

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Virtual Medical International, Inc.

A Nevada Corporation

3561 Lindell Road, Suite D639

Las Vegas, NV 89103

www.virtualmedicalintl.com

larryeastland@gmail.com

SIC Code: 3990

702-589-3094

Quarterly Report

For the Period Ending: Nine months ended September 30, 2019
(the "Reporting Period")

As of December 6, 2019, the number of shares outstanding of our Common Stock was:

446,721,541

As of September 30, 2019, the number of shares outstanding of our Common Stock was:

425,721,541

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: (Double-click and select "Default Value" to check)

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 Control¹ of the company has occurred over this reporting period:

¹ "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.

Yes: * No:

*See Item 7 below regarding the resignation of Yeung Yuenyong and the appointment of Dr. Larry Eastland

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

Virtual Medical International, Inc. (the "Company"): October 19, 2010 to present

The Company was incorporated in Nevada on July 19, 2007. The Company's status with Nevada is active.

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:	<u>QEBR</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>92828H109</u>	
Par or stated value:	<u>\$0.00001</u>	
Total shares authorized:	<u>1,000,000,000</u>	as of date: <u>December 6, 2019</u>
Total shares outstanding:	<u>446,721,541</u>	as of date: <u>December 6, 2019</u>
Number of shares in the Public Float:	<u>22,877,939</u>	as of date: <u>December 6, 2019</u>
Total number of shareholders of record:	<u>288</u>	as of date: <u>December 6, 2019</u>

Additional class of securities (if any):

Trading symbol:	N/A	
Exact title and class of securities outstanding:	<u>Series B Preferred Stock</u>	
CUSIP:	<u>N/A</u>	
Par or stated value:	<u>\$0.00001</u>	
Total shares authorized:	<u>45,000,000</u>	as of date: <u>December 6, 2019</u>
Total shares outstanding:	<u>36,470,893</u>	as of date: <u>December 6, 2019</u>

Transfer Agent

Name: Empire Stock Transfer, Inc.
Phone: 702-818-5898
Email: info@empirestock.com

Is the Transfer Agent registered under the Exchange Act?² Yes: No:

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

N/A

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On January 23, 2019, the Company closed an acquisition of 100% of the equity interest of Sheen Boom Investments Limited ("Sheen Boom"), a company incorporated in the British Virgin Islands. Sheen Boom holds 51% of the equity interest of Jihye Technology Limited ("Jihye"), a company incorporated in Hong Kong. The Company issued 5,100,000 shares to the original shareholders of Sheen Boom as consideration. Sheen Boom is an investment holding company that owns no operating assets. Jihye plans to open and operate a number of Filecoin farms globally, including an initial farm in Hong Kong, which is currently under construction, and subsequent farms

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

in Japan, Korea, Singapore and Toronto, Canada.

On September 28, 2019 the Company entered into a Share Exchange Agreement with the shareholders of Idaho Country Mining Co. LLC ("ICMC") and Shenzhen DZD Digital Technology Ltd ("DZD") in order to acquire 100% of each of the aforementioned entities for a total of 21,000,000 restricted shares of common stock. The acquisitions complement QEBR's existing subsidiaries by adding ICMC's services in data acquisition, data mining, encrypted data bookkeeping, and encrypted data acquisition; and, DZD, an engineering partner with ICMC in Shenzhen, China. DZD specializes in providing services for data processing, data mining, encrypted data bookkeeping, and researching of data technology. The transaction closed on October 5, 2019, and the shares in respect to the transaction were subsequently issued on November 6, 2019.

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:

Number of Shares outstanding as of <u>January 1, 2017</u>	<u>Opening Balance:</u> Common: 55,367,541 Preferred B: 11,470,893								
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 (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
November 1, 2017	New issuance	350,000,000	Common stock	\$0.000051	Yes	Algonquin Partners, Inc., which was controlled by the former CEO of the Company, Joe Arcaro	Settlement of related party debt	Restricted	Exemption: Section 4(a)(2) of the Securities Act
November 1, 2017	New issuance	25,000,000	Series B Preferred Stock	\$0.00001	Yes	Algonquin Partners, Inc., which was controlled by the former CEO of the Company, Joe Arcaro	Settlement of related party debt	Restricted	Exemption: Section 4(a)(2) of the Securities Act
May 16, 2018	New issuance	5,000,000	Common stock	\$0.35	Yes	Ms. Nankalamu	Consideration for acquisition of Environmental Robotics Limited	Restricted	Exemption: Section 4(a)(2) of the Securities Act

