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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2019

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________________ to __________________

Commission File Number: 001-37902

MOXIAN, INC.
(Exact name of registrant as specified in its charter)

Nevada	27-3729742
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Units B & C, Block D, 9/F Fuhua Tower, 8 Chaoyangmen North Street,
Dongcheng District, Beijing 100027, China
(Address of Principal Executive Offices)

Tel: +86 (010) 5332 0602
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]
(Do not check if smaller reporting company)		Emerging growth company	[ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes [ ] No [X]

As of July 31, 2019, the registrant had 13,471,529 shares of common stock, par value $.001 per share, issued and outstanding.

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	MOXC	Nasdaq Capital Market

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MOXIAN, INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	As of			
	June 30, 2019		September 30, 2018	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	45,937	$	129,737
Restricted cash		-		170,000
Total current assets		45,937		299,737
TOTAL ASSETS	$	45,937	$	299,737
LIABILITIES AND STOCKHOLDERS' DEFICIENCY				
CURRENT LIABILITIES				
Accruals and other payables	$	1,352,132	$	3,381,152
Loans payable - other		7,695,939		7,300,143
Total current liabilities		9,048,071		10,681,295
Commitment and Contingencies				
STOCKHOLDERS' DEFICIENCY				
Preferred stock, $0.001 par value, authorized: 100,000,000 shares. Nil shares issued and outstanding		-		-
Common stock, $0.001 par value, authorized: 50,000,000 shares. 13,471,529 issued and outstanding as of June 30, 2019 (September 30, 2018: 67,357,222 shares issued and outstanding – see Note 10 (a))		13,471		67,357
Additional paid-in capital		36,537,326		36,483,440
Accumulated deficit		(45,898,069)		(47.277,960)
Accumulated other comprehensive income		345,138		345,605
Total stockholders' deficiency		(9,002,134)		(10.381,558)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	$	45,937	$	299,737

See accompanying notes to unaudited condensed consolidated financial statements

MOXIAN, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	For the Three Months Ended June 30,		For the Nine Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenues, net	$ -	$ 987	$ 204,059	$ 109,315
Cost of revenues	-	(2,463)	-	(13,747)
Gross Profit	-	(1,476)	204,059	95,568
Depreciation and amortization expenses	-	195,161	-	574,745
Research and development	-	530,347	-	940,976
Impairment charge on intangible assets	-	-	-	
Selling, general and administrative expenses	90,131	1,275,510	346,460	4,199,355
Loss from operations	(90,131)	(2,002,494)	(142,401)	(5,619.508)
Interest income (expenses)	-	(35,318)	-	(61,258)
Other income (expenses), net	-	(2.216)	-	15,140
Loss before income tax	(90,131)	(2,040,028)	(142,401)	(5,665,626)
Income tax expense	-	-	-	()
Net loss	(90,131)	(2,040,028)	(142,401)	(5,665,626)
Foreign currency translation adjustments	(467)	298,671	(467)	(4,263)
Comprehensive loss	$ (90,598)	$ (1,741,357)	$ (142,868	$ (5,669,889)
Basic and diluted loss per common share	$ (0.00)	$ (0.03)	$ (0.00)	$ (0.08)
Weighted average number of shares				
Basic and Diluted	28,052,825	67,157,209	56,266,918	67,057,202

See accompanying notes to unaudited condensed consolidated financial statements

MOXIAN, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended June 30,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (142,401)	$ (5,665,626)
Adjustments to reconcile net loss to cash used in operating activities	-	-
Depreciation and amortization	-	574745
Loss on disposition of property and equipment	-	80
Provisions for accrued expenses no longer required	1,522,292	-
Changes in operating assets and liabilities:		
Inventories	-	3,123
Advance to a related party	-	(310,255)
Prepayments, deposits and other receivables	-	(772,549)
Accruals and other payables	(2,029,020)	1,299,375
Net cash used in operating activities	(649,129)	(4,871,107)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on construction in progress	-	(220,045)
Net cash used in investing activities	(649,129)	(220,045)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from third party loans	395,796	5,319,346
Repayment of related party loans	-	(191,312)
Releases from IPO escrow account	170,000	330,000
Net cash provided by financing activities	565,796	5,458,034
Effect of exchange rates on cash and cash equivalents	(467)	(106,150)
Net (decrease) increase in cash and cash equivalents	(83, 800)	260,732
Cash and cash equivalents, beginning of period	129,737	18,494
Cash and cash equivalents, end of period	$ 45,937	$ 279.226

See accompanying notes to unaudited condensed consolidated financial statements

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and nature of operations

Moxian, Inc. (formerly known as Moxian China, Inc., hereinafter referred as "Moxian," together with its subsidiaries and variable interest entity, the "Company"), was incorporated under the laws of the State of Nevada on October 12, 2010. The Company, through its subsidiaries and variable interest entity, engages in the business of operating a social network platform that integrates social media and business into one single platform.

The Company has devoted its efforts to develop a mobile application and online platform that facilitate the small to medium size businesses to attract more clients. The Company's ability to generate sufficient funds to meet its working capital requirements is dependent upon its ability to develop additional sources of capital, develop apps and websites, generate servicing income, and ultimately, achieve profitable operations (see Note 2).

On February 17, 2014, the Company incorporated Moxian CN Group Limited ("Moxian CN Samoa") under the laws of Samoa.

On February 21, 2014, Moxian acquired Moxian Group Limited ("Moxian BVI"), together with its subsidiaries, Moxian (Hong Kong) Limited ("Moxian HK"), Moxian Technology (Shenzhen) Co., Ltd. ("Moxian Shenzhen"), and Moxian Malaysia Sdn. Bhd.("Moxian Malaysia") through our wholly owned subsidiary, Moxian CN Samoa from Rebel Group, Inc. ("REBL"), a company incorporated in the State of Florida and of which our previous Chief Executive Officer, Tan Meng Dong, is a promoter as the term is defined under Rule 405 of Regulation C promulgated under the Securities Act, by entering into a License and Acquisition Agreement (the "License and Acquisition Agreement") in consideration of $1,000,000 ("Moxian BVI Purchase Price"). As a result, Moxian BVI, together with its subsidiaries, Moxian HK, Moxian Shenzhen, and Moxian Malaysia, became the Company's subsidiaries. Under the License and Acquisition Agreement, REBL also agreed to grant us the exclusive right to use REBL's intellectual property rights (collectively, the "IP Rights") in Mainland China, Malaysia, and other countries and regions where REBL conducts its business (the "Licensed Territory"), and the exclusive right to solicit, promote, distribute and sell REBL products and services in the Licensed Territory for five years (the "License,") and in consideration of such License, the Company agreed to pay to REBL (i) $1,000,000 as license maintenance royalty each year commencing on the first anniversary of the date of the License Agreement; and (ii) 3% of the gross profits resulting from the distribution and sale of the products and services on behalf of the Company as an earned royalty.

