ADDENTAX GROUP CORP. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

1. ORGANIZATION AND BUSINESS ACQUISITIONS

Addentax Group Corp. (" ATXG ") was incorporated in Nevada on October 28, 2014, and before the transaction described below, ATXG was engaged in the field of producing images on multiple surfaces using heat transfer technology.

On December 28, 2016, ATXG acquired 250,000,000 shares of the issued and outstanding stock of Yingxi Industrial Chain Group Co., Ltd. (" Yingxi "). The 250,000,000 shares of Yingxi were acquired from the members of Yingxi in a share exchange transaction in return for the issuance of 500,000,000 shares of common stock of ATXG. The 250,000,000 shares of Yingxi constitute 100% of its issued and outstanding stock, and as a result of the transaction, Yingxi became a wholly-owned subsidiary of ATXG. Following the consummation of the reverse acquisition effective on September 25, 2017, and giving effect to the securities exchanged in the offering, the members of Yingxi beneficially owned approximately ninty-nine (99%) of the issued and outstanding common stock of ATXG. For accounting purposes, the Company was treated as an acquiree and Yingxi as an acquirer, as a result, the business and financial information contained in this report is that of the acquirer prior to the consummation date and that of the combined entity after that date.

Yingxi was incorporated in the Republic of Seychelles on August 4, 2016. ATXG, together with Yingxi and its subsidiaries (the " Company ") operates primarily in the People's Republic of China (" PRC " or " China ") and is engaged in the business of garments manufacturing and providing logistic services.

On December 15, 2016, Yingxi entered into an equity transfer agreement with the shareholder of Yingxi Industrial Chain Investment Co., Ltd (" Yingxi HK ") under which Yingxi agreed to pay total consideration of Chinese Renminbi (RMB) 21,008,886 (approximately $3,048,936) in cash in exchange for a 100% ownership interest in Yingxi HK. Yingxi HK was incorporated in Hong Kong in 2016. Yingxi HK is a holding company with no assets other than a 100% equity interest of the following subsidiaries:

Qianhai Yingxi Textile & Garments Co., Ltd (" QYTG "), a wholly-owned subsidiary of Yingxi HK, was incorporated in PRC in 2016.

Shenzhen Qianhai Yingxi Industrial Chain Services Co., Ltd (" YX "), a wholly-owned subsidiary of QYTG, was incorporated in PRC in 2016.

Xin Kuai Jie Transport Co., Ltd (" XKJ "), a wholly-owned subsidiary of YX, was incorporated in PRC in 2001. XKJ is engaged in the provision of logistic services.

Shenzhen Hua Peng Fa Logistics Co., Ltd (" HPF "), a wholly-owned subsidiary of YX, was incorporated in the PRC in 2006. HPF is engaged in the provision of logistic services.

Dongguan Heng Sheng Wei Garments Co., Ltd (" HSW "), a wholly-owned subsidiary of YX, was incorporated in the PRC in 2009. HSW is a garment manufacturer.

Shantou Chenghai Dai Tou Garments Co., Ltd (" DT "), a wholly-owned subsidiary of YX, was incorporated in the PRC in 2009. DT is a garment manufacturer.

2. BASIS OF PRESENTATION, LIQUIDITY

The accompanying consolidated financial statements of the Company and its subsidiaries are prepared pursuant to the rules and regulations of the U.S. Securities and Exchanges Commission (" SEC ") and in conformity with generally accepted accounting principles in the U.S. (" US GAAP "). All material inter-company accounts and transactions have been eliminated in consolidation.

The accompanying consolidated financial statements are presented on the basis that the Company is a going concern. The going concern assumption contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company incurred net losses of $709,396 and $371,802 during the years ended March 31, 2018 and 2017, respectively. As of March 31, 2018 and 2017, the Company had n egative working capital of $2,228,477 and $1,836,847, respectively, and a deficit on total equity of $1,104,934 and $243,980, respectively.

The ability to continue as a going concern is dependent upon the Company's profit generating operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company expects to finance operations primarily through cash flow from revenue and capital contributions from the CEO. In the event that the Company requires additional funding to finance the growth of the Company’s current and expected future operations as well as to achieve our strategic objectives, the CEO has indicated the intent and ability to provide additional equity financing.

These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent on the Company’s ability to meet obligations as they become due and to obtain additional equity or alternative financing required to fund operations until sufficient sources of recurring revenues can be generated. There can be no assurance that the Company will be successful in its plans described above or in attracting equity or alternative financing on acceptable terms, or if at all. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Economic and Political Risks

The Company’s operations are conducted in the PRC. Accordingly, the Company’s business, financial condition and results of operations may be influenced by the political, economic and legal environment in the PRC, and by the general state of the PRC economy.

The Company’s operations in the PRC are subject to special considerations and significant risks not typically associated with companies in North America and Western Europe. These include risks associated with, among others, the political, economic and legal environment and foreign currency exchange. The Company’s results may be adversely affected by changes in the political and social conditions in the PRC, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion, remittances abroad, and rates and methods of taxation.

(b) Foreign Currency Translation

The Company's reporting currency is the U.S. dollar. The functional currency of the parent company is the U.S. dollar and the functional currency of the Company's operating subsidiaries is the Chinese Renminbi (" RMB "). For the subsidiaries whose functional currencies are the RMB, all assets and liabilities are translated at exchange rates at the balance sheet date and revenue and expenses are translated at the average yearly exchange rates and equity is translated at historical exchange rates. Any translation adjustments resulting are not included in determining net income but are included in foreign exchange adjustment to other comprehensive income, a component of equity.

(c) Use of Estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Management makes these estimates using the best information available at the time the estimates are made; however actual results could differ materially from those estimates.

(d) Fair Value Measurement

Accounting Standards Codification (" ASC ") 820 " Fair Value Measurements and Disclosures ", which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The statement clarifies that the exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. It also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and that market participant assumptions include assumptions about risk and effect of a restriction on the sale or use of an asset.

This ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

At March 31, 2018, the Company has no financial assets or liabilities subject to recurring fair value measurements.

The Company's financial instruments include cash, accounts receivable, advances to suppliers, other receivables, accounts payable, other payables, taxes payables and related party receivables or payables. Management estimates that the carrying amounts of financial instruments approximate their fair values due to their short-term nature. The fair value of amounts with related parties is not practicable to estimate due to the related party nature of the underlying transactions.

(e) Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Company had no cash equivalents at March 31, 2018 and 2017.

(f) Accounts Receivable

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of accounts receivable. The Company extends credit to its customers in the normal course of business and generally does not require collateral. The Company's credit terms are dependent upon the segment, and the customer. The Company assesses the probability of collection from each customer at the outset of the arrangement based on a number of factors, including the customer's payment history and its current creditworthiness. If in management's judgment collection is not probable, the Company does not record revenue until the uncertainty is removed.

Management performs ongoing credit evaluations, and the Company maintains an allowance for potential credit losses based upon its loss history and its aging analysis. The allowance for doubtful accounts is the Company's best estimate of the amount of credit losses in existing accounts receivable. Management reviews the allowance for doubtful accounts each reporting period based on a detailed analysis of trade receivables. In the analysis, management primarily considers the age of the customer's receivable, and also considers the creditworthiness of the customer, the economic conditions of the customer's industry, general economic conditions and trends, and the business relationship and history with its customers, among other factors. If any of these factors change, the Company may also change its original estimates, which could impact the level of the Company's future allowance for doubtful accounts. If judgments regarding the collectability of receivables were incorrect, adjustments to the allowance may be required, which would reduce profitability.

Accounts receivable are recognized and carried at the original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful accounts receivable is made when collection of the full amount is no longer probable. Bad debts are written off as incurred. No allowance for doubtful accounts was made for the years ended March 31, 2018 and 2017.

The following customers had an accounts receivable balance greater than 10% of total accounts receivable at March 31, 2018 and 2017.

	2018	2017
Customer A	56%	25%
Customer B	21%	15%
Customer C	12%	nil%
Customer D	6%	10%
Customer E	nil%	31%

(g) Inventories

Manufacturing segment inventories consist of raw materials, work in progress and finished goods and are stated at the lower of cost, determined on a weighted average basis, or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale. When inventories are sold, their carrying amount is charged to expense in the period in which the revenue is recognized. Write-downs for declines in net realizable value or for losses of inventories are recognized as an expense in the period the impairment or loss occurs. The Company made allowance for obsolete finished goods of $nil and $155,722 for the years ended March 31, 2018 and 2017, respectively.

During the years ended March 31, 2018 and 2017, approximately 45% and 81% of total inventory purchases were from the Company's five largest suppliers, respectively. Management believes that should the Company lose any one of its major suppliers, other suppliers are available that could provide similar products to the Company on comparable terms.

(h) Plant and Equipment

Plant and equipment are carried at cost less accumulated depreciation. Depreciation is provided over the assets' estimated useful lives, using the straight-line method. Estimated useful lives of the plant and equipment are as follows:

Production plant	5-10 years
Motor vehicles	10-15 years
Office equipment	5-10 years

The cost and related accumulated depreciation of assets sold or otherwise retired are eliminated from the accounts and any gain or loss is included in the statement of income. The cost of maintenance and repairs is charged to the statement of income as incurred, whereas significant renewals and betterments are capitalized.

(i) Goodwill

Goodwill represents the excess of the purchase price over the net fair value of the identifiable tangible and intangible assets acquired and the fair value of liabilities assumed in acquisitions. ASC 350-30-50 "Goodwill and Other Intangible Assets ", requires the testing of goodwill and indefinite-lived intangible assets for impairment at least annually. The Company tests goodwill for impairment in the fourth quarter of each years.

Under applicable accounting guidance, the goodwill impairment analysis is a two-step test. The first step of the goodwill impairment test involves comparing the fair value of each reporting unit with its carrying amount including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired; however, if the carrying amount of the reporting unit exceeds its fair value, the second step must be performed to measure potential impairment.

The second step involves calculating an implied fair value of goodwill for each reporting unit for which the first step indicated possible impairment. If the implied fair value of goodwill exceeds the goodwill assigned to the reporting unit, there is no impairment. If the goodwill assigned to a reporting unit exceeds the implied fair value of goodwill, an impairment charge is recorded for the excess.

The Company tested goodwill for impairment as of March 31, 2018 and it was determined that recoverable amount of one of the Company's reporting units was lower than the carrying amount of the goodwill recorded. Therefore it was concluded that carrying amount of goodwill of $454,659 was impaired.

(j) Accounting for the Impairment of Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. It is reasonably possible that these assets could become impaired as a result of technology or other industry changes. Determination of recoverability of assets to be held and used is by comparing the carrying amount of an asset to future net undiscounted cash flows to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

There was no impairment of long-lived assets as of March 31, 2018 and 2017.

(k) Revenue Recognition

The Company recognizes manufacturing revenue from product sales, net of value added taxes, upon delivery at which time title passes to the customer provided that there are no uncertainties regarding customer acceptance, persuasive evidence of an arrangement exists, the sales price is fixed and determinable and collectability is deemed probable. Service revenue is recognized at the time at the point in time when delivery is completed, and the shipping terms of the contract have been satisfied.

Cost of revenues for manufacturing segment includes the direct raw material cost, direct labor cost, manufacturing overheads including depreciation of production equipment and rent. Cost of for service segment includes gasoline and diesel fuel, toll charges and subcontracting fees.

