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

Form 10-K/A

☒ ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2016

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to ______

ATI AMERICATOWNE INC.

AMERICATOWNE, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

Delaware	**000-55206**	**46-5488722**
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(COMMISSION FILE NO.)	(IRS EMPLOYEE IDENTIFICATION NO.)

4700 Homewood Court, Suite 100, Raleigh North Carolina 27609
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(888) 406 2713
(ISSUER TELEPHONE NUMBER)

Securities registered under Section 12(b) of the Exchange Act: None.

Securities registered under Section 12(g) of the Exchange Act: Common Stock (Form 10/A-12(g) dated June 13, 2014).

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 ☒ 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 (Section 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 ☒ No ☐

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K (Section 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☒

Indicate by check mark whether the issuer is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal year: $2.75/share as of December 31, 2015 based upon the Company’s direct public offering under its prospectus declared effective on November 5, 2015. There is currently no secondary market for these shares. The number of shares of the Registrant's common stock outstanding as the latest practicable date is 27,034,775.

EXPLANATORY NOTE

The Company is filing this Amendment to its previously filed Annual Report on Form 10-K filed on April 14, 2017 to restate its financial statements on December 31, 2016. The information in the Annual Report is amended to read in its entirety as set forth in this Amendment. Except to reflect the restatement of the financial statements, the related disclosure controls and procedures matters, the information in the Annual Report and this Amendment has not been updated or otherwise changed to reflect any events, conditions or other developments that have occurred or existed since April 14, 2017, the date the Form 10-K was filed. Accordingly, except solely with regard to the restatement, the related disclosure controls and procedures matters, all information in the Transition Report and this Amendment speaks only as of April 14, 2017. References made in this Amendment to "this Form 10-K" mean this Amendment on Form 10-K/A unless the context requires otherwise.

AMERICATOWNE, INC. 2016 FORM 10-K

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Special Note Regarding Forward-Looking Statements

Information included or incorporated by reference in this Annual Report on Form 10-K contains forward-looking statements. All forward-looking statements are inherently uncertain as they are based on current expectations and assumptions concerning future events or future performance of the Company. Readers are cautioned not to place undue reliance on these forward-looking statements, which are only predictions and speak only as of the date hereof. Forward-looking statements may contain the words "believes," "project," "expects," "anticipates," "estimates," "forecasts," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions, and are subject to numerous known and unknown risks and uncertainties. Additionally, statements relating to implementation of business strategy, future financial performance, acquisition strategies, capital raising transactions, performance of contractual obligations, and similar statements may contain forward-looking statements. In evaluating such statements, prospective investors and shareholders should carefully review various risks and uncertainties identified in this Report, including the matters set forth under the captions "Risk Factors" and in the Company's other SEC filings. These risks and uncertainties could cause the Company's actual results to differ materially from those indicated in the forward-looking statements. The Company disclaims any obligation to update or publicly announce revisions to any forward-looking statements to reflect future events or developments.

Although forward-looking statements in this Annual Report on Form 10-K reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties, and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the heading "Risk Factors Related to Our Business" below, as well as those discussed elsewhere in this Annual Report on Form 10-K. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. We file reports with the Securities and Exchange Commission ("SEC"). You can read and copy any materials we file with the SEC at the SEC's Public Reference Room, 100 F. Street, NE, Washington, D.C. 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (https://www.sec.gov/) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.

We disclaim any obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Annual Report on Form 10-K. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Annual Report, which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

ITEM 1. BUSINESS

As with any business plan that is aspirational in nature, there is no assurance we will be able to accomplish all of our objectives or that we will be able to meet our financing needs to accomplish our objectives.

Mission

"AmericaTowne is to be a world-class, globally respected and profitable company, providing value to its customers, the environment and the lives of the people we service." Although this statement is forward-looking, the Company has already made strides in facilitating relationships intended to advance its mission.

The Company's aim is to increase US export and employment by providing upper and middle-income consumers in China and elsewhere with "Made In The USA" goods and services allowing customers to experience the United States' culture and lifestyle. In achieving this objective, our focus is on four initiatives:

(1) The development of a United States International Trade Center in Meishan Ningbo China and elsewhere with employees and/or independent contractors focusing on advancing our initial business objective, which is to be the "go-to" place for all things "Made In The USA."

(2) The development of upwards of 20 AmericaTowne communities in China with each community consisting of upwards of 50 United States based companies, and upscale hotels, villas, children theme parks, senior care, wellness and educational facilities - all based upon United States culture and lifestyle.

(3) The development of an internet platform in Chinese to complement (1) and (2), above, focusing on importing "Made In The USA" goods and services to China through internet sales.

(4) The development of franchise operations in the United States and internationally to support and advance the above-referenced initiatives.

These initiatives are admittedly aspirational in nature. Our intent is to accomplish the majority, if not all, of our initiatives, but there is no assurance we will or that our financing needs to meet our initiatives will be met.

General Discussion

We aim to earn revenues and income, and generate cash, by focusing on our four core business operations and initiatives, as set forth above. At this point, the Company's revenue is generated from our Service Provider, Exporter Service Agreements, and related agreements with companies throughout the United States. We generate revenues and cash by servicing these agreements. We work with exporters carefully and focus on our accounts receivable as part of managing our projected tight liquidity position. Additionally, we work with exporters closely in developing export strategies for the goods and services they planned to export.

At present, the bulk of our operations take place at our Raleigh, North Carolina office, which acts as a model for plans for our United States Trade Center Operations. We are in the process of outfitting our operations in Chizhou, China. We have hired two full-time managers to operate the facilities located at Chizhou and other locations in China, selected our first exporters, and the products we plan to export. Additionally, we are working with the Chizhou Port Authorities to ensure that our operational procedures are in compliance with various import laws.

Our short-term operational objectives are to develop our exporter pipeline, grow revenues and increase operations and facilities in the United States, Africa and Europe while bringing our facility online in Chizhou, China. Our focus currently is on enhancing our exporter base, including working with state export agencies to identify exporters as well as sources of goods and services made in the United States that are in demand in China. Along with increasing our United States operations, we are hoping to identify additional key staff in the United States and China that can help us implement our plan. While we feel optimistic about meeting the challenges as well as the opportunities before us, there is no assurance that we will be able to meet the challenges or take advantage of opportunities we perceive are available.

To achieve its long-term objectives, the Company intends on shifting its revenue stream from a United Stated-based to a China-based stream by fully operating all planned activities at the planned Chizhou trade center, and activities within our AmericaTowne complexes and Chinese-based internet sites. Each of the Company's four core initiatives presents challenges, risks, and opportunities.

We believe that we see positive trends in the export area. Additionally, the Company plans to pursue opportunities in export not often thought of as an "exported commodity. Along with our planned core AmericaTowne communities, trade centers in the United States and China, and Internet operations, the Company plans on pursuing opportunities that are traditionally not thought of as an export commodity.

There is no assurance we will be able to pursue these opportunities successfully. Additionally, our short and long-term liquidity position is impacted by the success we achieve in implementing our plans. We do plan on pursuing the full range of available funding opportunities. Additionally, we expect to help those in our exporting program with funding opportunities and various programs that may be available to them in the private community, and at the state and national level within the United States.

Additionally, going forward we expect to take advantage of the various export tax laws that will help our cash flow position as well as assist our exporters with their growth. There is no assurance that our plans will be successful. There will be cost to bring all of the planned facilities online in China. While we do have a plan to cover these costs, there can be no assurance that our plan will be successful. While we have discussed the possibility of outside investments in various forms, there are no agreements in place or any assurance that they will be realized in the future.

The uncertainty of implementing our business plan in China and the various laws and policies in China and how they may impact our Company going forward is real. There is no assurance that we will be able to navigate the laws and policies at the national or local level that will allow us to achieve objectives outlined in our business plan. Though our results of operations thus far have been effective, there can be no assurance that we will obtain the same results going forward.

Business Developments in Fiscal Year 2016

In fiscal year 2016, the Company continued to develop its business in accordance with the goals and missions outlined above. The Company entered into six (6) Exporter Service Agreements and four (4) Trade Center Service Provider agreements. In fiscal years 2015 and 2014, the Company entered into nineteen (19) and six (6) Exporter Service Agreements, respectively. Information regarding the scope of the Exporter Services Agreements is discussed in more detail, below, in subsection (A). In fiscal year 2016, the Company did not enter into any Licensing, Lease and Use Agreements ("Licensing Agreements"). The general scope of the Licensing Agreements is discussed in more detail, below, in subsection (B). By comparison, the Company had entered into two (2) Licensing Agreements in fiscal year 2014 and none in 2015.

Additionally, the Company has acquired two companies in the 2016 fiscal year: ATI Modular Technology Corp. f/k/a Global Recycle Energy, Inc. ("ATI Modular") and ATI Nationwide Holding Corp. f/k/a EXA, Inc. ("ATI Nationwide"). Discussions regarding these acquisitions and plans for the subsidiaries moving forward are discussed in detail, below, in subsection (C) and (D).

In fiscal year 2016, the Company entered into Employment Agreements with four (4) senior employees. The Company now employs eleven (11) total senior employees. The terms of the agreements vary following arms-length negotiations between the parties. To the extent the Company has sufficient cash flow and capital, the Company may elect to include money compensation for services of its employees. Subsequent action by the Company following the close of its 2016 fiscal year have been disclosed in filings between January 20, 2017 up to the present and are incorporate herein.

(A) The Exporter Services Agreement

The AmericaTowne Platform consists or will consist of exhibition, showroom and display facilities, support office(s) and staff located in the United States and China, and the platform consists or will consist of a buyer's network, and online websites either directly owned by AmericaTowne or in a partnership with third-parties in order to support the exhibition center, showroom and network to market imported goods and services to consumers in China.

The AmericaTowne Platform works in conjunction with the Sample and Test Market Program. Under this program, the customer will be provided with access to and participation in a program whereby the Company will exercise its experience, expertise and training in assessing the customer's market acceptance and demand of the customer's products or services in China (and perhaps other locales depending on the Company's findings). The customer will work in conjunction with the Company is arranging for the delivery of the customer's samples or examples of products or services to the AmericaTowne Platform, and if deemed strategically beneficial by the Company, the customer may send specific videos, brochures and other promotional material to explain, show, and demonstrate the products or services features to the Chinese consumer and or wholesale customers. The customer agrees to be responsible for those costs associated with packaging, shipping and other reasonable and commercially acceptable costs in sending the samples to the AmericaTowne Platform, including where applicable, Value Added Tax (VAT) or custom costs.

Upon receipt of samples, brochures, and other promotional and marketing materials, the Company will be responsible for displaying the customer's goods and services on its online portal, and/or exhibition and showroom facilities in China, as well as marketing the customer's products through marketing channels. The Company, in conjunction with any representative of the customer, will exercise commercially reasonable discretion in determining how the customer's products and services are exhibited in the AmericaTowne Platform. The Company will use its best efforts to match the customer with an end buyer of its products or services. The customer agrees that there is no assurance that a demand for its product will exist or an end buyer will be found.

