

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

## **Smokefree Innotec, Inc.**

a Nevada corporation

720 Arthur Porter Drive, Burbush, Hamilton 3200, New Zealand

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### **Quarterly Report For the Period Ending June 30, 2021 (the "Reporting Period")**

As of June 30, 2021, number of shares outstanding of our Common Stock was:

633,403,973

As of March 31, 2021, the number of shares outstanding of our Common Stock was:

633,403,973

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

633,403,973

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the 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<sup>4</sup> of the company has occurred over this reporting period:

Yes:  No:

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<sup>4</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

We were incorporated on April 13, 1994, in the State of Washington, as Courtside Products, Inc. and re-domiciled to Nevada on December 9, 2008. On December 23, 2008 we merged with Smokefree Innotec Corporation, a Nevada Corporation and Lema One Corporation, a Nevada Corporation and changed the Corporation's name to Smokefree Innotec, Inc.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Smokefree Innotec, Inc., has been incorporated in the state of Nevada for the past 5 years and is currently in active status there.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

Trading temporarily suspended by the SEC pursuant to Section 12(k) of the Securities Exchange Act of 1934 from 9:30AM on 1-28-05 until 11:59PM on 2-10-05

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.

The address(es) of the issuer's principal executive office:

720 Arthur Porter Drive, Burbush, Hamilton 3200, New Zealand

The address(es) of the issuer's principal place of business:

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

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

Yes:  No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

## 2) Security Information

Trading symbol:	SFIO
Exact title and class of securities outstanding:	COMMON SHARES
CUSIP:	832673107
Par or stated value:	\$0.001
Total shares authorized:	650,000,000 as of June 30, 2021
Total shares outstanding:	633,403,973 as of June 30, 2021
Number of shares in the Public Float <sup>1</sup> :	547,878,539 as of date: June 30, 2021
Total number of shareholders of record:	142 as of June 30, 2021

*All additional class(es) of publicly traded securities (if any):*

Trading symbol:	N/A
Exact title and class of securities outstanding:	Series A Preferred
CUSIP:	N/A
Par or stated value:	.001
Total shares authorized:	100,000,000 as of: June 30, 2021
Total shares outstanding:	750,000 as of June 30, 2021

Trading symbol:	N/A
Exact title and class of securities outstanding:	Special 2019 Series A Preferred
CUSIP:	N/A
Par or stated value:	\$.001
Total shares authorized:	1 as of: June 30, 2021
Total shares outstanding:	1 as of: June 30, 2021

### Transfer Agent

Name: Action Stock Transfer Corporation (First American Stock Transfer, Inc. at the time of this filing)  
Phone: 1-801-274-1088  
Email: [jb@actionstocktransfer.com](mailto:jb@actionstocktransfer.com)  
Address: 2469 E. Fort Union Blvd., Suite 214,  
Salt Lake City, UT 84121

Is the Transfer Agent registered under the Exchange Act?<sup>2</sup> Yes:  No:

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<sup>1</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>2</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date 12/31/19 Common: 633,403,973 Series A Preferred: 0 Special Preferred: 1			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	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	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
10/12/20	New issuance	750,000	Series A Preferred	\$0.001	No	Agrokings, Inc. (Hatadi Supaat)	Purchase	Restricted	
06/11/2021	Cancellation	55,731,250	Common Shares	\$0.0750	No	Thomas Schoepfer	Estate	Restricted	
06/11/2021	New issuance	55,731,250	Common Shares	\$0.0750	No	Francis Guy Clear	Transfer	Unrestricted	
Shares Outstanding on Date of This Report: <u>Ending Balance:</u> Date 6/30/21 Common: 633,403,973 Series A Preferred: 750,000 Special Preferred: 1									

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2020, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2018 through September 30, 2020 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

**\* Richard Thomas acquired control of Smokefree Innotec, Inc., from Corionne Washington, a custodian with Universal Management Association, LLC, on September 13, 2019 for \$25,000 cash. Mr. Washington, representing Universal Management Association, LLC, acquired the Company, as custodian, from the Nevada District Court for Clark County through a court-approved custodial civil**

action. This Super A preferred share controls the Company because it is convertible into 750,000,000 common shares at any time and possesses super voting rights of 60% of all Company voting shares. The Super A preferred shares were created by the custodian. Richard Thomas then sold then sold the Super A Preferred share to Hatadi Shapiro Supaat on October 12, 2020 for \$15,000 and a 2% non-dilutable interest in the Company. The 2% interest in the Company refers to a future interest of 2% of the common shares of Smokefree Innotec, Inc., after the company undergoes a planned restructure.