(l) Earnings Per Share

The Company reports earnings per share in accordance with ASC 260 " Earnings Per Share ", which requires presentation of basic and diluted earnings per share in conjunction with the disclosure of the methodology used in computing such earnings per share. Basic earnings per share excludes dilution and is computed by dividing income available to common stockholders by the weighted average common shares outstanding during the period. Diluted earnings per share takes into account the potential dilution that could occur if securities or other contracts to issue common stock were exercised and converted into common stock. Further, if the number of common shares outstanding increases as a result of a stock dividend or stock split or decreases as a result of a reverse stock split, the computations of a basic and diluted earnings per share shall be adjusted retroactively for all periods presented to reflect that change in capital structure.

The Company's basic earnings per share is computed by dividing the net income available to holders by the weighted average number of the Company's ordinary shares outstanding. Diluted earnings per share reflects the amount of net income available to each ordinary share outstanding during the period plus the number of additional shares that would have been outstanding if potentially dilutive securities had been issued. The Company had no potentially dilutive ordinary shares as of March 31, 2018 and 2017.

(m)Income Taxes

The Company accounts for income taxes using the asset and liability method prescribed by ASC 740 " Income Taxes ". Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax bases of assets and liabilities using enacted tax rates that will be in effect in the years in which the differences are expected to reverse. The Company records a valuation allowance to offset deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized as income or loss in the period that includes the enactment date.

The Company does not have any material unrecognized tax benefits.

The Company is governed by the Income Tax Laws of the PRC. The PRC federal statutory tax rate is 25%. The Company files income tax returns with the relevant government authorities in the PRC. The Company does not believe there will be any material changes in its unrecognized tax positions over the next 12 months.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. The Company does not have any accrued interest or penalties associated with any unrecognized tax benefits, nor was any interest expense recognized during the years ended March 31, 2018 and 2017. The Company's effective tax rate differs from the PRC federal statutory rate primarily due to non-deductible expenses, temporary differences and preferential tax treatment.

New U.S. federal tax legislation, commonly referred to as the Tax Cuts and Jobs Act (the " U.S. Tax Reform "), was signed into law on December 22, 2017. The U.S. Tax Reform modified the U.S. Internal Revenue Code by, among other things, reducing the statutory U.S. federal corporate income tax rate from 35% to 21% for taxable years beginning after December 31, 2017; limiting and/or eliminating many business deductions; migrating the U.S. to a territorial tax system with a one-time transaction tax on a mandatory deemed repatriation of previously deferred foreign earnings of certain foreign subsidiaries; subject to certain limitations, generally eliminating U.S. corporate income tax on dividends from foreign subsidiaries; and providing for new taxes on certain foreign earnings. Taxpayers may elect to pay the one-time transition tax over eight years, or in a single lump-sum payment. The Company measured the current and deferred taxes based on the provisions of the Tax legislation. After the Company's measurement, no deferred tax benefit nor expense relating to the Tax Act changes for the year ended March 31, 2018.

(n) Related party balances and transactions

A related party is generally defined as:

(i) any person that holds the Company's securities including such person's immediate families,

(ii) the Company's management,

(iii) someone that directly or indirectly controls, is controlled by or is under common control with the Company, or

(iv) anyone who can significantly influence the financial and operating decisions of the Company.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(o) Recently issued and adopted accounting pronouncements

In May 2014, the FASB issued ASU 2014-09, " Revenue from Contracts with Customers (Topic 606). " (" ASU 2014-09 "). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 supersedes most existing revenue recognition guidance in US GAAP. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of Effective Date* (" ASU 2015-14 "), which defers the effective date of ASU 2014-09 to January 1, 2018 for the Company. Early adoption is permitted. The Company adopts ASU 2014-09 utilizing the modified retrospective method. The Company evaluated the impact of adopting the new standard and concluded there was no material impact on the Company's revenue recognition policy.

In January 2016, the FASB issued ASU 2016-01, " *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01") ". The standard addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company evaluated the impact of adopting the new standard and concluded there was no material impact to its consolidated financial statement.

In February 2016, the FASB issued ASU 2016-02, *" Lease (Topic 842)* ", which amends recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset for all leases (with the exception of short-term leases) at the commencement date. This standard will take effect for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The Company is currently assessing the impact of this new standard on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, " *Statement of Cash flows -—Classification of Certain Cash Receipts and Cash Payment "* , effective for the fiscal years beginning after December 15, 2017, and interim periods within that fiscal year. This Update addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The Company evaluated the impact of adopting the new standard on its consolidated financial statements and concluded there was no material impact to the Company's financial statement.

In January, 2017, the FASB issued 2017-01 " *Business Combinations* ", effective for the annual reporting period beginning after December 15, 2017, and interim period within that period. This Updated clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions of assets or business. The Company evaluated the impact of adopting the new standard on its consolidated financial statements and concluded there was no material impact to the Company's financial statement.

In February 2017, the FASB issued ASU 2017-05 " *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20)* ", effective for the annual reporting period beginning after the December 15, 2017, including the interim reporting period within that period. This update provides guidance on the recognition of gains and losses on transfers of nonfinancial assets and in substance nonfinancial assets to counterparties that are not customers. The Company evaluated the impact of adopting the new standard on its consolidated financial statements and concluded there was no material impact to the Company's financial statement.

The Company reviews new accounting standards as issued. Management has not identified any other new standards that it believes will have a significant impact on the Company's consolidated financial statements.

4. BUSINESS ACQUISITION

On December 10, 2016, the Company entered into an equity transfer agreement relating to the acquisition of 100% of the equity of Yingxi Industrial Chain Investment Co., Ltd (" Yingxi HK ") and subsidiaries. The acquisition was financed with proceeds from the Company's borrowings from a third party. The acquisition closed on December 15, 2016. The results of operations of Yingxi HK are included in the Company's consolidated financial statements beginning on December 15, 2016.

