

ADDENTAX GROUP CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S. Dollars, except share data or otherwise stated)
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (709,396)	\$ (371,802)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	111,740	34,905
Loss from disposal of plant and equipment	-	6,129
Allowance for obsolete inventories	-	155,722
Impairment loss on goodwill	454,659	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	1,360,260	(780,593)
Inventories	206,213	21,398
Advances to suppliers	56,179	361,143
Amounts due from related parties	(74,879)	24,253
Other receivables	(181,528)	(20,713)
Increase (decrease) in:		
Accounts payables	(60,796)	216,185
Amounts due to related parties	186,451	392,296
Accrued expenses and other payables	11,879	(69,400)
Advances from customers	514,044	569,673
Taxes payable	5,341	22,262

Net cash provided by operating activities	1,880,166	561,458
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(97,077)	-
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 (used in) provided by investing activities	(3,122,828)	227,711
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related party borrowings	2,893,065	-
Repayment of related party borrowings	(797,422)	(28,998)
Proceeds from third party borrowings	1,618,813	696,816
Repayment of third party borrowings	(2,391,411)	(1,280,172)
Net cash provided by (used in) financing activities	1,323,045	(612,354)
NET INCREASE IN CASH AND CASH EQUIVALENTS	80,383	176,815
Effect of exchange rate changes on cash and cash equivalents	7,581	90
Cash and cash equivalents, beginning of year	176,905	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 264,806	\$ 176,905

