

SMART HOLDINGS, INC. "SMHS"

FINANCIAL STATEMENTS

JUNE 30, 2017

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SMART HOLDINGS, INC.
BALANCE SHEET
JUNE 30, 2017 and JUNE 30, 2016

ASSETS	Unaudited June 30, 2017	Consolidated Unaudited June 30, 2016
Current Assets:		
Cash and Cash Equivalents	\$ -1-	\$6,865
Other Current Assets	\$ -0-	\$341,965
Total Current Assets	\$ -1-	\$348,830
Non-Current Assets:		
Total Non-Current Assets	\$ -0-	\$ 32,602,222
Total Assets	\$ -1-	\$ 32,951,052
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Total Current Liabilities	\$ -0-	\$ 1,300,753
Total Non-Current Liabilities	\$ -0-	\$ 927,828
Total Liabilities	\$ -0-	\$ 2,228,581
Stockholders' Equity (Deficit):		
Common Stock	\$ 99,510	\$ 99,510
Additional Paid-in Capital	25,253,183	\$30,565,071
Accumulated Deficit	\$(25,352,692)	\$57,890
Total Liabilities and Stockholders' Equity	\$ -1-	\$32,951,052

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

	SIX Months Ended		THREE Months Ended	
	Consolidated Unaudited	Consolidated Unaudited	Consolidated Unaudited	Consolidated Unaudited
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Revenue	\$ 260,248	\$ 12,975	\$ 196,231	\$ 2,748
Cost of Revenue	\$ 117,120	\$ 0	\$ 117,120	\$ 0
Gross Profit	<u>\$ 143,128</u>	<u>\$ 12,975</u>	<u>\$ 79,111</u>	<u>\$ 2,748</u>
Operating Expenses				
Sales & General and Administrative	\$ 51,244	\$ 35,640	\$ 15,608	\$ 5,096
Total Operating Expenses	<u>\$ 51,244</u>	<u>\$ 35,640</u>	<u>\$ 15,608</u>	<u>\$ 5,096</u>
Operating Income (loss)	\$ 91,884	\$ (22,665)	\$ 63,503	\$ (2,349)
Other Income (expense)				\$ (3,964)
	\$ (59,915)	\$ 0	\$ (15,926)	
Loss on sale of Anatolian Walnut Production Company	\$ (25,359,509)	\$ 0	\$ (25,359,509)	\$ 0
Net Income (loss) before Income Tax	\$ (25,327,540)	\$ (22,665)	\$ (25,311,932)	\$ 1,615
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0
Net Income (Loss)	<u><u>\$ (25,327,540)</u></u>	<u><u>\$ (22,665)</u></u>	<u><u>\$ (25,311,932)</u></u>	<u><u>\$ 1,615</u></u>
Basic and diluted loss per share	(0.03)	(0.00)	(0.03)	(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
JUNE 30, 2017 and JUNE 30, 2016

	SIX Months Ended	
	Consolidated Unaudited June 30, 2017	Consolidated Unaudited June 30, 2016
Cash Flow From Operating Activities		
Net Profit/(Loss)	\$(25,327,540)	\$ (22,665)
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	
Changes in operating assets and liabilities:		
Account Receivables	\$ 47,739	\$ 63,749
Inventories	\$ 33,587	\$ 0
Loans from Stockholders	\$ (174,490)	\$ (140,941)
Accounts Payable	\$ 12,993	\$ (57,124)
Financial Payable	\$ 446,637	\$ 391,518
Intangible Assets	\$ 21,783	\$ 0
Other Assets	\$ (70,703)	\$ (72,210)
Total Adjustments	\$ 25,677,055	\$ 184,993
Net Cash Flow From Operating Activities	\$ 349,515	\$ 162,328
Cash Flows From Investing Activities		
Purchases of property and equipment	\$ (3,565)	\$ (24,695)
Proceeds from sales of property and equipment	\$ 0	\$ 0
Long-Term Investments	\$ (356,636)	\$ (149,607)
Proceeds of Anatolian Walnut Production Company	1	
Cash in Anatolian Walnut Production Company at date of sale on June 30, 2017	\$ (2,898)	
Net Cash Flow From Investing Activities	\$ (363,098)	\$ (174,303)
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)	\$ (11,975)
Cash and Cash Equivalents, Beginning of the Period	\$ 13,584	\$ 18,840
Cash and Cash Equivalents, End of the Period	\$ 1	\$ 6,865

SMART HOLDINGS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FROM DECEMBER 31, 2014 THROUGH JUNE 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)

SMART HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017
UNAUDITED; CONSOLIDATED

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 June 30, 2016.

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.