May 24, 2018	New issuance	10,000,000	Common stock	\$0.35	Yes	Su Xiaobo	Consideration for acquisition of Xiaojin County Ruibo Big Data Technology Co., Ltd.	Restricted	Exemption: Section 4(a)(2) of the Securities Act
June 4, 2018	New issuance	250,000	Common stock	\$0.90	No	Patrick Loney	Legal services	Restricted	Exemption: Section 4(a)(2) of the Securities Act
January 23, 2019	New issuance	5,100,000	Common stock	\$1.99	No	Cassandra Tsz Wai LAW, Chun Ling NG, Chin Long PON and Bulls Run Limited (Control persons Ms. Nankalamu and Mr. Ding-Shin "DS" Chang	Consideration for acquisition of Sheen Boom Investment Limited	Restricted	Exemption: Section 4(a)(2) of the Securities Act
January 23, 2019	New issuance	4,000	Common stock	\$1.99	No	Kon Ki LO	Legal services	Restricted	Exemption: Section 4(a)(2) of the Securities Act
Shares Outstanding on <u>September 30, 2019</u> :	<u>Ending Balance:</u> Common: <u>425,721,541</u> Preferred B: <u>36,470,893</u>								

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

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	Reason for Issuance (e.g. Loan, Services, etc.)
October 31, 2017	0	10,500	250	October 31, 2018	No conversion terms	Empire Stock Transfer Inc.	Services

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)³:

Name: Li Shen, The Accounting Connection
Title: CGA
Relationship to Issuer: Third Party 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.

- i. Balance sheet;
- ii. Statement of income;
- iii. Statement of cash flows;
- iv. Financial notes; and
- v. 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”).

The financial statements for the comparative nine-month periods ended September 30, 2019 and 2018 are appended to this 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 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”)

Virtual Medical International, Inc. (the “Company”) was originally incorporated in the State of Nevada on July 19, 2007 as QE Brushes, Inc. On October 19, 2010, the Company changed its name to Virtual Medical International, Inc. The Company initially was in the business of internet-based medical education, offering web-based programs to educate patients on the risks and benefits of medical treatments.

On May 16, 2018, the Company acquired 100% of the equity interest of Environmental Robotics Limited (“ER”), a company incorporated in the Marshall Islands. ER holds 100% of the equity interest of Jinbaixing (Shenzhen) Clean Energy Technology Service Co., Ltd (“Jinbaixing”), a company incorporated in the People’s Republic of China (“PRC”). The Company issued 5,000,000 shares to the original shareholders of ER as consideration. Both ER and Jinbaixing are investment holding companies and do not currently hold assets.

On May 24, 2018, the Company, through Jinbaixing, acquired 40% of the equity interest of Xiaojin County Ruibo Big Data Technology Co., Ltd. (“Big Data”), a company incorporated in the PRC. Big Data is engaged in the business of mining cryptocurrencies. The Company issued 10,000,000 shares to the original shareholders of Big Data as consideration.

On October 29, 2018, the Company filed a Second Amended and Restated Articles of Incorporation (the “Restated Articles”) with the Secretary of State of Nevada. The Restated Articles set forth the following changes to the Company’s Articles of Incorporation: (i) discontinued the practice of issuing “blank check” preferred stock, in which the board of directors of the Company may designate new series of preferred stock by filing Articles of Designation with the Secretary of State of Nevada; (ii) increased the authorized Common

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

Stock to 1,000,000,000 shares; (iii) maintained the designated Series B Preferred Stock at 45,000,000 shares; and (iv) eliminated the Series C Preferred Stock. The Company effected the Restated Articles for the purposes of providing sufficient capital stock to use as consideration for our possible business acquisition in the future and for other reasons.

On January 23, 2019, the Company closed an acquisition of 100% of the equity interest of Sheen Boom Investments Limited (“Sheen Boom”), a company incorporated in the British Virgin Islands. Sheen Boom holds 51% of the equity interest of Jihye Technology Limited (“Jihye”), a company incorporated in Hong Kong. The Company issued 5,100,000 shares to the original shareholders of Sheen Boom as consideration. Sheen Boom is an investment holding company that owns no operating assets. Jihye plans to open and operate a number of Filecoin farms globally, including an initial farm in Hong Kong, which is currently under construction, and subsequent farms in Japan, Korea, Singapore and Toronto.

