

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

## **NOVATION HOLDINGS, INC**

12 Park Mirage Lane  
Rancho Mirage, CA 92270  
1 (403) 988-2005  
mgelmon@telusplanet.net  
8200

**Annual Report**  
**For the Period Ending: August 31, 2021**  
(the "Reporting Period")

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

11,854,766,540

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

9,974,145,740

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

8,574,145,740

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>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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

<sup>1</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.

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.

NOVATION HOLDINGS, INC.

Formerly=Dragon Life Science Holdings, Inc. until 08-2021

Formerly=Novation Holdings, Inc. until 08-2017

Formerly=Allezoe Medical Holdings, Inc. until 11-2012

Formerly=Stanford Management, Ltd. until 2-2011

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):

The Company was organized originally under the laws of the State of Delaware as Stanford Management Ltd., on September 24, 1998, and, effective on October 25, 2012, transferred our place of incorporation from Delaware to Florida and changed our corporate name to Novation Holdings, Inc.

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

None

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:

12 Park Mirage Lane  
Rancho Mirage, CA 92270

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:

\_\_\_\_\_

## 2) Security Information

Trading symbol: NOHO  
Exact title and class of securities outstanding: Common  
CUSIP: 66989U 10 9  
Par or stated value: .001

Total shares authorized: 15,000,000,000 as of date: August 31, 2021  
Total shares outstanding: 11,854,766,540 as of date: August 31, 2021  
Number of shares in the Public Float<sup>2</sup>: 7,397,801,784 as of date: August 31, 2021  
Total number of shareholders of record: 69 as of date: August 31, 2021

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

Trading symbol: \_\_\_\_\_  
Exact title and class of securities outstanding: Preferred  
CUSIP: \_\_\_\_\_  
Par or stated value: .001  
Total shares authorized: 5,000,000 as of date: August 31, 2021  
Total shares outstanding: 1,000,000 as of date: August 31, 2021

### Transfer Agent

Name: Pacific Stock Transfer Company  
Phone: (702) 361-3033  
Email: Paul Bednar <paul@pacificstocktransfer.com>  
Address: 6725 Via Austi Pkwy, Suite 300  
Las Vegas, NV 89119

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes: ☒ No: ☐

## 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: ☐

<sup>2</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>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>08.31.17</u> Common: <u>8,474,145,740</u> Preferred: <u>1,000,000</u>			*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.
<u>11.09.17</u>	<u>New</u>	<u>100,000,000</u>	<u>Common</u>	<u>.001</u>	<u>No</u>	<u>TBCF PARTNERS LLC</u>  <u>CARAGOL, WILLIAM J, JR</u>	<u>Services</u>	<u>Restricted</u>	<u>144</u>
<u>03.02.21</u>	<u>New</u>	<u>500,000,000</u>	<u>Common</u>	<u>.001</u>	<u>No</u>	<u>Sojourn Investments</u>  <u>Casey Jensen</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>144</u>
<u>04.14.21</u>	<u>New</u>	<u>900,000,000</u>	<u>Common</u>	<u>.001</u>	<u>No</u>	<u>Sojourn Investments</u>  <u>Casey Jensen</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>144</u>
<u>08.16.23</u>	<u>New</u>	<u>900,000,000</u>	<u>Common</u>	<u>.001</u>	<u>No</u>	<u>Sojourn Investments</u>  <u>Casey Jensen</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>144</u>
<u>08.23.21</u>	<u>New</u>	<u>980,620,800</u>	<u>Common</u>	<u>.0005</u>	<u>yes</u>	<u>Solar Advisors Limited</u>  <u>Andrew Byers</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>144</u>
Shares Outstanding on Date of This Report: <u>Ending Balance</u> <u>Ending Balance:</u> Date <u>08.31.21</u> Common: <u>11,854,766,540</u> Preferred: <u>1,000,000</u>									