Moxian BVI was incorporated on July 3, 2012 under the laws of British Virgin Islands. REBL owned 100% equity interests of Moxian BVI prior to the closing of the License and Acquisition Agreement, among the Company, Moxian BVI and REBL.

Moxian HK was incorporated on January 18, 2013 and became Moxian BVI's subsidiary on February 14, 2013. Moxian HK is currently engaged in the business of online social media. Moxian HK operates through two wholly owned subsidiaries: Moxian Shenzhen and Moxian Malaysia.

Moxian Shenzhen is wholly owned by Moxian HK. Moxian Shenzhen was incorporated on April 8, 2013 and is engaged in the business of internet technology, computer software, commercial information consulting.

Moxian Malaysia was incorporated on March 1, 2013 and became Moxian HK's subsidiary since April 2, 2013. Moxian Malaysia was previously in the business of IT services and media advertising but have ceased operations since June 2015.

Shenzhen Moyi Technologies Co., Ltd. ("Moyi") was incorporated on July 19, 2013 under the laws of the People's Republic of China and became a variable interest entity ("VIE") of Moxian Shenzhen on July 15, 2014. Moxian Shenzhen controls Moyi through arrangement that absorbs operations risk, as if Moyi is a wholly owned subsidiary of Moxian Shenzhen.

On December 18, 2017, the Company entered into a Tripartite Agreement with the original shareholders of Moyi and the new shareholders of Moyi wherein the Company agrees to the transfer of the equity interests of Moyi and all related rights, liabilities and obligations under the Moyi Agreements such that the new shareholders stand in place of the old shareholders in all aspects of the Moyi Agreements.

Moxian Technologies (Beijing) Co., Ltd. ("Moxian Beijing") was incorporated on December 10, 2015 under the laws of the People's Republic of China and is a wholly owned subsidiary of Moxian Shenzhen. Moxian Shenzhen made an investment of RMB 10 million (approximately USD $1.5 million) to Moxian Beijing during the year ended September 30, 2017.

On January 30, 2015, the Company entered into an Equity Transfer Agreement (the "Equity Transfer Agreement," such transaction, the "Equity Transfer Transaction") with REBL, to acquire from REBL 100% of the equity interests of Moxian Intellectual Property Limited, a company incorporated under the laws of Samoa and a wholly owned subsidiary of REBL ("Moxian IP Samoa") for $6,782,000 (the "Moxian IP Samoa Purchase Price") (see Note 9). Moxian IP Samoa owns all the intellectual property rights relating to the operation, use and marketing of the Moxian Platform, including all of the trademarks, patents and copyrights that are used in the Company's business. As a result of the Equity Transfer Transaction, Moxian IP Samoa became a wholly owned subsidiary of the Company.

On November 14, 2016, the Company announced the completion of a public offering of 2,501,250 shares of its common stock at a public offering price of $4.00 per share. The gross proceeds from the offering were approximately $10,005,000 before deducting placement agents' commissions and other offering expenses, resulting in net proceeds of approximately $8.5 million. In connection with the offering, the Company's common stock began trading on the NASDAQ Capital Market beginning on November 15, 2016 under the symbol "MOXC".

1. Organization and nature of operations (Continued)

On January 30, 2018, a wholly-owned subsidiary of Moxian Shenzhen, Moxian Information Technologies (Shanghai) Co. Ltd. ("Moxian Shanghai") was incorporated under the laws of the People's Republic of China. Moxian Shanghai will extend the business operations of the Company to Shanghai, China.

As of June 30, 2018, only Moxian Shenzhen, Moyi and Moxian Beijing have business operations and the other affiliated companies are all dormant.

On April 22, 2019, the Company implemented a 1:5 reverse share split and concurrently reduced its authorized shares of common stock from 250,000,000 to 50,000,000 (See Note 10, Reverse Share Split).

2. Summary of principal accounting policies

Basis of presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and reflect the activities of the following subsidiaries and the VIE: Moxian CN Samoa, Moxian BVI, Moxian HK, Moxian Shenzhen, Moxian Malaysia, Moyi, Moxian Beijing, Moxian Shanghai and Moxian IP Samoa. All intercompany transactions and balances have been eliminated in the consolidation.

The unaudited interim condensed consolidated financial information as of June 30, 2019 and for the three and nine months ended June 30, 2019 and 2018 have been prepared, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures, which are normally included in annual consolidated financial statements prepared in accordance with U.S. GAAP, have been omitted pursuant to those rules and regulations. The unaudited interim condensed consolidated financial information should be read in conjunction with the consolidated financial statements and the notes thereto, included in the Company's Form 10-K for the fiscal year ended September 30, 2018, previously filed with the SEC on January 15, 2019.

In the opinion of management, all adjustments (which include normal recurring adjustments) necessary to present a fair statement of the Company's unaudited condensed consolidated financial position as of June 30, 2019 and its unaudited condensed consolidated results of operations for the three and nine months ended June 30, 2019 and 2018, and its unaudited condensed consolidated cash flows for the nine months ended June 30, 2019 and 2018, as applicable, have been made. The interim results of operations are not necessarily indicative of the operating results for the fiscal year or any future periods.

2. Summary of principal accounting policies (Continued)

Reclassification

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

Going Concern

In assessing the Company's liquidity and its ability to continue as a going concern, the Company monitors and analyzes its cash and cash equivalents and its operating and capital expenditure commitments. The Company's liquidity needs are to meet its working capital requirements, operating expenses and capital expenditure obligations. As of June 30, 2019, the Company's current liabilities exceeded the current assets by approximately $9.0 million, its accumulated deficit was approximately $45.9 million, and the Company has incurred losses since inception.

On November 14, 2016, the Company completed its initial public offering ("IPO") with net proceeds of $8.5 million after deducting placement agents' commission and other offering costs. However, as of the date of this report, the Company has utilized all of the IPO proceeds and is not generating sufficient revenue to support its operations. The Company hopes to fund its cash flow shortfalls as follows:

- Financial support commitments from the Company's major stockholders and a related party; and
- Seeking additional public and/or private issuance of securities.