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

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer’s equity securities.

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	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.)
9/13/19	\$25,000 **	\$25,000 **	\$0	Upon order of dismissal of Clark County Civil Court Case No. 19-795456-C	convertible at will at the lesser of: (a) 60-day average price; or (b) par value	Main G Consulting, LLC (Matt Gruder)	Services

Use the space below to provide any additional details, including footnotes to the table above:

**\*\* This \$25,000 note was issued by Corionne Washington, of Universal Management Association, LLC, on July 31, 2019 for the work they performed as custodian, including removal of the DTC “chill”, which prevented the Company from trading, as well as other custodial duties. This note was then sold by Universal Management, LLC, to Matt Gruder’s Main G Consulting, LLC for \$25,000 on September 13, 2019. The note does not accrue interest and can be converted at any time. The maturity date is determined by the date the custodial case is formally dismissed by the Clark County, Nevada District Court.**

**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 (name of individual)<sup>3</sup>:

Name: Vic Devlaeminck

Title: Accountant

Relationship to Issuer: Independent accountant

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Changes in Shareholders' Equity
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

#### **Financial Statements are attached beginning at page 12**

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

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

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")  
No operations at this time.
- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference.

None.

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<sup>3</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

C. Describe the issuers' principal products or services, and their markets.

None at this time.

Other Information

On the 12<sup>th</sup> of October of 2020, Agrokings, Inc. and Smokefree Innotec, Inc. engaged in a share exchange agreement where Smokefree Innotec, Inc. received 6,000 common shares of Agrokings, Inc. in exchange for 750,000 Series A Preferred shares of Smokefree Innotec.

The two companies signed this agreement in anticipation of a merger, where the two entities will be combined, which should be completed in 2021.

**6) Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

None at this time.

**7) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% of more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or 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	Note
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Hatadi Shapiro Supaat	Officer, director	Cainta Rizal, Phillipines	1  750,000	Preferred Special 2019 Series A 2019 ***  Preferred Series A Voting	100%  100%	
Jeths De Jesus Lacson	Officer, director	Hamilton, New Zealand	0			
Mark G. Epifanio	Officer	Playford, Australia	0			
Grace H. Belisario	Officer	Hamilton, New Zealand	0			
Richard A. Agluba	Officer	Hamilton, New Zealand	0			
Francis Guy Clear	+5% Shareholder	Spring, Texas	55,732,250	Common	8.8%	

\*\*\* Richard Thomas sold his Super A Preferred to Hatadi Shapiro Supaat on October 12th, 2020 for \$15,000 and a 2% non-dilutable future interest in Smokefree Innotec, Inc., after the Company undergoes a planned restructure.

## 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;

Yes. Thomas Schroepfer was barred from participating in penny stock offerings, but was not involved with management at the time. He has since passed away.

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.

Yes. Thomas Schroepfer was barred from participating in penny stock offerings, but was not involved with management at the time. He has since passed away.

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

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

### Accountant or Auditor

Name: Vic Devlaeminck, CPA

Firm:

Address 1: 10013 NE Hazel Dell Avenue

Address 2: Vancouver, WA 98685  
Phone: Email:  
jevic321@aolcom

#### Investor Relations

Name:  
Firm:  
Address 1:  
Address 2:  
Phone:  
Email:

#### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name:  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone: Email:

Name:  
Firm:  
Nature of Services:  
Address 1:  
Address 2:  
Phone: Email:

### **10) Issuer Certification**

#### *Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Jeths De Jesus Lacson certify that:

1. I have reviewed this Amended Quarterly disclosure statement of Smokefree Innotec, Inc.;
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.

8/13/2021

/s/ Jeths De Jesus Lacson

Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, Grace H. Belisario certify that:

1. I have reviewed this Amended Quarterly disclosure statement of Smokefree Innotec, Inc.;
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.