**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:

## 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.)
<u>08.01.14</u>	<u>135,087.15</u>	<u>135,087.15</u>	<u>78,402</u>	<u>08.01.15</u>	<u>50% of the lowest closing bid price for the previous twenty (20) consecutive trading days.</u>	<u>Michael Gelmon</u>	<u>Loan</u>
<u>03.01.16</u>	<u>59,000</u>	<u>147,500</u>	<u>77,466</u>	<u>03.01.17</u>	<u>Lowest of a) 50% of 20 day lowest trading price or b) in the event the stock price trades at or below \$.0001, conversion price is fixed at \$.00005 per share of Common Stock.</u>	<u>Sojourn Investments</u> <u>Casey Jensen</u>	<u>Loan</u>
<u>03.01.17</u>	<u>147,500</u>	<u>147,500</u>	<u>62,716</u>	<u>03.01.18</u>	<u>Lowest of a) 50% of 20 day lowest trading price or b) in the event the stock price trades at or below \$.0001, conversion price is fixed at \$.00005 per share of Common Stock.</u>	<u>Sojourn Investments</u> <u>Casey Jensen</u>	<u>Loan</u>
<u>11.06.17</u>	<u>30,000</u>	<u>35,000</u>	<u>8,561</u>	<u>11.06.18</u>	<u>Lowest of a) 50% of 20 day lowest trading price or b) in the event the stock price trades at or below \$.0001, conversion price is fixed at \$.00005 per share of Common Stock.</u>	<u>TBCF PARTNERS LLC</u> <u>CARAGOL, WILLIAM J, JR</u>	<u>Loan</u>

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

## 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>4</sup>:

<sup>4</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.

Name: Caren Currier  
Title: Consultant  
Relationship to Issuer: Consultant

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 Retained Earnings (Statement of Changes in Stockholders' 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.

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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")

Novation Holdings, Inc. (the "Company"), a Florida corporation, is focused on effecting a "reverse merger," capital exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more unrelated businesses (the "Business Combination") that would benefit from the Company's public reporting status. The Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination. As of the date of this report, the Company had not yet commenced any operations. All activity through the date of this report relates to preserving cash, making settlements with creditors, attempting to raise capital, and continuing the Company's public reporting.

- B. Please list any subsidiaries, parents, or affiliated companies.

None

- C. Describe the issuers' principal products or services.

None

## 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 and the extent in which the facilities are utilized.

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

## 7) Company Insiders (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% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders 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 (City, State) 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 Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Michael Gelmon</u>	<u>President, CEO &amp; Sole Director</u>	<u>CALGARY AB</u> <u>T3Z 1B1</u> <u>CANADA</u>	111,112	<u>Common</u>	<u>.001%</u>	<u>None</u>
<u>Yaoliu Health Technology (Shenzhen) Co. Ltd. (Mr. Yu Hang Yan)</u>	<u>More than 5%</u>	Shenzhen, China	<u>1,000,000</u>	<u>Preferred</u>	<u>100%</u>	The Series A Preferred shares carry voting power equal to 51 percent of the total voting power of all classes of stock.
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities 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);

None

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;

None

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

None

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.

None

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

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

### Securities Counsel

Name: Brett Verona  
Firm: The Verona Firm, PLLC  
Address 1: PO Box 18191  
Address 2: Tampa, FL 33679  
Phone: (813) 258-0852  
Email: [Brett@TheVeronaFirm.com](mailto:Brett@TheVeronaFirm.com)

### Accountant or Auditor

Name: Andy Wang  
Firm: TAAD LLP  
Address 1: 20955 Pathfinder Road, Suite 100  
Address 2: Diamond Bar, CA 91765  
Phone: (714) 803-0303



Email: [andy@taadllp.com](mailto:andy@taadllp.com)

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, broker-dealer(s), 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: \_\_\_\_\_

## 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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Michael Gelmon certify that:

1. I have reviewed this Annual Disclosure Statement of NOVATION HOLDINGS, 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.

