

ADDENTAX GROUP CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. Dollars, except share data or otherwise stated)
FOR THE THREE MONTHS ENDED JUNE 30, 2018 AND 2017 (UNAUDITED)

	<u>June 30, 2018</u> (unaudited)	<u>June 30, 2017</u> (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (160,906)	\$ (118,836)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	30,805	27,527
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	152,271	(381,166)
Inventories	65,636	150,267
Advances to suppliers	8,049	(489,606)
Other receivables	25,796	(85,643)
Increase (decrease) in:		
Accounts payables	1,243,154	962,315
Accrued expenses and other payables	132,582	699,538
Advances from customers	(1,005,399)	(820,138)
Taxes payable	(1,923)	1,263
Net cash provided by (used in) operating activities	<u>490,065</u>	<u>(54,479)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(25,592)	(12,695)

Payment for acquisition of subsidiaries	-	(3,025,751)
Net cash (used in) provided by investing activities	(25,592)	(3,038,446)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party borrowings	294,043	4,633,089
Repayment of related party borrowings	(561,001)	(644,301)
Proceeds from third party borrowings	840,670	14,481
Repayment of third party borrowings	(998,627)	(167)
Net cash provided by (used in) financing activities	(424,915)	4,003,102
NET INCREASE IN CASH AND CASH EQUIVALENTS	39,558	910,177
Effect of exchange rate changes on cash and cash equivalents	(2,724)	14,489
Cash and cash equivalents, beginning of year	264,806	176,905
CASH AND CASH EQQIVALENTS, END OF YEAR	<u>\$ 301,640</u>	<u>\$ 1,101,571</u>

