

SMART HOLDINGS, INC.
BALANCE SHEET
MARCH 31, 2014 and MARCH 31, 2013

ASSETS	Consolidated Unaudited March 31, 2014	Consolidated Unaudited March 31, 2013
Current Assets:		
Cash and Cash Equivalents	\$ 36,627	\$ 1,492
Accounts Receivable	\$ 194,480	-
Loans to Stockholder	-	\$ 37,772
Inventories	\$ 105,983	-
Other Current Assets	\$ 214,933	-
Total Current Assets	\$ 552,023	\$ 39,264
Non-Current Assets:		
Long-Term Investments (see Note D)	\$ 7,438,339	-
Fixed Assets, Net (see Note E)	\$ 1,560,500	\$ 11,227
Intangible Assets (see Note F)	\$ 34,001,773	-
Other Non-Current Assets	-	\$ 201,167
Total Non-Current Assets	\$ 43,000,612	\$ 212,394
Total Assets	\$ 43,552,635	\$ 251,658
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 111,049	-
Financial Payable	\$ 3,568	-
Total Current Liabilities	\$ 114,617	-
Non-Current Liabilities:		
Loans From Stockholders	\$ 1,824,346	-
Total Non-Current Liabilities	\$ 1,824,346	-
Total Liabilities	\$ 1,938,963	-
Stockholders' Equity (Deficit):		
Common Stock	\$ 99,510	\$ 160,853
Additional Paid-in Capital	\$ 41,639,413	\$ 685,097
Accumulated Deficit	\$ (125,252)	\$ (594,292)
Total Liabilities and Stockholders' Equity	\$ 43,552,635	\$ 251,658

SMART HOLDINGS, INC.
STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED
MARCH 31, 2014 and MARCH 31, 2013

	THREE Months Ended	
	Consolidated	Consolidated
	Unaudited	Unaudited
	March 31, 2014	March 31, 2013
Revenue	\$ 50,058	\$ 4,041
Cost of Revenue	-	-
Gross Profit	\$ 50,058	\$ 4,041
Operating Expenses	\$ 42,630	\$ 2,551
Operating Income (loss)	\$ 7,428	\$ 1,491
Other income (expense)	-	-
Net Income (loss) from Operations	\$ 7,428	\$ 1,491
Income Tax	-	-
Net Income (Loss)	\$ 7,428	\$ 1,491
Basic and diluted loss per share	-	-
Weighted average number of common shares outstanding	995,098,061	20,098,061

SMART HOLDINGS, INC.
STATEMENT OF CASH FLOW
FOR THE THREE MONTHS ENDED
MARCH 31, 2014 and MARCH 31, 2013

	THREE Months Ended	
	Consolidated	Consolidated
	Unaudited	Unaudited
	March 31,	March 31,
	2014	2013
Cash Flow From Operating Activities		
Net Profit/(Loss)	\$ 7,428	\$ 1,491
Adjustments to reconcile net loss to net flows from operating activities:		
Depreciation and Amortization	-	-
Changes in operating assets and liabilities:		
Account Receivables	\$ 5,349	-
Inventories	-	-
Loans from Stockholders	\$ 74,422	-
Accounts Payable	\$ (3,657)	-
Financial Payable	\$ (2,849)	-
Other Assets	\$ (46,083)	-
Total Adjustments	\$ 27,182	-
Net Cash Flow From Operating Activities	\$ 34,609	\$ 1,491
Cash Flows From Investing Activities		
Purchases of property and equipment	\$ (1,042)	-
Long-Term Investments	\$ (43,316)	-
Net Cash Flow From Investing Activities	\$ (44,357)	-
Cash Flows From Financing Activities		
Common Stock	-	-
Additional Paid-in Capital	\$ 22,191	-
Net Cash Provided By Financing Activities	\$ 22,191	-
Net Change in Cash	\$ 12,443	\$ 1,491
Cash, Beginning of the Period	\$ 24,184	\$ 1
Cash, End of the Period	\$ 36,627	\$ 1,492

SMART HOLDINGS, INC.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FROM DECEMBER 31, 2011 THROUGH MARCH 31, 2014

	Consolidated, Unaudited			
	Common Stock Shares	Amount	Paid-In Capital	Accumulated Deficit
Balance, Dec 31, 2011	707,786,670	\$ 70,779	\$ 688,939	\$ (696,122)
Prior Adjustment				\$ 177,560
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. "AWPC", a Turkish Company (see Note B).				
Net Loss Three Months Ended September 30,2013				\$ (35,253)
Balance, September 30,2013	995,098,061	\$ 99,510	\$ 50,015,560	\$ (165,903)
Prior Adjustment (Functional Currency Translation Adjustments Due to Turkish Subsidiary AWPC) (see Note C).				\$ 94,456
Net Loss Three Months Ended December 31,2013				\$ (61,233)
Balance, December 31, 2013	995,098,061	\$ 99,510	\$ 41,716,732	\$ (132,680)
Net Profit Three Months Ended March 31,2014				\$ 7,428
Balance, March 31, 2014	995,098,061	\$ 99,510	\$ 41,738,923	\$ (125,252)

SMART HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2014
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 according to the US GAAP.

INCOME TAXES: There is no provision for income tax expenses for this period as the Company had losses for the previous years.

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 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 March 31, 2014 are consolidated with AWPC, and do not include the Company’s Extended Auto Warranty business, which was sold on April 8, 2013.

NOTE C – FUNCTIONAL CURRENCY TRANSLATION:

Financials of the Company’s Turkish subsidiary AWPC are translated into US Dollars from Turkish Liras “TRY” (functional currency) at the current exchange rate. The functional currency weakened against US Dollars; therefore the financial figures for March 31, 2014 were translated to lower US Dollars equivalents.

NOTE D – 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 up to the balance sheet date; mulch, fertilizers, the use of electricity; all employee costs for up to the balance sheet date.

NOTE E- 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, two water tanks with a total volume of 22,072 ft³ water engine/pipes & equipment, transformers and power transmission line, 2,200 ft² residence & office building; 7,530 ft² warehouse.

NOTE F – 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.