If the Company is unable to obtain the necessary additional capital on a timely basis and on acceptable terms, it will be unable to implement its current business plans, repay debt obligations or respond to competitive pressures. Any of these factors would have a material adverse effect on its business, prospects, financial condition and results of operations and raise substantial doubts about the ability of the Company to continue as a going concern.

The unaudited condensed consolidated financial statements for the three and nine months ended June 30, 2019 have been prepared on a going concern basis. They do not include any adjustments to reflect the possible future effects on the recoverability and classifications of assets, or the amounts and classifications of liabilities that may result from the inability of the Company to continue as a going concern.

2. Summary of principal accounting policies (Continued)

Risks and Uncertainties

The Company's operations are substantially carried out in the People's Republic of China ("PRC"). Accordingly, the Company's business, financial condition and results of operations will be influenced by the political, economic and legal environments in the PRC, and by the general state of the PRC's economy. The Company's operations in the PRC are subject to specific 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 environments and foreign currency exchange. The Company's results may be adversely affected by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things.

Fair value of financial instruments

The Company follows the provisions of Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures." ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1- Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2- Inputs other than quoted prices that are observable for the asset or liability in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3- Inputs are unobservable inputs which reflect management's assumptions based on the best available information.

The carrying value of cash and cash equivalents, restricted cash, prepayments, deposits and other receivables, accruals and other payables and, loans from related parties approximate their fair values because of the short-term nature of these instruments.

Use of estimates

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the accompanying unaudited condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates required to be made by management include but not limited to, useful lives of property and equipment, intangible assets valuation, inventory valuation and deferred tax assets. Actual results could differ from those estimates.

Restricted cash

Restricted cash represents cash held in an indemnification escrow account pursuant to the financing agreement signed with the placement agents.

Under the terms of the placement agreement, $500,000 in cash funded an escrow account for a period of two years after the completion of the IPO; this amount was recorded as restricted cash, long-term as of September 30, 2017. On November 9, 2017, $330,000 was released from this escrow account with the approval of the placement agents and the escrow agents. On January 2, 2019, the remaining $170,000 was released from this escrow account with the approval of the placement agents and the escrow agents.

2. Summary of principal accounting policies (Continued)

Property and Equipment, net

Property and equipment are recorded at cost less accumulated depreciation and impairment. Significant additions or improvements extending useful lives of assets are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation and amortization are computed using the straight-line method over the estimated useful lives as follows:

Electronic equipment	3-6 years
Furniture and fixtures	3-6 years
Leasehold improvements	Shorter of estimated useful life or term of lease

Impairment of long-lived assets

The Company classifies its long-lived assets into: (i) computer and office equipment; (ii) furniture and fixtures, (iii) leasehold improvements, and (iv) finite – lived intangible assets.

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be fully recoverable. It is possible that these assets could become impaired as a result of technology, economy or other industry changes. If circumstances require a long-lived asset or asset group to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, relief from royalty income approach, quoted market values and third-party independent appraisals, as considered necessary.

The Company makes various assumptions and estimates regarding estimated future cash flows and other factors in determining the fair values of the respective assets. The assumptions and estimates used to determine future values and remaining useful lives of long-lived assets are complex and subjective. They can be affected by various factors, including external factors such as industry and economic trends, and internal factors such as the Company’s business strategy and its forecasts for specific market expansion.

Due to the continuing losses from operations with minimal revenues, the Company recorded a valuation reserve against its remaining intangible assets in 2019.

2. Summary of principal accounting policies (Continued)

Revenue recognition

The Company currently recognizes revenue from the sale of merchandise through its online platforms. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable, and collectability is reasonably assured. Revenue is recorded on a gross basis, net of surcharges and value added tax (“VAT”). The Company recorded revenue on a gross basis because the Company has the following indicators for gross reporting: it is the primary obligor of the sales arrangements, is subject to inventory risks of physical loss, has latitude in establishing prices, has discretion in suppliers’ selection and assumes credit risks on receivables from customers.

Revenue from advertising is recognized as advertisements are displayed. Revenue from software development services comprises revenue from time and material and fixed price contracts. Revenue from time and material contracts are recognized as related services are performed. Revenue on fixed price contracts is recognized in accordance with percentage of completion method of accounting.

Income taxes

The Company utilizes ASC Topic 740 (“ASC 740”) “Income taxes”, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the unaudited condensed consolidated financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC 740 “Income taxes” clarifies the accounting for uncertainty in tax positions. This interpretation requires that an entity recognizes in the unaudited condensed consolidated financial statements the impact of a tax position, if that position is more likely than not of being sustained upon examination, based on the technical merits of the position. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company has elected to classify interest and penalties related to unrecognized tax benefits, if and when required, as part of income tax expense in the unaudited consolidated statements of operations and comprehensive losses. The Company evaluates the level of authority for each uncertain tax position (including the potential application of interest and penalties) based on the technical merits, and measure the unrecognized benefits associated with the tax positions. As of June 30, 2019 and September 30, 2018, the Company did not have any unrecognized tax benefits. The Company does not anticipate any significant increase to its liability for unrecognized tax benefit within the next 12 months.

As of June 30, 2019, the tax years ended December 31, 2012 through December 31, 2018 for the Company’s PRC entities remain open for statutory examination by the PRC tax authorities.

Foreign currency transactions and translation

The reporting currency of the Company is United States Dollars (the “USD”) and the functional currency of Moxian Shenzhen, Moyi and Moxian Beijing is Renminbi (the “RMB”) as China is the primary economic environment in which they operate, the functional currency of Moxian HK is Hong Kong Dollar (the “HKD”), and the functional currency of Moxian Malaysia is Malaysia Ringgit (the “RM”).

2. Summary of principal accounting policies (Continued)

Foreign currency transactions and translation (continued)

For financial reporting purposes, the financial statements of Moxian Shenzhen, Moyi, Moxian Beijing, Moxian HK and Moxian Malaysia, which are prepared using their respective functional currencies, are translated into the reporting currency, USD, so to be consolidated with the Company's. Monetary assets and liabilities denominated in currencies other than the reporting currency are translated into the reporting currency at the rates of exchange ruling at the balance sheet date. Revenues and expenses are translated using average rates prevailing during the reporting period. Adjustments resulting from the translation are recorded as a separate component of accumulated other comprehensive income (loss) in stockholders' deficiency. Transaction gains and losses are recognized in the unaudited consolidated condensed statements of operations and comprehensive loss.

