ADDENTAX GROUP CORP.

Notes to the Condensed Financial Statements

June 30, 2017

(Unaudited)

Note 1. ORGANIZATION AND NATURE OF BUSINESS

Addentax Group Corp. ("the Company", "we", "us" or "our") was incorporated in Nevada on October 28, 2014, and the Company was engaged in the field of producing images on multiple surfaces using heat transfer technology.

The Company is working on a field of producing images on a multiple surfaces, such as glass, leather, plastic, ceramic, textile, and others using three-dimensional (3D) sublimation vacuum heat transfer machine. The 3D sublimation vacuum heat transfer machine does not require technical skills for product production. A set of printing machines includes the machine itself and all raw materials for setting up and testing, and raw materials for production process. Materials for images can be varied, such as ceramics, glass, crockery, metal, clothing, caps, bags, leather products and other products. The Company's products are intended for individuals, business owners associated with the sale of souvenirs, and business owners intending to order souvenirs in the corporate style. The Company also intends to conclude a contract of carriage with local shipping companies for delivery of its goods to cities, such as Meknes, Rabat, Kenitra and across the world.

Note 2. GOING CONCERN

The accompanying unaudited interim financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As of June 30, 2017, the Company has a loss from operations, an accumulated deficit and has no revenues from continuing operations. The Company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ended March 31, 2018.

The ability of the Company to emerge from an early stage is dependent upon, among other things, obtaining additional financing to continue operations, and development of its business plan. In response to these problems, management intends to raise additional funds through public or private placement offerings.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying unaudited interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 3. SUMMARY OF SIGNIFCANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America. The Company's year-end is March 31. The accompanying unaudited interim financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission set forth in Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim financial statements furnished reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Unaudited interim results are not necessarily indicative of the results for the full fiscal year. These financial statements should be read in conjunction with the financial statements of the Company for the fiscal year ended March 31, 2017 and notes thereto contained in the Company's Annual Report on Form 10-K, as filed with the Securities and Exchange Commission on July 3, 2017.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Discontinued Operations

The Company follows ASC 205-20, *"Discontinued Operations,"* to report for disposed or discontinued operations.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

Recent Accounting Pronouncements

Management has considered all other recent accounting pronouncements issued since the last audit of our financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's financial statements.

Note 4. SHAREHOLDER'S EQUITY

The Company has 1,000,000,000, $0.001 par value shares of common stock authorized.

There were 6,920,000 shares of common stock outstanding as of March 31, 2017.

There were 500,000,000 shares of common stock issued and held as treasury stock as of June 30, 2017. Please refer to Note 7 for details.

Note 5. RELATED PARTY TRANSACTIONS

The Company will continue to rely on advances from related parties until when it can support its operations through generating revenue, attaining adequate financing through sales of its equity securities or traditional debt financing. There is no formal written commitment by the shareholders to continue to support the company's operation. The amounts due to shareholders represent advances or amounts paid on behalf of the Company in satisfaction of liabilities. These advances are considered temporary in nature and have not been formalized by promissory notes. This loan is unsecured, non-interest bearing and due on demand.

During the three months ended June 30, 2017, the Company's officer and director advanced $24,665 for the payment of operating expenses.

As at June 30, 2017 and March 31, 2017, the Company owed a related party $43,987 and $19,322, respectively.

Note 6. DISCONTINUED OPERATIONS

On November 21, 2016, due to the Changes in Control of Registrant, the Company decided to exit the field of producing images on multiple surfaces using heat transfer technology.

The following table shows the results of operations of Addentax for three months ended June 30, 2016 which are included in the loss from discontinued operations:

		Three months ended June 30, 2016
Revenues	$	3,000
Cost of Goods Sold		514
Gross Profit		2,486
General and administrative expense		23,767
Total Expense		23,767
Provision for income taxes		-
Loss from Discontinued Operations, Net of Tax Benefits	$	(21,281)

Note 7. SUBSEQUENT EVENTS

Effective December 28, 2016, the Company has executed 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. The Company has agreed to issue five hundred million (500,000,000) shares of the Company to the owner of Yingxi Industrial Chain Group Co., Ltd. to acquire the shares and assets. The aforesaid acquisition will be finalized in September, 2017.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our unaudited financial statements are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report, the terms “we”, “us”, “our” and “our company” mean Addentax Group Corp., unless otherwise indicated.

General Overview

Addentax Group Corp. was incorporated in the State of Nevada on October 28, 2014 and established a fiscal year-end of March 31. We were incorporated to produce images on multiple surfaces, such as glass, leather, plastic, ceramic, textile, and others using a 3D sublimation vacuum heat transfer machine.

On November 21, 2016, our former sole officer and director, who was the holder of an aggregate of 6,000,000 shares of Common Stock of the Company, representing approximately 86.7% of the issued and outstanding shares of Common Stock of the Company, sold all 6,000,000 of his shares of Common Stock. Of this amount 3,800,000 shares of Common Stock were purchased from our current sole officer and director.