November 30, 2021

/s/Michael Gelmon

### *Principal Financial Officer:*

I, Michael Gelmon certify that:

1. I have reviewed this Annual Disclosure Statement of NOVATION HOLDINGS, 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.

November 30, 2021

/s/Michael Gelmon

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Accrual Basis

**Novation Holdings, Inc.**  
**Balance Sheet Prev Year Comparison**  
**As of August 31, 2021**

	Aug 31, 21	Aug 31, 20
<b>ASSETS</b>		
Current Assets		
Checking/Savings	0.00	0.00
Other Current Assets	0.00	0.00
Total Current Assets	0.00	0.00
Fixed Assets	0.00	0.00
Other Assets	0.00	0.00
<b>TOTAL ASSETS</b>	<b>0.00</b>	<b>0.00</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable	12,701.00	11,511.00
Other Current Liabiliti...	591,504.58	492,530.54
Total Current Liabilities	604,205.58	504,041.54
Long Term Liabilities	135,087.15	135,087.15
Total Liabilities	739,292.73	639,128.69
Equity		
Capital Stock		
Addition Paid In Capital	3,589,090.18	5,375,680.18
Common Stock	11,854,766.74	8,574,145.74
Preferred stock	1,000.00	1,000.00
Total Capital Stock	15,444,856.92	13,950,825.92
Deferred Equity	0.00	0.00
Retained Earnings	-15,919,954.61	-14,544,112.21
Net Income	-264,195.04	-45,842.40
Total Equity	-739,292.73	-639,128.69
<b>TOTAL LIABILITIES &amp; EQUI...</b>	<b>0.00</b>	<b>0.00</b>

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Accrual Basis

**Novation Holdings, Inc.**  
**Profit & Loss Prev Year Comparison**  
**June through August 2021**

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	Jun - Aug 21	Jun - Aug 20
<b>Ordinary Income/Expense</b>		
<b>Expense</b>		
Compensation	200,000.00	0.00
Consulting Expenses	1,500.00	0.00
Dues and Subscriptions	6,619.00	357.00
General and administrative		
Transfer Agent Fees	1,750.00	0.00
<b>Total General and administrat...</b>	1,750.00	0.00
License and Permits	1,208.75	0.00
Professional Fees		
Legal expense	1,000.00	0.00
<b>Total Professional Fees</b>	1,000.00	0.00
<b>Total Expense</b>	212,077.75	357.00
<b>Net Ordinary Income</b>	-212,077.75	-357.00
<b>Other Income/Expense</b>		
<b>Other Expense</b>		
Interest Expense	20,629.29	12,355.45
<b>Total Other Expense</b>	20,629.29	12,355.45
<b>Net Other Income</b>	-20,629.29	-12,355.45
<b>Net Income</b>	<b>-232,707.04</b>	<b>-12,712.45</b>

**Novation Holdings, Inc.**  
**Profit & Loss Prev Year Comparison**  
**September 2020 through August 2021**

	Sep '20 - Aug 21	Sep '19 - Aug 20
<b>Ordinary Income/Expense</b>		
<b>Expense</b>		
Compensation	200,000.00	0.00
Consulting Expenses	1,500.00	0.00
Dues and Subscriptions	7,690.00	1,428.00
General and administrative		
Transfer Agent Fees	1,750.00	0.00
Total General and administrat...	1,750.00	0.00
License and Permits	1,208.75	0.00
Professional Fees		
Legal expense		
Legal-other	1,000.00	0.00
Total Legal expense	1,000.00	0.00
Total Professional Fees	1,000.00	0.00
Total Expense	213,148.75	1,428.00
<b>Net Ordinary Income</b>	-213,148.75	-1,428.00
<b>Other Income/Expense</b>		
Other Expense		
Interest Expense	51,046.29	44,414.40
Total Other Expense	51,046.29	44,414.40
<b>Net Other Income</b>	-51,046.29	-44,414.40
<b>Net Income</b>	<b>-264,195.04</b>	<b>-45,842.40</b>