The exchange rates applied are as follows:

Balance sheet items, except for equity accounts	June 30, 2019	September 30, 2018
RMB:USD	6.8994	6.8686
HKD:USD	7.8128	7.8259

Items in the unaudited condensed consolidated statements of operations and comprehensive loss, and unaudited condensed consolidated statements of cash flows:

	Nine Months Ended June 30,	
	2019	2018
RMB:USD	6.4463	6.4463
HKD:USD	7.8282	7.8282

Research and Development

Research and development expenses include payroll, employee benefits, stock-based compensation expense, and other related expenses associated with product development. Research and development expenses also include third-party development, programming costs, and localization costs incurred to translate software for local markets. Such costs related to software development are included in research and development expense until the point that technological feasibility is reached. Once technological feasibility is reached, such costs are capitalized and amortized as part of the cost of revenue over the estimated lives of the product.

Recent accounting pronouncements

On October 2, 2017, The FASB has issued Accounting Standards Update (ASU) No. 2017-13, "Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments." The ASU adds SEC paragraphs to the new revenue and leases sections of the Codification on the announcement the SEC Observer made at the 20 July 2017 Emerging Issues Task Force (EITF) meeting. The SEC Observer said that the SEC staff would not object if entities that are considered public business entities only because their financial statements or financial information is required to be included in another entity's SEC filing use the effective dates for private companies when they adopt ASC 606, Revenue from Contracts with Customers, and ASC 842, Leases. This would include entities whose financial statements are included in another entity's SEC filing because they are significant acquirees under Rule 3-05 of Regulation S-X, significant equity method investees under Rule 3-09 of Regulation S-X and equity method investees whose summarized financial information is included in a registrant's financial statement notes under Rule 4-08(g) of Regulation S-X. The ASU also supersedes certain SEC paragraphs in the Codification related to previous SEC staff announcements and moves other paragraphs, upon adoption of ASC 606 or ASC 842. The Company does not expect that the adoption of this guidance will have a material impact on its unaudited condensed consolidated financial statements.

2. Summary of principal accounting policies (Continued)

Recent accounting pronouncements (continued)

On November 22, 2017, the FASB ASU No. 2017-14, "Income Statement—Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606): Amendments to SEC Paragraphs Pursuant to Staff Accounting Bulletin No. 116 and SEC Release 33-10403." The ASU amends various paragraphs in ASC 220, Income Statement — Reporting Comprehensive Income; ASC 605, Revenue Recognition; and ASC 606, Revenue From Contracts With Customers, that contain SEC guidance. The amendments include superseding ASC 605-10-S25-1 (SAB Topic 13) as a result of SEC Staff Accounting Bulletin No. 116 and adding ASC 606-10-S25-1 as a result of SEC Release No. 33-10403. The Company does not expect that the adoption of this guidance will have a material impact on its unaudited condensed consolidated financial statements.

In February 2018, the FASB issued ASU No. 2018-02, "Reclassification of Certain Tax Effects From Accumulated Other Comprehensive Income." The ASU amends ASC 220, *Income Statement — Reporting Comprehensive Income* , to "allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act." In addition, under the ASU, an entity will be required to provide certain disclosures regarding stranded tax effects. The ASU is effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The Company does not expect that the adoption of this guidance will have a material impact on its unaudited condensed consolidated financial statements.

In March 2018, the FASB issued ASU 2018-05 — Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 ("ASU 2018-05"), which amends the FASB Accounting Standards Codification and XBRL Taxonomy based on the Tax Cuts and Jobs Act (the "Act") that was signed into law on December 22, 2017 and Staff Accounting Bulletin No. 118 ("SAB 118") that was released by the Securities and Exchange Commission. The Act changes numerous provisions that impact U.S. corporate tax rates, business-related exclusions, and deductions and credits and may additionally have international tax consequences for many companies that operate internationally. The Company does not believe this guidance will have a material impact on its unaudited condensed consolidated financial statements.

In July 2018, the FASB issued ASU 2018-10, "Codification Improvements to Topic 842, Leases." The ASU addresses 16 separate issues which include, for example, a correction to a cross reference regarding residual value guarantees, a clarification regarding rates implicit in lease contracts, and a consolidation of the requirements about lease classification reassessments. The guidance also addresses lessor reassessments of lease terms and purchase options, variable lease payments that depend on an index or a rate, investment tax credits, lease terms and purchase options, transition guidance for amounts previously recognized in business combinations, and certain transition adjustments, among others. For entities that early adopted Topic 842, the amendments are effective upon issuance of this Update, and the transition requirements are the same as those in Topic 842. For entities that have not adopted Topic 842, the effective date and transition requirements will be the same as the effective date and transition requirements in Topic 842. The Company does not believe this guidance will have a material impact on its unaudited condensed consolidated financial statements.

In July 2018, the FASB issued ASU 2018-11 - Leases (Topic 842): Targeted Improvements. The ASU simplifies transition requirements and, for lessors, provides a practical expedient for the separation of non-lease components from lease components. Specifically, the ASU provides: (1) an optional transition method that entities can use when adopting ASC 842 and (2) a practical expedient that permits lessors to not separate nonlease components from the associated lease component if certain conditions are met. For entities that have not adopted Topic 842 before the issuance of this Update, the effective date and transition requirements for the amendments in this Update are the same as the effective date and transition requirements in Update 2016-02. For entities that have adopted Topic 842 before the issuance of this Update, the transition and effective date of the amendments in this Update are as follows: 1) The practical expedient may be elected either in the first reporting period following the issuance of this Update or at the original effective date of Topic 842 for that entity. 2) The practical expedient may be applied either retrospectively or prospectively. All entities, including early adopters, that elect the practical expedient related to separating components of a contract in this Update must apply the expedient, by class of underlying asset, to all existing lease transactions that qualify for the expedient at the date elected. The Company does not believe this guidance will have a material impact on its unaudited condensed consolidated financial statements.

In October 2018, the FASB issued ASU 2018-17 – Consolidation (Topic 810): Targeted Improvements to Related {arty Guidance for Variable Interest Entities. The amendments in this Update affect reporting entities that are required to determine whether they should consolidate a legal entity under the guidance within the Variable Interest Entities Subsections of Subtropic 810-10, Consolidation. Overall, including private companies that have elected the accounting alternative for leasing arrangements under common control. The amendments for the private company accounting alternative apply to all entities except for public business entities and not-for-profit entities are defined in the Master Glossary of the FASB Accounting Standards Codification" and employee benefit plans within the scope of Topics 960,962 and 965 on plan accounting. The Company does not believe this guidance will have a material impact on its unaudited condensed consolidated financial statements.

All other recent accounting pronouncements, up to and including ASU 2018-04 are either concerned with special interest entities such as financial institutions or specific topics that do not relate to the Company. The Company does not believe the on these topics will have any impact on its unaudited condensed consolidated financial statements.

