

SMART HOLDINGS, INC. "SMHS"

FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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SMART HOLDINGS, INC.
BALANCE SHEET
SEPTEMBER 30, 2017 and DECEMBER 31, 2016

ASSETS	Unaudited	Consolidated
	September 30, 2017	Unaudited
		December 31, 2016
Current Assets:		
Cash and Cash Equivalents	\$ -1-	\$13,584
Accounts Receivable		49,029
Inventory		33,587
Other Current Assets	\$ -0-	\$234,350
Total Current Assets	\$ -1-	\$330,550
Non-Current Assets:		
Long Term Investments	\$-0-	\$1,661,088
Fixed Assets, net	- 0-	5,039,116
Intangible Assets	-0-	20,633,513
Other assets	-0-	2,072
Total Non-Current Assets	\$ -0-	\$ 27,335,790
Total Assets	\$ -1-	\$ 27,666,339
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	-0-	\$19,031
Financial payable		
	-0-	285,725
Total Current Liabilities	\$ -0-	\$ 314,756
Total Non-Current Liabilities	\$ -0-	\$ 2,024,043
Total Liabilities	\$ -0-	\$ 2,338,799
Stockholders' Equity (Deficit):		
Common Stock	\$ 99,510	\$ 99,510
Additional Paid-in Capital	25,253,183	\$25,253,183
Accumulated Deficit	\$(25,352,692)	\$(25,152)
Total Liabilities and Stockholders' Equity	\$ -1-	\$27,666,339

SMART HOLDINGS, INC.
INCOME STATEMENT
SEPTEMBER 30, 2017 and SEPTEMBER 30, 2016

	Nine Months Ended		Three Months Ended	
	Unaudited	Consolidated Unaudited	Unaudited	Consolidated Unaudited
	Sept. 30, 2017	Sept. 30, 2016	Sept. 30, 2017	Sept. 30, 2016
Revenue	\$ -0-	\$ 157,207	\$ -0-	\$144,232
Cost of Revenue	-0-	\$ 0	\$ -0-	\$ 0
Gross Profit	<u>\$ -0-</u>	<u>\$ 157,207</u>	<u>\$ -0-</u>	<u>\$ 144,232</u>
Operating Expenses				
Sales & General, Admin & financing	\$ -0-	\$ 129,581	\$ -0-	\$93,841
Total Operating Expenses	<u>\$ -0-</u>	<u>\$129,581</u>	<u>\$ -0-</u>	<u>\$50,291</u>
Operating Income	\$ -0-	\$ 26,656	\$ -0-	\$ 50,291
Other Income (expense)	\$ -0-	\$ 0	\$ (0)	\$ -0-
Loss on sale of Anatolian Walnut Production Company	\$ (25,359,509)	\$ 0	\$ (0)	\$ 0
Net Income (loss) before income tax	\$ (25,359,509)	\$26,656	\$ (0)	\$50,291
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0
Net Income (Loss)	<u>\$ (25,359.509)</u>	<u>\$26,656</u>	<u>\$ (0)</u>	<u>\$ 50,291</u>
Basic and diluted loss per share	\$(0.03)	\$(0.00)	\$(0.00)	\$(0.00)
Weighted average number of common shares outstanding	995,098,061	995,098,061	995,098,061	995,098,061

SMART HOLDINGS, INC.
STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2017 and SEPTEMBER 30, 2016

	Nine Months Ended	
	Unaudited	Consolidated
	Sept. 30, 2017	Unaudited Sept. 30, 2016
Cash Flow From Operating Activities		
Net Profit/(Loss)	\$ (25,327,540)	\$ 50,291
Adjustments to reconcile net loss to net flows from operating activities:		
Depreciation and Amortization	\$ 0	\$ 0
Loss on sale of Anatolian Walnut Production Company	\$25,359,509	\$ 0
Changes in operating assets and liabilities:		
Account Receivables	\$ 47,734	\$ (1,730)
Inventories	\$ 33,587	\$ 0
Loans from Stockholders	\$ (174,490)	\$ (8,577)
Accounts Payable	\$ 12,993	\$ (12,090)
Financial Payable	\$ 446,637	\$ 477,950
Intangible Assets	\$ 21,783	\$ 0
Other Assets	\$ (70,703)	\$ (11,890)
Total Adjustments	\$25,677,055	\$ 447,112
Net Cash Flow From Operating Activities	\$ 349,515	\$ 497,403
Cash Flows From Investing Activities		
Purchases of property and equipment	\$ (3,565)	\$ (64,634)
Proceeds from sales of property and equipment	\$ 0	\$ 0
Long-Term Investments	\$ (356,636)	\$ (400,823)
Proceeds from sale of Anatolian Walnut Production Company	\$ 0	\$ 0
Cash in Anatolian Walnut Production Company at date of sale on June 30, 2017	\$(2,898)	\$ 0
Net Cash Flow From Investing Activities	\$ (363,098)	\$ (465,457)
Cash Flows From Financing Activities		
Common Stock & APIC	\$ 0	\$ 0