The Sample and Test Market Program allows the customer an opportunity to (i) test the demand and market for its products and service by exhibiting it products or service in the AmericaTowne Platform, and (ii) receive follow-on orders for its products or services, if a demand and buyers exist, without expending normal costs for exporting. The customer has one year from the effective date under the Exporter Services Agreement to participate in the Sample and Test Market Program. Afterwards, provided no transaction has occurred in the AmericaTowne Platform, the customer agrees to pay a fee equal to 25% of the original Service Fee within thirty days to extend the customer's participation. To the extent this fee is not paid, the customer's participation and membership in the Sample and Test Program terminates. In the event of termination, the Company and customer agree that the balance of the Exporter Services Agreement would remain in full force and effect.

Provided that the Company concludes that the Sample and Test Market Program has resulted in market demand and target consumers for the customer's goods and services, the Company will notify the customer within a commercially reasonable time of its opinions, conclusions and recommendations, and in turn, provide services associated with its Accepted Market Program. Under this program, the Company will advise the customer in the negotiation of price, and terms and conditions of sale of its goods and/or services. The Company will assist the customer in all phases of the exporting process, including but not limited to, labeling and preparation for exporting, customs inspection and clearance, shipping, warehousing, and payment. The Company, if deemed necessary, will propose the form and substance of purchase orders to be presented to the target buyer setting forth, amongst other things, terms and conditions of sale, costs, and payment to the customer (or its assignee or designee) with the Company being responsible for currency exchange into United States dollars.

Under the Accepted Market Program, the Company anticipates advising the customer of the various components of the selling price including, but not limited to, normal product costs, shipping costs, other related expenses, and customs and VAT. The customer will make the final determination of its sale price offered to the buyer. The Company will advise the customer on available incentives and accommodations as a result of the Company operating out of a Bonded Port Zone in China, such as, but not limited to, making the determination that the buyer assumes VAT and customs costs by including such costs in the price of the product or service, and reduced warehousing and logistics product costs in China. From time to time state and federal agencies will have marketing and promotional programs to assist small businesses in exporting their products and services. The Company will work with the customer where warranted, to take advantage of the various funding, grants and promotional opportunities available.

In certain cases, special certification will be required from the appropriate authorities in China, prior to export of the customer's goods and/or services in conjunction with a buyer's purchase order. In such a case, the Company will assist the customer in securing the proper certification. The customer will be responsible for all costs of such certification. Prior to any such certification action, the Company will advise the customer, and the customer will have the sole discretion to determine if a certification is to be obtained, and understand if such certification is obtained, the customer, or its assignee or designee, is ultimately responsible for the costs of certification.

(B) The Licensing, Lease and Use Agreement

The general intent behind the Licensing Agreement is for the Company to license its intellectual property to the customer and a right to lease a future physical location to conduct its business in China for the consideration stated therein. The Licensing Agreement incorporates as exhibits the approved licensed intellectual property to be used by the customer at the Authorized Location, the proposed site for the Authorized Location (which in the case of Landmark is yet to be determined), the consideration to be paid by the customer associated with the Authorized Location, a preliminary financing budget, and a source and use schedule.

For the consideration set forth in the Licensing Agreement, the Company grants to the customer a license and lease right to operate one business unit on the proposed, anticipated and intended location in China (defined as the "Authorized Location"), The granting of this right by the Company does not constitute a representation, warranty, or guarantee by the Company that the customer's business can be successfully operated at the Authorized Location. The consideration paid by the customer associated with the Authorized Location is in addition to any other payment obligations of the customer set forth in the Licensing Agreement, or where applicable, the Exporter Services Agreement discussed in subsection (A), above.

Provided the customer is in full compliance with all provisions of the Licensing Agreement, any and all other agreements between the Company and the customer (i.e. the Exporter Services Agreement, if applicable), and has provided the agreed upon written notice, the customer has the option to renew the business operations at the Authorized Location for successive periods of ten years upon the payment to the Company of a renewal fee in an amount $25,000, and the execution of any standard business operation's agreement used by the Company at the time of the written notice.

Provided the customer is in full compliance with all of its payment and performance obligations under the Licensing Agreement, and any other agreements related to its performance hereunder, and any and all applicable laws and regulations, the Company agrees that it will not operate, or permit any other entity or person to operate any similar or like business as the customer within the AmericaTowne location in which the Authorized Location is situated. The Company has acknowledged that the Authorized Location is currently not ready for occupancy. The customer acknowledges and agrees that the consideration paid under the Licensing Agreement is for, in part, site development and construction services, expenses, fees and costs incurred by the Company in building the Authorized Location exclusively for the benefit of the customer, subject to the terms and conditions of the Licensing Agreement.

The parties agree that the occupancy by the customer post-construction shall be considered a leasehold interest with the Company being the lessor and the customer as the lessee. The parties agree to execute a lease agreement consistent with the terms of Section 3 of the Licensing Agreement within thirty days of the Company securing all applicable permits, licenses and necessary authorization from the proper regulatory agency approving the construction of the specific AmericaTowne site in which the Authorized Location is to be situated. Unless otherwise negotiated, the parties agree that the term of the lease shall coincide with the balance of the "Term" under the Licensing Agreement, as defined under Section 1 of the Licensing Agreement. For example, to the extent the Company provides notification to the customer that the AmericaTowne site has been approved for construction and there is a balance of fourteen years left on the Licensing Agreement at the time of the notification, the customer agrees that the term under the corresponding lease shall be fourteen years.

Unless otherwise negotiated, the lease price shall be the average square meter of leased space for businesses at the location to be determined as stated by published and/or stated lease rates at the specific location at the time the customer provides notice to the Company. The lease shall contain such terms and provisions as are reasonably acceptable to the Company and, at the Company's sole option, shall be subleased to third-parties provided that the subtenant acknowledges in writing that its obligations under the Licensing Agreement are equally primary to the customer (i.e. a sublease versus an assignment of lease), and that the Company may be entitled to adequate collateral to secure payment and performance by the subtenant and the customer, jointly and severally.

The Company shall provide the customer with a budget and funding plan for the Authorized Location, and the customer's business start-up, based on the Company's experience and expertise in conducting business within the particular locale (the "Financing Budget"). The parties agree that the approval of the Financing Budget does not guarantee success of actually securing the necessary financing or in the overall success of the business. The parties agree to the preliminary Financing Budget, and will agree to an updated Financing Budget within sixty days prior to construction of the Authorized Location. Upon agreement of all terms and conditions of an updated Financing Budget, the parties shall mutually execute a "Final Financing Budget," which can be amended or modified only by a writing signed by the parties. The parties acknowledge that the Final Financing Budget might alter or modify their respective rights, duties and obligations, and if so, such modification will be memorialized in writing signed by the parties. Absent a writing, the Licensing Agreement is to be interpreted, as a whole, consistent with the Final Financing Budget and the alterations or modifications caused by the Final Financing Budget.

The Company agrees to provide to the customer plans and specifications for the AmericaTowne location in which the Authorized Location shall be constructed within a commercially reasonable period of time. The plans and specifications will reflect the Company's requirements, recommendation and suggestions for dimensions, exterior design, interior design and layout, decor, building materials, equipment, fixtures, furniture, and signs, which shall all be designed after business facilities typically found in the United States of America. Promptly after being provided with the plans and specifications, the customer shall submit any requested changes and/or comments to the plans and specifications, and the Company reserves the right to accept or reject such recommendations in order to (i) ensure continuity of appearance within the AmericaTowne site, (ii) ensure capacity for the type, size, scope and adequacy of any machinery and equipment utilized by the Licensee, and (iii) ensure that the recommendation is within the Final Financing Budget.

The Company agrees that it shall be solely responsible for construction, and in securing the proper licenses, permits, and certificates required for all construction of the Authorized Location, and for building the Authorized Location in accordance with the highest building standards consistent with the intent of the AmericaTowne concept. The Company further agrees that it will be responsible for equipping and finishing the Authorized Location in a commercially reasonable period of time and in a manner consistent with securing occupancy for the customer.

The rights granted to the customer under the Licensing Agreement, and more specifically, rights related to the Authorized Location cannot be transferred to any other location without the prior written approval of the Company. If the customer has operated its business for less than twelve months from the "Effective Date" and requests relocation to an alternative AmericaTowne site, the customer must set forth its reasons for requesting the relocation in writing to the Company, and its requested relocation plan, along with a proposed timeline of relocation. The Company reserves the right to approve the relocation. To the extent the Company agrees to the relocation, the customer agrees that the relocation does not alter, impair or modify its duties and obligations under the Licensing Agreement, unless otherwise set forth in an amended agreement in the same form and substance as the Licensing Agreement. The customer agrees to pay the Company a nonrefundable design and set up fee for the preparation of a design for the Licensee's new location based on current market conditions at the time of the request for and implementation of the relocation.

(C) ATI Modular Technology Corp.

On June 6, 2016, the Company purchased the majority and controlling interest in Global Recycle Energy, Inc., a Nevada corporation, through the acquisition of 100,000,000 shares of restricted common stock from Joseph Arcaro ("Arcaro"). The Stock Purchase and Sale Agreement dated June 2, 2016 (the "SPA") closed on June 6, 2016 with the payment of the purchase price to Arcaro of $175,000 from the Company's working capital, and the transfer of the restricted common stock certificate to the Company.

The SPA was the result of a privately negotiated transaction at arms-length between unrelated parties, or affiliates thereto, in a non-brokered transaction. Global Recycle Energy, Inc., is not publicly traded, but is listed on OTC Pink Sheets on OTC Markets Group, which is regulated by FINRA.

Subsequent to the Company's acquisition of Global Recycle Energy, Inc., the Company's Chairman of the Board, President and Treasurer, Alton Perkins, was appointed to the same positions with Global Recycle Energy, Inc. Amendments to the Articles of Incorporation changed Global Recycle Energy, Inc.'s name to ATI Modular Technology Corp. ("ATI Modular"). ATI Modular then filed the appropriate company-related action with the Financial Industry Regulatory Authority ("FINRA") to finalize its name change and change its trading symbol, which is presently GREI.ATI Modular filed its Form 10 information on September 30, 2016. As of this filing, comments from the Securities Exchange Commission ("SEC") are still pending.

The Company intends on working with ATI Modular to furtherance the development of modular communities in China, as well as other aspects of developing AmericaTowne communities. On June 21, 2016, the Company entered into a Cooperative Agreement with the Shexian County Investment Promotion Bureau (the "Shexian County Bureau") out of Shexian, China (hereinafter, the "AT/Shexian Cooperative Agreement"). The AT/Shexian Cooperative Agreement relates to the construction of an AmericaTowne location in advancing tourism in the Hanwang mountains. Under the terms of the AT/Shexian Cooperative Agreement, AmericaTowne and the Shexian County Bureau have agreed to a strategic partnership wherein the Shexian County Bureau intends to invest local resources to AmericaTowne for construction of an AmericaTowne community. In consideration, AmericaTowne intends on investing funds towards the development of the AmericaTowne community. AmericaTowne will be obligated to bear any and all applicable taxes and the projected investment by AmericaTowne into the development of the AmericaTowne community is estimated to be $30,000,000. It is anticipated that the definitive agreement will set forth a detailed projection and proforma associated with the use of funds. There is no guarantee that AmericaTowne will be able to raise this capital in the event a definitive agreement is executed. Furthermore, AmericaTowne's ability to raise the necessary capital and to perform obligations under any definitive agreement might be materially affected in the event the Company is not able to perform any of its obligations under any future definitive agreement with the Shexian County Bureau.