On September 28, 2019 the Company entered into a Share Exchange Agreement with the shareholders of Idaho Country Mining Co. LLC (“ICMC”) and Shenzhen DZD Digital Technology Ltd (“DZD”) in order to acquire 100% of each of the aforementioned entities for a total of 21,000,000 restricted shares of common stock. The acquisitions complement QEBR's existing subsidiaries by adding ICMC's services in data acquisition, data mining, encrypted data bookkeeping, and encrypted data acquisition; and, DZD, an engineering partner with ICMC in Shenzhen, China. DZD specializes in providing services for data processing, data mining, encrypted data bookkeeping, and researching of data technology. The transaction closed on October 5, 2019, and the shares in respect to the transaction were subsequently issued on November 6, 2019.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference. Data below is as at September 30, 2019.

Subsidiary Name	Domicile	Address	Officer/Director	% Owned	Owned By
Environmental Robotics Limited (“ER”)	Republic of the Marshall Islands	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Republic of the Marshall Islands, MH 96960	Ms. Nankalamu	100%	The Company
Jinbaixing (Shenzhen) Clean Energy Technology Service Co., Ltd (“Jinbaixing”)	PRC	No. 1 Qianwan One Road, Building A, Office 201, Qianhai Special Economic Zone, Shenzhen, China	Ms. Nankalamu	100%	ER
Xiaojin County Ruibo Big Data Technology Co., Ltd. (“Big Data”)	PRC	Zhongmachang Village, Wori Township, Xiaojin County, Aba Tibetan and Qiang Autonomous Prefecture, Sichuan Province, PRC	Mr. Hu Danyeung	40%	Jinbaixing
Sheen Boom Investments Limited (“Sheen Boom”)	British Virgin Islands	P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands	Ms. Cassandra Tsz Wai Law	100%	The Company
Jihye Technology Limited (“Jihye”)	Hong Kong	Room 01, 1/F, 80 Hung To Road Kwun Tong, Kowloon, Hong Kong	Ms. Cassandra Tsz Wai Law	51%	Sheen Boom

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

The Company holds investments in companies based in China and Hong Kong and holds equity in two operating companies, Big Data and Jihye, which focus on cryptocurrency mining as their principal business. Recently the Company acquired two additional operating subsidiaries which are complementary to our existing core products and services adding data acquisition, data mining, encrypted data bookkeeping, encrypted data acquisition and researching of data technology.

6) Issuer's Facilities

None. The Issuer leases temporary office facilities on a month to month basis or under other short term contracts.

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 regarding any person or entity owning 5% or more of the issuer, 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 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	Note
Yeung Yuenyong	Former Chief Executive Officer / Chief Financial Officer / Secretary / Sole Director	Ngawa Tibetan and Qiang Autonomous Prefecture, Sichuan Province, PRC	None	N/A	None	Resigned June 28, 2019
Dr. Larry Eastland	Chief Executive Officer President / Secretary / Director	Pacific Palisades, CA	None	N/A	None	Appointed June 28, 2019
NYJJ Investments Limited (Ms. Nankalamu – owner)	Greater than 5%	Hong Kong SAR, China	336,753,000 25,000,000	Common Preferred B	80.3% 68.5%	Ownership percentage of common includes NYJJ and Ms. Nankalamu's personal holdings.
Ms. Nankalamu	Greater than 5%	Hong Kong SAR, China	5,000,000	Common	**	See NYJJ
Mr. Jianxing (Oliver) Li	Chief Financial Officer / Director	Hong Kong SAR, China	None	N/A	None	Appointed October 5, 2019
Mr. Jun Liang	Chief Technology Officer / Director	Hong Kong SAR, China	None	N/A	None	Appointed October 5, 2019

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);

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.

Our CEO, President, Secretary and Director, Dr. Larry Eastland, and relative to his controlled consulting company, LEA Capital Advisors, in 2010, received a desist and refrain order from the State of California Business, Transportation and Housing Agency Department of Corporations, regarding selling securities in the State of California without a broker-dealer certificate from the California Corporations Commissioner.

- 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: Sharon D. Mitchell
Firm: SD Mitchell and Associates, PLC
Address 1: 829 Harcourt Rd.
Address 2: Grosse Pointe Park, MI
Phone: (248) 515-6035 (Phone)
Email: sharondmac2013@gmail.com

Accountant or Auditor

Name: Li Shen, CGA
Firm: The Accounting Connection
Address 1: 145-251 Midpark Blvd. S.E.
Address 2: Calgary, Alberta T2X 1S3
Phone: 403-693-8004
Email: support@theaccountingconnection.com

Other Service Providers

Provide the name of 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.

