

SMART HOLDINGS, INC.
BALANCE SHEET
JUNE 30, 2013 and JUNE 30, 2012

ASSETS	Consolidated Unaudited June 30, 2013	Consolidated Unaudited June 30, 2012
Current Assets:		
Cash	\$ 13,601	\$ 20,811
Accounts Receivable	\$ 320,133	-
Loans to Stockholder	-	\$ 53,788
Inventories	\$ 126,893	-
Other Current Assets	\$ 194,371	-
Total Current Assets	\$ 654,998	\$ 74,599
Non-Current Assets:		
Long-Term Investments (see Note C)	\$ 4,819,135	-
Fixed Assets, Net (see Note D)	\$ 2,908,513	\$ 17,246
Intangible Assets (see Note E)	\$ 43,383,986	-
Other Non- Current Assets	\$ 20,315	\$ 200,899
Total Non-Current Assets	\$ 51,131,949	\$ 218,145
Total Assets	\$ 51,786,947	\$ 292,744
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities :		
Accounts Payable	\$ 98,476	-
Loan Payable	\$ 4,956	-
Total Current Liabilities	\$ 103,432	-
Non-Current Liabilities:		
Loans From Stockholders	\$ 1,798,605	\$ 708,338
Total Non-Current Liabilities	\$ 1,798,605	\$ 708,338
Total Liabilities	\$ 1,902,037	\$ 708,338
Stockholders' Equity (Deficit):		
Capital Stock	\$ 50,015,560	\$ 137,612
Accumulated Deficit	\$ (130,650)	\$ (553,206)
Total Liabilities and Stockholders' Equity	\$ 51,786,947	\$ 292,744

SMART HOLDINGS, INC.
STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED
JUNE 30, 2013 and JUNE 30, 2012

	Six Months Ended	
	Consolidated Unaudited Jun 30 2013	Consolidated Unaudited Jun 30 2012
Revenue	\$ 73,599	\$ 53,107
Cost of Revenue	-	-
Gross Profit	\$ 73,599	\$ 53,107
Operating Expenses	\$ 43,608	\$ 87,769
Operating Income (loss)	\$ 29,991	\$ (34,661)
Other income (expense)	-	-
Net Income (loss) from Operations	\$ 29,991	\$ (34,661)
Other income - Interest Income	-	\$ 16
Income Tax	\$5,998	-
Net Income (Loss)	\$ 23,993	\$ (34,645)
Basic and diluted loss per share	-	-
Weighted average number of common shares outstanding	995,098,061	1,808,695,760

SMART HOLDINGS, INC.
STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED
JUNE 30, 2013 and JUNE 30, 2012

	Six Months Ended	
	Consolidated Unaudited Jun 30, 2013	Consolidated Unaudited Jun 30, 2012
Cash Flow From Operating Activities		
Net Profit/(Loss)	\$ 23,993	\$ (34,645)
Adjustments to reconcile net loss to net flows from operating activities:		
Depreciation and Amortization	-	-
Changes in operating assets and liabilities:		
Account Receivables	\$ (320,133)	-
Inventories	\$ (126,893)	-
Loans to Stockholders	-	\$ (52,313)
Loans from Stockholders	\$ 1,760,833	-
Accounts Payable	\$ (92,478)	\$ (304)
Loan Payable	\$ (4,956)	-
Other Financial Liabilities	\$ 30,962	\$ 177,326
Payroll Taxes Payable	-	-
Accrued Liabilities	-	-
Other Assets	\$ (13,519)	\$ (200,899)
Total Adjustments	\$ 1,233,816	\$ (76,190)
Net Cash Flow From Operating Activities	\$ 1,257,809	\$ (110,835)
Cash Flows From Investing Activities		
Purchases of property and equipment	\$ (7,727,648)	\$ (889)
Proceeds from sales of property and equipment	\$ 11,227	-
Net Cash Flow From Investing Activities	\$ (7,716,421)	\$ (889)
Cash Flows From Financing Activities		
Proceeds from sale of common stock	\$ 6,470,721	\$ 86,532
Net cash provided by financing activities	\$ 6,470,721	\$ 86,532
Net Change in Cash	\$ 12,109	\$ (25,192)
Cash, Beginning of the Period	\$ 1,492	\$ 46,003
Cash, End of the Period	\$ 13,601	\$ 20,811