On June 21, 2016, ATI Modular agreed to participate with the Shexian County Bureau in building local modular construction, researching technology and intelligent systems related thereto, and servicing the full lifecycle of modular construction in the locale through the execution of the Cooperative Agreement (the "ATI Modular/Shexian Cooperative Agreement").

Pursuant to future negotiations and more definitive agreements, ATI Modular has agreed to purchase the requisite equipment and technology in performing under the ATI Modular/Shexian Cooperative Agreement. In consideration for the services provided by ATI Modular, the Shexian County Bureau has agreed to be responsible for providing factories and land, and other resources and manpower in developing the modular construction. The Company has also agreed to exercise its best efforts in raising approximately $30,000,000 in furthering the parties' collective interests under the ATI Modular/Shexian Cooperative Agreement. These funds would be allocated towards different operating costs than the funds necessary for AmericaTowne to perform under the AT/Shexian Cooperative Agreement. It is anticipated that the definitive agreement will set forth a detailed projection and proforma associated with the use of funds. The Company and the Shexian County Bureau have agreed to continue to cooperate in good faith in executing and further agreements needed in furthering their respective objectives. However, notwithstanding this intent, the Company's ability to perform might be materially affected in the event AmericaTowne is not able to meet its obligations in furthering any future definitive agreement with the Shexian County Bureau.

Further, the Company entered into a Modular Construction & Technology Services Agreement (the "Modular Services Agreement") with ATI Modular on June 28, 2016. The impetus behind the Modular Services Agreement was ATI Modular's Cooperative Agreement with the Shexian County Government, China. Under the Modular Services Agreement, ATI Modular shall provide the research, development, training and modular technology in a manner deemed commercially acceptable by the Company based on its commercially reasonable requirements, plans and specifications, which shall be agreed upon in advance of any substantial and material construction. The Company will pay ATI Modular a quarterly fee of $125,000 per quarter. The initial fee under the Modular Services Agreement with AmericaTowne was recorded as a related-party receivable upon its execution. The Modular Services Agreement is set to expire on June 10, 2020, absent early termination for breach thereof by either party. ATI retains an option to extend the term under its sole discretion until June 10, 2025 by providing written notice to the Company by March 10, 2019.

ATI Modular plans on engaging in onsite placement and delivery of modular structures. Mr. Perkins has extensive experience in operating business in China. One of the reasons that Mr. Perkins was sought out and invited to participate in developing the modular industry in China is that he was the co-chairman of a construction company in China - Yilaime Foreign Partnership in Henghsui China. His experience with Yilaime Foreign Partnership allows ATI Modular to call on local companies in China as well as modular companies and experts in the United States to help provide on-site services. Yilaime Foreign Partnership is not a related party to the Company or ATI Modular.

The Company and ATI Modular's goals are uncertain. As previously stated, there is no assurance we will or that our financing needs to meet our initiatives will be met.

(D) ATI Nationwide Holding Corp.

On July 5, 2016, the Company entered into a Master Joint Venture and Operational Agreement (the "Joint Venture Agreement") with Nationwide Microfinance Limited, a Ghanaian corporation ("Nationwide"). Under the terms of the Joint Venture Agreement, the parties agreed combine efforts, resources and established relationship in furthering the operational and financial development of a Savings and Loan company operating under the laws of Ghana, and potentially related services, in the United States and Ghana through a publicly reporting and trading entity in the United States. Nationwide has represented that it currently operates a Tier 2 microfinance company providing retail and commercial financial products and services in Ghana pursuant to a valid license in good standing issued by the Ghana Banking Authority.

The intent, at this time, is that the Company will be issued 51% of the voting shares in the joint venture entity; however, as set forth in more detail in the Joint Venture Agreement, the Company will not be involved in financing, insurance, securities or other investment company or banking matters. Rather, a subcommittee to the Board of Directors called the "Ghana Committee" will operate under the sole direction of the Accountable Manager of Nationwide, and will be responsible for the day-to-day operations in Ghana, and the operational recommendations to the Board of Directors, and to the Operations and Ethics Committee (another subcommittee as set forth in the Joint Venture Agreement) related to any and all aspects of Nationwide's financial services business, including but not limited to, (i) final decisions concerning day-to-day operations of the savings and loans programs, (ii) determination of personnel employed in support of savings and loan service operations including the managing director, human resources, customers, operations, sales and marketing, quality assurance, and accounting and payroll, and (iii) any other commercially necessary and reasonable services benefiting Nationwide and the joint venture business combination entity. The Ghana Committee will report directly to the Board of Directors, and the officers of the joint venture business combination entity shall implement the directives of the Ghana Committee.

On October 3, 2016 the Company entered into two Stock Purchase Agreements with sellers Carson Holdings, LLC, and Joseph C. Passalaqua in furtherance of the Joint Venture Agreement. Pursuant to the Stock Purchase Agreements, the Company acquired 65,000,000 shares of common stock in EXA, Inc., a Florida corporation, traded on the OTC Pink Sheets under the symbol EXAI. The Stock Purchase Agreements were privately negotiated between the parties without facilitation through brokers or promotors, or third-parties, except legal counsel, and were approved by the Company's Board of Directors as being in the best interests of the Company. As a result of the Stock Purchase Agreements, the Company became the controlling and majority shareholder in EXA, Inc.

The Company owns 65,000,000 of the 99,175,486 issued and outstanding shares of EXA, Inc. The shares under the Stock Purchase Agreement were purchased for $175,000, and the source of funds was working capital from the Company. The Company purchased the shares with the intent to hold in its personal account on a restricted basis absent registration or qualification under an exemption to registration.

Following the acquisition of EXA, Inc., the Company filed Amended Articles of Incorporation, changing EXA, Inc.'s name to ATI Nationwide Holding Corp. ("ATI Nationwide"). The Company filed the required company-related action with FINRA. Though it did not do so in the 2016 fiscal year, the Company intends on filing ATI Nationwide's Form 10 information and utilizing the entity in furtherance of the Joint Venture Agreement.

AmericaTowne is to be a world class, globally-respected and profitable company providing value to its customers, the environment and the lives of the people we service.

The Company is in the process of planning and developing the AmericaTowne and AmericaStreet concept. The concept allows American style communities to be built in China. It is anticipated that the AmericaTowne community will be planned on 50-plus acres consisting of small businesses, hotel, villas, senior care facilities, a theme park and performing arts center - all located on specific acreage in China depicting the American lifestyle and the American experience.

Through AmericaTowne, the Company's goal is to provide unique one-of-a-kind communities for people in China to go spend their leisure time all fashioned after the American way, business, and lifestyle. In short, the focus of AmericaTowne is to bring "a slice of Americana to China."

The Company plans to develop communities and conduct business operations within China using "Made in America" goods and services within five core areas: 1) small business operations (including 50 United States based businesses that will be either franchises, joint venture partners or individual operators); 2) a hotel with the development, construction, management and ownership through the Company or an entity under the control of the Company; 3) approximately 50 villas with the construction, management, leasing, timeshare and sales through the Company or an entity under the control of the Company; 4) a theme park and performing arts center with the development, construction, management, ownership and operations through the Company or an entity under the control of the Company; and 5) senior care facilities with the development, construction, management, ownership and operations through the Company or an entity under the control of the Company. All components of AmericaTowne are expected to be similar in style, decor and business operations typically found in the United States.

AmericaTowne is targeted at the middle to upper income consumer in China. The Company believes that this type of consumer in China desires goods and services from the United States, but also the experiences of American culture and lifestyle. The Company believes that by providing this target consumer with unique "Made in America" experiences, it will meet its business model's needs and growth strategy. In addition, the business model offers United States based small businesses a complete ecosystem for their businesses. For those businesses that would not typically seek to export because of various reasons, AmericaTowne will strive to offer those businesses a complete support system that will allow them to market their products and services in China.

The revenue streams from the Company's business operations align themselves with the five core business components set forth above, and provides eight potential revenue streams, if not more, as follows: 1) licenses and or franchise fees for businesses that set-up shop and operate within AmericaTowne as well as businesses that desire to export their goods and services to China through AmericaTowne; 2) franchise, joint venture and partnership arrangements with United States based businesses residing in and operating within AmericaTowne; 3) revenue from villa sales, rentals, timeshare and leasing; 4) hotel, leasing and or operational revenues and sales; 5) theme park and performing art center operations, sales and or leasing; 6) senior care facilities, operations and or sales; 7) export sales, marketing and license fees; and 8) franchise and license fees for United States support locations.

Mr. Perkins, the creator of the AmericaTowne concept, has extensive experience in business in China involving operations, construction, marketing, consumer behavior, finance and exporting. Mr. Perkins has experience as a co-chairman of a Foreign Invested Partnership in China that focused on real estate development and laid much of the foundation for the concepts behind AmericaTowne. The Company intends on continuing to use the management systems and services provided by Yilaime. The Company intends on evaluating and assessing potential management service agreements with Yilaime whereby Yilaime would provide valuable services to the Company in effectuating and facilitating the business model associated with AmericaTowne.

Between November 15, 2015 and December 18, 2015, Dr. Wang visited several locations in China and met with local government officials and private businesses concerning establishing areas for AmericaTowne and AmericaStreet. Mr. Perkins followed-up visiting proposed locations and facilities between December 26, 2015 and January 3, 2016.

The Company will promptly file a Form 8-K upon execution of a materially definitive agreement associated with the acquisition of land and/or rights in China for placement of its first AmericaTowne location. It is anticipated that the location will be within a 100 miles of a Tier I or II city that the Company believes has the right economic and consumer base to support the AmericaTowne concept. See http://sme.amcham-shanghai.org/faq/what-meant-first-tier-second-tier-and-third-tier-cities (American Chamber of Commerce in Shanghai). Any location selected requires the cooperation of the local government and approval of the local and provincial planning and zoning boards. Though the Company has submitted plans, it does not yet have all required approvals from the applicable boards.

The Company's Strategy

The Company's primary business strategy is to develop a position as a leader in supplying quality "Made in the USA" goods and services to middle, upper middle, and upper income consumers in China. The Company seeks to create market share in the rapidly growing middle and upper income population demographic with a focus on tourism, exports, and senior care. The Company believes China's economy is robust. People in China are prospering making more money and are looking for more places to go to enjoy leisure and tourism. Today and in the foreseeable future, in China, the Company believes the demand for leisure activities is outstripping the supply.

As set forth above, the Company's objective is to provide unique one-of-a-kind communities for people in China to spend their leisure time. The Company's current planning committee is concentrating its efforts on securing land between 50 and 165 acres, and to chart out land up to 50 unique American small businesses, a 5-star hotel, 50 villas, a theme park, performing arts center, and a senior care facility all fashioned after the American way, business, and lifestyle. The aforementioned businesses will bring a slice of America to China. The Company believes the communities will offer authentic goods, products and services that are "Made in the USA." The company is in the process of identifying United States based businesses looking to locate their operations and conduct business in AmericaTowne, and to take advantage of the key Chinese demographic.

We believe that AmericaTowne will help China counter its tourist deficit, satisfy China's increasing need to import United States based goods and meet the growing demand for senior living facilities (all of which are discussed in more detail below). As a dual and added value, the Company believes AmericaTowne will provide export opportunities and jobs in China and America. Furthermore, AmericaTowne supports America's national initiative to improve the balance of trade by exporting goods and services carrying the "Made in the USA" tag.

