy Hampton	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Shanner Fuggett	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	1,562,500	Common Stock	0.0016 <sup>2</sup>	No	Steven Suarez	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Akil Thomas	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Jeanette Cantu	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	1,470,588	Common Stock	0.0017 <sup>2</sup>	No	Victor Gonzalez	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	17,857,143	Common Stock	0.0014 <sup>2</sup>	No	Dolores Diaz	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	15,000,000	Common Stock	0.0007 <sup>2</sup>	No	Adriane Kearney	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	2,000,000	Common Stock	.0050 <sup>2</sup>	No	Tom Tusing	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	3,571,429	Common Stock	0.0014 <sup>2</sup>	No	Andres Mesa	Merger consideration	Restricted	<sup>3</sup>
12/20/19	Treasury shares	142,857,143	Common Stock	0.0035 <sup>2</sup>	No	Julian Gonzalez	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	2,000,000	Common Stock	0.0100 <sup>2</sup>	No	Cecil Bishop	Merger consideration	Restricted	<sup>3</sup>
12/20/19	New Issue	1,500,000	Common Stock	0.0007 <sup>2</sup>	No	Leavery Davidson	Merger consideration	Restricted	<sup>3</sup>

12/20/19	New Issue	7,000,000	Common Stock	0.0014 <sup>3</sup>	No	Lourdes Ruiz	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	5,000,000	Common Stock	0.0002 <sup>3</sup>	No	Alex Cruz Valez	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	500,000	Common Stock	0.0050 <sup>3</sup>	No	Travis Slater	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	1,500,000	Common Stock	0.0067 <sup>3</sup>	No	Eric Dangler	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	3,000,000	Common Stock	0.0033 <sup>3</sup>	No	Dante Rodri- guez	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	2,000,000	Common Stock	0.0008 <sup>3</sup>	No	Omar Lozano	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	6,000,000	Common Stock	0.0005 <sup>3</sup>	No	Paola Perales	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	1,177,000	Common Stock	0.0017 <sup>3</sup>	No	Carrie Ray	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	500,000	Common Stock	0.0025 <sup>3</sup>	No	Erika Daniel	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	5,000,000	Common Stock	0.0020 <sup>3</sup>	No	Denise R. Steidel	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	1,000,000	Common Stock	0.0030 <sup>3</sup>	No	Jhazmin G. Duran	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	2,000,000	Common Stock	0.0102 <sup>3</sup>	No	Billy Foxworth	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	3,000,000	Common Stock	-- <sup>3</sup>	No	Eugenio Pe- reira	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	4,875,000,000 <sup>4</sup>	Common Stock	Founder's shares <sup>5</sup>	No	Dante Picazo	Merger consid- eration	Restricted	<sup>3</sup>
12/20/19	New Issue	2,000,000	Series A Preferred	Founder's shares <sup>5</sup>	No	Dante Picazo	Merger consid- eration	Restricted	<sup>3</sup>
04/24/20	Treasury shares	14,705,882	Common Stock	0.0017	No	Esteban Ber- berian	Merger consid- eration	Restricted	<sup>3</sup>
01/05/20	New Issue	40,000,000	Common Stock	0.0010	No	Jose A. Torres	Cash	Restricted	<sup>3</sup>
01/05/20	New Issue	50,000,000	Common Stock	0.0010	No	Stephen Khoury	Cash	Restricted	<sup>3</sup>
01/05/20	New Issue	10,000,000	Common Stock	0.0010	No	Dianely Here- dia	Cash	Restricted	<sup>3</sup>
01/05/20	New Issue	50,000,000	Common Stock	<sup>6</sup>	Yes	Henry Levin- ski	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	10,000,000	Common Stock	<sup>6</sup>	Yes	Robert Flem- ing	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	1,000,000	Common Stock	<sup>6</sup>	Yes	Jill Rocha	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	5,000,000	Common Stock	<sup>6</sup>	Yes	Brian Cuban	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	1,000,000	Common Stock	<sup>6</sup>	Yes	Limary Rios Comacho	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	5,000,000	Common Stock	<sup>6</sup>	Yes	Victor Mon- tanez	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	2,000,000	Common Stock	<sup>6</sup>	Yes	Presly Schoeneman	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	5,000,000	Common Stock	<sup>6</sup>	Yes	Eduardo Ib- arra	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	5,000,000	Common Stock	<sup>6</sup>	Yes	Bob Wood	Employee ben- efit	Restricted	<sup>3</sup>
01/05/20	New Issue	2,000,000	Common Stock	<sup>6</sup>	Yes	Fernando Najera	Employee ben- efit	Restricted	<sup>3, 8</sup>
01/24/20	Treasury shares	1,000,000	Common Stock	<sup>6</sup>	Yes	Kristina G. Martinez	Employee ben- efit	Restricted	<sup>3</sup>
02/15/20	New Issue	2,000,000	Common Stock	<sup>6</sup>	Yes	Martina A. Cortez	Employee ben- efit	Restricted	<sup>3</sup>
02/15/20	New Issue	150,000	Common Stock	<sup>6</sup>	Yes	Alexis M. Mo- lina	Employee ben- efit	Restricted	<sup>3</sup>
02/15/20	New Issue	250,000	Common Stock	<sup>6</sup>	Yes	Brenda Gon- zalez	Employee ben- efit	Restricted	<sup>3</sup>