08/13/2021

/s/ Grace H. Belisario

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

**SMOKEFREE INNOTECH, INC.  
CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2021**

**(Expressed in US dollars)**

**(Unaudited)**

Appendix A: Consolidated Balance Sheets

Appendix B: Consolidated Statements of Operations

Appendix C: Consolidated Statements of Cash Flows

Appendix D: Consolidated Statement of Changes in Stockholders' Deficit

Appendix E: Notes to Consolidated Financial Statements

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

**SMOKEFREE INNOTECH, INC.**  
**APPENDIX A: CONSOLIDATED BALANCE SHEETS**  
(Expressed in US dollars)  
(Unaudited)

	As of June 30, 2021	As of Mar. 31, 2021
<b>ASSETS</b>		
Cash	\$ 0	\$ 0
Accounts Receivable	0	0
Other Current assets	0	0
<b>Total Current Assets</b>	<b>0</b>	<b>0</b>
Other Assets	6,000	6,000
<b>Total Assets</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable)	\$ 0	\$ 0
Other current liabilities	0	0
<b>Total Current Liabilities</b>	<b>0</b>	<b>0</b>
Notes payable	25,000	25,000
Due to related parties	0	0
<b>TOTAL LIABILITIES</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>
<b>STOCKHOLDERS' DEFICIT</b>		
Capital Stock		
Common stock, 650,000,000 shares authorized, par value \$0.001, 633,403,973 shares issued and outstanding as of 6/30/21 and 3/31/21	633,404	633,404
Preferred Series A, 100,000,000 shares authorized, par value \$0.001, 750,000 issued and outstanding at 6/30/21and 3/31/21	750	750
Additional paid-in capital	(628,154)	(628,154)
Accumulated deficit	(25,000)	(25,000)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>(25,000)</b>	<b>(25,000)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>

Subsequent events (Note 5)

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

**SMOKEFREE INNOTECH, INC.**  
**APPENDIX B: CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Expressed in US dollars)  
(Unaudited)

	<b>Three months ended June 30, 2021</b>	<b>Three months ended June 30, 2020</b>
	<hr/>	<hr/>
<b>REVENUE</b>		
Sales	0	0
Interest earned	0	0
<b>Total revenue</b>	<b>\$ 0</b>	<b>\$ 0</b>
	<hr/>	<hr/>
<b>EXPENSES</b>		
General and administrative	0	0
<b>Total operating expenses</b>	<b>0</b>	<b>0</b>
<b>Net Income/(Loss) before other expenses</b>	<b>0</b>	<b>0</b>
Other Expenses		
Interest Expense	0	0
<b>Net Income/(Loss)</b>	<b>\$ 0</b>	<b>\$ 0</b>
	<hr/>	<hr/>

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

**SMOKEFREE INNOTECH, INC.**  
**APPENDIX C: CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in US dollars)

	Three Months ended June 30, 2021	Three Months ended June 30, 2020
<b>OPERATING ACTIVITIES</b>		
Net income/(loss)	\$ 0	\$ 0
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable	0	0
Accounts payable and accrued liabilities	0	0
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from related parties	0	0
Contributions from shareholders	0	0
Net Proceeds from notes payable	0	0
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>NET CHANGE IN CASH</b>	<b>0</b>	<b>0</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>0</b>	<b>0</b>
<b>CASH, END OF PERIOD</b>	<b>\$ 0</b>	<b>\$ 0</b>

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

**SMOKEFREE INNOTECH, INC.**  
**APPENDIX D: CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT**  
(Expressed in US dollars)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
<b>Balance as of December 31, 2018</b>	1,000,000	\$ 1,000	633,403,973	\$ 633,404	\$ (634,404)	\$ 0	0
Share Issuances	(1,000,000)	(1,000)	0	0	1,000		0
Net gain/loss for the quarter ended 12/31/19	–	–	–	–	–	(25,000)	(25,000)
<b>Balance as of December 31, 2019</b>	<b>0</b>	<b>\$ 0</b>	<b>633,403,973</b>	<b>\$ 633,404</b>	<b>\$ (633,404)</b>	<b>\$ (25,000)</b>	<b>(25,000)</b>
Share issuances							
Net gain/loss for the period ended 12/31/20	0	0	0	0		0	0
Balance as of December 31, 2020	<b>750,000</b>	<b>750</b>	<b>633,403,973</b>	<b>633,404</b>	<b>(628,154)</b>	<b>(25,000)</b>	<b>(19,000)</b>
Net gain/loss for the quarter ended 03/31/21	–	–	–	–	–	0	0
Net gain/loss for the quarter ended 06/30/21	–	–	–	–	–	0	0
<b>Balance as of June 30, 2021</b>	<b>750,000</b>	<b>\$ 750</b>	<b>633,403,973</b>	<b>\$ 633,404</b>	<b>\$ (628,154)</b>	<b>(25,000)</b>	<b>(19,000)</b>