The following represents the purchase price allocation at the dates of the acquisition:

Cash and cash equivalents	$	230,390
Other current assets		6,373,688

Plant and equipment		710,829
Goodwill		929,662
Current liabilities		(5,174,094)
Statutory reserves		(21,539)
Total purchase price	$	3,048,936

5. ACCOUNTS RECEIVABLES

The receivables and allowance balances at March 31, 2018 and 2017 are as follows:

		2018		2017
Accounts receivable	$	3,416,618	$	4,776,878
Less: allowance for doubtful accounts		-		-
Accounts receivable, net	$	3,416,618	$	4,776,878

No allowance for doubtful accounts was made for the years ended March 31, 2018 and 2017.

6. OTHER RECEIVABLES

Other receivables primarily represent unsecured and non-interest bearing short-term advances that the Company makes from time-to-time to third-party entities. These advances are unsecured and due on demand.

7. RELATED PARTY TRANSACTIONS

Name of Related Parties	Relationship with the Company

Zhida Hong	President, CEO, CFO and a director of the Company
Zhongpeng Chen	A legal representative of HPF
Bihua Yang	A legal representative of XKJ
Dewu Huang	A legal representative of DT
Qiuying Chen	A spouse of legal representative of DT
Yingping Ding	A legal representative of HSW
Jinlong Huang	A spouse of legal representative of HSW
Shenzhen Qianhai Bitun Investment Fund Management Co., Ltd	Huizhu Ma is a legal representative and principal shareholder
Shenzhen Bitun Textile Co., Ltd.	Huizhu Ma is a legal representative and principal shareholder
Shenzhen Yingxi Investment & Development Co., Ltd.	Sister of Huizhu Ma is a legal representative
Shenzhen Bitun Yihao Fund Partnership (Limited Partnership)	Shenzhen Qianhai Bitun Investment Fund Management Co., Ltd is a legal representative and principal shareholder
Bitun Apparel (Shenzhen) Co., Ltd	Huijun Ma is a legal representative
Huizhu Ma	A director and principal shareholder of the Company's principal shareholder
Xijuan Huang	A spouse of legal representative of HPF

The Company leases office space for XKJ rent-free from Bihua Yang.

The Company had the following related party balances at March 31, 2018 and 2017:

	2018	2017
Amounts due from related parties		
Zhida Hong	$ -	$ 9,190
Bihua Yang	-	118,358
Shenzhen Bitun Textile Co., Ltd.	39,883	-

Shenzhen Yingxi Investment & Development Co., Ltd.		162,543		4
	$	202,426	$	127,552

		2018		2017
Amounts due to related parties				
Zhida Hong	$	38,196	$	-
Zhongpeng Chen		739,317		554,158
Dewu Huang		248,031		121,794
Yinping Ding		118,952		983,452
Jinlong Huang		338,115		1,218,846
Shenzhen Qianhai Bitun Investment Fund Management Co., Ltd.		3,665,347		-
Shenzhen Bitun Yihao Fund Partnership (Limited Partnership)		159,356		-
Huizhu Ma		12,104		-
Bitun Apparel (Shenzhen) Co., Ltd		-		29,033
	$	5,319,418	$	2,878,250

		2018		2017
Payables for acquisition of subsidiaries				
Bitun Apparel (Shenzhen) Co., Ltd	$	-	$	1,584,247
Shenzhen Yingxi Investment & Development Co., Ltd.		-		1,440,224
	$	-	$	3,024,471

The balances with related parties are unsecured, non-interest bearing and repayable on demand.

8. INVENTORIES

Inventories consist of the following as of March 31, 2018 and 2017:

	2018	2017
Raw materials	$ 126,079	$ 300,592
Work in progress	113,150	340,330
Finished goods	-	261,060
Total	239,229	601,982
Less: allowance for obsolete inventories	-	(156,540)
Inventories, net	$ 239,229	$ 445,442

9. ADVANCES TO SUPPLIERS

The Company has made advances to third-party suppliers in advance of receiving inventory parts. These advances are generally made to expedite the delivery of required inventory when needed and to help to ensure priority and preferential pricing on such inventory. The amounts advanced to suppliers are fully refundable on demand.

10. PLANT AND EQUIPMENT

Plant and equipment consists of the following as of March 31, 2018 and 2017:

	2018	2017
Production plant	155,529	$ 141,680
Motor vehicles	944,539	877,015
Office equipment	12,491	11,378
	1,112,559	1,030,073

Less: accumulated depreciation	(464,019)		(366,870)
Plant and equipment, net	648,540	$	663,203

Depreciation expense for the years ended March 31, 2018 was $111,740 and $34,905, respectively.

11.INCOME TAXES

(a) Enterprise Income Tax (" EIT ")

The Company operates in the PRC and files tax returns in the PRC jurisdictions.

Yingxi Industrial Chain Group Co., Ltd was incorporated in the Republic of Seychelles and, under the current laws of the British Virgin Islands, is not subject to income taxes.

Yingxi HK was incorporated in Hong Kong and is subject to Hong Kong income tax at a tax rate of 16.5%. No provision for income taxes in Hong Kong has been made as Yingxi HK had no taxable income for the years ended March 31, 2018 and 2017.

YX were incorporated in the PRC and is subject to the PRC federal statutory tax rate is 25%. No provision for income taxes in the PRC has been made as YX had no taxable income for the years ended March 31, 2018 and 2017.

The Company is governed by the Income Tax Laws of the PRC. Yingxi's operating companies, QYTG, HSW, HPF and DT were subject to an EIT rate of 25% in 2018 and 2017. XKJ enjoyed preferential tax benefits and its EIT rate was 15% in 2018 and 2017.

Addentax Group Corp. is a U.S. entity and is subject to the United States federal income tax. No provision for income taxes in the United States has been made as Addentax Group Corp. had no United States taxable income for the years ended March 31, 2018 and 2017.

No deferred taxes were recognized for the years ended March 31, 2018 and 2017.