(i) Tourism

AmericaTowne meets the challenge of helping China reduce its tourist deficit by keeping more Chinese citizens at home to enjoy a slice of America. In short, instead of an economy based upon manufacturing and exporting products to other countries, the Company believes that China's focus has now changed to internal domestic consumption. The Company believes that China's government is ramping up the demand for its citizens to buy and use consumer products. At the same time, the Chinese government is emphasizing stability and improving its citizen's quality of life.

The Company believes leisure and tourism are cornerstones of China's long-term plans. Additionally, the Company believes that the demand by Chinese consumers for "Made in America" goods and services are high. Most important, the Company believes that the target Chinese consumer is sophisticated and focused on goods and services, but also the experiences that those goods and services bring. The Company believes that providing an AmericaTowne community with support services model after the American lifestyle will provide those experiences.

(ii) Exporting

According to Forbes' Major Trends In China: The Next 10 Years, China will account for 36% of global growth in consumer spending during this period (http://www.forbes.com/sites/jackperkowski/2012/11/27/major-trends-in-china-the-next-10-years/). The Company believes that over the next ten years, global spending on consumer goods is expected to increase by $4.8 trillion, from $7.3 trillion in 2010 to $12.1 trillion in 2020. In 2013, United States exports to China reached $120 billion, according to the US-China Business Council, making it the third-largest export market for United States goods behind Canada and Mexico, our neighbors and NAFTA partners. United States exports to China have grown faster than exports to any other major United States trading partner.

From 2005 to 2014, United States' exports to China increased 198%. That rate is greater than growth to any of the other top ten US export markets, including the two largest US trading partners, Canada (47 percent growth) and Mexico (102 percent growth). With its large population, rapidly growing middle class, and long list of infrastructure goals, China will continue to be a major export market for United States goods and services. (US-China Business Council, US Exports to China 2005-2014 https://www.uschina.org/reports/us-exports/national).

(iii) Senior Care

A component of the Company's business is designed to take advantage of market conditions by constructing, developing and operating either through partnership or independently senior care facilities in China. "There is no stronger brand in the world than 'Made in America,' according to USA Export-Import Bank Chairman and President Fred P. Hochberg. We want to build on this and provide a slice of Americana in the fastest growing economy in the world. As stated by the Chairman and President of the United States Export-Import Bank - Fred P. Hochberg, "There is no stronger brand in the World that 'Made in America'". See "Export-Import Bank Report to Congress: Aggressive, Unregulated Financing from Foreign Competitors is Costing U.S. Jobs" dated June 25, 2014. The Company intends on building on this brand and provides a "slice of Americana" in the fastest growing economy in the World.

According to China's National Bureau of Statistics, China has roughly 185,000,000 people over the age of 60.1 A 2007 study by the United Nations estimated that in 2005, there were 16 retired people in China for every 100 workers. The study projected that this ratio will reach 64 elderly for every 100 workers by 2025. Compare this to the United States, which currently has approximately 20 retirees for every 100 workers and is projected to have 33 retirees for every 100 workers by 2050. See also "Major Trends in China: The Next 10 Years" attached hereto.

China's government funding only covers 1.6% of seniors in need of care, who cannot otherwise pay for their own care. The World Bank's standard for developed nations is 8% coverage. As Li Jianguo, vice chairman and general secretary of the Standing Committee of the National People's Congress stated last year, this translates to a need for an additional 3,400,000 hospital and nursing home beds dedicated to senior care over the next five years alone. Clearly, the need for senior care facilities is outstripping the supply.

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Gap in Small and Mid-Size Businesses

In June of 2013, the Commerce Department reported that exports hit a record high for one month of $191.1 billion-up 3.2% from June of 2012. As a result of imports falling, the United States trade deficit shrank 22.4% to its lowest monthly level since October 2009.Small and medium-sized companies account for 98% of United States' exporters, but represent less than one-third of the known export value of United States' goods' exports. In 2010, there were over 293,000 identified U.S. exporters - 269,269 of which were small or medium-sized.

The Company believes a market clearly exists; yet most small businesses do not have the resources including time, money and knowledge to enter the export market. A goal of AmericaTowne is to provide United States based small businesses with a support system that will allow them to flourish without undue worry of conducting business from afar. The Company believes that AmericaTowne provides some United States based businesses with a safety net, an entire team of businesses working together all focused on the same objective - to sell Americana to the Chinese consumer.

Keys to Success

In order to meet its goals and objectives, and to achieve short-term and long-term success, the Company must develop significant cooperative agreements with key partners, including local governments in the United States and China, a business developer and United States based entrepreneurs and businesses. The Company must continue to develop and utilize cutting edge technology and commit to research and development of its brand and market presence. It must dedicate financial resources and executive time towards establishing world-class marketing programs and procedures designed exclusively with the Chinese consumer in mind. As stated above, the Company must continue to be dedicated to building and operating AmericaTowne centers to meet the growing demand by citizens for more leisure and tourism opportunities.

As part of his ongoing market analysis, over the past five years, at the invitation of China city mayors and other government officials in China, our Chief Executive Officer, Mr. Perkins lived and worked in China, researching and studying consumer trends, and helping to develop import, tourist and leisure projects for the Chinese consumer. While in China, Mr. Perkins had the opportunity to work with local government officials, city mayors and Provincial Governments, and mid-size and large Chinese companies. The formation of the Company and the contribution of assets by Yilaime were the byproduct of Mr. Perkins' work dating back to 2009 and 2010 by the privately-held and Chinese-based Development Center Foreign Invested Partnership, which he owned and co-chaired. This early partnership did much of the work paving the way for much of the Company's current business plans.

As part of his market research efforts, Mr. Perkins visited the United States Ex-Im Bank in Washington, D.C., and attended a United States Ex-Im Bank National Conference to learn exporting rules and financing requirements. Additionally, the AmericaTowne concept was presented to the United States Ex-Im Bank, which provided a Letter of Interest for AmericaTowne, Mr. Perkins coordinated the initial draft of the business plan and proposed actions with a representative of the United States Small Business Administration with expertise in both exporting and finance, who in turn, reviewed the Company's business plan and provided suggestions and directions for implementing the plan. It is this level of involvement and dedication that is necessary to continue developing market awareness and success.

The Company must also continue to stick to its core principles of delivering superb and unique products and services at the lowest possible cost while still maintaining the highest quality - the quality accustomed to United States' goods and services. As an international operation operating on opposite ends of the World, the Company must maintain a strong dual-economic strategic plan and implement financial controls in the United States and China. Finally, the Company will need to aggressively pursue adequate funding to implement these keys to success and in the continued development of attractive programs in providing the Chinese consumer with the "Made in the USA" experience.

Financial Objectives

The Company seeks to achieve commercial success in its initial AmericaTowne location. The Company seeks to validate its work through the success of its products and services. The Company's revenues of $2,259,540 realized and earned for the year ended December 31 2016, and a Letter of Interest from US Ex-Im Bank are an initial step towards this effort. The Company also seeks to develop a robust line of additional AmericaTowne products including licensing and franchising fees for additional project locations in the near future and to become financially sustainable.

Sourcing and Fulfillment

To complete the initial AmericaTowne, the Company expects a collaborative effort between small businesses owners in the United States looking for expansion opportunities in China. The Company through its relationship with Yilaime will contract with these businesses providing unique goods and services carrying the "Made in the USA" label. These select businesses will team with local counterparts to supply, source and operate the core businesses that are a part of AmericaTowne.

Competition

Our competitive position within the tourism, export and senior care industry are affected by a number of factors. There are barriers to entry that make it difficult for entrants into the industry, including, but not limited to the socio-political environment in China.

In reviewing market conditions, the Company determined that although there is no known structure or operations existing within Mainland China similar to AmericaTowne, the concept could be duplicated. The challenge for competitors whose business originates from China would be to identify and provide business owners and operators, as well as goods and services that would provide a unique American experience in one location, under one roof, and receive the support of the local government in providing "authentic American goods."

It has been Management's experience that at the local level mayors and other government officials have concerns about the authenticity of both the concept and the goods and services that would originate from America. Therefore, operators from America that provide goods and services especially from America's small businesses have a competitive advantage.

Builders and developers focusing on tourism and quality of life components are regionally based, and most focus on operations in what are called (based on demographics and other criteria) Tier 2, Tier 3 and Tier 4 Cities. Competitors that appear to be doing exceptionally well it seems have designed internal management, finance and control systems that work well in the United States and China.

Though Management is aware of "Disney" typed operations and ventures in China that focuses on themed leisure activities, AmericaTowne focus is on business operations in three specific areas and providing an experience unique to America. To date Management is not aware of similar businesses or concept operating within Mainland China.

In Management's opinion based upon its analysis, and research over three and a half year period direct competition and the intensity of that competition will depend upon the specific sector. Management believes that competition from other businesses and communities in some specific sectors will be intense. For example, Management expects to receive stiff competition in the real estate sector specifically in developing villas. On the other hand, Management expects to receive moderate to little competition in developing its senior care and business communities.

The key competitors within the real estate sector as reflected in SEC filings consist of seven companies operating within China. However, there are considerably more developers operating within the industry. Of the competitors, we focused on two are listed on NASDAQ (China HGS Real Estate Inc. (HGSH) and China Housing & Land Development, Inc. (CHLN)) and two or listed on the New York Stock exchange (Xinyuan Real Estate Co., Ltd (XIN), and IFM Investments Limited (CTC)); the other three are listed on OTCB.

All have the advantage of being from China and may have better competitive balances because of this. All may receive various support and perceived benefits that are afforded to companies that are "home grown." Additionally, all appear to focus on regional and or Tier II, III and IV cities. On the other hand, AmericaTowne focuses on Tier I, II, and III cities were the competition for development could be both keen and at times restricted to a larger degree by the Central Government than smaller Tier locations. AmericaTowne will have to adapt to a system that its competitors have been operating all of their existence virtually. Additionally, most of the competition will not only have more experience but be better capitalized. As we develop our business model further, we expect additional competitors to service and the competitive picture to become clearer.

Tax Exempt Status for Certain Export Transactions

Because AmericaTowne focuses on providing "Made in the USA" goods and services to China and elsewhere, a portion of the Company's activities will involve not only development but also exporting. To take advantage of favorable United States tax rates on dividend distributions or to direct a steady flow of cash distributions for shareholders of corporate exporters, the Company has identified and work with Perkins-Hsu Export Corporation, a Nevada corporation that is qualified as an Interest Charge - Domestic International Sales Corporation ("IC-DISC") under section 992(a)(1) of the Internal Revenue Code of 1986. Perkins-Hsu Export is an IC-DISC and an affiliate of the Company, with Mr. Perkins as the majority shareholder and the controlling person. The tax benefits to the Company are accomplished by allowing the Company to deduct a portion of its export-related income as commissions to the IC DISC. On an individual basis Federal taxes on the export-related income are deferred until such time as the income is distributed or deemed distributed. Perkins –Hsu as an IC DISC does not need additional offices, employees, or tangible assets, nor is it required to perform any invoicing or services. Additionally, with its IC-DISC association, if warranted, the Company may achieve a significant reduction in taxes on the first $10,000,000 in revenues.

ITEM 2. PROPERTIES

We currently lease an office at the address set forth above. We believe that this space will be sufficient for our initial needs, although as funding and revenues become available, and the Company's operations grow, we anticipate finding other office space as needed.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Authorized Capital Stock

The authorized capital stock of the Company consists of 100,000,000 shares of Common Stock, par value $.0001 per share, (the "Common Stock"), of which, as of December 31, 2016, there are 26,974,775 issued and outstanding, and 5,000,000 shares of Preferred Stock, (the "Preferred Stock") par value $.0001 per share, of which none have been designated or issued. The following summarized the important provisions of the Company's capital stock.