3. Prepayments, deposits and other receivables

	June 30, 2019	September 30, 2018
Prepayments to suppliers	$ 567,934	$ 567,934
Rental and other deposits	341,674	341,674
Employee advances and others	32,240	32,240
Sub total	941,848	941,848
Less: allowance for doubtful accounts	(941,848)	(941.848)
Prepayments, deposits and other receivables, net	$ -	$ -

4. Property and equipment, net

	June 30, 2019	September 30, 2018
Electronic equipment	$ 2,319,545	$ 2,319,545
Furniture and fixtures	70,596	70,596
Leasehold improvements	263,609	263,609
Total property and equipment	2,653,750	2,653,750
Less: Accumulated depreciation and amortization	(2,653,750)	(2,653,750)
Total property and equipment, net	$ -	$ -

Depreciation and amortization expense for the three and nine months ended June 30, 2019 were Nil and $195,161 respectively. Depreciation and amortization expense for the three and nine months ended June 30, 2018 were $194,161 and $617,366, respectively.

5. Intangible assets

	June 30, 2019	September 30, 2018
IP rights	$ 1,410,335	$ 1,410,335
Other intangible assets	394,883	394,883
	1,805,218	$ 1,805,218
Less: accumulated amortization	(1,805,218)	(1,805,218)
Net intangible assets	$ -	$ -

Due to continuing losses from operations, the Company impaired the remaining intangible assets in 2017. Since then, no further amortization expense was necessary.

6. Accruals and other payables

		June 30, 2019		September 30, 2018
	$			
Accrued expenses		1,054,000		2,691,684
Salaries payables		79,000		403,926
	$		$	
Other payables		219,132		285,482
Total	$	1,352,132	$	3,381,152

7. Loan payable – other

Shenzhen Bayi Consulting Co. Ltd. (Note 7.1)	$	1,310,772	$	1,310,772
Vertical Venture Capital Group Limited (Note 7.2)		979,907		979,907
Liu Shu Juan (Note 7.3)		5,032,760		5,032,760
Tang Junsheng (Note 7.4)		372,500		-
Total		7,695,919		7,300,143

7.1 Shenzhen Bayi Consulting Co. Ltd.(“Bayi”)

On May 15, 2017, the Company and Bayi entered into a line of credit agreement. Pursuant to the agreement, Bayi agreed to provide a line of credit in the maximum amount of $3 million to the Company. This line of credit was interest-free, repayable on demand and matured on May 15, 2018.

7.2 Vertical Venture Capital Group Limited (“Vertical Venture”)

On August 1, 2017, Vertical Venture extended an interest-free loan of $979,907 to the Company. As of June 30, 2019 and September 30, 2018, this loan remained outstanding. Vertical Venture was previously considered to be a related party in previous reporting periods because it was a significant shareholder of the Company but has ceased to be a shareholder as of June 30, 2019.

7.3 Liu Shu Juan (“Ms Liu”)

On November 10, 2017, the Company and Ms. Liu, then a director of the Company, entered into a convertible loan agreement of $1,000,000 or its RMB equivalent. Pursuant to the loan agreement, the Company issued an unsecured convertible promissory note, carrying an interest rate of 4.75% per annum and due in one year. On May 8, 2018, Liu converted the total outstanding of $1,008,068 into 350,023 shares of the Company’s common stock at a price of $2.88 per share. The conversion price was calculated using the price of daily volume weighted average price per share for the 20 consecutive business days prior to the conversion.

On May 11, 2018, the Company and Ms. Liu entered into a loan agreement for a line of credit of $4,000,000 or its RMB equivalent, bearing interest of 4.75% per annum and due in two years. As of September 30, 2018, the line has been fully drawn down and the total outstanding due to Ms. Liu was $5,032,760. This amount exceeded the agreed loan of $4,000,000 and is not covered by any agreement.

As of September 30, 2018, Ms Liu was regarded as a related party because in the year then ended, she was a director of the Company. Ms Liu resigned as a director on September 30, 2018.

7.4 Tang Junsheng

On January 29, 2019, the Company entered into a convertible loan agreement with Mr. Junsheng Tang, an unrelated party, and Moxian Beijing, a wholly-owned subsidiary. Under the Agreement, Mr. Tang agreed to provide for a loan of RMB 6.77 million (approximately USD 1.01 million) by June 30, 2019 to Moxian Beijing in three installments; at the date of this report, $372,500 has been lent to the Company. The Company agreed to issue an interest-free unsecured promissory note (the "Note") in the amount of RMB 6.77 million to Mr. Tang, within 7 business days from the date of the payment of the third installment. Mr. Tang has the right to convert the whole RMB 6.77 million of the Note into the Company's common stock at the price of USD 1.00 per share, within six months from the date of the Note. Upon conversion of the Note, Mr. Tang has the right to designate a third party as the Company's shareholder.

On May 2, 2019, the Company announced that it had reached an agreement with all three of its loan creditors regarding settlement of their loans to the Company which totalled $7,323,438 outstanding. Under the agreements as of May 2, each of the loan creditors, Liu Shu Juan, Shenzhen Bayi Consulting Co. Ltd and Vertical Venture Capital Group Limited, all of which are unrelated parties, will write off 85% of the amounts due from the Company, and the Registrant will plan to issue a total of 720,000 new shares of common stock, par value $0.001, to those creditors as full and complete settlement of the outstanding loans. These new shares will be restricted securities and shall represent fewer than 6% of the total number of outstanding shares of the Registrant's common stock. When the transactions are completed, the Company will report an improvement in the shareholders' equity of $7,323,439 and the total liabilities of the Company will be reduced by the corresponding same amount.

8. Income taxes

The Company and its subsidiaries file separate income tax returns.

The United States of America

Moxian is incorporated in the State of Nevada in the U.S. and is subject to U.S. federal corporate income taxes. The State of Nevada does not impose any state corporate income tax. As of June 30, 2019, future net operation losses of approximately $8.9 million are available to offset future operating income through 2036.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Act") was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a U.S. corporate tax rate decrease from 35% to 21% effective for tax years beginning after December 31, 2017, the transition of U.S international taxation from a worldwide tax system to a territorial system, and a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017. As the Company has a September 30 fiscal year-end, the lower corporate income tax rate will be phased in, resulting in a U.S. statutory federal rate of approximately 24.5% for our fiscal year ending September 30, 2018, and 21% for subsequent fiscal years. Accordingly, we have to remeasure our deferred tax assets on net operating loss carryforward in the U.S at the lower enacted cooperated tax rate of 21%. However, this remeasurement has no effect on the Company's income tax expenses as the Company has provided a 100% valuation allowance on its deferred tax assets previously.