The reconciliation of income taxes computed at the PRC federal statutory tax rate applicable to the PRC, to income tax expenses are as follows:

	2018	2017
PRC statutory tax rate	25%	25%
Temporary differences	(19%)	(4%)
Tax losses not recognized	(72%)	(25%)
Income tax expense	$ (66%)	$ (4%)

	2018	2017
PRC statutory tax rate	25%	25%
Computed expected benefits	$ (172,514)	$ (89,556)
Temporary differences	(20,389)	48,309
Tax losses not recognized	212,245	54,824
Income tax expense	$ 19,342	$ 13,577

(b) Value Added Tax (" VAT ")

In accordance with the relevant taxation laws in the PRC, the normal VAT rate for domestic sales is 17%, which is levied on the invoiced value of sales and is payable by the purchaser. The Company is required to remit the VAT it collects to the tax authority. A credit is available whereby VAT paid on purchases can be used to offset the VAT due on sales.

For services, the applicable VAT rate is 11% under the relevant tax category for our logistic companies, except the branch of HPF enjoyed the preferential VAT rate of 3% in 2018 and 2017. The Company is required to pay the full amount of VAT calculated at the applicable VAT rate of the invoiced value of sales as required. A credit is available whereby VAT paid on gasoline and toll charges can be used to offset the VAT due on service income.

12. CONSOLIDATED SEGMENT DATA

Segment information is consistent with how management reviews the businesses, makes investing and resource allocation decisions and assesses operating performance. The segment data presented reflects this segment structure. The Company reports financial and operating information in the following two segments:

(a) Manufacturing of garments (the " Manufacturing segment "); and

(b) Providing logistic services (the " Service segment ").

The Company also provides general corporate services to its segments and these costs are reported as " Corporate and others ".

Selected information in the segment structure is presented in the following tables:

Revenues by segment for the years ended March 31, 2018 and 2017 are as follows:

	2018	2017
Revenues		
Manufacturing segment	$ 5,069,699	$ 2,750,210
Service segment	8,367,870	2,585,291
	$ 13,437,569	$ 5,335,501

Income from operations by segment for the years ended March 31, 2018 and 2017 are as follows:

	2018	2017
Operating income (loss)		
Manufacturing segment	$ 61,145	$ (134,100)
Service segment	10,406	(203,110)
Corporate and other	(327,505)	(37,010)
(Loss) income from operations	$ (255,954)	$ (374,220)
Manufacturing segment	13,481	(2,916)
Service segment	6,824	5,231
Corporate and other	(454,405)	13,681
(Loss) income before income tax	$ (690,054)	$ (358,225)
Income tax expense	(19,342)	(13,577)
Net (loss) income	$ (709,396)	$ (371,802)

Depreciation and amortization by segment for the years ended March 31, 2018 and 2017 are as follows:

	2018	2017
Depreciation		
Manufacturing segment	$ 28,657	$ 8,614
Service segment	83,083	26,291
	$ 111,740	$ 34,905

Total assets by segment at March 31, 2018 and 2017 are as follows:

		2018		2017
Total assets				
Manufacturing segment	$	3,775,765	$	5,328,211
Service segment		3,391,945		3,099,276
Corporate and other		350,400		120,031
	$	7,518,111	$	8,547,518

Goodwill by segment at March 31, 2018 and 2017 is as follows:

		2018		2017
Goodwill				
Manufacturing segment	$	475,003	$	475,003
Service segment		-		454,659
	$	475,003	$	929,662

The recoverable amounts of reporting units are determined based on discounted cash flow calculations. The calculations use budget for the first year and cash flow projections based on financial forecasts prepared by management covering the remaining 4-year operating period. The key assumptions include revenue, cost of sales and operating expenses which were determined by management based on the past performance and its expectations on market development. Based on the impairment test of goodwill, the recoverable amount was lower than the carrying amount of the goodwill recorded and it was concluded that carrying amount of goodwill of $454,659 was impaired.

13. ACCRUED EXPENSES AND OTHER PAYABLES

Accrued expenses and other payables consist of the following as of March 31, 2018 and 2017:

	2018	2017
Loan from third parties (i)	$ 56,739	$ 104,040
Employee advances	1,073	987
Accrued wages and welfare	66,972	91,441
Other payables	61,071	2,815
	$ 185,855	$ 199,283

(i) Loan from third parties represent unsecured and non-interest bearing short-term advances that the Company receives from time-to-time from third-party entities These advances are unsecured and due on demand.

14. RESERVES

(a) Statutory reserve

In accordance with the relevant laws and regulations of the PRC, the subsidiary of the Company established in the PRC is required to transfer 10% of its profit after taxation prepared in accordance with the accounting regulations of the PRC to the statutory reserve until the reserve balance reaches 50% of the subsidiary's paid-up capital. Such reserve may be used to offset accumulated losses or increase the registered capital of the subsidiary, subject to the approval from the PRC authorities, and are not available for dividend distribution to the shareholders. At March 31, 2018 and 2017, the paid-up statutory reserve was RMB 148,418 or $21,539.

(b) Currency translation reserve

The currency translation reserve represents translation differences arising from translation of foreign currency financial statements into the Company's functional currency.

15. COMMITMENTS AND CONTINGENCIES

Leases

The Company leased offices in various cities in the PRC, under operating leases expiring on various dates through 2019. Rent expense for the years ended March 31, 2018 and 2017 was approximately $97,634 and $30,405, respectively.

Future minimum lease payments for leases with initial or remaining non-cancelable lease terms in excess of one year are as follows:

2019	$	10,613

16.SUBSEQUENT EVENTS

In accordance with ASC 855, the Company evaluated all of its activity through the issue date of the financial statements and concluded that no other subsequent events have occurred that would require recognition or disclosure in the financial statements.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

On December 1, 2017, we received notification from the Securities and Exchange Commission that the Public Company Accounting Oversight Board (" PCAOB ") had revoked the registration of Anthony Kam & Associates Ltd. (" AKAM "). As a result of this notification, effective December 3, 2017, we dismissed AKAM as the Company's independent registered public accounting firm.