Jacqueline Danforth, Consultant
The Ideal Connection
30 North Gould St, Suite 5953
Sheridan, WY 82801
Tel: (646) 831-6244
jd@theidealconnection.com

10) **Issuer Certification**

Principal Executive Officer:

I, Dr. Larry Eastland, certify that:

1. I have reviewed this quarterly disclosure statement of Virtual Medical International, Inc. for the period ended September 30, 2019;
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.

December 9, 2019

/s/Larry Eastland
CEO and President

Principal Financial Officer:

I, Mr. Jianxing (Oliver) Li, certify that:

1. I have reviewed this quarterly disclosure statement of Virtual Medical International, Inc. for the period ended September 30, 2019;
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.

December 9, 2019

/s/ Jianxing (Oliver) Li
CFO

FINANCIAL STATEMENTS

VIRUTAL MEDICAL INTERNATIONAL, INC.

Interim Financial Statements For the Nine months ended September 30, 2019 Unaudited – Prepared by Management

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NOTE TO READER

The condensed consolidated financial statements of Virtual Medical International Inc. attached hereto are management prepared and have not been reviewed by an independent public accountant.

On January 23, 2019, the Company closed an acquisition of a 100% equity interest in Sheen Boom Investments Limited (“Sheen Boom”), a company incorporated in the British Virgin Islands. Sheen Boom holds 51% of the equity interests of Jihye Technology Limited (“Jihye”), a company incorporated in Hong Kong. During the current nine-month period, management identified certain prior period errors in the accounts of Jihye with respect to revenue recognition related to the fiscal year ended December 31, 2018. Revenue recognition policies applied prior to the acquisition of Jihye were not consistent with US GAAP. As a result, the Company has restated the purchase price allocation contained in these financial statements and included in Note 4 – Acquisition, in order to properly reflect net goodwill on acquisition date. Previously the Company reported goodwill after impairment of \$1,013,087. As a result of the restatement discussed above, net goodwill has increased to \$1,016,809. As the effect of the restatement is immaterial, we have not presented a full note on the restatement.

In addition, current period reports reflect certain presentational changes to the Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Operations, and Condensed Consolidated Statements of Cash Flows to reflect Accumulated Other Comprehensive Income and effects of foreign exchange on cashflows. Finally, the Company has updated its presentational format to include Condensed Consolidated Statements of Stockholders' Equity for the comparative nine-month periods ended September 30, 2019 and 2018 in order to be fully compliant with best practices.

VIRTUAL MEDICAL INTERNATIONAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	<u>September 30,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,161	\$ -
Prepaid expenses	54,611	-
Total Current Assets	<u>56,772</u>	<u>-</u>
Non-current Assets		
Goodwill	1,016,809	-
Investment in equity method investee	5,650,677	5,371,759
TOTAL ASSETS	<u>\$ 6,724,258</u>	<u>\$ 5,371,759</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,681	\$ 6,611
Deposit received	108,537	-
Due to related party	53,722	14,575
Total Current Liabilities	<u>163,940</u>	<u>21,186</u>
TOTAL LIABILITIES	<u>163,940</u>	<u>21,186</u>
Stockholders' Equity		
Preferred Stock at \$0.00001 par value, 45,000,000 shares authorized, Series B Preferred at \$0.00001 par value, 45,000,000 shares designated, 36,470,893 shares issued and outstanding	365	365
Common Stock at \$0.00001 par value, 1,000,000,000 shares authorized, 425,721,541 and 420,617,541 shares issued and outstanding as of September 30, 2019 and December 31, 2018, respectively	4,257	4,206
Additional paid in capital	98,948,576	88,791,668
Accumulated deficit	(87,873,997)	(83,445,666)
Accumulated other comprehensive income	(22)	-
Total Company's Stockholders' Equity	<u>11,079,179</u>	<u>5,350,573</u>
Non-controlling interest	(4,518,861)	-
Total Stockholders' Equity	<u>6,560,318</u>	<u>5,350,573</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 6,724,258</u>	<u>\$ 5,371,759</u>

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

VIRTUAL MEDICAL INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(Unaudited)