Common Stock

Holders of shares of common stock are entitled to one vote for each share on all matters to be voted on by the stockholders. Holders of common stock do not have cumulative voting rights. Holders of common stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available. In the event of a liquidation, dissolution or winding up of the company, the holders of common stock are entitled to share pro rata all assets remaining after payment in full of all liabilities. All of the outstanding shares of common stock are fully paid and non-assessable. Holders of common stock have no preemptive rights to purchase the Company's common stock. There are no conversion or redemption rights or sinking fund provisions with respect to the common stock.

Preferred Stock

The Board of Directors is authorized to provide for the issuance of shares of preferred stock in series and, by filing a certificate pursuant to the applicable law of Delaware, to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof without any further vote or action by the shareholders. Any shares of preferred stock so issued would have priority over the common stock with respect to dividend or liquidation rights. Any future issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of our Company without further action by the shareholders and may adversely affect the voting and other rights of the holders of common stock. At present, we have no plans to neither issue any preferred stock nor adopt any series, preferences or other classification of preferred stock.

The issuance of shares of preferred stock, or the issuance of rights to purchase such shares, could be used to discourage an unsolicited acquisition proposal. For instance, the issuance of a series of preferred stock might impede a business combination by including class voting rights that would enable the holder to block such a transaction, or facilitate a business combination by including voting rights that would provide a required percentage vote of the stockholders. In addition, under certain circumstances, the issuance of preferred stock could adversely affect the voting power of the holders of the common stock. Although the Board of Directors is required to make any determination to issue such stock based on its judgment as to the best interests of our stockholders, the Board of Directors could act in a manner that would discourage an acquisition attempt or other transaction that some, or a majority, of the stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then market price of such stock. The Board of Directors does not at present intend to seek stockholder approval prior to any issuance of currently authorized stock, unless otherwise required by law or stock exchange rules. We have no present plans to issue any preferred stock.

The description of certain matters relating to the securities of the Company is a summary and is qualified in its entirety by the provisions of the Company's Certificate of Incorporation and By-Laws, copies of which have been filed as exhibits to the Company's Form 10 filed with the Commission on May 18, 2014 (and which have been incorporated herein by reference as an exhibit, below).

Dividends

We have not paid any dividends on our common stock and do not presently intend to pay cash dividends. The payment of cash dividends in the future, if any, will be contingent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to consummation of a business combination, if any. The payment of any dividends subsequent to a business combination, if any, will be within the discretion of our then existing board of directors. It is the present intention of our board of directors to retain all earnings, if any, for use in our business operations and, accordingly, the board of directors does not anticipate paying any cash dividends in the foreseeable future.

Securities Authorized for Issuance under Equity Compensation Plans

In 2016, the Company entered into Employment Agreements with four (4) employees. Four of these employees were issued shares of restricted common stock in lieu of compensation in 2016. These employees are as follows:

Name	Position	Date of Employment Agreement	Stock Issuance
Lilian Nekesa Mabonga	Executive Vice President of Business Development	March 22, 2016	100,000 shares of restricted common stock
Ying Cheng	Managing Director for Business Development in China	July 10, 2016	40,000 shares of restricted common stock
Arhibald Ihegaranya	Vice President for Marketing	November 28, 2016	25,000 shares of restricted common stock
Watson Salapo	Vice President for Marketing	November 28, 2016	25,000 shares of restricted common stock

Recent Sales of Unregistered Securities

N/A

Issuer Purchases of Equity Securities

See discussion of “ATI Modular” and “ATI Nationwide” under Item 1.

ITEM 6. SELECTED FINANCIAL DATA

As a “smaller reporting company,” as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with the audited financial statements and the notes to the audited financial statements included in this Annual Report on Form 10-K. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those anticipated in these forward-looking statements.

We qualify as an "emerging growth company" under the JOBS Act. As a result, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements. For so long as we are an emerging growth company, we will not be required to:

- have an auditor report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- submit certain executive compensation matters to shareholder advisory votes, such as "say-on-pay" and "say-on-frequency;" and
- disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards.

We will remain an "emerging growth company" for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our total annual gross revenues exceed $1 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, which would occur if the market value of our ordinary shares that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period. As an emerging growth company, the company is exempt from Section 14A and B of the Securities Exchange Act of 1934 which require the shareholder approval of executive compensation and golden parachutes. The Company is an Emerging Growth Company under the JOBS Act of 2012, but the Company has irrevocably opted out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(B) of the JOBS Act.

The Company incorporates by reference the historical information set forth above, including but not limited to the discussion related to material definitive agreements under Item 1.01 and completion of acquisition of assets under Item 2.01. In further response, we were originally organized as a vehicle to investigate and, if such investigation warrants, acquire a target company or business seeking the perceived advantages of being a publicly held corporation.

We plan to raise capital following our recent change in status to an operating entity through the offering of shares of common stock or preferred stock to investors. We anticipate we will need to pursue capital to fund our operations over the next twelve months. We believe we will be able to raise the necessary capital to carry out our business plan, but there is no assurance that we will be able to do so.

Overview

As a result of the Contribution Agreement, the Company acquired all rights, title and interest in and to AmericaTowne and AmericaStreet images, signatures, business plans, studies, analyses, likenesses and goodwill appurtenant thereto. The Company acquired certain rights of publicity in the trademark and registration of AmericaTowne, and the name, image, likeness, signature and other elements of AmericaTowne persona and identity. The Company acquired all rights, title and interest in any derivative or joint development programs using the intellectual property contributed under the Contribution Agreement, plus all historical contacts, business relationships, business expectancies, references and any other actual or perceived business interests in China. Using these assets, the Company procured those agreements set forth in Item 1.01 (i.e. the Exporter Services Agreement and the Licensing, Lease and Use Agreement).

In fiscal year 2016, the Company achieved $2,259,540 in revenue, compared to $1,259,541 in revenue for the fiscal year 2015. We can make no assurances that we will find commercial success in any of our products. We also rely upon the Service Agreement with Yilaime NC, November 11, 2014 Form 8K, under Item 15(a)(3) 10.8, for revenues. We are a new company and thus have very limited experience in sales expectations and forecasting. We also have not fully discovered any seasonality to our business as we began operations for the first quarter of 2016. We intend on relying on Yilaime for operational support. If we cannot achieve independent commercial success, we may need to continue to rely on Yilaime for support. If Yilaime at any time decides to alter or change materially our arrangement, we could experience a material adverse effect on the Company.

Results of Operations through December 31, 2016

Our operating results are summarized as follows:

	For the Year Ended December 31, 2016		For the Year Ended December 31, 2015	
Revenues	$	1,759,540	$	1,259,541
Cost of Revenues	$	244,486	$	126,197
Gross Profit	$	1,515,054	$	1,133,344
Operating Expenses	$	1,592,185	$	995,339
Provision for income taxes	$	(3,549)	$	26,950
Net Income (Loss)	$	(71,141)	$	107,658

Revenues

During fiscal year 2016, the Company had sales of $1,759,540, compared to 2015 sales of $1,259,541. Our sales consisted of $1,559,540 in primarily Export Service Agreements, and $200,000 in Services to related parties for Operation fees. The Cost of Revenues to related parties were $244,486. Compared to 2014, our revenues increased $499,999 or 40%. The increase is due to implementing our business plan focusing on increasing exporters in our program and inclusion of revenue from a new subsidiary.

Pursuant to the Company's Service Agreement with Yilaime, Yilaime paid the Company $200,000 in fiscal year 2016 for an "Operations Fee". In 2015, the Company had paid an Operations Fee of $200,000. The Operations Fee stems from the agreement between Yilaime and the Company whereby Yilaime acts as the Company's exclusive representative. The Operations Fee is not related to costs of revenues.

The related costs of revenues of $244,486 were costs associated with the Service Provider Agreement with Yilaime. The cost of revenues increased by $118,289 or 94%. The increase in the Operations Fee and costs of revenue were due to a full year worth of operations implementing our business plan.

We can make no assurances that we will find commercial success in any of our revenue producing contracts. We are a new company and thus have very limited experience in sales expectations and forecasting. We also have not fully discovered any seasonality to our business as we began operations in the first quarter of 2016.

Operating Expenses

Our expenses for the period ending December 31, 2016 and 2015 are outlined in the table below:

	December 31, 2016	December 31, 2015
General and administrative	$ 1,275,141	$ 889,202
Professional fees	$ 317,044	$ 106,137
Total operating expenses	$ 1,592,185	$ 995,339

Our operating expenses are largely attributable to office, rent and professional fees related to our reporting requirements as a public company and preparing our Registration Statement on Form S-1, implementing our business plan, and inclusion expenses from new subsidiaries. Compared to 2015, our operating expenses increased $596,846 or 60%.

Net Income

As a result of our operations, for 2016, the Company reported net loss after provision for income tax of $71,141. Compared to 2015, our net income decreased $178,799 or 166%. The decrease is due to higher operating expenses in 2016.

Liquidity and Capital Resources

Working Capital

	December 31, 2016	December 31, 2015
Current Assets	$ 2,531,909	$ 1,503,180
Current Liabilities	$ 660,043	$ 171,697
Working Capital	$ 1,871,866	$ 1,331,483

We have working capital of $1,871,866 on December 31, 2016. Compared to December 31, 2015, our working capital increased $540,383 or 41%. The increase is due to effectively implementing our marketing, growth and equity sales plans.

Cash Flow

	December 31, 2016	December 31, 2015
Net cash provided by (used in) operating activities	$ 311,225	($ 79,968)
Cash used in investing activities	$ 360,891	$ 20,346
Cash provided by financing activities	$ 381,019	$ 725,574
Increase (Decrease) in cash	$ 331,352	$ 625,260

Cash Provided by Operating Activities

Compared to 2015, increase in cash used in operating activities in 2016 is mainly due to increase in cash related net income and increase in accounts payable.

Cash Used in Investing Activities

We spent $10,891 on fixed assets and $350,000 on acquisition of subsidiaries for 2016.

Cash Provided by Financing Activities

Compared to 2015, our cash provided by financing activities decreased $344,555. The decrease is due to fewer proceeds from issuance of common stock in 2016.

As of December 31, 2016, the Company had sufficient amount of cash to operate its business at the current level for the next twelve months, but insufficient cash to achieve our business goals and initiatives set forth above. To address the cash situation, the Company continues to manage its cash accounts and receivables closely.

To date, we have been able to meet all of our account payable obligations within a five to ten day window. If required, we can extend this window to improve our cash flow position. Additionally, we have a plan to increase sales. There is no assurance that we will be able to maintain this level of operations.

The success of our business plan beyond the next twelve months is contingent upon us growing our business, keeping costs down, increasing revenue and obtaining additional equity and/or debt financing. We intend to fund operations through our pro-active efforts to monitor receivables, and debt and/or equity financing arrangements, which may be insufficient to fund our capital expenditures, working capital, or other cash requirements. We do not have any formal commitments or arrangements for the sales of stock or the advancement or loan of funds at this time. There is no assurance that such additional financing will be available to us on acceptable terms, or at all or that our receivable plan will be effective in the future.