**Novation Holdings, Inc.**  
**Statement of Cash Flows**  
June through August 2021

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	<u>Jun - Aug 21</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-232,707.04
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Payable	119.00
Accrued interest payable: Gelmon	2,723.94
Accrued interest payable: Soujourn	7,435.44
Accrued interest payable: TBCF	-8,561.09
Accrued Salary - Officer	200,000.00
Loans from Related Parties	11,958.75
Notes payable-current portion: Sojourn Investments 2 11-1...	-45,000.00
Notes payable-current portion: TBFC Partners Loan	-30,000.00
Net cash provided by Operating Activities	-94,031.00
<b>FINANCING ACTIVITIES</b>	
Capital Stock: Addition Paid In Capital	-178,659.00
Capital Stock: Common Stock	1,880,621.00
Net cash provided by Financing Activities	94,031.00
Net cash increase for period	0.00
Cash at end of period	<u><u>0.00</u></u>

**Novation Holdings, Inc.**  
**Statement of Cash Flows**  
September 2020 through August 2021

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	<u>Sep '20 - Aug ...</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-264,195.04
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Payable	1,190.00
Accrued interest payable:Gelmon	10,806.62
Accrued interest payable:Soujourn	27,974.70
Accrued interest payable:TBCF	-6,766.03
Accrued Salary - Officer	200,000.00
Loans from Related Parties	11,958.75
Notes payable-current portion:Sojourn Investments 2 11-1...	-115,000.00
Notes payable-current portion:TBFC Partners Loan	-30,000.00
Net cash provided by Operating Activities	-164,031.00
<b>FINANCING ACTIVITIES</b>	
Capital Stock:Addition Paid In Capital	-1,786,590.00
Capital Stock:Common Stock	3,280,621.00
Retained Earnings	-1,330,000.00
Net cash provided by Financing Activities	164,031.00
Net cash increase for period	0.00
Cash at end of period	<u><u>0.00</u></u>

**Novation Holdings**  
**Statements of Shareholders' Equity (Deficit)**

	Preferred Stock Shares	Amount	Common Stock Shares	Amount	Additional Paid- in Capital	Accumulated Deficit	Total
<b>Balance at February 28, 2020</b>	<b>1,000,000</b>	<b>1,000</b>	<b>8,574,145,740</b>	<b>8,574,146</b>	<b>5,375,680</b>	<b>(14,566,044)</b>	<b>(\$615,218)</b>
Net Loss						-11,198	(\$11,198)
<b>Balance at May 31, 2020</b>	<b>1,000,000</b>	<b>1,000</b>	<b>\$8,574,145,740</b>	<b>\$8,574,146</b>	<b>\$5,375,680</b>	<b>\$(14,577,242)</b>	<b>(\$626,416)</b>
Net Loss						-11,121	(\$11,121)
<b>Balance at August 31, 2020</b>	<b>1,000,000</b>	<b>1,000</b>	<b>8,574,145,740</b>	<b>8,574,146</b>	<b>5,375,680</b>	<b>-14,588,363</b>	<b>(\$637,537)</b>
Net Loss						(11,092)	(\$11,092)
<b>Balance at November 30, 2020</b>	<b>1,000,000</b>	<b>1,000</b>	<b>8,574,145,740</b>	<b>8,574,146</b>	<b>5,375,680</b>	<b>(14,599,455)</b>	<b>(\$648,629)</b>
Net Loss						14,976	\$14,976
<b>Balance at February 28, 2021</b>	<b>1,000,000</b>	<b>1,000</b>	<b>8,574,145,740</b>	<b>8,574,146</b>	<b>5,375,680</b>	<b>(14,584,479)</b>	<b>(\$633,653)</b>
Net Loss			1,400,000,000	1,400,000		-1,366,964	\$33,036
<b>Balance at May 31, 2021</b>	<b>1,000,000</b>	<b>1,000</b>	<b>\$9,974,145,740</b>	<b>\$9,974,146</b>	<b>\$5,375,680</b>	<b>\$(15,951,443)</b>	<b>(\$600,617)</b>
Net Loss			1,880,620,800	1,880,621	-1786590	-232,707	(\$138,676)
<b>Balance at August 31, 2021</b>	<b>1,000,000</b>	<b>1,000</b>	<b>11,854,766,540</b>	<b>11,854,767</b>	<b>3,589,090</b>	<b>-16,184,150</b>	<b>(\$739,293)</b>



