SGD HOLDINGS, LTD.

FINANCIAL STATEMENTS

FOR THE PERIODS ENDED

March 31, 2022

&

December 31, 2021

- Financial Principal's Letter Regarding Financial Statements

- March 31, 2022 and December 31, 2021 Financial Statements and Accompanying Notes

CERTIFICATION

The financial information contained in this report is unaudited and is based upon present knowledge and belief. This information is believed to be correct and does not contain untrue statement of material fact and is in accordance with generally accepted accounting principles, consistently applied.

These financial statements and the notes hereto, fairly present in all material respects the financial condition, results of operations and cash flows for the periods ended March 31, 2022, and December 31, 2021, in conformity with generally accepted accounting principles in the United States, consistently applied.

The Issuer has duly caused this report to be signed and certified on its behalf by the undersigned, duly authorized, on this 10th day of May 2022.

/s/ Delmar Janovec

Delmar Janovec
President and Principal
Financial Officer

CROUCH & ASSOCIATES
5148 South 5500 West
Hooper, UTAH 84315

Delmar Janovec
President
SGD Holdings, Ltd.
1836 O'Neal Ave.
Pueblo, CO 81003

Dear Mr. Janovec,

I have compiled the accompanying consolidated balance sheet of SGD Holdings, Ltd., (the "Company"), as of three months ended March 31, 2022 and year end of December 31, 2021, and the related consolidated statements of operations, changes in stockholders' deficit and cash flows for the period then ended in accordance with Statements of Standards for Accounting and Review Services issue by the American Institute of Certified Public Accounts.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements have been prepared in accordance with Unites States generally accepted accounting principles.

I have participated in the decision-making process regarding certain financial transactions and am therefore not independent.

/s/   Brent Crouch

Brent Crouch
May 9, 2022
Hooper, Utah

SGD Holdings, Ltd
BALANCE SHEETS
(Unaudited)

	March 31, 2022 (unaudited)	December 31, 2021 (unaudited)
ASSETS:		
Current Assets:		
Cash	$ 409	$ 409
Inventory (Note C)	-	-
Accounts receivable	289,200	274,200
Intercompany receivable	-	-
Total Current Assets	289,609	274,609
Plant, Property and Equipment (net)	-	-
Intangible assets (net)	-	-
Total Assets	$ 289,609	$ 274,609
LIABLIITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	$ 245,315	$ 227,315
Note Payable - related party (Note D)	332,058	327,058
Note Payable, short-term (Note F)	-	-
Total Current Liabilities	577,373	554,373
Notes Payable, long-term	-	-
Contingencies and commitments (Note H)		
Total Liabilities	$ 577,373	$ 554,373
STOCKHOLDERS' DEFICIT		
Preferred stock, $.01 par value; 50,000 shares authorized 0 issued and outstanding at March 31, 2022 and December 31, 2021		
Common stock, $.001 par value; 250,000,000 shares authorized; 141,883,518 issued and outstanding at March 31, 2022 and December 31, 2021	14,189	14,189
Additional paid-in Capital	3,460,295	3,460,295
Retained deficit	(3,762,248)	(3,754,248)
Total Stockholders' Deficit	(287,764)	(279,764)
Total Liabilities and Stockholders' Deficit	$ 289,609	$ 274,609

(The accompanying notes are an integral part of these financial statements.)

SGD Holdings, Ltd
CONSOLIDATED STATEMENT OF LOSS
(unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Revenues	$ 15,000	$ 43,200
Cost of Goods Sold	10,500	32,550
Gross profit	4,500	10,650
Operating expenses:		
Selling, general and administrative expenses	12,500	38,515
Depreciation and amortization	-	-
Total operating expenses	12,500	38,515
Other income and expenses:		
Interest expense	-	14,022
Net loss before extraordinary items	$ (8,000)	$ (41,887)
Gain on forgiveness of debt	$ -	$ -
Write-down intangible assets	-	-
Net Loss	$ (8,000)	$ (41,887)
Net loss per common share	$ (0.00)	$ (0.00)
Weighted average common shares outstanding	141,883,518	141,883,518

(The accompanying notes are an integral part of these financial statements.)