	Three months ended September 30,		Nine months Ended September 30,	
	2019	2018	2019	2018
Net revenues, related party	\$ <u>5,982</u>	\$ <u>-</u>	\$ <u>20,968</u>	\$ <u>-</u>
Operating expenses				
Cost of revenues	-	-	1,659	-
General and administrative	13,743	-	54,054	475
Professional fees	<u>3,128</u>	<u>7,146</u>	<u>21,741</u>	<u>24,071</u>
Total operating expenses	<u>16,871</u>	<u>7,146</u>	<u>77,454</u>	<u>24,546</u>
Income (Loss) from operations	(10,889)	(7,146)	(56,486)	(24,546)
Share of profits (loss) from investment in equity method	s 70,565	(54,945)	278,918	(17,793)
Impairment of goodwill	-	-	(9,151,283)	-
Loss on debt settlement	-	-	-	(215,000)
Interest expense	-	-	-	(250)
Net income (loss)	\$ <u>59,676</u>	\$ <u>(62,091)</u>	\$ <u>(8,928,851)</u>	\$ <u>(257,589)</u>
Less: net income (loss) attributable to Noncontrolling interest	<u>3,325</u>	<u>-</u>	<u>4,500,520</u>	<u>-</u>
Net income (loss) attributable to Virtual medical International Inc..	<u>\$ 63,001</u>	<u>\$ (62,091)</u>	<u>\$ (4,428,331)</u>	<u>\$ (257,589)</u>
Basic and diluted net loss per common share	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ (0.02)</u>	<u>\$ (0.00)</u>
Weighted average shares used in completing basic and diluted net loss per common share	<u>425,721,541</u>	<u>421,617,541</u>	<u>425,293,103</u>	<u>413,173,198</u>
Comprehensive Income (Loss):				
Net loss	\$ 59,676	\$ (62,091)	\$ (8,928,851)	\$ (257,589)
Effect of foreign currency translation	299	-	(22)	-
Comprehensive Loss	<u>\$ 59,975</u>	<u>\$ (62,091)</u>	<u>\$ (8,928,873)</u>	<u>\$ (257,589)</u>

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

VIRTUAL MEDICAL INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Series B Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated other comprehensive Income (loss)	Accumulated Deficit	Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount	Shares	Amount					
Balance December 31, 2018	36,470,893	\$ 365	420,617,541	\$ 4,206	\$ 88,791,668	\$ -	(83,445,666)	\$ -	5,350,573
Common stock issued for services			4,000	-	7,960				7,960
Common stock issued for business combination			5,100,000	51	10,148,948			(18,343)	10,130,656
Foreign currency translation adjustment						8			8
Net income (loss)							(4,664,229)	(4,488,320)	(9,152,549)
Balance, March 31, 2019	36,470,893	365	425,721,541	4,257	98,948,576	8	(88,109,895)	(4,506,663)	6,336,648
Foreign currency translation adjustment						(329)			(329)
Net income (loss)							172,897	(8,873)	164,024
Balance, June 30, 2019	36,470,893	365	425,721,541	\$ 4,257	98,948,576	(321)	(87,936,998)	(4,515,536)	6,500,343
Foreign currency translation adjustment						299			299
Net income (loss)							63,001	(3,325)	59,676
Balance, September 30, 2019	36,470,893	\$ 365	425,721,541	\$ 4,257	\$ 98,948,576	(22)	(87,873,997)	(4,518,861)	\$ 6,560,318

	Series B Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated other comprehensive Income (loss)	Accumulated Deficit	Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount	Shares	Amount					
Balance December 31, 2017	36,470,893	\$ 365	405,367,541	\$ 4,054	\$ 83,306,070	\$ -	(83,320,989)	\$ -	(10,500)
Net income (loss)							(12,867)		(12,867)
Balance, March 31, 2018	36,470,893	365	405,367,541	4,054	83,306,070	-	(83,333,856)	-	(23,367)
Debt forgiveness					10,750				10,750
Common stock issued for acquisition			15,000,000	150	5,249,850				5,250,000
Common stock issued for settlement of debt			250,000	2	224,998				225,000
Net income (loss)							(182,631)		(182,631)
Balance, June 30, 2018	36,470,893	365	420,617,541	4,206	88,791,668	-	(83,516,487)	-	5,279,752
Net income (loss)							(62,091)		(62,091)
Balance, September 30, 2018	36,470,893	\$ 365	420,617,541	\$ 4,206	\$ 88,791,668	-	(83,578,578)	-	\$ 5,217,661