On December 6, 2017, the Board of Directors approved the engagement of Pan-China Singapore PAC (" PCCPA ") as our new independent registered public accounting firm.

During the period from February 20, 2017 to December 3, 2017 there were no disagreements with AKAM on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to AKAM's satisfaction, would have caused the auditor to make reference to the subject matter of the disagreement in connection with its report.

The report of AKAM on the financial statements of the Company for the fiscal year ended March 31, 2017 did not contain an adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles, except a going concern qualification on our company's financial statements for the fiscal year ended March 31, 2017.

The decision to change our independent registered public accounting firm was approved by the Company's Board of Directors.

During the Company's March 31, 2016 fiscal year, the subsequent interim periods thereto, and through December 3, 2017 there were no disagreements with AKAM on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of AKAM would have caused it to make reference thereto in its reports on the financial statements for such years and there were no " reportable events " as described in Item 304(a)(1)(v) of Regulation S-K.

During our fiscal years ended March 31, 2016 and 2015, the subsequent interim periods thereto, and through December 3, 2017, the engagement date of PCCPA, neither the Company, nor someone on its behalf, has consulted PCCPA regarding either:

> (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our company's financial statements, and either a written report was provided to the Company or oral advice was provided that the new independent registered public accounting firm concluded was an important factor considered by our company in reaching a decision as to the accounting, auditing or financial reporting issue; or

(ii) any matter that was either the subject of a disagreement as defined in paragraph 304(a)(1)(iv) of Regulation S-K or a reportable event as described in paragraph 304(a)(1)(v) of Regulation S-K.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer (principal executive officer and principal financial/accounting officer), as appropriate to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer (principal executive officer and principal financial/accounting officer), of the effectiveness of our disclosure controls and procedures as of March 31, 2018. Based on the evaluation of these disclosure controls and procedures, and in light of the material weaknesses found in our internal controls over financial reporting, our Chief Executive Officer (principal executive officer and principal financial/accounting officer) concluded that our disclosure controls and procedures were not effective.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Under the supervision and with the participation of management, including the Chief Executive Officer (principal executive officer and principal financial/accounting officer), the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of March 31, 2018 using the criteria established in " Internal Control - Integrated Framework " issued by the Committee of Sponsoring Organizations of the Treadway Commission (" COSO ").

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of internal control over financial reporting as of March 31, 2018, the Company determined that there were control deficiencies that constituted material weaknesses, as described below.

1. We do not have an Audit Committee – While not being legally obligated to have an audit committee, it is the management's view that such a committee, including a financial expert member, is an utmost important entity level control over the Company's financial statement. Currently the Board of Directors acts in the capacity of the Audit Committee, and does not include a member that is considered to be independent of management to provide the necessary oversight over management's activities.

2. We did not maintain appropriate cash controls – As of March 31, 2018, the Company has not maintained sufficient internal controls over financial reporting for cash, including failure to segregate cash handling and accounting functions, and did not require dual signatures on the Company's bank accounts. Alternatively, the effects of poor cash controls were mitigated by the fact that the Company had limited transactions in its bank accounts.

3. We did not implement appropriate information technology controls – As at March 31, 2018, the Company retains copies of all financial data and material agreements; however there is no formal procedure or evidence of normal backup of the Company's data or off-site storage of data in the event of theft, misplacement, or loss due to unmitigated factors.

Accordingly, the Company concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the Company's internal controls.

As a result of the material weaknesses described above, management has concluded that the Company did not maintain effective internal control over financial reporting as of March 31, 2018 based on criteria established in Internal Control- Integrated Framework issued by COSO.

Changes in Internal Controls over Financial Reporting

There was no change in the Company's internal control over financial reporting period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

DIRECTORS AND EXECUTIVE OFFICERS

The name, address, age and titles of our executive officers and director are as follows:

Name & Address	Age	Title	Date of First Appointment
Hong Zhida	27	Chairman of the Board, Chief Executive Officer, President, Treasurer, and Secretary	March 10, 2017
Keying Yu	68	Director	March 10, 2017

Hong Zhida, Chairman, CEO, President, Secretary and Treasurer

Mr. Hong Zhida received his Bachelor's Degree in Electronic Information Science and Technology from Sun Yat-sen University in July 2013. From June 2014 to Present, he served as the Director of China Huiying Joint Supply Chain Group Co.Ltd. He was responsible for assisting the company's chairman to plan development strategy. From September 2013 to May 2014, he served as Head of Membership Department of the Guangzhou Haifeng Chamber of Commerce. In that position he was responsible for the membership management of the institution.

Keying Lu, Director

From July 1986 to present, Mr. Lu has worked at Shenzhen Mailang Garments Co. Ltd as Manager. Shenzhen Mailang Garments Co. Ltd is an enterprise responsible for developing, producing and selling garments of two main leisure men's brands called Mylooo and Tannoy covering T-shirts, sweaters, windbreaker and other product lines. There are numbers of sales outlets in Guangzhou, Beijing, Shanghai, Hong Kong, Taiwan and other overseas market. Mr. Yu has been responsible for the Company's operations related to product development and sales management.

Mr. Zhida devotes 75% of his time each week for planning and organizing activities of the Company.

Mr. Keying devotes 75% of his time each week for planning and organizing activities of the Company.