02/19/20	New Issue	500,000	Common Stock	<sup>6</sup>	Yes	Yumaira Rojas	Employee benefit	Restricted	<sup>3</sup>
02/19/20	New Issue	5,000,000	Common Stock	<sup>6</sup>	Yes	Katarin Y. O. Robles	Employee benefit	Restricted	<sup>3</sup>
02/19/20	New Issue	500,000	Common Stock	<sup>6</sup>	Yes	Daniela M. Arevalo	Employee benefit	Restricted	<sup>3</sup>
02/19/20	New Issue	1,000,000	Common Stock	<sup>6</sup>	Yes	Jannina M. Diaz	Employee benefit	Restricted	<sup>3</sup>
02/19/20	New Issue	250,000	Common Stock	<sup>6</sup>	Yes	Sara Castillo	Employee benefit	Restricted	<sup>3</sup>
02/19/20	New Issue	1,000,000	Common Stock	<sup>6</sup>	Yes	Monique C. Velosa	Employee benefit	Restricted	<sup>3</sup>
03/15/20	New Issue	7,000,000	Common Stock	0.0014	No	Stephen J. Bertrand	Cash	Restricted	<sup>3</sup>
03/15/20	New Issue	5,000,000	Common Stock	0.0010	No	Maria Pinedo	Cash	Restricted	<sup>3</sup>
03/16/20	New Issue	2,143,000	Common Stock	0.0014	No	Cardamom Export Company SAS <sup>8</sup>	Cash	Restricted	<sup>3, 7</sup>
03/16/20	New Issue	6,429,000	Common Stock	0.0014	No	Cannapolis Scientific Farm SAS <sup>8</sup>	Cash	Restricted	<sup>3, 7</sup>
04/24/20	New Issue	7,142,857	Common Stock	0.0014	No	Frank Hernandez	Cash	Restricted	<sup>3</sup>
04/08/20	Repurchase	(3,000,000,000)	Common Stock	0.0002	No	Issuer	Contract	Restricted	<sup>3</sup>
04/24/20	New Issue	62,500,000	Common Stock	0.0002	No	Tony Brown	Cash	Restricted	<sup>3</sup>
05/08/20	New Issue	500,000	Common Stock	<sup>6</sup>	Yes	Barbara Cortes	Employee benefit	Restricted	<sup>3</sup>
06/26/20	New Issue	7,000,000	Common Stock	0.0014	No	Shawna M. Heisler	Cash	Restricted	<sup>3</sup>
06/26/20	New Issue	50,000,000	Common Stock	0.0002	No	Paola Cedano	Cash	Restricted	<sup>3</sup>
06/26/20	New Issue	3,571,428	Common Stock	0.0014	No	Wyntrea Cunningham	Cash	Restricted	<sup>3</sup>
12/22/20	Surrender	(279,532,795)	Common Stock	-- <sup>9</sup>	N/A	Dante Picazo	N/A	N/A	<sup>3</sup>
12/23/20	Repurchase	(1,000,000,000)	Common Stock	0.000001	Yes	Elizabeth Hernandez	Cash	N/A	<sup>3</sup>
03/15/21	New Issue	50,000,000	Common Stock	0.003	No	Casaro, S.A.10	Settlement of obligation	Restricted	<sup>3</sup>
03/15/21	New Issue	7,500,000	Common Stock	0.003	Yes	Leroy Wilits	Cash	Restricted	<sup>3</sup>
03/26/21	New Issue	13,392,857	Common Stock	0.0028	Yes	Tony Brown	Cash	Restricted	<sup>3</sup>
04/09/21	New Issue	1,893,939	Common Stock	0.00264	Yes	George & Sky Noel	Cash	Restricted	<sup>3</sup>
04/09/21	New Issue	8,928,571	Common Stock	0.00112	Yes	Frank & Maria Hernandez	Cash	Restricted	<sup>3</sup>
04/09/21	New Issue	8,152,174	Common Stock	0.00184	Yes	Rosa Casares	Cash	Restricted	<sup>3</sup>
04/09/21	New Issue	10,080,645	Common Stock	0.00248	Yes	David Ward	Cash	Restricted	<sup>3</sup>
04/21/21	New Issue	3,750,000	Common Stock	0.0024	Yes	Laura & Jesus Grimaldo	Cash	Restricted	<sup>3</sup>
04/28/21	New Issue	10,714,286	Common Stock	0.00093	Yes	Andres Mesa	Cash	Restricted	<sup>3</sup>
04/29/21	New Issue	178,571,429	Common Stock	0.00028	Yes	Julian Gonzalez	Cash	Restricted	<sup>3</sup>
05/01/21	New Issue	6,944,444	Common Stock	0.00216	Yes	Ana & Raul Hernandez	Cash	Restricted	<sup>3</sup>
05/08/21	New Issue	2,500,000	Common Stock	0.0020	Yes	Arturo Gomez	Cash	Restricted	<sup>3</sup>