Plan of Operation and Cash Requirements

The Company anticipates that its expenses over the next twelve months will be approximately $3,000,000 as described in the table below. These estimates may change significantly depending on the nature of our business activities and our ability to raise capital from our shareholders or other sources.

Description	Potential Completion Date	Estimated Expenses ($)
Trade Center Operations	12 months	550,000
Salaries	12 months	500,000
Utility expenses	12 months	50,000
Investor relations costs	12 months	100,000
Marketing expenses	12 months	350,000
Professional fees	12 months	150,000
Other administrative expenses	12 months	1,200,000
Total		**3,000,000**

Our other administrative expenses for the year will consist primarily of transfer agent fees, bank and interest charges and general office expenses. The professional fees are related to our regulatory filings throughout the year and include legal, accounting and auditing fees.

Based on our planned expenditures, we will require approximately $1,500,000 to proceed with our business plan over the next twelve months. If we secure less than the full amount of financing that we require, we will not be able to carry out our complete business plan and we will be forced to proceed with a scaled back business plan based on our available financial resources.

We intend to raise the balance of our cash requirements for the next twelve months from private placements, shareholder loans or possibly a registered public offering (either self-underwritten or through a broker-dealer). If we are unsuccessful in raising enough money through such efforts, we may review other financing possibilities such as bank loans. At this time we do not have a commitment from any third-party to provide us with financing. There is no assurance that any financing will be available to us or if available, on terms that will be acceptable to us.

Even though we plan to raise capital through equity or debt financing, we believe that the latter may not be a viable alternative for funding our operations, as we do not have sufficient tangible assets to secure any such financing. We anticipate that any additional funding will be in the form of equity financing from the sale of our common stock. At the close of 2016, we are considering financing arrangements for our common stock. However, the arrangements are not final and we cannot provide any assurance that we will be able to raise sufficient funds from the sale of our common stock to finance our operations. In the absence of such financing, we may be forced to abandon our business plan.

Quantitative and Qualitative Disclosures about Market Risk

We have not utilized any derivative financial instruments such as futures contracts, options and swaps, forward foreign exchange contracts or interest rate swaps and futures. We believe that adequate controls are in place to monitor any hedging activities. We do not have any borrowings and, consequently, we are not affected by changes in market interest rates. We do not currently have any sales or own assets and operate facilities in countries outside the United States and, consequently, we are not affected by foreign currency fluctuations or exchange rate changes. Overall, we believe that our exposure to interest rate risk and foreign currency exchange rate changes is not material to our financial condition or results of operations.

Off-Balance Sheet Arrangements

We have not entered into any 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.

Critical Accounting Policies

Our financial statements and related public financial information are based on the application of accounting principles generally accepted in the United States ("US GAAP"). US GAAP requires the use of estimates; assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expenses amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition.

We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

We believe the following is among the most critical accounting policies that impact our consolidated financial statements. We suggest that our significant accounting policies, as described in our financial statements in the Summary of Significant Accounting Policies, be read in conjunction with this Management's Discussion and Analysis of Financial Condition and Results of Operations.

Revenue Recognition

The Company recognizes revenue at the date of delivery to customers when a formal arrangement exists, the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. The Company's Revenue Recognition policy is provided in detail at Note 2, page F11 of the Financial Statements.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, "Income Taxes." ASC 740 requires a company to use the asset and liability method of accounting for income taxes, whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion, or all of, the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The adoption had no effect on the Company's consolidated financial statements.

Recent Accounting Pronouncements

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

Contractual Obligations

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As a “smaller reporting company” as defined by Item 10 of Regulation S-K, the Company is not required to provide this information.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Please see the financial statements beginning on page F-1 located elsewhere in this annual report on Form 10-K and incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are not and have not been any disagreements between the Company and its accountants on any matter of accounting principles, practices or financial statement disclosure.

ITEM 9A. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including our principal executive officer and the principal financial officer, we are responsible for conducting an evaluation of the effectiveness of the design and operation of our internal controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of the end of the fiscal year covered by this report. Disclosure controls and procedures means that the material information required to be included in our Securities and Exchange Commission ("SEC") reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to our company, particularly during the period when this report was being prepared.

Based on this evaluation, our principal executive officer and principal financial officer concluded as of the evaluation date that our disclosure controls and procedures as of December 31, 2016 were not effective to ensure that the information required to be disclosed by our company in reports it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities Exchange Commission and to ensure that such information is accumulated and communicated to our company's management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. The conclusion that our disclosure controls and procedures were not effective was due to the presence of the following material weaknesses in internal control over financial reporting which are indicative of many small companies with small staff: (i) inadequate segregation of duties and effective risk assessment; and (ii) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both United States generally accepted accounting principles and Securities and Exchange Commission guidelines. Management anticipates that such disclosure controls and procedures will not be effective until the material weaknesses are remediated.

We plan to take steps to enhance and improve the design of our internal controls over financial reporting. During the period covered by this quarterly report on Form 10-Q, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we plan to implement the following changes during our fiscal year ending December 31, 2017, subject to obtaining additional financing: (i) appoint additional qualified personnel to address inadequate segregation of duties and ineffective risk management; and (ii) adopt sufficient written policies and procedures for accounting and financial reporting. The remediation efforts set out above are largely dependent upon our securing additional financing to cover the costs of implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely affected in a material manner.

Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake.

No events occurred requiring disclosure under Item 304 of Regulation S-K during the subject fiscal year. This annual report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the company's registered public accounting firm due to a transition period established by rules of the Securities and Exchange Commission for new public companies.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The following table contains information concerning our directors and officers as of December 31, 2016.

Directors and Executive Officers

Name	Age	Position
Alton Perkins	65	President, Chief Executive Officer, Chief Financial Officer, Secretary and Chairman of the Board of Directors
Xianghai Lin	39	Vice President China Operations
Mabiala T. Phuati	55	Senior Vice President Worldwide Operations
Dr. Yu Wang	61	Senior Vice President for Human and Export Technical Compliance
Dr. Daniel K. Gatabaki	64	Vice President for Marketing USA and Africa
Ying Cheng	54	Managing Director of Business Development in China

Biographical Information for Alton Perkins, Age 65, Chairman of the Board of Directors, President, Chief Executive Officer, Chief Financial Officer and Secretary

Mr. Perkins currently serves as President, Chief Executive Officer and Chairman of the Board of Directors of Yilaime and Yilaime's related entity doing business in North Carolina. Mr. Perkins is a former decorated Air Force Officer and Missile Launch Officer with 22 years of military service who graduated from the University of Southern Illinois with a B.S. in Business Administration and a M.B.A. from the University of North Dakota. From 1988 through 1997 he held CEO positions with start-up companies in the Jet Fuels, Defense Contracting, construction, business consulting and development, and real estate industries. From 1997 through 2009, Mr. Perkins served as the CEO and Chief Technology Officer for Internet, childcare operations, media, and realty development companies. From 2009 to present, Mr. Perkins has served as Chairman of Yilaime and its related entity. Mr. Perkins has expertise in conducting business in China. Living and working in China studying Chinese consumer habits, working with Chinese entrepreneurs and government agencies, he developed the AmericaTowne and AmericaStreet concept.

In addition to serving as Co-Chair of Yilaime Foreign Invested Partnership in China an entity focused on real estate development, he served as a Chief consultant to a major Chinese Chemical Company responsible for funding and technology transfer; he coordinated business with USA based auditors, DOW Chemical and USA Exim Bank. Mr. Perkins is subject to a Desist and Refrain Order dated March 21, 2008 issued by the State of California's Business, Transportation and Housing Agency, Department of Corporations. Mr. Perkins has been in compliance with the Order since issuance. The Order is not related in any manner with respect to the Company or its related parties. To the extent the Order was entered, there is no restriction on Mr. Perkins from engaging in an offering in the State of California provided he complies with the appropriate disclosures and laws.

Biographical Information for Xianghai Lin, Age 38, Vice President

Mr. Xianghai Lin, a Chinese citizen residing in China is responsible for the Corporation's operations in China. From 2010 to 2012 Mr. Lin served as Director of Marketing and Investments for Yilaime Corporation's Foreign Invested Partnership in China. Mr. Lin was a lead executive in helping to develop the AmericaTowne and AmericaStreet concept. Mr. Lin serves as the Company's Managing Director for all operations in China. Prior to working with Yilaime Corporation, Mr. Lin was the Assistant Managing Director for one of China's largest Grocery Chains. Mr. Lin has expertise in product design, marketing and sales. He is responsible for the export Buyer Program and the AmericaTowne and AmericaStreet Export Support programs in China.

Biographical Information for Mabiala T. Phuati, Age 55, Vice President

Mr. Mabiala T. Phuati currently serves as President and Chief Executive Officer of the Yilaime entity doing business in North Carolina. Mr. Phuati is a retired from the Zaire Government now the Democratic Republic of Congo. Mr. Phuati previously worked at the World Bank, and the United Nations. His portfolio of work includes: Executive Administrator of the Democratic Republic of Congo Government; Executive Administrator for United Nations High Commission for Refugees in the Central African Region; World Bank; World Health Organization; and the State Banking Commission for the North Carolina Department of Commerce.

After leaving the State Banking Commission, in 2000, Mr. Phuati served as the President and Chief Executive Officer of Global Development Corporation a private enterprise where he focused on developing business in Africa in the mining industry. In 2012, Mr. Phuati became Managing Director of the Yilaime entity doing business in North Carolina. In 2013, Mr. Phuati was promoted to President and Chief Executive Officer of the Yilaime entity doing business in North Carolina and Vice President of Yilaime.

Biographical Information for Dr. Yu Wang, Age 61, Senior Vice President of Human Resources and Export Technical Compliance

Dr. Wang is from China, and is a resident of the United States. She serves as the Senior Vice President of Human Resources and Export Technical Compliance. Dr. Wang worked for Duke University for more than twenty years in the field of medical research. Prior to her work at Duke University, Dr. Wang was an Associate Professor for six years at Tongi University China. After retiring from Duke University in 2013, Dr. Wang served as the President and Chief Executive Officer of United International Development Inc. ("United Development"), a private enterprise where she focused on international trade and development. In 2014, Dr. Wang became Managing Assistant Director in United Development. In late-August 2015, Dr. Wang was appointed to her current Senior Vice President position with the Company.

Biographical Information for Dr. Daniel Gatabaki, Age 64, Vice President for Marketing USA and Africa

Dr. Gatabaki is 63 years old. He is a native of Kenya, and a resident of the United States. He is responsible for the Corporation's development of operations in Africa. Dr. Gatabaki earned a Bachelor of Education degree from University of Nairobi and Master of International Affairs, Master of Economics and Ph.D. degrees from Ohio University. In addition to holding a number of Associate and Assistant faculty positions at the college level, Dr. Gatabaki comes to the Company from Behavioral Health Care, where since 2011 he has been a President and Chief Executive Officer of Canaan Care Homes, LLC, an entity focusing on catering to residential homes for intellectually and developmentally disabled adults in Wake County, North Carolina.

Biographical Information for Ying Cheng, Age 54, Managing Director for Business Development in China

Mrs. Ying Cheng, a Chinese citizen and long-term US resident, had served as an agent in building materials and had engaged in import and export business in China. Her responsibilities in the company includes developing business plans in China; focusing on capital investments. She is responsible for setting up a subsidiary in Chizhou and developing AmericaTowne and all its related businesses in China.