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

VIRTUAL MEDICAL INTERNATIONAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended	
	September 30,	
	2019	2018
Cash Flows from Operating Activities		
Net loss	\$ (8,928,851)	\$ (195,498)
Adjustments to reconcile net profit to net cash used in operating activities:		
Expenses paid by related party	39,153	-
Service fees paid by issue of common stock	7,960	-
Share of profits from investment in equity method investee	(278,918)	(37,152)
Impairment loss of goodwill	9,151,283	-
Loss on debt settlement	-	215,000
Changes in operating assets and liabilities:		
Prepaid expenses	(13,033)	-
Accounts payable and accrued liabilities	(4,931)	17,650
Deposit received	23,075	-
Net cash used in operating activities	(4,262)	-
Cash Flows Used in Investing Activities		
Cash of subsidiaries upon acquisition	6,393	-
Net cash provided by investing activities	6,393	-
Net change in cash and cash equivalents	2,131	-
Effects of exchange rates on cash	30	-
Cash and cash equivalents - beginning of period	-	-
Cash and cash equivalents - end of period	\$ 2,161	\$ -
Supplemental Cash Flow Disclosures		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Non-Cash Investing and Financing Activity:		
Debt forgiveness	\$ -	\$ 10,750
Common stock issued for acquisition of equity investment	\$ -	\$ 5,250,000
Common stock issued for services	\$ 7,960	\$ -

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

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 1 - ORGANIZATION AND OPERATIONS

Virtual Medical International, Inc. (the “Company”) was originally incorporated in the State of Nevada on July 19, 2007 as QE Brushes, Inc. On October 19, 2010, the Company changed its name to Virtual Medical International, Inc. The Company initially was in the business of internet-based medical education, offering web-based programs to educate patients on the risks and benefits of medical treatments.

On May 16, 2018, the Company acquired 100% of the equity interest of Environmental Robotics Limited (“ER”), a company incorporated in the Marshall Islands. ER holds 100% of the equity interest of Jinbaixing (Shenzhen) Clean Energy Technology Service Co., Ltd (“Jinbaixing”), a company incorporated in the People’s Republic of China (“PRC”). The Company issued 5,000,000 shares to the original shareholders of ER as consideration. Both ER and Jinbaixing are investment holding companies and do not currently hold assets.

On May 24, 2018, the Company, through Jinbaixing, acquired 40% of the equity interest of Xiaojin County Ruibo Big Data Technology Co., Ltd. (“Big Data”), a company incorporated in the PRC. Big Data is engaged in the business of mining cryptocurrencies. The Company issued 10,000,000 shares to the original shareholders of Big Data as consideration.

On October 29, 2018, the Company filed a Second Amended and Restated Articles of Incorporation (the “Restated Articles”) with the Secretary of State of Nevada. The Restated Articles set forth the following changes to the Company’s Articles of Incorporation: (i) discontinued the practice of issuing “blank check” preferred stock, in which the board of directors of the Company may designate new series of preferred stock by filing Articles of Designation with the Secretary of State of Nevada; (ii) increased the authorized Common Stock to 1,000,000,000 shares; (iii) maintained the designated Series B Preferred Stock at 45,000,000 shares; and (iv) eliminated the Series C Preferred Stock. The Company effected the Restated Articles for the purposes of providing sufficient capital stock to use as consideration for our possible business acquisition in the future and for other reasons.

On January 23, 2019, the Company closed an acquisition of 100% of the equity interest of Sheen Boom Investments Limited (“Sheen Boom”), a company incorporated in the British Virgin Islands. Sheen Boom holds 51% of the equity interest of Jihye Technology Limited (“Jihye”), a company incorporated in Hong Kong. The Company issued 5,100,000 shares to the original shareholders of Sheen Boom as consideration. Sheen Boom is an investment holding company that owns no operating assets. Jihye plans to open and operate a number of Filecoin farms globally, including an initial farm in Hong Kong, which is currently under construction, and subsequent farms in Japan, Korea, Singapore and Toronto.

On September 28, 2019 the Company entered into a Share Exchange Agreement with the shareholders of Idaho Country Mining Co. LLC (“ICMC”) and Shenzhen DZD Digital Technology Ltd (“DZD”) in order to acquire 100% of each of the aforementioned entities for a total of 21,000,000 restricted shares of common stock. The acquisitions complement QEBR's existing subsidiaries by adding ICMC's services in data acquisition, data mining, encrypted data bookkeeping, and encrypted data acquisition; and, DZD, an engineering partner with ICMC in Shenzhen, China. DZD specializes in providing services for data processing, data mining, encrypted data bookkeeping, and researching of data technology. The transaction closed on October 5, 2019, and the shares in respect to the transaction were subsequently issued on November 6, 2019.