05/10/21	New Issue	36,764,706	Common Stock	0.00136	Yes	Esteban Berberian	Cash	Restricted	<sup>3</sup>
05/18/21	New Issue	2,500,000	Common Stock	0.002	No	Teresa Serrano-Lamm	Cash	Restricted	<sup>3</sup>
05/21/21	New Issue	12,500,000	Common Stock	0.002	Yes	Leroy Wilits	Cash	Restricted	<sup>3</sup>
05/24/21	New Issue	3,750,000	Common Stock	0.002	No	Erica & Marcos Nava	Cash	Restricted	<sup>3</sup>
06/03/21	New Issue	8,928,857	Common Stock	0.0011	Yes	Dolores Diaz	Cash	Restricted	<sup>3</sup>
06/11/21	New Issue	14,705,882	Common Stock	0.00136	No	Ludvina Martinez	Cash	Restricted	<sup>3</sup>
06/25/21	New Issue	6,250,000	Common Stock	0.0016	Yes	Rosalinda Galindo	Cash	Restricted	<sup>3</sup>
06/26/21	New Issue	6,250,000	Common Stock	0.0016	Yes	Juan de Dios Martinez	Cash	Restricted	<sup>3</sup>
09/21/2021	New Issue	10,000,000	Common Stock	0.004	No	Alfonso Campos	Cash	Restricted	<sup>3</sup>
11/30/21	New Issue	40,000,000	Common Stock	0.00125	No	John Jones	Cash	Restricted	<sup>3</sup>
11/30/21	New Issue	1,893,939	Common Stock	0.00106	No	Liseth & Andres Vega Callejas	Cash	Restricted	<sup>3</sup>
01/04/22	New Issue	55,555,555	Common Stock	0.0009	Yes	John Jones	Cash	Restricted	<sup>3</sup>
01/04/22	New Issue	27,777,778	Common Stock	0.0009	Yes	John Jones	Cash	Restricted	<sup>3</sup>
01/04/22	New Issue	10,000,000	Common Stock	0.001	Yes	Mike Regotti	Cash	Restricted	<sup>3</sup>
01/04/22	New Issue	200,000,000	Common Stock	0.001	Yes	John W. Neville	Cash	Restricted	<sup>3</sup>
01/07/22	New Issue	30,000,000	Common Stock	0.001	Yes	Mark Herbert	Cash	Restricted	<sup>3</sup>
Shares Outstanding on the date hereof:	<u>Ending Balances:</u>  Common: 8,225,600,111 Series A Preferred: 2,500,000								

<sup>1</sup> Dates reflect the dates on which shares were legally issued and not the dates on which stock certificates representing them were issued.

<sup>2</sup> Based on prices paid for shares in Pharmacology University, Inc., which merged with and into the Issuer on December 20, 2019, on various dates between 2/11/17 and 11/20/19.

<sup>3</sup> Exemption from registration afforded by Section 4(a)(2) of and/or Rule 506 under the Securities Act of 1933.

<sup>4</sup> Includes overissue of 279,532,975 shares, which Mr. Picazo has surrendered, such that he now owns 4,595,467,025 shares of common stock. See Note 10.

<sup>5</sup> Result of conversion of shares originally issued by Pharmacology University, Inc. and converted in merger with the Issuer.

<sup>6</sup> Shares awarded without cash consideration between January 5, 2017, and May 9, 2017, under an employee benefit plan of Pharmacology University, Inc., which was assumed by the Issuer and paid in shares of the Issuer upon vesting.