The Board of Directors and Committees

As of the date of this Report, we had no independent directors. We anticipate appointing independent directors as required in the future.

Audit Committee

As of the date of this Report, we do not have an Audit Committee. We intend to establish an Audit Committee of the Board of Directors, which will consist of independent directors, of which at least one director will qualify as a qualified financial expert as defined in the regulations of the SEC. The Audit Committee's duties would be to recommend to our Board of Directors the engagement of independent auditors to audit our consolidated financial statements and to review our accounting and auditing principles. The Audit Committee would review the scope, timing and fees for the annual audit and the results of audit examinations performed by the internal auditors, if any, and independent public accountants, including their recommendations to improve the system of accounting and internal control. The Audit Committee would at all times be composed exclusively of directors who are, in the opinion of our Board of Directors, free from any relationship that would interfere with the exercise of independent judgment as a committee member and who possess an understanding of financial statements and generally accepted accounting principles. As of the date of this Report, we did not have an audit committee financial expert, in light of our size, although we intend to review this issue as the Company grows, especially as the Company implements an Audit Committee.

Compensation Committee

As of the date of this Report, we do not have a Compensation Committee. We intend to establish a Compensation Committee of the Board of Directors. The Compensation Committee would review and approve our salary and benefits policies, including compensation of executive officers. The Compensation Committee would also administer any stock option plans that we may adopt and recommend and approve grants of stock options under such plans.

Nominating and Corporate Governance Committee

As of the date of this Report, we do not have a Nominating and Corporate Governance Committee. We intend to establish a Nominating and Corporate Governance Committee of the Board of Directors to assist in the selection of director nominees, approve director nominations to be presented for stockholder approval at our annual meeting of stockholders and fill any vacancies on our Board of Directors, consider any nominations of director candidates validly made by stockholders, and review and consider developments in corporate governance practices.

Compliance with Section 16(A) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934, as amended ("Section 16(a)"), requires our Directors and executive officers, and persons who beneficially own more than ten percent of a registered class of our equity securities (collectively, "Section 16 reporting persons"), to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock and other equity securities. Section 16 reporting persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based upon reports provided to the Company, all Section 16 reporting persons filed timely reports on Form 3 and/or Form 4 in fiscal year 2016.

Code of Ethics

As of the date of this Report, we do not have a formal, written code of conduct ("Code of Ethics") within the specific guidelines promulgated by the SEC, although we intend to adopt a Code of Ethics.

ITEM 11. EXECUTIVE COMPENSATION

It is the intention of the Company to establish nominating committees, audit committees, compensation committees and protocols and procedures associated with annual and special meetings of shareholders (to the extent not addressed in the enclosed Bylaws). Since we do not have an audit or compensation committee comprised of independent directors, the functions that would have been performed by such committees are performed by our director. The Company is of the opinion that such committees are not necessary since AmericaTowne is an early exploration stage company and has only one director, and to date, said director has been performing the functions of said committees. Thus, there is a potential conflict of interest in that our director and officer has the authority to determine issues concerning management compensation, nominations, and audit issues that may affect management decisions. We anticipate that we will form such committees of the Board of Directors once we have a full Board of Directors.

To further its development, the Company entered into several employment agreements in 2016 that resulted in stock-based compensation. On March 22, 2016, the Company entered into an Employment, Lock-Up and Options Agreement with Lilian Nekesa Mabonga to serve as the Company's Executive Vice President of Business Development. It is anticipated that Ms. Mabonga will focus on African markets. The Company issued 100,000 shares of common stock to Ms. Mabonga in consideration of her services. Additionally, Ms. Mabonga has the option to acquire up to 100,000 shares of stock for each year she is employed by the Company for up to four years.

On July 10, 2016, the Company entered into an employment agreement with Ying Cheng to serve as its Managing Director for Business Development in China. Mr. Cheng was issued 40,000 shares of restricted common stock in the Company as compensation. Mr. Cheng also has the right, but not the obligation, to purchase up to 100,000 shares of restricted common stock at $0.50 per share of the Company for each year of his employment for up to five years.

On November 28, 2016, the Company entered into employment agreements with Arhibald Ihegaranya and Watson Salapo to serve as the Company's Vice Presidents for Marketing. The Company issued 25,000 shares of common stock to Mr. Ihegaranya and 25,000 shares of common stock to Mr. Salapo in consideration of their services. The Company also agreed to provide Mr. Ihegaranya and Mr. Salapo options to acquire up to 80,000 shares of common stock of the Company, each, in increments of one-fourth (i.e. 80,000 divided by 4) per year over a four-year period.

The Company has adopted an Employee Stock Option Plan, but no shares have been registered or issued. The Company has not yet adopted retirement, pension, or profit sharing programs for the benefit of directors, officers or other employees, but our officers and directors may recommend adoption of one or more such programs in the future. The Company paid $1.00 to its director and Principle Executive Officer, Mr. Perkins, in compensation for 2016.

Compensation paid to executives and directors are detailed in the following tables.

Summary Compensation Table

Name and Principle Position	Year	Salary	Bonus	Stock Awards	Option Awards	Nonequity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Alton Perkins (PEO)	2016	$1		$255,018					
Mabiala T. Phuati	2016	$55,173		$20,000					
Daniel K. Gatabaki	2016	$29,280		$37,500					
Yu Wang	2016	$24,604		$39,764					

Outstanding Equity Awards at Fiscal Year-End

Name	Option awards					Stock awards			
	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Option exercise price ($)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares of units of stock that have not vested ($)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($)
Alton Perkins	3,900,000			.05	12/31/2019				
Mabiala T. Phuati	1,000,000			.50	12/31/2019				
Daniel K. Gatabaki	250,000			.50	12/31/2018				
Yu Wang	1,000,000			.50	12/31/2018				

Director Compensation

Name	Fees earned or paid in cash ($)	Stock awards ($)	Option awards ($)	Non-equity incentive plan compensation ($)	Nonqualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
Alton Perkins	$1	$-	$-	$-	$-	$-	$1

Retirement Plan

The Company does not currently have any retirement plan, but we expect to adopt one in the near term.

Compensation of Directors During Period Ended December 31, 2016.

None.

Audit Committee Financial Expert

The Company does not have an audit committee financial expert.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table set forth in this subsection lists, as of December 31, 2016, the number of shares of common stock of our Company that are beneficially owned by (i) each person or entity known to our company to be the beneficial owner of more than 5% of the outstanding common stock; (ii) each officer and director of our company; and (iii) all officers and directors as a group.

Information relating to beneficial ownership of common stock by our principal shareholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the SEC. Under these rules, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or direct the voting of the security, or investment power, which includes the power to vote or direct the voting of the security. The person is also deemed to be a beneficial owner of any security of which that person has a right to acquire beneficial ownership within sixty days. Under the SEC rules, more than one person may be deemed to be a beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which he or she may not have any pecuniary beneficial interest. Except as noted below, each person has sole voting and investment power.

The percentages below are calculated based on 27,034,775 shares of our common stock issued and outstanding as of the latest practicable date prior to this filing. As part of their employment agreement, all key employees retain an option to purchase shares of common stock of the Company. We do not have any other outstanding warrant, options or other securities exercisable for or convertible into shares of our common stock.

Name of Beneficial Owner (1) Named Executive Officers	Amount and Nature of Beneficial Ownership	Percent (%) of Common Stock
Alton Perkins (2)(3)	21,842,691	80.79%
Xianghai Lin	78,421	0.29%
Mabiala T. Phuati	517,198	1.91%
Yu Wang	477,190	1.76%
Daniel K. Gatabaki	583,310	2.16%
Ying Cheng	100,000	0.37%
All Directors and Officers	23,598,810	87.29%

(1) The above table is based upon information derived from our stock records. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable. Unless otherwise indicated, beneficial ownership is determined in accordance with the Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, and includes voting or investment power with respect to the shares beneficially owned.

(2) Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer and Secretary.

(3) Mr. Perkins is the majority shareholder of Yilaime. Mr. Perkins is also the Trustee of the Alton & Xiang Mei Lin Perkins Family Trust. These two entities are the holders of the majority of issued and outstanding shares of common stock in the Company.

B. Significant Employees

We are dependent on the experience, knowledge, skill and expertise of our President, CEO, CFO, Secretary and Chairman of the Board - Alton Perkins. The loss of Mr. Perkins could materially and adversely affect our future business efforts. Our success depends in substantial part upon the services, efforts and abilities of Mr. Perkins, and our two related entities - Yilaime and Yilaime NC. We do not currently carry key-man life insurance on Mr. Perkins or any of our officers and have no present plans to obtain this insurance.

C. Family Relationships

There are no family relationships among directors, executive officers, or persons nominated or chosen by the issuer to become directors or executive officers.

D. Involvement in Certain Legal Proceedings

There have been no events under any bankruptcy act, no criminal proceedings and no judgments, injunctions, orders or decrees material to the evaluation of the ability and integrity of any director, executive officer, promoter or control person of Registrant during the past five years.

Nominating Committee

We have not adopted any procedures by which security holders may recommend nominees to our Board of Directors.

Audit Committee

The Board of Directors acts as the audit committee.

Our officers and director do not receive any compensation for services rendered to the Company since inception, have not received such compensation in the past, and is not accruing any compensation pursuant to any agreement with the Company. No remuneration of any nature has been paid for or on account of services rendered by a director in such capacity. Our CFO and our outside directors intend to devote no more than (25) twenty five hours per week to our affairs. Our officers and directors will not receive any finder's fee, either directly or indirectly, as a result of any efforts to implement our business plan outlined herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As set forth above, the Company has engaged in, and anticipates that it will continue to engage in, related party transactions with Yilaime, ATI Modular, and ATI Nationwide. The Company believes that maintaining a relationship with all three related entities will enhance its prospects of success and facilitate additional benefits for its shareholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed by the Company's auditors, Yichien Yeh, CPA for professional services rendered for the audit of our annual financial statements, review of our quarterly financial statements or services that are normally provided in connection with statutory and regulatory filings for the year ending December 31, 2016 was $39,000.

Audit Related Fees

There were no fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements for the year ending December 31, 2016.

Tax Fees

There were no fees billed for professional services for tax compliance, tax advice, tax planning for the year ending December 31, 2016.