**NOVATION HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For period ending August 31, 2021 and 2020**

**NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Novation Holdings, Inc., formerly Allezo Medical Holdings, Inc., and formerly Stanford Management, Ltd., was incorporated under the laws of the State of Delaware on September 24, 2008. Effective October 25, 2012, the Company amended its Articles of Incorporation to change its name to Novation Holdings, Inc and changed its place of incorporation from Delaware to Florida. The Company was originally organized for the purpose of acquiring and developing mineral properties. On February 18, 2011, all of the mineral properties and related development and exploration activities were disposed of as part of a series of transactions resulting in the Company moving into the medical technology industry.

On February 18, 2011, the Company acquired all the outstanding shares of Organ Transport Systems, Inc. (“OTS”), a Nevada corporation, and simultaneously disposed of the assets relating to its former activities in mining exploration, along with all related liabilities. Consequently, OTS was considered to be the surviving entity with the Company intending to include only the financial results of OTS in its financial statements. Effective March 19, 2012 the Company agreed to rescind the acquisition of Organ Transport Systems, Inc. The net effect of the rescission transaction was to remove OTS as a subsidiary of the Company.

On August 22, 2017, the Company amended its Articles of Incorporation to reduce the amount of its authorized shares from 15,005,000,000 to 1,005,000,000, of which 1,000,000,000 shares shall be deemed as Common stock and 5,000,000 shares shall be deemed as preferred stock. At the same time, the outstanding shares of common stock of the Company were reversed on a 1 for 10,000 basis. On August 22, 2017, the Company filed an Issuer Company Related Action Notification application FINRA to both affect the change of the Company’s name from Novation Holdings, Inc. to Dragon Life Science Holdings, Inc. and the 1 for 10,000 reverse stock-split. On August 16, 2021, the Company amended its Articles of Incorporation to change the name of the Company back to Novation Holdings, Inc.

There has been no activity since August 2018 and the company is now focused on effecting a “reverse merger,” capital exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more unrelated businesses (the “Business Combination”) that would benefit from the Company’s public reporting status. The Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination. As of the date of this report, the Company had not yet commenced any operations. All activity through the date of this report relates to preserving cash, making settlements with creditors, attempting to raise capital, and continuing the Company’s public reporting.

**Risks and Uncertainties**

The Company operates in an industry that is subject to rapid technological change. The Company's operations will be subject to significant risk and uncertainties including financial, operational, technological, regulatory and other risks associated with a development stage company, including the potential risk of business failure.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses during the reporting period. A significant estimate as of August 31, 2021 included a 100% valuation allowance for deferred tax assets arising from net operating losses incurred since inception and also calculations of derivative liability.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ materially from estimates.

**Cash and Cash Equivalents**

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Company had no cash equivalents at August 31, 2021 and August 31, 2020, respectively. The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. There were no balances that exceeded the federally insured limit at August 31, 2021 and August 31, 2020, respectively.

### **Loss per Share**

In accordance with Financial Accounting Standards Board “FASB” Accounting Standards Codification “ASC” Topic 260, “Earnings per Share,” basic earnings (loss) per share (“EPS”) is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock options or warrants, using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of stock options or warrants), and convertible debt or convertible preferred stock, using the if-converted method. Diluted EPS excludes all dilutive potential of shares of common stock if their effect is anti-dilutive. The computation of basic and diluted loss per share for the period ending August 31, 2021, is equivalent since the Company has had continuing losses. The Company also has no common stock equivalents.