<sup>7</sup> Also exempt from registration under the Securities Act because the offer and sale of the shares was not made to a U.S. person.

<sup>8</sup> The individual with voting/investment control of this entity is Humberto Salazar Casanova of Neiva-Huila, Colombia.

<sup>9</sup> The surrendered shares were mistakenly issued in the merger of Pharmacology University, Inc. into the Issuer on December 20, 2019. See Note 4.

<sup>10</sup> The individual with voting/investment control of this entity is Barry J. Miller of Las Cumbres, Panama.

**CHINA INFRASTRUCTURE CONSTRUCTION CORP.**

**CONSOLIDATED BALANCE SHEETS**

(Unaudited)

	<b>November 30, 2021</b>	<b>May 31, 2021</b>
	<u>November 30, 2021</u>	<u>May 31, 2021</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 6,305	\$ 41,322
Accounts receivable	19,447	—
Related party receivables	12,000	9,100
Total current assets	<u>37,752</u>	<u>50,422</u>
	<u>37,752</u>	<u>50,422</u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	40,549	9,396
Related party payable	18,387	675
Short-term loan	103,507	—
SBA loan	249,300	249,300
PPP loan	56,666	51,666
Total current liabilities	<u>468,409</u>	<u>311,037</u>
Total liabilities	<u>468,409</u>	<u>311,037</u>
Stockholders' deficiency		
Preferred Stock, par value \$0.001 per share: 10,000,000 shares authorized; 2,500,000 shares designated Series A Convertible Preferred stock outstanding at November 30, 2021, and May 31, 2021, respectively.	2,500	2,500
Common Stock, without par value, 20,000,000,000 shares authorized; 7,902,266,778 and 7,814,238,100 shares issued and outstanding as of November 30, 2021, and May 31, 2021, respectively.	—	—
Additional paid-in capital	2,546,817	2,370,560
Accumulated deficit	<u>(2,979,974)</u>	<u>(2,633,675)</u>
Total stockholders' deficiency	<u>(430,657)</u>	<u>(260,615)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>	<u>\$ 37,752</u>	<u>\$ 50,422</u>

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

**CHINA INFRASTRUCTURE CONSTRUCTION CORP.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)

	<b>Six Months Ended November 30,</b>		<b>Three Months Ended November 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Revenues	\$ 110,028	\$ 403,939	\$ 25,812	\$ 150,635
Cost of revenues				
Gross profit	<u>110,028</u>	<u>403,939</u>	<u>25,812</u>	<u>150,635</u>
Cost and expenses				
General and administrative	55,266	76,539	24,736	62,902
Contract labor	237,490	172,817	120,870	100,450
Professional fees	91,733	121,823	43,639	20,119
Officer compensation	26,297	110,072	1,000	47,572
Rent and lease	35,271	45,255	14,658	23,219
Travel expenses	4,765	24,767	1,845	3,767
Total operating expenses	<u>450,822</u>	<u>551,273</u>	<u>206,748</u>	<u>258,029</u>
Operating income	<u>(340,794)</u>	<u>(147,334)</u>	<u>(180,936)</u>	<u>(107,394)</u>
Net operating income	<u>(340,794)</u>	<u>(147,334)</u>	<u>(180,936)</u>	<u>(107,394)</u>
Other income (expense)	<u>(5,504)</u>	<u>36,915</u>		
Net Income	<u>\$ (346,298)</u>	<u>\$ (110,419)</u>	<u>(180,936)</u>	<u>\$ (107,394)</u>
Average common stock outstanding	<u>7,854,449,179</u>	<u>8,735,827,844</u>	<u>7,858,525,520</u>	<u>8,735,827,844</u>
Average earnings (loss) per share	<u>(0.00004)</u>	<u>(0.00001)</u>	<u>(0.00002)</u>	<u>(0.00001)</u>

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

**CHINA INFRASTRUCTURE CONSTRUCTION CORP.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)

	<b>2021</b>	<b>2020</b>
	<hr/>	<hr/>
OPERATING ACTIVITIES		
Net loss	\$ (346,298)	\$ (3,025)
Adjustment to reconcile net income		
Loan forgiveness	5,000	(31,750)
Changes in assets and liabilities		
Accounts receivable	(19,447)	(46,865)
Accounts payable	31,153	-
Increase in related party receivable	(2,900)	(14,000)
Net cash used in operations	<hr/> (332,492) <hr/>	<hr/> (95,640) <hr/>
FINANCING ACTIVITIES		
Cash flows from financing activities		
Proceeds from issuance of common shares	176,257	
Proceeds from short term loans	103,507	
Proceeds from SBA loan		106,200
Repayment of loans		(5,982)
Proceeds from related party loan	17,712	
Net cash provided by financing activities	<hr/> 297,476 <hr/>	<hr/> 100,218 <hr/>
Net increase (decrease)	(35,016)	4,578
Cash at beginning of period	41,322	116,893
Cash at end of period	<hr/> 6,306 <hr/>	<hr/> \$ 121,471 <hr/>
Supplemental disclosure of cash flow information		
Cash paid for interest	<hr/> 5,504 <hr/>	<hr/> - <hr/>
Cash paid for taxes	<hr/> - <hr/>	<hr/> - <hr/>
Non-cash investing and financing transactions	<hr/> - <hr/>	<hr/> - <hr/>