Additionally, the Tax Act imposes a one-time transition tax on deemed repatriation of historical earnings of foreign subsidiaries, and future foreign earnings are subject to U.S. taxation. The change in rate has caused us to remeasure all U.S. deferred income tax assets and liabilities for temporary differences and NOL carryforwards and recorded one time income tax payable to be paid in 8 years. However, this one-time transition tax has no effect on the Company's income tax expenses as the Company has no undistributed foreign earnings prior to December 31, 2017, as the Company has cumulative foreign losses as of June 30, 2019.

British Virgin Islands

Moxian BVI is incorporated in the British Virgin Islands. Under the current laws of the British Virgin Islands, Moxian BVI is not subject to tax on income or capital gains. In addition, upon payments of dividends by Moxian BVI, no British Virgin Islands withholding tax is imposed.

Hong Kong

Moxian HK is incorporated in Hong Kong and Hong Kong's profits tax rate is 16.5%. Moxian HK did not earn any income that was derived in Hong Kong for the years ended December 31, 2018 and 2017 and therefore, Moxian HK was not subject to Hong Kong profits tax.

Malaysia

Moxian Malaysia did not have taxable income for the years ended December 31, 2018 and 2017. The management estimated that Moxian Malaysia will not generate any taxable income in the future.

8. Income taxes (continued)

PRC

Effective from January 1, 2008, the PRC's statutory income tax rate is 25%. The Company's PRC subsidiaries are subject to income tax rate of 25%, unless otherwise specified.

As of September 30, 2018, the Company had net operating loss carry forwards of approximately of $20.2 million in the PRC tax jurisdiction, which expires in the years 2018 through 2022.

Moxian Shenzhen was incorporated in the People's Republic of China. Moxian Shenzhen did not generate taxable income in the People's Republic of China for the period from April 8, 2013 (date of inception) to September 30, 2018. Management estimated that Moxian Shenzhen will not generate any taxable income in the future.

Moyi was incorporated in the People's Republic of China. Moyi did not generate taxable income in the People's Republic of China for the period from July 19, 2013 (date of inception) to December 31, 2018.

Moxian Beijing was incorporated in the People's Republic of China. Moxian Beijing did not generate taxable income in the People's Republic of China for the period from December 10, 2015 (date of inception) to December 31, 2018.

The Company's effective income tax rates were 0% for the nine months ended June 30, 2019 and 2018 Income tax mainly consists of foreign income tax at statutory rates and the effects of permanent and temporary differences.

	June 30, 2019	June 30, 2018
U.S. statutory rate	34.0%	34.0
Foreign income not registered in the U.S.	(34.0)%	(34.0)
PRC statutory rate	25.0%	25.0
Changes in valuation allowance and others	(25.0)%	(25.0)
Effective tax rate	0%	0

Because of the uncertainty regarding the Company's ability to realize its deferred tax assets, a 100% valuation allowance has been established as of June 30, 2019 and September 30, 2018, respectively.

As of June 30, 2019 and September 30, 2018, the valuation allowance was approximately $9.0 million. For the nine months ended June 30, 2019 and 2018, there were no increase in the valuation allowance.

	June 30, 2019	September 30, 2018
Deferred tax asset from net operating loss and carry-forwards	$ 9,032,129	$ 9,032,129
Valuation allowance	(9,032,129)	(9,032,129)
Deferred tax asset, net	$ -	$ -

9. Commitments and contingencies

Operating Lease

The Company leases a number of properties under operating leases. Rental expenses under operating leases for the three and nine months ended June 30, 2019 were $66,813 and $200,439, respectively Rental expenses under operating leases for the three and nine months ended June 30, 2018 were $165,495 and $487,202, respectively.

Commitments and contingencies (Continued)

Arrangement with Xinhua New Media Co., Ltd

The Company entered into an exclusive advertising agency agreement and sponsor agreement with Xinhua New Media Co., Ltd ("Xinhua New Media"). Pursuant to the agreements, the Company, as an exclusive agent, is authorized to operate and sell advertisements in the gaming channel of Xinhua New Media's mobile application and sponsor related advertising events. The exclusive advertising agency agreement and sponsor agreement expired on December 31, 2020 and December 31, 2017, respectively. The Company entered into amendments with Xinhua News Media for both the agency agreement and sponsor agreement in December 2016. The fees payable under the amended exclusive advertising agency agreement and sponsor agreement have been reduced. As of June 30, 2019, the fee schedule for the exclusive agency agreement is listed below:

For the Twelve Months Ended		
June 30, 2020	$	77,560
June 30, 2021	$	77,560
Total agency payments	$	155,120

For the three and nine months ended June 30, 2019, the Company incurred $19,390 and $58,173 advertising agent fee expense, respectively. For the three and nine months ended June 30, 2018, the Company incurred $390,265 and $1,156,258 advertising agent fee expense, respectively.

Legal Proceedings

As of June 30, 2019, the Company is not aware of any material outstanding claim and litigation against them.

10. Certain Corporate Actions

In order to strengthen the Balance Sheet of the Company and to meet the continued listing standards of Nasdaq, the Company undertook various corporate actions during the quarter ended June 30, 2019, namely:

(a) Reverse Share Split

On April 5, 2019, the Board approved a reverse share split which became effective on April 22, 2019. As a result, the authorized and outstanding shares of the Company was reduced to 13,471,529 from 67,357,222. Concurrently, the authorized number of shares of common stock was reduced to 50,000,000 common shares from 250,000,000 common shares.

(b) Debt Exchange

As described in Note 7, the Company announced on May 2, 2019 that it had reached agreement with three of its loan creditors regarding settlement of their loans to the Company which totaled $7,323,439 outstanding as of May 2, 2019. Under the agreements as of May 2, 2019, each of the loan creditors, Liu Shu Juan, Shenzhen Bayi Consulting Co. Ltd and Vertical Venture Capital Group Limited, all of which are unrelated parties, will write off approximately 85% of the amounts due from the Company, and the Company will plan to issue a total of 720,000 new shares of common stock, par value $0.001, to those creditors as full and complete settlement of the outstanding loans. These new shares will be restricted securities and shall represent fewer than 6% of the total number of outstanding shares of the Company's common stock. When the transactions are completed, the Company will report an improvement in the shareholders' equity of $7,323,439 and the total liabilities of the Company will be reduced by the corresponding same amount.