### **Accounting for Stock-Based Compensation**

The Company adopted the provisions of FASB ASC 718-20, Stock Compensation – Awards Classified as Equity, which require companies to expense the estimated fair value of employee stock options and similar awards based on the fair value of the award on the date of grant. The cost is recognized over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. At the Annual Meeting of Shareholders held on October 24, 2012, the shareholders approved the adoption of the Novation Holdings, Inc. 2012 Stock Incentive Plan, and the setting aside of 4,500,000 shares of post-reverse split common stock for grants under the Plan. There have been no grants of any stock or other equity under the Plan, or otherwise, at August 31, 2021.

### **Non-Employee Stock Based Compensation**

Share-based payment awards issued to non-employees for services rendered are recorded in accordance with ASC 505, “Equity” at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable.

### **Income Taxes**

The Company accounts for income taxes in accordance with FASB ASC 740, Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is recorded and deducted from deferred tax assets when the deferred tax assets are not expected to be realized based on currently available evidence. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Management has analyzed its various federal and state filing positions and believes that its income tax filing positions and deductions are well documented and supported. Additionally, management believes that no accruals for tax liabilities are necessary. Therefore, no reserves for uncertain income tax positions have been recorded.

### **Revenue Recognition**

The Company recognizes revenue in accordance with FASB ASC 605 on revenue recognition for consulting and ISP services. Revenue from consulting and ISP services will be recognized only when persuasive evidence of a sale or arrangement with a customer exists, price is fixed and determinable, services have been performed, and collectability of the resulting receivable is reasonably assured.

Cash received in advance of meeting the revenue recognition criteria described above is recorded as deferred revenue.

### **Concentrations of Credit Risk**

The Company maintains its cash in bank deposit accounts in a bank which participates in the Federal Deposit Insurance Corporation (FDIC) Program. As of August 31, 2021, and August 31, 2020, the Company had no balances in excess of federally insured limits.

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

All financial instruments, including derivatives, are to be recognized on the balance sheet initially at fair value. Subsequent measurement of all financial assets and liabilities except those held-for-trading and available for sale are measured at amortized cost determined using the effective interest rate method. Held-for-trading financial assets are measured at fair value with changes in fair value recognized in earnings. Available-for-sale financial assets are measured at fair value with changes in fair value recognized in comprehensive income and reclassified to earnings when derecognized or impaired.

The carrying amounts of the Company's other short-term financial instruments, including accounts payable and accrued liabilities, approximate fair value due to the relatively short period to maturity for these instruments. The Company does not utilize financial derivatives or other contracts to manage commodity price risks. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

The fair value of the Company's financial assets and liabilities reflects the Company's estimate of amounts that it would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from sources independent from the Company) and to minimize the use of unobservable inputs (the Company's assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

### **Recent Accounting Pronouncements**

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change.

### **NOTE 2. GOING CONCERN**

The accompanying consolidated financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company is and has suffered recurring losses and has no established source of revenue. Its ability to continue as a going concern is dependent upon achieving profitable operations and generating positive cash flows.

There can be no assurances that the Company will be able to achieve profitable operations or obtain additional funding. These factors create substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of the uncertainty. Management intends to raise financing through private or public equity financing or other means and interests that it deems necessary to provide the Company with the ability to continue in existence.

### **NOTE 3. INCOME TAXES**

The Company accounts for income taxes in accordance with accounting standards for Accounting for Income Taxes which require the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax loss and tax credit carry-forwards. Additionally, the standards require the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets.

The Company has adopted the provisions of FASB ASC 740-10-25. As a result of its implementation, the Company performed a comprehensive review of its uncertain tax positions in accordance with recognition and measurement standards established by FASB ASC 740-10-25. In this regard, an uncertain tax position represents the Company's expected treatment of a tax position taken in a prepared and filed tax return, or expected to be taken in a tax return, that has not been reflected in measuring income tax expense for financial reporting purposes. The Company does not expect any reasonably possible material changes to the estimated amount of liability associated with uncertain tax positions through August 31, 2021. The Company's continuing policy is to recognize accrued interest and penalties related to income tax matters in income tax expense.