Neither Mr. Hong, nor Mr. Yu has been involved in any of the following events during the past ten years:

(1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(2) any conviction in a criminal proceeding or being a named subject to a pending criminal proceeding (excluding traffic violations and minor offenses);

(3) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or

temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities;

(4) being found by a court of competent jurisdiction (in a civil action), the SEC or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law;

(5) being the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of (i) any Federal or State securities or commodities law or regulation; (ii) any law or regulation respecting financial institutions or insurance companies, including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or (iii) any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

(6) being the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section (1)(a)(40) of the Commodity Exchange Act), or any equivalent exchange, association, entity, or organization that has disciplinary authority over its members or persons associated with a member.

Audit Committee Financial Expert

We do not have an audit committee financial expert because we believe the cost related to retaining a financial expert at this time is prohibitive. Further, because we have no operations, at the present time, we believe the services of a financial expert are not warranted.

Significant Employees

We have no employees other than Hong Zhida, serving as our president, secretary, treasurer and as a director and Keying Lu serving as a director. They will initially perform all works in production and organization of our business. We intend to hire employees on an as needed basis.

Board of Directors Meetings

The Company had three official meetings of the Board of Directors of the Company during the last fiscal year ending March 31, 2018. Each director attended at least 75% of the total number of meetings of the Board.

Stockholder Communications with the Board

Our stockholders and other interested parties may communicate with members of the Board by submitting such communications in writing to our Corporate Secretary, Floor 13th, Building 1, Block B, Zhihui Square, Nanshan District, Shenzhen City, China 518000, who, upon receipt of any communication other than one that is clearly marked " Confidential, " will note the date the communication was received, open the communication, make a copy of it for our files and promptly forward the communication to the director(s) to whom it is addressed. Upon receipt of any communication that is clearly marked " Confidential, " our Corporate Secretary will not open the communication, but will note the date the communication was received and promptly forward the communication to the director(s) to whom it is addressed. If the correspondence is not addressed to any particular Board member or members, the communication will be forwarded to a Board member to bring to the attention of the Board.

Board Leadership Structure

Our Board of Directors has the responsibility for selecting the appropriate leadership structure for the Company. In making leadership structure determinations, the Board of Directors considers many factors, including the specific needs of the business and what is in the best interests of the Company's stockholders. Our current leadership structure is comprised of a combined Chairman of the Board and Chief Executive Officer (" CEO "), Mr. Hong. The Board of Directors believes that this leadership structure is the most effective and efficient for the Company at this time. Mr. Hong possesses detailed and in-depth knowledge of the issues, opportunities, and challenges facing the Company, and is thus best positioned to develop agendas that ensure that the Board of Directors' time and attention are focused on the most critical matters. Combining the Chairman of the Board and CEO roles promotes decisive leadership, fosters clear accountability and enhances the Company's ability to communicate its message and strategy clearly and consistently to our stockholders, particularly during periods of turbulent economic and industry conditions.

Risk Oversight

Effective risk oversight is an important priority of the Board of Directors. Because risks are considered in virtually every business decision, the Board of Directors discusses risks throughout the year generally or in connection with specific proposed actions. The Board of Directors' approach to risk oversight includes understanding the critical risks in the Company's business and strategy, evaluating the Company's risk management processes, allocating responsibilities for risk oversight among the full Board of Directors, and fostering an appropriate culture of integrity and compliance with legal responsibilities.

Family Relationships

None of our directors are related by blood, marriage, or adoption to any other director, executive officer, or other key employees.

Arrangements between Officers and Directors

To our knowledge, there is no arrangement or understanding between any of our officers and any other person, including directors, pursuant to which the officer was selected to serve as an officer.

Corporate Governance

The Company promotes accountability for adherence to honest and ethical conduct; endeavors to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with the SEC and in other public communications made by the Company and strives to be compliant with applicable governmental laws, rules and regulations.

In lieu of an Audit Committee, Compensation Committee and Nominating Committee, the Company's Board of Directors is responsible for reviewing and making recommendations concerning the selection of outside auditors, reviewing the scope, results and effectiveness of the annual audit of the Company's financial statements and other services provided by the Company's independent public accountants, setting officer compensation and nominating persons to serve as members of the Board. The Board of Directors reviews the Company's internal accounting controls, practices and policies.

Director Independence

Our common stock is quoted for trading on the OTCQB market and we are not required to have independent members of our Board of Directors. We do however identify Keying Lu as being independent.

As described above, we do not currently have a separately designated audit, nominating or compensation committee.

Code of Ethics

In September 2018, we adopted a Code of Ethical Business Conduct that applies to, among other persons, members of our board of directors, our Company's officers including our Chief Executive Officer, employees, consultants and advisors. As adopted, our Code of Business Conduct and Ethics sets forth written standards that are designed to deter wrongdoing and to promote:

1. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

2. full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the SEC and in other public communications made by us;

3. compliance with applicable governmental laws, rules and regulations;

4. the prompt internal reporting of violations of the Code of Ethical Business Conduct to an appropriate person or persons identified in the Code of Ethical Business Conduct; and

5. accountability for adherence to the Code of Ethical Business Conduct.

Our Code of Code of Ethical Business Conduct requires, among other things, that all of our company's senior officers commit to timely, accurate and consistent disclosure of information; that they maintain confidential information; and that they act with honesty and integrity.

In addition, our Code of Ethical Business Conduct emphasizes that all employees, and particularly senior officers, have a responsibility for maintaining financial integrity within our company, consistent with generally accepted accounting principles, and federal and state securities laws. Any senior officer, who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to our Company. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our Company policy to retaliate against any individual who reports in good faith the violation or potential violation of our company's Code of Ethical Business Conduct by another.

Item 11. Executive Compensation

The following tables set forth certain information about compensation paid, earned or accrued for services by our sole officer for the fiscal years ended March 31, 2018 and March 31, 2017:

Summary Compensation Table

Summary Compensation Table Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Totals ($)
Zhida Hong	2018	$ 0	0	0	0	0	0	0	$ 0
CEO	2017	$ 0	0	0	0	0	0	0	$ 0

Mr. Hong currently devotes approximately 75% per week of his time to manage the affairs of the Company. He has agreed to work with no remuneration until such time as the Company receives significant revenues necessary to provide management salaries. At this time, we cannot accurately estimate when significant revenues will occur to implement this compensation, or what the amount of the compensation will be.