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

CHINA INFRASTRUCTURE CONSTRUCTION CORP.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

(Unaudited)

	Series A Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
<b>Balance, May 31, 2020</b>	2,500,000	\$ 2,500	8,715,256,416		\$ 2,114,651	\$ (2,184,093)	\$ (66,942)
Net loss for the quarter						(3,025)	(3,025)
Balance, August 31, 2020	2,500,000	2,500	8,715,256,416		2,114,651	\$ (2,139,630)	\$ (69,967)
Net Income (loss) for the quarter						(107,394)	(107,394)
<b>Balance, November 30, 2020</b>	2,500,000	\$ 2,500	8,715,256,416	\$ -	\$ 2,114,651	(2,247,024)	\$ (177,361)
<b>Balance May 31, 2021</b>	2,500,000	\$ 2,500	7,814,238,100		2,370,560	(2,633,675)	(260,615)
Issuance of common stock			36,134,739		82,500		82,500
Net loss for the quarter						(159,858)	(159,858)
Balance, August 31, 2021	2,500,000	\$ 2,500	7,850,372,839		\$ 2,453,060	\$ (2,793,533)	\$ (337,973)
Issuance of common stock			51,893,939		95,000		95,000
Net loss for the quarter						(180,936)	(180,936)
Prior fiscal year adjustments					(1,243)	(5,505)	(6,748)
<b>Balance, November 30, 2021</b>	2,500,000	\$ 2,500	7,902,266,778	\$ -	\$ 2,546,817	\$ (2,979,974)	\$ (430,657)

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

# EXHIBIT B

## CHINA INFRASTRUCTURE CONSTRUCTION CORP. Notes to Unaudited Consolidated Financial Statements November 30, 2021

### Note 1 – Organization and Business Organization and Operations

China Infrastructure Construction Corp., a Colorado corporation (the “Company”), was formed on February 28, 2003, as a limited liability company under the name Fidelity Aircraft Partners LLC. On December 16, 2009, it converted to a corporation under the name Fidelity Aviation Corporation, and on August 24, 2009, changed its name to China Infrastructure Construction Corp. On February 28, 2018, the Company changed its name to Hippocrates Direct Healthcare, Inc. and on July 4, 2018, it resumed its present name. The Company provides educational systems relating to cannabis in cities throughout the United States and six countries in Latin America, services in therapeutic areas. of clinical trials and services relating to sleep disorders through its sleep center in Houston, Texas. The Company offered concierge medicine at an affordable price through a member-ship-based model through its wholly owned subsidiary, Hippocrates Direct Healthcare, LLC, a Texas limited liability company, formed on September 11, 2017; this business was discontinued during the quarter ended August 31, 2020.

#### Acquisition of Precision Research Institute, LLC

On March 31, 2019, the Company acquired all of the outstanding units in Precision Research Institute, LLC, a Texas limited liability company (“PRI”) that was formed on May 18, 2016, from the Company’s then president for nominal consideration. On August 20, 2020, PRI was merged with and into the Company.

#### Merger with Pharmacology University, Inc.

On December 19, 2019, Pharmacology University, Inc., a Delaware corporation (“PUI”), was merged with and into the Company pursuant to an Agreement and Plan of Merger, dated as of November 7, 2019. (the “PU Merger Agreement”). Pursuant to this agreement, the Company issued 4,875,000,000 shares of the Company’s common stock (“Common Stock”) to the holders of the common stock of PUI, and also issued 2,000,000 shares of its Series A Convertible Preferred Stock to the president of PUI and who became the Company’s president upon the consummation of the merger. These issuances resulted in a change of control. In a related transaction, an officer, director and controlling stockholder of the Company, who held 4,500,000,000 shares of Common Stock, sold 3,000,000,000 such shares to the Company for \$600 pursuant to a Stock Purchase Agreement, dated November 7, 2019, as amended (the “Merger SPA”).