(c) Share Placement

On June 21, 2019, the Company entered into an Agreement (the "Agreement") with Joyful Corporation Limited (the "Investor") a company incorporated in Samoa whereby the Investor will (a) purchase from the Company 2,000,000 shares of the Company's common stock at a price of $1.25 per share for aggregate gross proceeds of $2,500,000 and (b) acquire from the Company a call option to purchase up to 690,000 shares of the Company's common stock at a price per share of $1.25, which Option will expire if not exercised on or before September 30, 2019 (together, the "Offering"). The Offering is being made in reliance on an exemption for private offerings provided pursuant to Section 4(a)(2) of the Securities Act.

The proceeds from the Offering are expected to be received by August 30, 2019 and will be used for general working capital purposes of the Company.

As of June 30, 2019, the Company has a total of 13,471,529 outstanding shares of common stock.

The Company has filed applications with Nasdaq for the listing of additional shares pursuant to agreements described in (b) and (c) above. As of the date of this Report, the Company is still awaiting approval for the listing of the additional 2,720,000 ordinary shares of Common Stock.

ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the notes to those financial statements appearing elsewhere in this Report.

Certain statements in this Report constitute forward-looking statements. These forward-looking statements include statements, which involve risks and uncertainties, regarding, among other things, (a) our projected sales, profitability, and cash flows, (b) our growth strategy, (c) anticipated trends in our industry, (d) our future financing plans, and (e) our anticipated needs for, and use of, working capital. They are generally identifiable by use of the words "may," "will," "should," "anticipate," "estimate," "plan," "potential," "project," "continuing," "ongoing," "expects," "management believes," "we believe," "we intend," or the negative of these words or other variations on these words or comparable terminology. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. You should not place undue reliance on these forward-looking statements.

The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The "Company," "we," "us," "our" or "Moxian" are references to the combined business of

(i) Moxian, Inc., a company incorporated under the laws of the state of Nevada;

(ii) Moxian CN Group Limited, a company incorporated under the laws of Samoa ("Moxian CN Samoa"),

(iii) Moxian Intellectual Property Limited, a company incorporated under the laws of Independent State of Samoa ("Moxian IP Samoa");

(iv) Moxian Group Limited, a company incorporated under the laws of the British Virgin Islands ("Moxian BVI"),

(v) Moxian (Hong Kong) Limited, a limited liability company incorporated under the laws of Hong Kong ("Moxian HK"),

(vi) Moxian Technologies (Shenzhen) Co., Ltd., a company incorporated under the laws of the People's Republic of China ("Moxian Shenzhen"),

(vii) Moxian Malaysia Sdn.Bhd. ("Moxian Malaysia"), a company incorporated under the laws of Malaysia ("Moxian Malaysia"),

(viii) Moxian Technologies (Beijing) Co., Ltd., a company incorporated under the laws of the People's Republic of China ("Moxian Beijing") and

(ix) Moxian Technologies (Shanghai) Co. Ltd., a company incorporated under the laws of the People's Republic of China ("Moxian Shanghai") and

(x) Shenzhen Moyi Technologies Co. Ltd., a contractually controlled affiliate of Moxian Shenzhen formed under the laws of People's Republic of China ("Moyi").

<u>Overview</u>

We are in the O2O ("Online-to-Offline") business. While there are many definitions of O2O, with respect to our business, O2O means providing an online platform for small and medium sized enterprises ("SMEs") with physical stores to conduct business online, interact with existing customers and obtain new customers. We refer to our customers as "Merchant Clients" and the existing and potential users of our platform as "Users." Through our platform and the products and services offered through it, we seek to create interaction between our Users and Merchant Clients by allowing Merchant Clients to study consumer behavior. Our products and services are designed to allow Merchant Clients to conduct targeted advertising campaigns and promotions which are more effective because they are geared for those customers that a Merchant Client wishes to reach. Our platform is designed to encourage Users to return and to recruit new Users, each of which is a potential customer for our Merchant Clients.

We believe we are different from other companies in that our plan is to sign up merchants first and build our user base utilizing their customers.

The current version of our platform is called "Moxian+" which consists of our user mobile application ("App") called the Moxian+ User App and a separate App for our Merchant Clients called the Moxian+ Business App.

Moxian principally operates in Shenzhen and Beijing. As of June 30, 2019, we had a total of 10 employees, involved in marketing finance and administration. All other services are outsourced.

Going Concern

In assessing the Company's liquidity and its ability to continue as a going concern, the Company monitors and analyzes its cash and cash equivalents and its operating and capital expenditure commitments. The Company's liquidity needs are to meet its working capital requirements, operating expenses and capital expenditure obligations.

As of June 30, 2019, the Company's current liabilities exceeded the current assets by $9.0 million with an accumulated deficiency of approximately $9.0 million as the Company has incurred losses since inception.

On May 2, 2019 the Company reached agreement with three loan creditors regarding settlement of their loans to the Company which totaled $7,323,439 outstanding as of May 2, 2019. Under the agreements as of May 2, each of the loan creditors, Liu Shu Juan, Shenzhen Bayi Consulting Co. Ltd and Vertical Venture Capital Group Limited, all of which are unrelated parties, will write off approximately 85% of the amounts due from the Company, and the Company will plan to issue a total of 720,000 new shares of common stock, par value $0.001, to those creditors as full and complete settlement of the outstanding loans. These new shares will be restricted securities and shall represent fewer than 6% of the total number of outstanding shares of the Company's common stock. When the transactions are completed, the Company will report an improvement in the shareholders' equity of $7,323,439 and the total liabilities of the Company will be reduced by the corresponding same amount.

In addition, the Company has entered into an Agreement with Joyful Corporation Limited (the "Investor") a company incorporated in Samoa whereby the Investor will (a) purchase from the Company 2,000,000 shares of the Company's common stock at a price of $1.25 per share for aggregate gross proceeds of $2,500,000 and (b) acquire from the Company a call option (the "Option") to purchase up to 690,000 shares of Common Stock at a price per share of $1.25, which Option will expire if not exercised on or before September 30, 2019 (together, the "Offering").

The proceeds from the Offering are expected to be received by August 30, 2019 and will be used for general working capital purposes of the Company. The Company has filed an application for the listing of an additional 720,000 shares of common stock, pursuant to agreements reached with its three loan creditors, for the conversion of their outstanding loans into equity of the Company.

If the Company is unable to successfully effect these transactions, or obtain additional capital on a timely basis and on acceptable terms, such failures would have a material adverse effect on its business, prospects, financial condition and results of operations and raise substantial doubts about the ability of the Company to continue as a going concern. The consolidated financial statements for the periods ended June 30, 2019 and 2018 have been prepared on a going concern basis and do not include any adjustments to reflect the possible future effects on the recoverability and classifications of assets or the amounts and classifications of liabilities that may result from the inability of the Company to continue as a going concern.