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

**SMOKEFREE INNOTEK, INC.**  
**APPENDIX E: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021**  
**(Expressed in US dollars)**

**NOTE 1 – GENERAL ORGANIZATION AND BUSINESS AND GOING CONCERN**

Smokefree Innotek, Inc. was incorporated on May 8, 1994 in the State of Nevada.

In accordance with Section 78.347 of the Nevada Revised Statutes, Universal Management Association, LLC, a Nevada limited liability company, was appointed Custodian of Smokefree Innotek, Inc., pursuant to an Order of District Court of Clark County, Nevada, case no. A-19-795456-C on July 22, 2019.

The company is now going to create a new business plan under a new management team for the acquisition of businesses.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary debt or equity financing to continue operations, and the attainment of profitable operations. There is no guarantee that the Company will be successful in these efforts. As of March 31, 2021, the Company has a working capital deficit of \$0, and has accumulated losses of \$0 since inception, due to the reorganization as previously described. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

These consolidated financial statements present the balance sheets, statements of operations, stockholders' deficit and cash flows of the Company. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States. The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 fiscal year end.

**Use of Estimates and Assumptions**

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The results of operations and cash flows for the periods shown are not necessarily indicative of the results to be expected for the full year. The Company regularly evaluates estimates and assumptions related to valuation of license, stock-based compensation, and deferred income tax asset valuation allowances.

**Cash and Cash Equivalents**

The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

**Financial Instruments and Fair Value Measures**

ASC 820, "*Fair Value Measurements and Disclosures*" requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy

based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

*Level 1*

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

*Level 2*

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

*Level 3*

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts payable and accrued liabilities, convertible debenture, stock-settled debt obligation, and amounts due to related parties. Pursuant to ASC 820, the fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

### **Stock-based Compensation**

The Company records stock-based compensation in accordance with ASC 718 "Compensation – Stock Compensation" and ASC 505, "Equity Based Payments to Non-Employees", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

### **Loss per Share**

The Company computes net loss per share in accordance with ASC 260, "Earnings per Share", which requires presentation of both basic and diluted earnings per share ("EPS") on the face of the statements of operations. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

### **Comprehensive Loss**

ASC 220, "Comprehensive Income", establishes standards for the reporting and display of comprehensive loss and its components in the consolidated financial statements. As of March 31, 2021 and at March 31, 2020, the Company had no items representing comprehensive income or loss.

### **Income Taxes**

A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

When required, the Company records a liability for unrecognized tax positions, defined as the aggregate tax effect of differences between positions taken on tax returns and the benefits recognized in the financial statements. Tax positions are measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. No tax benefits are recognized for positions that do not meet this threshold. The Company has no uncertain tax positions that require the Company to record a liability. The Company's tax years ended December 31, 2019 and December 31, 2020 remain subject to examination by Federal and state jurisdictions.

The Company recognizes penalties and interest associated with tax matters as part of the income tax provision and includes accrued interest and penalties with the related tax liability in the balance sheet. The Company had no accrued penalties and interest as of March 31, 2021.

#### **Recently Issued Accounting Pronouncements**

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

#### **NOTE 3 – STOCKHOLDERS' DEFICIT**

##### ***Authorized Shares***

The Company is authorized to issue 650,000,000 shares of \$0.001 par value common stock.

##### ***Common Stock***

All common stock shares have equal voting rights, are non-assessable and have one vote per share.

#### **NOTE 4 – CONFLICTS OF INTEREST**

The officer and director of the Company is involved in other business activities and may, in the future, become involved in other business opportunities. If a specific business opportunity becomes available, such person may face a conflict in selecting between the Company and his other business interests. The Company has not formulated a policy for the resolution of such conflicts.

#### **NOTE 5 – SUBSEQUENT EVENTS**

None.