Retained Earnings	\$ 0	\$ 0
Net Cash Provided By Financing Activities	\$ 0	\$ 0
Effect of Exchange Rate Changes on Accumulated Deficit	\$ 0	\$ 0
Net Change in Cash and Cash Equivalents	\$ (13,583)	\$ 31,946
Cash and Cash Equivalents, Beginning of the Period	\$ 13,584	\$ 6,865
Cash and Cash Equivalents, End of the Period	\$ 1	\$38,811

SMART HOLDINGS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FROM DECEMBER 31, 2014 THROUGH SEPTEMBER 30, 2017

CONSOLIDATED, UNAUDITED				
	Common Stock Shares	Amount	Common Stock + APIC	Accumulated Deficit
Balance, December 31, 2014	995,098,061	\$ 99,510	\$ 38,424,147	\$ 72,228
Net Profit Three Months Ended March 31, 2015				\$ 7,603
Balance, March 31, 2015	995,098,061	\$ 99,510	\$ 38,424,147	\$ 79,831
Net Profit Three Months Ended June 30, 2015				\$ 3,723
Balance, June 30, 2015	995,098,061	\$ 99,510	\$ 38,424,147	\$ 83,554
Net Loss Three Months Ended September 30, 2015				\$ (45,254)
Balance, September 30, 2015	995,098,061	\$ 99,510	\$ 38,424,147	\$ 38,300
Prior Adjustment (Functional Currency Translation Adjustments Due to Turkish Subsidiary AWPC)				\$ (33,737)
Net Profit Three Months Ended December 31, 2015				\$ 75,992
Balance, December 31, 2015	995,098,061	\$ 99,510	\$ 30,664,581	\$ 80,555
Net Loss Three Months Ended March 31, 2016				\$ (24,280)
Balance, March 31, 2016	995,098,061	\$ 99,510	\$ 30,664,581	\$ 56,275
Net Profit Three Months Ended June 30, 2016				\$ 1,615
Balance, June 30, 2016	995,098,061	\$ 99,510	\$ 30,664,581	\$ 57,890
Net Profit Three Months Ended September 30, 2016				\$ 50,291
Balance, September 30, 2016	995,098,061	\$ 99,510	\$ 30,664,581	\$ 108,181
Prior Adjustment (Functional Currency Translation Adjustments Due to Turkish Subsidiary AWPC)				\$ (31,748)
Net Loss Three Months Ended December 31, 2016				\$ (101,585)
Balance, December 31, 2016	995,098,061	\$ 99,510	\$ 25,352,693	\$ (25,152)
Net Loss Three Months Ended March 31, 2017				\$ (15,608)
Balance, March 31, 2017	995,098,061	\$ 99,510	\$ 25,352,693	\$ (40,760)

Net Loss Three Months Ended June 30, 2017				\$ (25,311,932)
Balance, June 30, 2017	995,098,061	\$ 99,510	\$ 25,352,693	\$ (25,352,692)
Net Loss Three Months Ended Sept. 30, 2017	\$-0-			
Balance September 30, 2017	995,098,061	\$99,510	\$25,352,693	\$(25,392,692)

SMART HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017
UNAUDITED; CONSOLIDATED AS OF SEPTEMBER 30, 2016 ONLY

NOTE A – SUMMARY OF SIGNIFICANT CHANGES AND ACCOUNTING POLICIES:

CHANGE OF CONTROL:

See Note B, herein.

NATURE OF BUSINESS:

SMHS is incorporated in the State of Nevada.

FINANCIAL INFORMATION:

The financial statements are consolidated with Anatolian Walnut Production Company (“AWPC”), as of September 30, 2016 only, and not consolidated as of September 30, 2017.

BASIS OF ACCOUNTING:

These financial statements have been prepared under the accrual method of accounting according to the US GAAP.

INCOME TAXES:

There is no provision for income tax expenses for this period as

NOTE B – COMPANY INFORMATION; POST-BALANCE SHEET EVENT:

On June 30, 2017, the Company agreed to acquire 74% of SStartrade SA, a Swiss corporation, and to sell AWPC to then-current management for \$1. Then-current management sold their shares of the Company to new management, resigned from the Company and appointed SStartrade SA’s management as new management of the Company. SStartrade SA has interests in a gold mining prospect and a steel mill, both located in Russia. As of the date of this Quarterly Report, the acquisition of SStartrade SA has not been completed.