As a result of these acquisitions, Mr. Jianxing (Oliver) Li and Mr. Jun Liang were appointed to the Company’s Board of Directors. Mr. Li will also serve as the Company's Chief Financial Officer (“CFO”) and Mr. Liang as Chief Technology Officer (“CTO”).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Company’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in conformity with GAAP 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. Actual results could differ from those estimates.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation

Management further acknowledges that it is solely responsible for adopting sound accounting practices, establishing and maintaining a system of internal accounting control and preventing and detecting fraud. The Company's system of internal accounting control is designed to assure, among other items, that 1) recorded transactions are valid; 2) valid transactions are recorded; and 3) transactions are recorded in the proper period in a timely manner to produce financial statements which present fairly the financial condition, results of operations and cash flows of the Company for the respective periods being presented.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant inter-company accounts and transactions have been eliminated. The consolidated financial statements include 100% of assets, liabilities, and net income or loss of those wholly-owned subsidiaries, and 51% of assets, liabilities, and net income or loss of Jihye Technology Limited (“Jihye”).

The Company’s subsidiaries are listed as follows:

Name of Company	Place of incorporation	Attributable equity interest % as of		Principal business activities
		September 30, 2019	December 31, 2018	
Environmental Robotics Limited (“ER”)	Marshall Islands	100	100	Investment holding
Jinbaixing (Shenzhen) Clean Energy Technology Service Co., Ltd (“Jinbaixing”)	PRC	100	100	Investment holding
Sheen Boom Investment Limited (“Sheen Boom”)	British Virgin Islands	100	Nil	Investment holding
Jihye Technology Limited (“Jihye”)	Hong Kong	51	Nil	Computer consultancy

Equity investments for which we are able to exercise significant influence over but do not control the investee and are not the primary beneficiary of the investee’s activities are accounted for using the equity method. Accordingly, Big Data has been accounted for using the equity method.

Use of estimates

The preparation of 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 revenues and expenses during the reported period.

The Company’s significant estimates include income taxes provision and valuation allowance of deferred tax assets; the fair value of financial instruments; the carrying value and recoverability of long-lived assets, including the values assigned to an estimated useful lives of computer equipment; and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Foreign currency translation and re-measurement

The Company translates its foreign operations to the U.S. dollar in accordance with ASC 830, “Foreign Currency Matters”.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation and re-measurement

The reporting and functional currency for the Company, ER and Sheen Boom is the US dollar, while that for Jinbaixing and Big Data is the Chinese Renminbi (“RMB”) and that for Jihye is the Hong Kong Dollar (“HKD”). Jinbaixing, Big Data and Jihye, whose records are not maintained in those entities’ respective functional currencies, re-measure their records into their functional currency as follows:

- Monetary assets and liabilities at exchange rates in effect at the end of each period
- Nonmonetary assets and liabilities at historical rates
- Revenue and expense items at the average rate of exchange prevailing during the period

Adjustments arising from such translations are included in accumulated other comprehensive income in shareholders’ equity.

Cash and cash equivalents

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

Related parties

The Company follows ASC 850-10 for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the Related parties include a) affiliates of the Company; b) Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d) principal owners of the Company; e) management of the Company; f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Commitments and contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company’s financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company’s consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company’s business, financial position, and results of operations or cash flows.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Effective January 1, 2018, the Company adopted ASC 606, "Revenue from Contracts with Customers." The Company has evaluated the new guidance and its adoption did not have a significant impact on the Company's financial statements and a cumulative effect adjustment under the modified retrospective method of adoption will not be necessary. The Company derives its revenues from the rendering of computer consultancy services, commission fees relative to customer introductions to our business partners and the sale of services and equipment. The Company considers revenue realized or realizable and earned when all of the following criteria are met:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied

Financial Instruments

The Company's financial instruments consist primarily of Cash and cash equivalents, Prepaid expenses, Accounts payable and accrued liabilities 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.

ASC 820, Fair Value Measurements, defines fair value as the price at which an asset could be exchanged or a liability transferred in an orderly transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or derived from such prices. Where observable prices or inputs are not available, valuation models are applied which may involve some level of management estimation and judgment, the degree of which is dependent on the price transparency for the instruments or market and the instruments' complexity.

Income Tax Provisions

Income taxes are determined in accordance with the provisions of ASC 740, "Income Taxes". Under this method, 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 basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any 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. ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

For the nine months ended September 30, 2019 and 2018, the Company did not have any interest and penalties associated with tax positions. As of September 30, 2019, and December 31, 2018, the Company did not have any significant unrecognized uncertain tax positions.