SGD Holdings, Ltd
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
From December 31, 2018 to March 31, 2022
(unaudited)

	Common Stock Shares	Amount	Additional Paid-in Capital	Retained Deficit
Balance December 31, 2018	130,581,906	$ 13,059	$ 3,359,711	$ (3,653,406)
Net loss for the period ended December 31, 2019				$ (206,035)
Note converted into common stock	11,301,612	$ 1,130	$ 100,584	
Balance December 31, 2019	141,883,518	$ 14,189	$ 3,460,295	$ (3,859,441)
Net loss for the year ended December 31, 2020				(434,380)
Balance December 31, 2020	**141,883,518**	$ 14,189	$ 3,460,295	$ (4,293,821)
Net loss for the year ended December 31, 2021				539,573
Balance December 31, 2021	**141,883,518**	$ 14,189	$ 3,460,295	$ (3,754,248)
Net loss for the three months ended December 31, 2021				(8,000)
Balance March 31, 2022	**141,883,518**	$ 14,189	$ 3,460,295	$ (3,762,248)

(The accompanying notes are an integral part of these financial statements.)

SGD Holdings, Ltd

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash flows from operating activities:		
Net Income (Loss)	$ (8,000)	$ (41,887)
Adjustment to reconcile net loss to cash used in operations:		
Relief of debt income	-	-
Write-down Intangible Assets	-	-
Change in operation accounts:		
Accounts payable and accrued expenses	18,000	55,087
Notes payable - related party	5,000	30,000
Accounts and Interest receivable	(15,000)	(83,200)
	-	(40,000)
Cash flows from investing activities:		
Purchase of assets	-	-
	-	-
Cash flows from financing activities:		
Proceeds from loans (net)	-	40,000
	-	40,000
Increase (decrease) in cash	-	-
Cash - Beginning of the period	409	409
Cash - End of the period	$ 409	$ 409

(The accompanying notes are an integral part of these financial statements.)

SGD HOLDINGS, LTD.
(Unaudited)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – SUMMARY OF ACCOUNTING POLICIES

General

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statement follows.

The consolidated financial statements include a company which is effectively controlled directly by the Parent Company, where control is defined as the power to govern the financial operation policies. This control is generally evidenced when the Company directly or indirectly owns more than 50% of the voting rights of the Company's share capital. Significant intercompany transactions have been eliminated in consolidation.

Inventory is valued at the lower of cost or market as of the respective balance sheet dates.

Business and Basis of Presentation

SGD Holdings, Ltd. was formed as a Delaware corporation on May 22, 1996. Since the inception of the Company there have been two subsequent name changes to its current name, SGD Holdings, Ltd.

SGD Holdings was previously a development stage company with plans to establish itself as an air transport company providing nonscheduled air service or charter flights and then changed its business plan to a Holding company whereby acquired and operated several subsidiaries in the wholesale jewelry business, specifically in retail gold and silver.

The Company filed for Chapter 11 Reorganization under the United States Bankruptcy Code in the District of Delaware, Case No., 05-10182. The Company continued to manage its properties as "debtor-in-possession" under the jurisdiction of the Bankruptcy Court until June 2, 2005 when a Chapter 11 Trustee was appointed. In February of 2005, a motion was filed to transfer venue of the case from Delaware to the Northern District of Texas, Fort Worth Division. A new case number no., (05-42392-rfn-11), was assigned on March 4, 2005, with all claims and liabilities of the company being settled with the creditors. A Motion for a Final Decree was issued on April 8, 2010.

On July 1, 2010, the Company acquired Eco Paper, a California corporation, for the issuance of Thirty-Eight Million Five Hundred Thousand (38,500,000) shares of common stock. The transaction was valued at $1,942,283, at the time of the acquisition.

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

The Company had previously operated as a holding company with its wholly owned subsidiary; Eco Paper, Inc. that had created a proprietary process for producing paper by utilizing products that are considered waste by-products from natural fibers, such as banana and coffee trees. The process eliminated the need to cut down trees all around the world in order to produce paper products of all types.

The Company entered into the Medical & Recreational Cannabis industry during the 2nd Quarter of 2017 in the State of Colorado. The Company locates properties and opportunities that can be utilized by businesses in the cannabis sector for retail or other cannabis related uses with the intent to sublease such properties to such businesses. In addition, the Company has assembled or intends to assemble a group of passionate cannabis experts with expertise devoted to providing consulting services for property management, license procurement, facility design and construction, systems engineering, equipment, and materials sourcing, management, and compliance.

An example of the type of service and support the Company has provided and intends to provide in the future includes its recent role in assisting C1B True Organics LLC (C1B) in the opening of a retail store for the recreational sale of cannabis. C1B True Organics LLC under a sublease with SGDH opened its doors for business on June 26, 2020. SGDH's staff provided substantial assistance in the complete renovation of the C1B True Organics retail building and property located at 601 US Hwy 85/87 in Walsenburg, Colorado. SGDH co-managed the entire process with the general contractor from concept to completion which included navigating all local and state codes and procuring quality subcontractors and vendors. C1B's opening weekend attracted over 200 customers and considered its opening a big success.