### Note 2 – Summary of Significant Accounting Policies

#### Basis of Presentation

The interim consolidated financial statements and related disclosures have been prepared by management and are unaudited. The unaudited consolidated financial statements have been prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles of the United States (“GAAP”).

#### Consolidation Policy

The unaudited interim consolidated financial statements of the Company include the accounts of the Company, and all of its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

#### Use of Estimates

The preparation of the interim financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include assumptions about collection of accounts and notes receivable, the valuation and recognition of stock-based compensation expense, the valuation and recognition of derivative liability, valuation allowance for deferred tax assets and useful life of fixed assets.

#### Cash and cash equivalents

Cash equivalents are short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less, at the date acquired.

#### Revenue recognition

The Company recognizes revenue in accordance with Accounting Standards Codification subtopic 605-10, “*Revenue Recognition*,” which requires that four basic criteria must be met before revenue can be recognized: (i) persuasive evidence of an arrangement exists; (ii) services have been rendered; (iii) the fee is fixed or is determinable; and (iv) collectability is reasonably assured. Determination of criteria (iii) and (iv) are based on management’s judgments regarding the fixed nature of the selling prices of the services delivered and the collectability of those amounts.

Revenues from the services rendered are recognized in proportion to the services delivered.

Any amount receivable or received, but unrecognized for revenue recognition purpose is recorded as deferred revenues.

### **Share-Based Payments**

ASC 718, “*Compensation - Stock Compensation*”, prescribes accounting and reporting standards for all share-based payment transactions. In June 2018, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2018-07, *Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*, which aligns accounting for share-based payments issued to nonemployees to that of employees under the existing guidance of Topic 718, with certain exceptions. This update supersedes previous guidance for share-based payments to nonemployees under Subtopic 505-50, *Equity - Equity-Based Payments to Non-Employees*. This guidance became effective for the Company on January 1, 2019. Based on completed analysis, the Company has determined that the adoption of this guidance will not have a material impact on its financial statements. The Company follows FASB guidance related to equity-based payments, which requires that equity-based compensation be accounted for using a fair value method and recognized as expense in the accompanying consolidated statements of operations. Equity-based compensation expense has been recognized as compensation expense.

### **Income Taxes**

The Company accounts for income taxes in accordance with Accounting Standards Codification No. 740, “*Income Taxes*.” (“ASC 740”). This codification prescribes the use of the asset and liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and for carry-forward tax losses. Deferred taxes are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

Deferred tax liabilities and assets are classified as current or non-current based on the classification of the related asset or liability for financial reporting, or according to the expected reversal dates of the specific temporary differences, if not related to an asset or liability for financial reporting.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740, which provides guidance as to the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the unaudited consolidated financial statements, under which a company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

The tax benefits recognized in the unaudited consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Accordingly, the Company would report a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return. The Company elects to recognize any interest and penalties, if any, related to unrecognized tax benefits in tax expense.

### **Earnings per Share**

The Company computes basic and diluted earnings per share amounts in accordance with Accounting Standards Codification Topic 260, “*Earnings per Share*.” Basic earnings per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock that could share in the earnings of the Company. As of May 31, 2020, the company has no dilutive securities.

### **Fair Value of Financial Instruments**

The Company’s financial instruments consist primarily of cash, accounts payable and accrued liabilities, notes payable - related parties, and due to related party. The carrying amounts of such financial instruments approximate their respective estimated fair value due to the short-term maturities and approximate market interest rates of these instruments.

### **Recently Issued Accounting Standards**

Management has considered all recent accounting pronouncements issued. The Company’s management believes that these recent pronouncements will not have a material effect on the Company’s financial statements.

### **Note 3 – Going Concern**

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP, which contemplate the Company’s continuation as a going concern. The Company has not generated any profits since inception and its current cash balances will not meet its working capital needs. The Company has incurred consolidated accumulated deficits of \$2,979,974 and \$2,633,675, respectively, as of November 30, 2021, and May 31, 2021.



The ability of the Company to continue as a going concern is dependent on the successful execution of its operating plan which includes expanding its operations and raising either debt or equity financing. There is no assurance that the Company will be able to expand its operations or obtain such financing on satisfactory terms or at all. If the Company is unsuccessful in these endeavors, it may be required to curtail or cease its operations.

The accompanying unaudited consolidated financial statements do not include any adjustments related to the recoverability or classification of asset-carrying amounts or the amounts and classification of liabilities that may result should the Company be unable to continue as a going concern.

#### **Note 4 – Debt**

##### **PPP Loan**

In May 2020, the Company received a loan of \$31,750 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. As permitted by the CARES Act, on April 21, 2021, the Company applied for full forgiveness of the loan, which was approved. The amount forgiven was recorded as other income.