Results of Operations

In comparing the results of different periods, it should be note that over the course of the last two years, the Company has transformed from a large-scale ground-based operation targeting small and medium-sized merchants to a selective advertising agency focused on game operators and developers. Whilst both activities have always been carried out, the Company has thoroughly reviewed its mobile application and develop an improved lite version which has not been fully tested and launched. In the process, the Company has opted to outsource for specialist skills rather than employ permanent staff. This has largely explained the sharp drop in operating overheads. Another important factor is the change in top management in November 2018, with the end of the collaboration with the group led by Liu Shu Juan, a major loan creditor.

For the three months ended June 30, 2019 compared with the three months ended June 30, 2018

In this quarter, the focus of the Company was on debt restructuring, raising new financing and laying the groundwork for co-operation with several large gaming companies. There was no revenue and operating overheads were kept to a minimum. In the quarter ended June 30, 2018, the Company paid for the final part of its software development contract with an American specialist developer. The Company also wrote off the remaining book value of its assets in Shenzhen as the prevailing management view was that its focus would be in Beijing and Shanghai. Selling, general and administration expenses increased with the staff build-up in Shanghai.

For the nine months ended June 30, 2019 compared with the nine months ended June 30, 2018

In the nine months to June 30, 2018 with a new CEO in charge, revenue more than doubled but from a very modest base. Operating overheads were reduced from $4.2 million in the comparable period to just $0.3 million in the nine months ended June 30, 2019. Because the redevelopment work for the Company's mobile application has been completed, large ground staff involved in sales and marketing were no longer necessary and there was a general reduction in other overheads to a level more commensurate with mobile advertising and gaming operations. The net result is an operating loss of $0.1 million compared with a loss of $5.6 million in the corresponding period.

Liquidity and Capital Resources

Currently, we have limited operating capital. We expect that our current capital and our other existing resources will be sufficient only to provide a limited amount of working capital, and the revenues, if any, generated from our business operations alone may not be sufficient to fund our operations or planned growth. We are dependent upon the success of our ability to restructure our debts with creditors and obtain new funding through investments from private investors.

Even if we are successful in these endeavors, we will likely require additional capital to continue to operate our business. Sources of additional capital through various financing transactions or arrangements with third parties may include equity or debt financing, bank loans or revolving credit facilities. We may not be successful in locating suitable financing transactions in the time period required or at all, and we may not obtain the capital we require by other means. Our inability to raise additional funds when required may have a negative impact on our operations, business development and financial results.

Critical Accounting Policies and Estimates

Use of estimates

The preparation of the unaudited condensed consolidated 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 disclosures of contingent assets and liabilities at the date of the accompanying unaudited condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates required to be made by management include but not limited to, useful lives of property and equipment, intangible assets valuation, inventory valuation and deferred tax assets. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

Reference is made to the "Recent Accounting Pronouncements" in Note 2 to the Unaudited Condensed Consolidated Financial Statements included in this Report for information related to new accounting pronouncements, as well as the related impact of those recent accounting pronouncements.

Off-Balance Sheet Arrangements

As of June 30, 2019, we did not have any off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Pursuant to Item 305(e) of Regulation S-K (§ 229.305(e)), the Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined by Rule 229.10(f)(1).

ITEM 4. CONTROLS AND PROCEDURES

Disclosures Control and Procedures

As of June 30, 2019, the Company carried out an evaluation, under the supervision of and with the participation of management, including our Company's chief executive officer, of the effectiveness of the design and operation of our Company's disclosure controls and procedures under the 2013 COSO framework. Based on the foregoing, the chief executive officer concluded that our Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were ineffective in timely alerting management to information required to be included in the Company's periodic filings to the Securities and Exchange Commission filings.

Management's Remediation Initiatives

To mediate the identified material weaknesses and other deficiencies, we have introduced the following measures:

(1) Ensure that the Audit Committee meets regularly, either through conference calls or at physical meetings and reviewed all related party transactions to ensure that they are in the best interest of the Company

(2) Keep all board members regularly informed of all major developments in the Company through circularization of resolutions on important issues, followed by explanatory telephone calls or emails

(3) Review and document key operating cycles of the Company, ensuring that there are adequate internal controls at key points and segregation of important duties.

(4) Design and monitor controls over financial reporting, including the introduction of a checklist of cut-off procedures to ensure proper accounting of accruals and payables.

Changes in internal controls over financial reporting

There have been no changes in our internal controls over financial reporting that occurred during the period covered by this Report, which has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

Not applicable to a smaller reporting company.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

31.1*	Rule 13(a)-14(a)/15(d)-14(a) Certification of principal executive officer
31.2*	Rule 13(a)-14(a)/15(d)-14(a) Certification of principal financial officer
32.1*	Section 1350 Certification of principal executive officer
32.2*	Section 1350 Certification of principal financial officer
101*	XBRL data files of Financial Statements and Notes contained in this Quarterly Report on Form 10-Q.

*Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Moxian, Inc.
Date: August 14, 2019	By: *<u>/s/ Hao Qinghu</u>*
	Name: Hao Qinghu
	Title: Chief Executive Officer (Principal Executive Officer)
	Moxian, Inc.
Date: August 14, 2019	By: *<u>/s/ Tan Wanhong</u>*
	Name: Tan Wanhong
	Title: Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427

I, Hao Qinghu, certify that:

(1) I have reviewed this Form 10-Q of Moxian, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2019

/s/ Hao Qinghu
Hao Qinghu
Chief Executive Officer

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Securities and Exchange Commission Release 34-46427

I, Tan Wanhong, certify that:

(1) I have reviewed this Form 10-Q of Moxian, Inc.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2019

/s/ Tan Wanhong
Tan Wanhong
Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Form 10-Q report of Moxian, Inc. for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof and pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Hao Qinghu, certify that:

(1) This report containing the financial statements fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this period report fairly presents, in all material respects, the financial condition and results of operations of Moxian, Inc.

Date: August 14, 2019

/s/ Hao Qinghu
Hao Qinghu
Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Form 10-Q report of Moxian, Inc. for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof and pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Tan Wanhong, certify that:

(1) This report containing the financial statements fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this period report fairly presents, in all material respects, the financial condition and results of operations of Moxian, Inc.

Date: August 14, 2019	*/s/ Tan Wanhong*
	Tan Wanhong
	Chief Financial Officer (Principal Financial Officer)