Net income (loss) per common share

The Company computes earnings per share ("EPS") in accordance with ASC 260, "Earnings per share". Basic EPS is measured as the income or loss available to common shareholders divided by the weighted average common shares outstanding for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (e.g., convertible securities, options, and warrants) as if they had been converted at the beginning of the periods presented, or issuance date, if later. Potential common shares that have an anti-dilutive effect (i.e. those that increase income per share or decrease loss per share) are excluded from the calculation of diluted EPS. The Company's diluted loss per share is the same as the basic loss per share for the nine months ended September 30, 2019 and 2018, as there are no potential shares outstanding that would have a dilutive effect.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 3 – GOING CONCERN

As reflected in the accompanying financial statements, the Company had an accumulated deficit at September 30, 2019 of \$87,873,997 and its liabilities exceeded its assets. These factors among others raise substantial doubt about the Company’s ability to continue as a going concern.

While the Company is attempting to commence operations and generate revenues, the Company’s cash position may not be significant enough to support the Company’s daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company’s ability to further implement its business plan and generate revenues.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – ACQUISITION

On January 23, 2019, the Company acquired 100% of the equity of Sheen Boom, a company incorporated in the British Virgin Islands. Sheen Boom holds 51% of the outstanding equity of Jihye, a company incorporated in Hong Kong. The Company issued 5,100,000 shares of common stock to the original shareholders of Sheen Boom, valued at \$10,149,000. Sheen Boom is an investment holding company. Jihye’s principal business activities are providing computer consulting and equipment sales services.

Allocation of the purchase price is as follows:

		Acquisition-date Fair Values
Noncontrolling interest	\$	18,343
Consideration transferred	\$	10,149,000
Assets		
Cash and cash equivalent		6,393
Prepaid expenses		41,550
Liabilities		
Customer deposits		(85,378)
Net asset value acquired	\$	(37,435)
Goodwill	\$	10,168,092

Upon acquisition, management determined to impair goodwill to \$1,016,809 due to the fact that the operations of Sheen Boom are still in the developmental stage. As a result, management wrote off goodwill of \$9,151,283 during the nine months ended September 30, 2019 of which, \$4,484,128 goodwill impairment was attributed to the non-controlling interest.

NOTE 5 – EQUITY INVESTMENT

Please refer to Note 1 and Note 2 for the details of the Company’s acquisition and accounting policy.

Under the equity method of accounting, the Company recorded our investment at cost totaling \$5,255,000.

During the nine months ended September 30, 2019 the share of profits from equity investments is \$278,918. During the nine months ended September 30, 2018 the share of loss from equity investment is \$17,793.

The amount of equity investment as of September 30, 2019 and December 31, 2018 is \$5,650,677 and \$5,371,759, respectively.

VIRTUAL MEDICAL INTERNATIONAL, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019

NOTE 6 – STOCKHOLDERS' EQUITY

Preferred Stock

As of September 30, 2019, the Company authorized 45,000,000 shares of Preferred Stock at a par value of \$0.00001. We have one class of Preferred Stock designated as of September 30, 2019.

Series B Preferred stock

The Company designated 45,000,000 shares of Preferred Stock as Convertible Series B Preferred Stock at a par value of \$0.00001. The Series B Preferred Stock has the right to vote alongside the Common Stock at a ratio of 1:1. Additionally, the Series B Preferred Stock must approve certain significant corporate actions with the approval of the Series B Preferred Stock voting separately as a class. The Series B Preferred Stock is not redeemable by the Company. The Series B Preferred Stock converts into Common Stock at a ratio of 1:1.

As of September 30, 2019, and December 31, 2018, 36,470,893 shares of Series B Preferred Stock were issued and outstanding.

Common stock

As of September 30, 2019, the Company had authorized 1,000,000,000 shares of Common Stock at a par value of \$0.00001.

During the nine months ended September 30, 2019, there were 5,104,000 shares of common stock issued as follows:

- 5,100,000 shares for acquisition of Sheen Boom (see Note 4)
- 4,000 shares to an unrelated party for legal consultancy services

As of September 30, 2019, and December 31, 2018, 425,721,541 and 420,617,541 shares of common stock were issued and outstanding, respectively.

NOTE 7 – RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2019, the Company received advances of \$39,153 from related parties for operating expenses of the Company.

As of September 30, 2019, and December 31, 2018, the Company owed \$53,722 and \$14,575, respectively to related parties. These amounts are interest free, unsecured and have no fixed terms of repayment.

During the three and nine months ended September 30, 2019 the Company recorded revenue from related parties of \$5,982 and \$20,968 respectively.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent to September 30, 2019 the Company issued 21,000,000 shares of common stock in respect to the closing of a Share Exchange Agreement as more fully described in Note 1 hereto.