Narrative Disclosure to Summary Compensation Table

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive share options at the discretion of our Board of Directors in the future. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that share options may be granted at the discretion of our Board of Directors.

Stock Option Plan

Currently, we do not have a stock option plan in favor of any director, officer, consultant or employee of our company.

Grants of Plan-Based Awards

To date, there have been no grants or plan-based awards.

Outstanding Equity Awards

To date, there have been no outstanding equity awards.

Option Exercises and Stock Vested

To date, there have been no options exercised by our named officers.

Compensation of Directors

We do not have any agreements for compensating our directors for their services in their capacity as directors and no directors have received any compensation in consideration for service to the Company.

Pension, Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the board of directors or a committee thereof.

Employment Agreements

We have no formal employment agreements with any of our employees, directors or officers.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth certain information as of September [ ], 2018 concerning the number of shares of common stock beneficially owned by: (i) each person (including any group) known to us to own more than five percent (5%) of any class of our voting securities, (ii) our director, and or (iii) our officer. Unless otherwise indicated, the stockholder listed possesses sole voting and investment power with respect to the shares shown.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and/or investing power with respect to securities. These rules generally provide that shares of common stock subject to options, warrants or other convertible securities that are currently exercisable or convertible, or exercisable or convertible within 60 days of the applicable date noted above, are deemed to be outstanding and to be beneficially owned by the person or group holding such options, warrants or other convertible securities for the purpose of computing the percentage ownership of such person or group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or group.

Beneficial ownership as set forth below is based on our review of our record shareholders list and public ownership reports filed by certain shareholders of the Company, and may not include certain securities held in brokerage accounts or beneficially owned by the shareholders described below.

Title of Class	Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent
Officers and Directors			
Common Stock	Hong Zhida Address: No. 25, Shunjing St., Pingdi Longgang District Shenzhen City China	30,159,000	5.95%
Common Stock	Keying Lu Address: No. 4, 2nd Lane, East Zone Xinsancun, Buji Street, Longgang, Shenzhen Guangdong China	3,800,000	0.74%
Officers and Directors as a Group (2 Persons)		**33,959,000**	**6.70%**
Greater than 5% Shareholders			
Common Stock	Hengtian Group Co. Ltd. Beneficial Owner: Ma Huizhu Address: Second Floor, The Quadrant, Manglier Street, Vicoria Mahe Seychelles	119,898,692 shares of common stock (Indirect)	23.65%
Common Stock	Hui Lian Group Ltd. Beneficial Owner: Ma Huijun Address: Second Floor, The Quadrant, Manglier Street, Vicoria	167,719,300 shares of common stock (Indirect)	33.09%

	Mahe Seychelles		
Common Stock	Zeng Shufang Address:No.2, Second Lane, Rentian Village Fuyong Town, Baoan District, Guangdong Province China	42,000,000	8.29%

The percent of class is based on 506,920,000 shares of common stock issued and outstanding as of the date of this annual report.

Item 13. Certain Relationships, Related Transactions and Director Independence

During the years ended March 31, 2018 and 2017, we had not entered into any transactions with our officers or directors, or persons nominated for these positions, beneficial owners of 5% or more of our common stock, or family members of these persons wherein the amount involved in the transaction or a series of similar transactions exceeded the lesser of $120,000 or 1% of the average of our total assets for the last three fiscal years, except as set forth below:

On April 18, 2017, the Company issued a total of 500,000,000 common shares as follows:

Hengtian Group Co., Ltd.: (Beneficial Owner: Ma Huizhu) 215,000,000 restricted common shares.

Hong Zhida*: 30,000,000 restricted common shares.

Hui Lian Group Ltd.: (Beneficial Owner: Ma Huijun) 255,000,000 restricted common shares.

The 500,000,000 common shares were issued pursuant to a Sale & Purchase Agreement (" S&P ") for the acquisition of 100% of the shares and assets of Yingxi Industrial Chain Group Co., Ltd., a company incorporated under the laws of the Republic of Seychelles. ATXG agreed to issue five hundred million (500,000,000) shares of ATXG to Yingxi Industrial Chain Group Co., Ltd. to acquire the shares and assets for a cost of US$0.30 per share or a total cost of US$150,000,000.

*Hong Zhida is the President, Secretary, Treasurer and a Director of the Company.

Our principal place of business is located at Floor 13th, Building 1, Block B, Zhihui Square, Nanshan District, Shenzhen City, China 518000 and the telephone number is +(86) 755 8696 1405. Our president, Mr. Hong Zhida, supplies our office space and telephone to us at no cost.

Item 14. Principal Accountant Fees and Services

On February 18, 2017, we dismissed our then independent registered public accounting firm, Pritchett Siler & Hardy, PC (" PSH ") and engaged Anthony Kam & Associates Ltd. (" AKAM "), as our independent registered public accounting firm.

On December 1, 2017, we received notification from the Securities and Exchange Commission that the Public Company Accounting Oversight Board (" PCAOB ") had revoked the registration of AKAM. As a result of this notification, effective December 3, 2017, we dismissed AKAM as the Company's independent registered public accounting firm.

On December 6, 2017, the Board of Directors approved the engagement of Pan-China Singapore PAC (" PCCPA ") as our new independent registered public accounting firm.

Following is a summary of the fees expensed relating to professional services rendered by PSH and AKAM for the fiscal year ended March 31, 2017 and by AKAM and PCCPA for the fiscal year ended March 31, 2018:

Fee Category	**2018 Fees**	**2017 Fees**
Audit Related Fees	$ 76,000	$ 10,000
All Other Fees	—	—
Total Fees	$ 76,000	$ 10,000