The Company ceased our previous operations on the change of control and we are exploring other business opportunities.

Our business office is located at Floor 13th, Building 1, Block B, Zhihui Square, Nanshan District, Shenzhen City, China. Our telephone number is +(86) 755 86961 405.

We do not have any subsidiaries.

We have never declared bankruptcy, been in receivership, or involved in any kind of legal proceeding.

Results of Operations for the three months ended June 30, 2017 and 2016:

	Three months ended June 30,		Change	
	2017	2016	Amount	%
Revenue	$ -	$ -	$ -	-
Operating expenses	24,948	-	24,948	-
Net loss from continued operations	(24,948)	-	(24,948)	-

Net loss from discontinued operations		-		(21,281)		21,281	(100%)
Net loss	$	(24,948)	$	(21,281)	$	(3,667)	17%

Revenue and cost of goods sold

For the three months ended June 30, 2017 and 2016, the Company generated no revenue from continuing operations.

Operating expenses

Total operating expenses for the three months ended June 30, 2017 and 2016 were $24,948 and $0 respectively. The operating expenses included professional fees of $22,414, OTC Market fee of $2,500 and bank charge of $34 for the three months ended June 30, 2017. The operating expenses for the three months ended June 30, 2016 was reclassified to discontinued operations due to the change in control.

Discontinued Expenses

Pursuant to the change in control, on November 21, 2016, the Company recorded all revenues and expenses for the prior business as discontinued expenses.

Loss from discontinued operations for the three months ended June 30, 2017 and 2016 was $0 and $21,281, respectively.

Net Loss

The net loss for the three months ended June 30, 2017 and 2016 was $24,948 and $21,281, respectively.

Liquidity and Capital Resources and Cash Requirements

Working Capital

	June 30, 2017	March 31, 2017	Change Amount	%
Cash	$ -	-	-	-
Current Assets	$ 5,831	$ 7,915	$ (2,084)	(26%)
Current Liabilities	44,382	21,518	22,864	106%
Working Capital Deficiency	$ (38,551)	$ (13,603)	$ 24,948	183%

At June 30, 2017 and March 31, 2017, the Company had a cash balance of $0. At June 30, 2017 and March 31, 2017, the Company had working capital deficiency of $38,551 and $13,603, respectively. The working capital deficiency increased mainly due to an increase in due to related party of $24,665.

Cash Flows

	Three months ended June 30, 2017	Three months ended June 30, 2016	Change
Cash used in Operating Activities	$ (24,665)	$ (7,430)	$ (17,235)
Cash provided by Financing Activities	$ 24,665	$ 13,055	11,610
Net Increase In Cash During Period	$ -	$ 5,625	$ (5,625)

Cash Flow from Operating Activities

For the three months ended June 30, 2017, net cash flows used in operating activities consisted of a net loss of $24,948 and a net increase in change of operating assets and liabilities of $283. For the three months ended June 30, 2016, net cash flows used in operating consisted of a net loss of $21,281 and decreased by adjustments for net loss in discontinued operations of $7,430.

Cash Flow from Investing Activities

During the three months ended June 30, 2017 and 2016, the Company did not generate or use cash in investing activities.

Cash Flow from Financing Activities

During the three months ended June 30, 2017, the Company received $24,665 from loans from a shareholder. During the three months ended June 30, 2016, the Company received $555 for the issuance of common shares and $12,500 from loans from a shareholder.

Contractual Obligations

As a "smaller reporting company", we are not required to provide any tabular disclosure obligations.

Going Concern

As of June 30, 2017, our company had an accumulated deficit of $87,118 and has earned no revenues. Our company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ending March 31, 2018. The ability of our company to emerge from the development stage is dependent upon, among other things, obtaining additional financing to continue operations, and development of our business plan. In response to these problems, management intends to raise additional funds through public or private placement offerings. These factors, among others, raise substantial doubt about our company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with the accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements. The estimates and judgments will also affect the reported amounts for certain revenues and expenses during the reporting period. Actual results could differ from these good faith estimates and judgments.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rule 13a15(e) promulgated under the Securities Exchange Act of 1934 (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 and Chief Financial 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 and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of June 30, 2017. 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 and Chief Financial 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 and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of June 30, 2017 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 June 30, 2017, 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 June 30, 2017, 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 June 30, 2017, 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 June 30, 2017 based on criteria established in Internal Control- Integrated Framework issued by COSO.

Changes in Internal Controls over Financial Reporting

There has been no change in our internal control over financial reporting occurred during our first fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

This quarterly report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this quarterly report.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

We know of no material, existing or pending legal proceedings against our Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

Item 1A. RISK FACTORS

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide information required by this Item.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

No unregistered sales of equity securities took place during the three months ended June 30, 2017

Item 3. DEFAULTS UPON SENIOR SECURITIES

There were no senior securities issued and outstanding during the three months ended June 30, 2017.

Item 4. MINE SAFETY DISCLOSURES

Not applicable to our Company.

Item 5. OTHER INFORMATION

There is no other information required to be disclosed under this item which was not previously disclosed.