SMART HOLDINGS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FROM INCEPTION THROUGH JUNE 30, 2013

Consolidated, Unaudited

	Common Stock Shares	Amount	Paid-In Capital	Accumulated Deficit
Balance, December 31, 2006	9,000,000	\$ 9,000	\$ 23,500	\$ (17,500)
Net loss for the Year Ended December 31, 2007				\$ (18,502)
Balance, December 31, 2007	9,000,000	\$ 9,000	\$ 23,500	\$ (36,002)
Common Stock Issued for Cash	2,500	\$ 3	\$ 2,497	-
Common Stock Cancelled	(400,000)	\$ (400)	\$ (400)	-
Net loss for the Year Ended December 31, 2008				\$ (942)
Balance, December 31, 2008	8,602,600	\$ 8,603	\$ 25,597	\$ (36,944)
Net loss for the Year Ended December 31, 2009				\$ (764)
Balance, December 31, 2009	8,602,600	\$ 8,603	\$ 25,597	\$ (37,708)
Net loss Three Months Ended March 31, 2010				\$ (19,075)
Balance, March 31, 2010	8,602,600	\$ 8,603	\$ 25,597	\$ (56,783)
Net loss Three Months Ended June 30, 2010				\$ (47,742)
Balance, June 30, 2010*	137,640,000	\$ 13,764	\$ 25,597	\$ (104,525)
*Following 16/1 stock split effective April 30th, 2010				
Net loss Three Months Ended September 30, 2010				\$ (13,006)
Balance, September 30, 2010	137,640,000	\$ 13,764	\$ 25,597	\$ (117,531)
Net loss Three Months Ended December 31, 2010				\$ (122,864)
Balance, December 31, 2010	162,798,426	\$ 16,279	\$ 256,236	\$ (240,395)
Net loss Three Months Ended March 31, 2011				\$ (157,849)
Balance, March 31, 2011	227,325,132	\$ 22,733	\$ 527,127	\$ (398,244)
Net loss Three Months Ended June 30, 2011				\$ (53,915)
Balance, June 30, 2011	323,325,132	\$ 32,332	\$ 527,127	\$ (452,160)
Net loss Three Months Ended Sept 30, 2011				\$ (115,107)
Balance, Sept 30, 2011	436,786,670	\$ 43,679	\$ 670,739	\$ (567,267)
Prior Adjustment				\$ (39,556)
Net loss Three Months Ended Dec 31, 2011	-	-	-	\$ (89,064)
Balance, Dec 31, 2011	704,786,670	\$ 70,479	\$ 688,939	\$ (695,887)
Prior Adjustment				\$ 177,325
Net loss for the Year Ended December 31, 2012	-	-	-	\$ (77,221)
Balance, December 31, 2012*	20,098,061	\$ 2,009	\$ 685,097	\$ (595,783)
*Following reverse split its shares 1-for 90, effective as of October 12, 2012				
Net Profit Three Months Ended March 31, 2013	-	-	-	\$ 1,491
Balance, March 31, 2013	20,098,061	\$ 2,009	\$ 685,097	\$ (594,292)
Prior Adjustment				\$ 439,649
Net Profit Six Months Ended June 30, 2013	-	-	-	\$ 23,993
Balance, June 30, 2013**	995,098,061	\$ 99,510	\$ 50,015,560	\$ (130,650)

**The company issued 975,000,000 common shares on April 8, 2013, to acquire Anatolian Walnut Production Co., a Turkish Company (see Note C).

SMART HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2012 AND JUNE 30, 2013
Unaudited; Consolidated

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF BUSINESS: The Company is incorporated in the State of Nevada. Until April 8, 2013, its headquarters were located in Marietta, Georgia and Miami, Florida and the Company was selling Extended Auto Warranties, Home Alarms and a Prescription Discount Plan (see Note B below).

BASIS OF ACCOUNTING: These financial statements have been prepared under the accrual method of accounting.

INCOME TAXES: There has been provision for income tax expenses only for June 30 2013.

PROPERTY AND EQUIPMENT: Property and equipment are stated at cost.

REVERSE SPLIT: The Company reverse split its shares 1-for 90, effective as of October 12, 2012.

NOTE B – CHANGE OF CONTROL, ACQUISITION:

On April 8, 2013, the Company issued 975,000,000 post-1-for-90 reverse split shares to acquire Anadolu Ceviz Üretim A.S., i.e. Anatolian Walnut Production Co. (“AWPC”), a Turkish company which is currently growing 40,000 walnut trees in Turkey. AWPC intends to begin harvesting the walnuts beginning in 2014. As part of the acquisition, existing management of the Company resigned and appointed AWPC’s designees as new management of the Company. AWPC’s operations are located in Turkey.

The financial statements as of and for the period ended June 30, 2013 are consolidated with AWPC, and do not include the Company’s Extended Auto Warranty business, which was sold on April 8, 2013.

NOTE C – LONG-TERM INVESTMENTS

Long-term investments consist of the followings; preparation and fencing of the land; installation of five wells; production and planting of 40,000 walnut trees; installation of drip irrigation system; maintenance of land and trees for six years; mulch, fertilizers, the use of electricity; all employee costs

NOTE D- FIXED ASSETS

Fixed Assets consist of the followings; land, two giant ripper dozers, two farm tractors, one loader, one van, two ATV, five well water engines/pipes & equipment, 625 ton water tank water engine/pipes & equipment, transformers and power transmission line, 2,200 square feet residence & office building; 7,530 square feet warehouse

NOTE E – INTANGIBLE ASSETS:

The both US GAAP (*ASC 805, Business Combinations, and ASC 350, Intangibles — Goodwill and Other*) and IFRS (*IFRS 3(R), Business Combinations, and IAS 38, Intangible Assets*) define intangible assets as non monetary assets without physical substance. The recognition criteria for both accounting models require that there will be probable future economic benefits and costs that can be reliably measured.

Under US GAAP, intangible assets are classified into: purchased vs. internally created intangibles, and limited-life vs. indefinite-life intangibles. Internally created intangibles of the company that are definable and have definite life, are recorded.

Walnut production is an agriculture investment, the income level of which consistently increases, depending on the years. AWPC which already completed its investment, owns these intangible assets that have commercial and marketing characteristics, which are used in the improvement and operation of the commercial activity.

According to the Turkish Commercial Code (“TCC”) in the scope of converting the business type regulation, AWPC’s business type was converted from Limited to Joint Stock on October 8th, 2012 by the Court Decision. The investment of walnut production belonging to the Limited company was accepted as an asset of AWPC and was added as capital in kind to Joint Stock Company by the Court while converting its business type from Limited to Joint Stock. This was published in the Turkish trade registry gazette on October 30, 2012, numbered 8182.