

ADDENTAX GROUP CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. Dollars, except share data or otherwise stated)
FOR THE NINE MONTHS ENDED DECEMBER 31, 2017 AND 2016 (UNAUDITED)

	<u>2017</u>	<u>2016</u>
	(Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (41,182)	\$ 56,271
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	84,535	7,484
Loss from disposal of plant and equipment	-	4,502
Allowance for obsolete inventories	-	155,722
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	150,665	(915,615)
Inventories	(20,147)	192,636
Advances to suppliers	(617,048)	260,362
Amounts due from related parties	-	(39,354)
Other receivables	(822,090)	(681,413)
Increase (decrease) in:		
Accounts payables	1,857,974	712,153
Amounts due to related parties	-	(28,878)
Accrued expenses and other payables	385,254	64,516
Advances from customers	(226,836)	(113,579)
Taxes payable	5,385	34,672

Net cash provided by (used in) operating activities	756,510	(290,521)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(76,788)	-
Proceeds from sale of plant and equipment		5,871
Payment for acquisition of subsidiaries	(3,025,751)	-
Acquisition of businesses net of cash acquired	-	221,840
Net cash provided by investing activities	(3,102,539)	227,711
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party borrowings	4,778,063	-
Repayment of related party borrowings	(2,770,201)	-
Proceeds from third party borrowings	829,081	547,051
Repayment of third party borrowings	(525,978)	(254,401)
Net cash provided by financing activities	2,310,965	292,650
NET INCREASE IN CASH AND CASH EQUIVALENTS	(35,064)	229,840
Effect of exchange rate changes on cash and cash equivalents	4,524	(1,891)
Cash and cash equivalents, beginning of year	176,905	-
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 146,365</u>	<u>\$ 227,949</u>