Under the CARES Act, as it was amended on June 5, 2020, the Company may delay the payment of employer payroll taxes until December 31, 2021, with respect to up to 50% of the amounts due and December 31, 2022, with respect to the remaining amounts due up to 50%.

##### **EIDL Loan**

In May 2020, the Company received \$143,100 from the Small Business Administration through an EIDL loan to help fund its operations due to the Covid-19 pandemic. The loan bears interest at the rate of 3.75% per annum and is payable in monthly installments of \$698 over a 30-year period with a deferral of payments for the first 12 months. An additional \$10,000 under EIDL, which was provided for payroll was forgiven and recorded as other income.

In June 2020, the Company received proceeds of \$106,300 from the Small Business Administration through a second EIDL loan to help fund its operations during the Covid-19 pandemic. The loan bears interest of 3.75% per annum and is payable in monthly installments of \$518 over a 30-year period. An additional \$4,000 under EIDL, which was provided for payroll, was forgiven and recorded as other income.

##### **Short-Term Loans**

On October 8, 2019, the Company and an unrelated party entered into a line of credit agreement, under which the Company may borrow up to \$15,000 in one or more advances (“Loan 1”). Each advance bears interest at the rate of 53.7% per annum and is subject to a fee of 2% of the amount advanced. The aggregate amount outstanding after each advance is paid in equal installments over a period, not to exceed 24 months. On November 30, 2021, there were advances totaling \$12,376 outstanding.

On December 23, 2020, the Company and an unrelated party entered into a line of credit agreement, under which the Company may borrow up to \$12,500 in one or more advances (“Loan 2”). Each advance bears interest at the rate of 25.51% per annum. On November 30, 2021, there was \$12,789 due, of which \$12,500 was advances and the balance interest and fees.

On July 9, 2021, the Company and an unrelated party entered into an agreement, under which that party purchased certain accounts, receipts, contract rights, and other rights of the Company in the amount of \$94,875 for a net purchase price of \$73,125 (“Loan 3”). Under this agreement, the Company is required to deliver 7.7% of its receipts to such party until the purchase price is delivered, against which the Company is required to make weekly payments of \$1,826. This transaction is presented as a loan in the principal amount of \$75,000 at the rate of interest of 26.5% per annum. Assuming that the Company makes the prescribed weekly payments, the loan will have a term of one year. On November 30, 2021, the outstanding principal amount of the loan was \$80,598.

On September 30, 2021, the Company and an unrelated party entered into an agreement, under which that party purchased certain future accounts, contract rights and obligations of the Company in the amount of \$32,500 for net funds of \$24,260 (“Loan 4”). Under this agreement, the Company is required to make weekly payments of 25% of such accounts, contract rights and obligations, but not more than \$650 per week, to such party until the purchase price is delivered. This transaction is presented as a loan in the principal amount of \$32,500 at the rate of interest of 34% per annum. Assuming that the Company makes the prescribed weekly payments, the loan will have a term of 50 weeks.

On October 26, 2021, the Company and an unrelated party entered into an agreement, under which that party purchased certain future receipts for the sale of goods and services in the amount of \$32,500 for net funds of \$25,000 ("Loan 5"). Under this agreement, the Company is required to make weekly payments of 5% of such accounts, contract rights and obligations, with initial instalments of \$1,490 per week, to such party until the purchase price is delivered. This transaction is presented as a loan in the principal amount of \$32,500 at the rate of interest of 30% per annum. Assuming that the Company makes said weekly payments, the loan will have a term of 22 weeks.

#### **Note 5 – Income Taxes**

The Company provides for income taxes under ASC 740. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax basis of assets and liabilities and the tax rates in effect when these differences are expected to reverse. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

On December 22, 2017, the 2017 Tax Cuts and Jobs Act ("Tax Act") was enacted into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a federal corporate tax rate decrease from 35% to 21% for tax years beginning after December 31, 2017, the transition of U.S. international taxation from a worldwide tax system to a territorial system and a one-time transition tax on the mandatory deemed repatriation of foreign earnings. We are required to recognize the effect of the tax law changes in the period of enactment, such as re-measuring our U.S. deferred tax assets and liabilities as well as reassessing the net realizability of our deferred tax assets and liabilities. The Tax Act did not give rise to any material impact on the consolidated balance sheets and consolidated statements of operations due to our historical worldwide loss position and the full valuation allowance on our net U.S. deferred tax assets.