The Company believes that it has created a viable business model in the cannabis industry. The Company intends to leverage its expertise to provide consulting services, property management services as well as procure real estate that can be leased or sublet to companies in the cannabis industry.

SGD Holding does not and will not, until Federal law allows, grow, harvest, distribute or sell marijuana or any substance that violate the laws of the United States of America.

The Company operates out of its office in Pueblo, Co., and has two (2) full time employee at the end of this reporting period.

SGD Holdings revenue for the three months ended March 31, 2022 decreased to $15,000 as compared to $43,200 for the corresponding period of March 31, 2021. The decrease in revenues is due to the slump in the overall economy on a local level and higher cost of living expenses for the potential consumer. The decrease resulted in less revenue from the leased facilities for the reporting period.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the company considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company has adopted Financial Accounting Standard No. 109 (SFAS 109) which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

Net Loss per Common Share

The Company computes earnings per share under Financial Accounting Standard No. 128, "Earnings Per Share" (SFAS 128). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the year.
Dilutive common stock equivalents consist of shares issuable upon conversion of convertible preferred shares. During the periods ended March 31, 2022 and December 31, 2021, common stock equivalents are not considered in the calculation of the weighted average number of common shares outstanding because they would be anti-dilutive, thereby decreasing the net loss per common share.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Revenue for consulting services is recognized at the time consulting services are rendered to the client.

Advertising

The Company follows the policy of charging the costs of advertising to expenses as incurred. For the periods advertising costs were not material to the statement of income.

Liquidity

As shown in the accompanying financial statements, the Company has incurred a net loss before extraordinary items of ($8,000), for the three months ended, March 31, 2022. As of March 31, 2022, the Company had a working capital deficit of ($287,764). In order for the Company to sustain operations, additional working capital must be raised by increases in revenue realizing profitable margins, by the sale of equity securities, loans, or by advances from management or affiliates.

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents and related party receivables. The Company places its cash and temporary cash investments with credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit.

Stock Based Compensation

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of SFAS 123." This statement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value-based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB Opinion No. 25 and related interpretations. Accordingly, compensation expense for stock options is measured as the excess, if any, of the fair market value of the Company's stock at the date of the grant over the exercise price of the related option. The Company has adopted the annual disclosure provisions of SFAS No. 148 in its financial reports.

Comprehensive Income

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130), establishes standards for reporting and display of comprehensive income, its components, and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The Company adopted SFAS 130 and has no items of comprehensive income to report.

Segment Information

Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise, and Related Information (SFAS 131) establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. SFAS 131 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions to allocate resources and assess performance. The information disclosed herein, materially represents all the financial information related to the Company's principal operating segment.

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

SFAS No. 168. In June of 2009, the Financial Accounting Standards Board, (“FASB”), issued SFAS No. 168, The FASB Accounting Standards Codification, and the Hierarchy of Generally Accepted Accounting Principles-replacement of SFAS No. 162. No 168 established the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB to be applied in the preparation

of financial statements in conformity with generally accepted accounting principles. No.168 explicitly recognizes rule and interpretive releases of the Securities and Exchange Commission (SEC) under federal securities laws issued for fiscal years and interim periods ending after September 15, 2009. The Company has adopted SFAS No. 168 and there was no impact on the Company’s consolidated financial statements or results of operations.

SFAS No. 165. In May of 2009, the Financial Accounting Standards Board, (“FASB), issued SFAS No. 165, Subsequent Events No. 165 establishes general standards of accounting for, and requires disclosures of events that occur after the balance sheet date but before the financial statements are issued or available to be issued. SFAS No. 165 is effective for interim or annual financial periods ending after June 15, 2009 and should be applied prospectively. The Company has adopted SFAS 165 and there was no impact on the Company’s consolidated financial statements or results of operations.

NOTE B – ACQUISITION

On January 1, 2008, the Company entered into a purchase agreement ("Agreement") with Harry Johansing to acquire a 100% interest in Eco Paper, Inc., and issued 38,500,000 shares of common stock, par value of $0.0001, per share. The value of the transaction at the time was $1,942,283.

NOTE C - INVENTORY

Inventory is valued at the lower of cost or market value.

NOTE D – NOTES PAYABLE RELATED PARTY

On March 31, 2022, the Company had amounts payable to officers in the amount of $332,058.

NOTE E – RELATED PARTY TRANSACTIONS

Brent Crouch, CFO of SGD Holdings, Ltd., became the Managing Member of C1B True Organics, LLC, and the License Holder for the Cannabis Retail Store property located at 601 Hwy. 85/87 Walsenburg, CO 81089 in April of 2021.