#### **NOTE 4. CAPITAL STOCK**

The Company is authorized to issue 15,000,000,000 shares of common stock, par value \$0.001 per share and 5,000,000 shares of preferred stock, par value \$0.001. We had a total of 11,854,766,540 common shares and 1,000,000 preferred shares issued and outstanding as of August 31, 2021. During the period ended August 31, 2021, the Company issued 1,880,620,800 shares of common stock for debt conversion. There are also 1,000,000 shares of Series A Preferred Stock issued and outstanding, representing a total vote of 51 percent of the total voting power of all shares outstanding as of August 31, 2021.

#### **NOTE 5 – CONTINGENCY**

In the ordinary course of business, the Company may become a party to lawsuits involving various matters. The impact and outcome of litigation, if any, is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm its business. The Company believes the ultimate resolution of any such current proceeding will not have a material adverse effect on our continued financial position, results of operations or cash flows.

#### **NOTE 6 – SUBSEQUENT EVENTS**

On September 3, 2021, the Company entered into a Settlement and Release Agreement with Yaoliu Health Technology Shenzhen Co. LTD and its agent, Luis Rodriguez ("Yaoliu") whereby Yaoliu agreed to exchange and return to treasury all 1,000,000 shares of Series A Preferred Stock in exchange for 500,000,000 shares of the Company's common stock.

On September 27, 2021, the Company's board of directors designated 1,000,000 preferred shares as Series B Preferred Stock, par value \$0.001 per share (the "Series B Shares"). The Series B Shares are convertible at the option of the holder into fifty-one (51) percent of the resulting Common Shares thereafter and provide the holder with voting rights equal to 51% of the total voting stock of the Company.

On September 27, 2021, the Company issued all 1,000,000 of the Series B Shares to Michael Gelmon, the Company's President and CEO, as compensation for his services performed for the Company from January 1, 2017 through December 31, 2019.

## NOTE 7. NOTES PAYABLE

The following is a summary of notes payable at August 31, 2021 and August 31, 2020:

<u>Description</u>	<u>August 31, 2021</u>	<u>August 31, 2020</u>
On August 1, 2014, the Company issued its promissory note in the amount of \$135,087 to Michael Gelmon, its CEO, in conversion of accrued consulting fees due. The note was due on August 1, 2016 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company at the election of the Holder, at 50% of the average closing stock price for the last ten days prior to the date of conversion. This note is fully outstanding as of August 31, 2021.	135,087	135,087
On March 1, 2016, the Company issued its promissory note in the amount of \$147,500 to an unrelated third party for consulting services. The note was due on March 1, 2017 and carries interest at 10 percent per annum. The note is convertible into common stock of the Company at the lowest of a) 50% of the 20-day lowest trading price or, b) in the event the stock price trades at or below \$.0001, at a fixed price of \$.00005 per share. The note had a balance of \$14,000 as of August 31, 2021.	14,000	129,000
On March 1, 2017, the Company issued its promissory note in the amount of \$147,500 to an unrelated third party for consulting services. The note was due on March 1, 2018 and carries interest at 10 percent per annum. The note is convertible into common stock of the Company at the lowest of a) 50% of the 20-day lowest trading price or, b) in the event the stock price trades at or below \$.0001, at a fixed price of \$.00005 per share. This note is fully outstanding as of August 31, 2021.	147,500	147,500
On November 6, 2017, the Company issued its promissory note in the amount of \$35,000 to an unrelated third party for additional working capital. The note was due on November 6, 2018 and carries interest at 8 percent per annum. The note is convertible into common stock of the Company at the lowest of a) 50% of the 20-day lowest trading price or, b) in the event the stock price trades at or below \$.0001, at a fixed price of \$.00005 per share. This note had a balance of \$0 as of August 31, 2021.	0	30,000