Due to changes in ownership provisions of the income tax laws of United States of America, net operating loss carry forwards of approximately \$2,383,979 at November 30, 2021, and \$2,531,950 at May 31, 2021, for federal income tax reporting purposes are subject to annual limitations. When a change in ownership occurs, net operating loss carry forwards may be limited as to use in future years. They typically expire 20 years from when incurred.

#### **Note 6 – Stockholders' Deficit**

The Company has 20,010,000,000 authorized shares, of which 20,000,000,000 shares are common stock, without par value ("Common Stock"), and 10,000,000 are preferred stock, par value \$0.001 per share.

##### **Preferred Stock**

The Company has designated 10,000,000 shares of preferred stock as Series A Convertible Preferred Stock (the "Series A Stock") Each share of Series A Stock entitles the holder to receive dividends at the rate determined by the board of directors. In the event of liquidation, such holders are entitled to be paid out of the assets of the Corporation available for distribution to its common stockholders, whether from capital, surplus funds or earnings, and before any payment is made in respect of the shares of Common Stock, an amount equal to the greater of (i) the then current market price of the Series A Stock, as detailed by the OTC Markets Group, or ten cents (\$0.10) per share of Series A Stock, subject to adjustment for stock dividends, combinations, splits, recapitalizations and the like with respect to the Series A Stock, plus any and all accrued but unpaid dividends. Each share of Series A Stock is convertible, at the option of the holder, at any time one year after the date of issuance of such shares, into that number of shares of Common Stock that is equal to the quotient obtained by dividing the Series A Preference Price then in effect for each share of Series A Stock by the greater of: (i) ten cents (\$0.10) per share, or (ii) seventy five percent (75%) of the Market Price (as defined) of the Common Stock on the conversion date, subject to adjustment in certain events. and is not redeemable. The Series A Stock possesses one-half of the voting power of the Company's stockholders. At November 30, 2021, and May 31, 2021, there were 2,500,000 shares of Series A Stock issued and outstanding.

##### **Common Stock**

At November 30, 2021, and May 31, 2021, respectively, there were 7,902,266,778 and 7,814,238,100 shares of common stock issued and outstanding.

#### **Note 7 – Share Based Compensation**

During the year ended May 31, 2020, the Company issued 103,150,000 shares of Common Stock under an employee benefit plan with a value of \$10,315 based on market price at time of issuance and issued no such shares during the year ended May 31, 2021. During the quarters ended November 30, 2021, and November 30, 2020, the Company issued no such shares.

## **Note 8 – Commitments and Contingencies**

### **Office Lease**

The Company leases premises of approximately 4,500 square feet located at 6201 Bonhomme Road, Suites 460S and 466S, Houston, Texas. The lease currently provides for base rent of \$3,382 per month, increasing to (i) \$3,529 per month on July 1, 2020, (ii) \$3,676 per month on July 1, 2021, and (iii) \$3,823 per month on July 1, 2022, subject to CPI increase.

In addition, two of the Company's officers lease 1,400 square feet in Houston, Texas, under a lease the term of which commenced on February 29, 2020, and will expire on March 14, 2022, at a rent of \$3,449 per month; these officers have made a portion of these premises available to the Company for use as officer space, for which the Company pays them \$2,817 per month.

### **Impact of COVID-19 Pandemic**

In December 2019, a novel coronavirus disease ("COVID-19") was reported and in January 2020, the World Health Organization ("WHO") declared it a Public Health Emergency of International Concern. On February 28, 2020, the WHO raised its assessment of the COVID-19 threat from high to very high at a global level due to the continued increase in the number of cases and affected countries, and on March 11, 2020, the WHO characterized COVID-19 as a pandemic.

The Company's business, and particularly its educational systems business, has been materially and adversely impacted by the COVID-19 pandemic and will continue to be so affected as long as the pandemic continues.

### **Note 9 – Subsequent Events**

On December 20, 2021, the Company issued 10,000,000 shares of Common Stock to an unrelated party for \$10,000.

On December 30, 2021, the Company issued 200,000,000 shares of Common Stock to an unrelated party for \$200,000.

On January 4, 2022, the Company issued 83,333,333 shares of Common Stock to an unrelated party for \$75,000.

On September 21, 2021, the Company issued 10,000,000 shares of Common Stock to an unrelated party for \$40,000.

On January 7, 2022, the Company issued 30,000,000 shares of Common Stock to an unrelated party for \$30,000.

On January 6, 2022, the Company paid the full principal balances of and interest accrued on Loan 2, Loan 3 and Loan 4, and on January 7, 2022, paid the full principal balances of and interest accrued on Loan 1. (See Note 4.)

Management evaluated all other subsequent events when these consolidated financial statements were issued and has determined that none of them requires disclosure herein.