C1B True Organics, LLC is the sublessee for the retail store property located at 601 Hwy. 85/87 Walsenburg, CO 81089.

NOTE F – ACCOUNTS RECEIVABLE

The Company is carrying accounts receivable in the amount of $289,200.

NOTE G – NOTES PAYABLE

The Company received notice during the 4th quarter of 2021 from the accredited investors holding debt instruments in the Company that all convertible promissory notes and accrued interests were forgiven, effectively immediately. The forgiveness-cancellation of the debt instruments and interests was due in part to the reinterpretation of the SEC Regulations governing Convertible Promissory Notes.

(For additional information, please see Note L- Other Matters of this report and Note L-Other Matters of the Annual Report ending December 31, 2021 & December 31, 2020 filed with OTC markets at http://www,otcmarkets.com)

NOTE H – SHAREHOLDERS' DEFICIT

Preferred Stock:

The Company is authorized to issue 50,000 shares of designated Preferred Series of stock with a par value of $0.01, per share. As of March 31, 2022, the Company has no issuances of Preferred series.

Common Stock:

The Company is authorized to issue 250,000,000 shares of common stock with a par value of $.0001 per share. As of March 31, 2022, and December 31, 2021, the Company has issued and has outstanding 141,883,518 and 141,883,518 respectively, shares of common stock.

Issuances of common stock during the reporting period of 2022:

There was no issuance of common stock during the reporting period.

Issuances of common stock during the calendar year 2021:

There were no issuances of common stock during the reporting period.

Issuances of common stock during the calendar year 2020:

There were no issuances of common stock during the reporting period.

NOTE I–COMMITMENTS AND CONTINGENCIES

The Company entered into a Lease Agreement, ("the Lease) with NuGro Industries, Inc. during the 4th quarter of 2018 for a five (5) year period which can be extended for an additional five (5) years at a price per square foot of $10.50. The "Premises", (as hereafter defined), shall consist of the following, including all related buildings and areas to include not less than a total of One (1) acre, with an option for an additional Three (3) acres, including any or all site improvements located on the described property to include a 1,550 sq. ft. building with improvements to meet the City of Walsenburg, CO building codes. The lease commenced upon the satisfactory approval of all tenant improvements and issuance of a Certificate of Occupancy by the City which occurred in May of calendar year 2020.

Rent expense totaled $10,500 for the reporting period ended March 31, 2022.

The Leases were guaranteed by Delmar Janovec.

(For additional information, please see the December 31, 2021 and December 31, 2020 year-end reports filed with the OTC Markets at: https://www.otcmarkets.com).

NOTE J-LEGAL

Since the filing of the Company's financial statement for the year-ended December 31, 2020, no material changes have occurred to the legal proceedings reported therein.

NOTE K-SUBSEQUENT EVENTS

There are no Subsequent events to report for the reporting period.

NOTE L – OTHER MATTERS

The Company received notice during the 4th quarter of 2021 from the accredited investors holding debt instruments in the Company that all convertible promissory notes and accrued interests were forgiven, effectively immediately. The forgiveness-cancellation of the debt instruments and interests was due in part to the reinterpretation of the SEC Regulations governing Convertible Promissory Notes.

NOTE M - INCOME TAXES

The Company has adopted Financial Accounting Standard No. 109 which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

On March 31, 2022, the Company has available for federal income tax purposes a net operating loss carry-forward of approximately $3,500,000 beginning to expire in the year 2024 that may be used to offset future taxable income. The Company has provided a valuation reserve against the full amount of the net operating loss benefit, since in the opinion of management based upon the profit status of the Company, the tax benefits will not be recognized until income is realized. Due to any significant changes in the Company's ownership, the future use of its existing net operating losses may be limited.

Components of deferred tax assets as of March 31, 2022 are as follows:

Non-Current:	
Net operating loss carry forward	$ 1,050,000
Valuation allowance	(1,050,000)

Net deferred tax asset	$ --
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NOTE N-GOING CONCERN

The accompanying consolidated statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the financial statements during the period ended March 31, 2022, the Company incurred losses from operations of ($8,000) and has not obtained profitable operation under its current operating plan. This may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's existence is dependent upon advances from its affiliates, equity investments, loans from third parties and accredited investors, and management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity through the continued developing, marketing, and selling of its products, and additional equity investments in the Company. The accompanying financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern. In order to improve the Company's liquidity, the Company is actively pursuing additional equity financing through discussions with investment bankers and private investors. There can be no assurance the Company will be successful in its effort to secure additional equity financing. If operations and cash flows continue to improve through these efforts, management believes that the Company can continue to operate and achieve profitability. However, no assurance can be given that management's actions will result in profitable operations or the resolution of its liquidity problems.