All Other Fees

There were no fees billed for other products and services for the year ending December 31, 2015.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Exhibit	Exhibit Description	Filed herewith	Form	Period Ending	Exhibit	Filing Date
3.1	Certificate of Incorporation		10-12G		31.1	5/8/2014
3.2	By-Laws		10-12G		3.2	5/8/2014
3.3	Specimen Stock Certificate		10-12G		4.1	5/8/2014
10.1	United States Service Provider Agreement dated January 15, 2016		8-K		10.1	1/25/2016
10.2	Exporter Service Agreement dated June 30, 2015 and Amendment Dated January 27, 2016 (Kaise Strong, LLC f/k/a KCC Construction, Inc.)		8-K		10.4	1/29/2016
10.3	United States Service Provider Agreement dated January 15, 2016		8-K		10.1	1/25/2016
10.4	Exporter Service Agreement dated June 30, 2015 and Amendment Dated January 27, 2016 (Kaise Strong, LLC f/k/a KCC Construction, Inc.)		8-K		10.4	1/29/2016
10.5	EB-5 Project Advisory Agreement dated February 4, 2016 (Artisan Business Group, Inc.)		8-K		10.1	2/5/2016
10.6	Transfer Agent Agreement dated February 4, 2016 (Island Stock Transfer)		8-K		10.1	2/5/2016
10.7	Exporter Service Agreement dated February 26, 2016 (Hosana)		8-K		10.1	3/2/2016
10.8	Project Development Agreement dated March 8, 2016 (Clarke Associates, LLC)		8-K		10.1	4/4/2016
10.9	Feasibility Economic Impact Analysis Agreement dated March 31, 2016 (Barnhart Economic Services, LLC)		8-K		10.2	4/4/2016
10.10	Employment, Lock-Up, and Options Agreement dated March 22, 2016		8-K		10.3	4/4/2016
10.11	Exporter Services Agreement dated March 28, 2016 (Golden Ventures, LLC)		8-K		10.1	4/12/2016
10.12	Exporter Services Agreement dated March 30, 2016 (Veterans Resource Team)		8-K		10.2	4/12/2016
10.13	International Trade Center Service Provider Agreement dated March 21, 2016 (Yilaime)		8-K		10.3	4/12/2016
10.14	International Trade Center Service Provider Agreement dated March 25, 2016 (Toni Oyelowo)		8-K		10.6	4/12/2016
10.15	International Trade Center Service Provider Agreement dated March 28, 2016 (Joseph Tackie)		8-K		10.7	4/12/2016
10.16	Exporter Service Agreement dated April 27, 2016 (FEMEB Nigeria Limited)		8-K		10.1	5/9/2016
10.17	International Trade Center Services Provider Agreement (Ivory Coast Trade Center Agreement)		8-K		10.1	5/18/2016
10.18	Consulting, Confidentiality and Restrictive Covenants Agreement dated May 20, 2016 (Chaslin)		8-K		10.1	5/24/2016
10.19	Mutual Compensation Schedule dated March 30, 2016 (Yilaime)		8-K		10.8	5/26/2016
10.20	Mutual Compensation Schedule dated March 25, 2016 (Oyelowo)		8-K		10.9	5/26/2016
10.21	Mutual Compensation Schedule dated March 28, 2016 (Tackie)		8-K		10.10	5/26/2016
10.22	Stock Purchase and Sale Agreement dated June 2, 2016 (Global Recycle Energy, Inc.)		8-K		1.01	6/7/2016
10.23	Cooperative Agreement (Modular Construction)		8-K		1.01	6/28/2016
10.24	Cooperative Agreement (AmericaTowne Community)		8-K		1.02	6/28/2016
10.25	Modular Construction & Technology Services Agreement dated June 28, 2016 (ATI Modular)		8-K		10.1	7/14/2016
10.26	Master Joint Venture and Operational Agreement dated July 11, 2016 (Nationwide)		8-K		10.2	7/14/2016
10.27	Employment, Lock-up, and Options Agreement dated July 10, 2016 (Ying Cheng)		8-K		10.3	7/14/2016
10.28	Stock Purchase Agreement dated October 3, 2016 (Carson Holdings,		8-K		10.1	10/13/2016

	LLC)				
10.29	Stock Purchase Agreement dated October 3, 2016 (Passalaqua)		8-K	10.2	10/13/2016
10.30	Master Joint Venture and Operational Agreement dated July 5, 2016 (Nationwide)		8-K	10.1	10/27/2016
10.31	Cooperative Agreement (Shexian and ATI Modular)		8-K/A	10.1	11/22/2016
10.32	Cooperative Agreement (Shexian and AmericaTowne)		8-K	10.2	11/22/2016
10.33	International Trade Center Service Provider Agreement dated November 21, 2016 (Guinea, Bangoura Djibril)		8-K	10.1	12/7/2016
10.34	United States Trade Center Service Provider Agreement dated November 28, 2016 (Mardy MD Eger)		8-K	10.2	12/7/2016
10.35	Employment, Lock-Up, and Options Agreement dated November 28, 2016 (Ihegaranya)		8-K	10.3	12/7/2016
10.36	Employment, Lock-Up, and Options Agreement dated November 28, 2016 (Salapo)		8-K	10.4	12/7/2016
10.37	Exporter Service Agreement dated December 18, 2016 (Rays)		8-K	10.1	12/20/2016
10.38	First Amendment to Master Joint Venture and Operational Agreement dated December 19, 2016 (Nationwide)		8-K/A	10.1	12/23/2016
31.1	Certification of Chief Executive Officer pursuant to Securities and Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification of Chief Financial Officer pursuant to Securities and Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	Certification of Chief Executive Officer pursuant to Securities and Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.2	Certification of Chief Financial Officer pursuant to Securities and Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			

(b) The following documents are filed as part of the report:

1. Financial Statements: Balance Sheet, Statement of Operations, Statement of Stockholder's Equity, Statement of Cash Flows, and Notes to Financial Statements.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

AMERICATOWNE, INC.

By: /s/ Alton Perkins
Alton Perkins
Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer
Dated: February 6, 2018

FINANCIAL INDEX

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of AMERICATOWNE Inc.

We have audited the accompanying consolidated balance sheets of AMERICATOWNE Inc. and its subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related statement of operations, stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2016. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company. as of December 31, 2016 and 2015, and the results of operations and cash flows for each of the years in the two –year period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the financial statements for the year ended December 31, 2016 have been restated to correct a misstatement.

/s/Yichien Yeh, CPA
Yichien Yeh, CPA
Oakland Gardens, New York
January 31, 2018

AMERICATOWNE Inc.
Consolidated Balance Sheets

	December 31 2016 (Restated)	December 31 2015
ASSETS		
Current Assets		
Cash and cash equivalents	$ 973,015	$ 641,663
Accounts receivable, net	610,715	823,144
Accounts receivable, net - related parties	687,966	35,779
Other receivables - related parties	259,569	—
Prepayment-current	644	2,594
Total Current Assets	2,531,909	1,503,180
Prepayment-non current	7,675	8,161
Property, plant and equipment, net	25,861	18,357
Deferred tax assets	10,774	
Goodwill	40,331	40,331
Investments	3,860	3,860
Total Assets	$ 2,620,410	$ 1,573,889
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	$ 240,287	$ 121,408
Deferred revenues-current	328,929	4,542
Notes payable	—	10,000
Other payables	5,016	—
Due to related parties	42,839	—
Income tax payable	42,972	35,747
Total Current Liabilities	660,043	171,697
Deferred revenues-non current	53,981	58,521
Total Liabilities	714,024	230,218
Commitments & Contingencies		
Shareholders' Equity		
Preferred stock, $0.0001 par value; 5,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $0.0001 par value; 100,000,000 shares authorized, 26,974,775 and 25,243,205 shares issued and outstanding	2,697	2,524
Common stock subscribed	90	—
Additional paid-in capital	3,329,750	2,438,099
Deferred compensation	(1,450,842)	(1,233,198)
Receivable for issuance of stock	(65,223)	—
Retained Earnings	98,631	136,246
Noncontrolling interest	(8,717)	—
Shareholders' Equity	1,906,386	1,343,671
Total Liabilities and Shareholders' Equity	$ 2,620,410	$ 1,573,889

See Notes to Financial Statements

AMERICATOWNE Inc.
Consolidated Statement of Operations

	For the Years Ended	
	December 31, 2016 (Restated)	December 31, 2015
Revenues		
Sales	$ 1,209,540	$ 1,059,541
Services-related parties	550,000	200,000
	1,759,540	1,259,541
Cost of Revenues-Related Parties	244,486	126,197
Gross Profit	1,515,054	1,133,344
Operating Expenses		
General and administrative	1,275,141	889,202
Professional fees	317,044	106,137
Total operating expenses	1,592,185	995,339
Income (Loss) from operations	(77,131)	138,005
Other Expenses (Income)	(2,441)	3,397
Provision for income taxes	(3,549)	26,950
Net Income (Loss)	(71,141)	107,658
Less: Net loss attributable to the noncontrolling interest	33,525	—
Net income (loss) attributable to AMERICATOWNE, Inc common stockholders	$ (37,616)	$ 107,658
Earnings (Loss) per share - basic and diluted	$ (0.003)	$ 0.005
Weighted average shares outstanding- basic and diluted	26,599,745	21,777,024

See Notes to Financial Statements

AMERICATOWNE Inc.

Consolidated Statements of Stockholders' Equity
For the Years Ended December 31, 2016 and 2015
(Restated)

AMERICATOWNE Inc
Consolidated Statements of Stockholders' Equity
For the Years Ended December 31, 2016 and 2015
(Restated)

		Americatowne Inc. Shareholders									
		Preferred Stock		Common Stock		Common Stock	Additional Paid-In	Retained	Deferred	Receivable for Issuance	Non-Controlling
	Total	Shares	Amount	Shares	Amount	Subscribed	Capital	Earnings	Compensation	of stock	Interest
Balance, December 31, 2014	$ 99,781	-	$ -	18,577,565	$ 1,858	$ -	$ 1,432,533	$ 28,588	$ (1,363,198)	$ -	$ -
Shares issued for Intangibles	-	-	-	750,000	75	-	(75)	-	-	-	-
Shares Issued for Investments	3,860	-	-	3,616,059	362	-	3,498	-	-	-	-
Shares Issued for Proceeds	740,574	-	-	1,252,391	125	-	740,449	-	-	-	-
Shares Issued for Compensation	-	-	-	1,047,190	105	-	261,693		(261,798)	-	-
Amortization of Deferred Compensation	391,798	-	-	-	-	-	-	-	391,798	-	-
Net Income for the Period	107,658	-	-	-	-	-	-	107,658	-	-	-
Balance, December 31, 2015	$ 1,343,671	-	$ -	25,243,205	$ 2,524	$ -	$ 2,438,099	$ 136,246	$ (1,233,198)	$ -	$ -
Shares Issued for Service	875	-	-	8,718	1	-	874	-	-	-	-
Shares Issued for Compensation	-	-	-	617,190	62	-	654,236	-	(654,298)	-	-
Amortization of Deferred Compensation	436,653	-	-	-	-	-	-	-	436,653	-	-
Shares issued for Debt Conversion	169,168	-	-	171,628	17	-	169,151	-	-	-	-
Shares Issued for Proceeds	235,970	-	-	934,034	93	90	301,010	-	-	(65,223)	-
Business Combination	(534)	-	-	-	-	-	-	-	-	-	(534)
Capital Contribution	145,049	-	-	-	-	-	119,706	-	-	-	25,343
Acquisition of non-business entity	(353,325)	-	-	-	-	-	(353,325)	-	-	-	-

Net loss for the Period	(71,141)	-	-	-	-	-	-	(37,616)	-	-	(33,525)
Balance, December 31, 2016	$ 1,906,386	-	$ -	26,974,775	$ 2,697	$ 90	$ 3,329,750	$ 98,631	$ (1,450,842)	$ (65,223)	$ (8,717)

See Notes to Consolidated Financial Statements.

See Notes to Financial Statements

AMERICATOWNE Inc.
Consolidated Statement of Cash Flows

	For the Years Ended December 31, 2016 (Restated)	December 31, 2015
Operating Activities:		
Net income (loss)	$ (71,141)	$ 107,658
Adjustments to reconcile net income (loss) to net cash provided by operations		
Depreciation	3,388	1,989
Notes issued for expenses	-	25,000
Stock compensation	436,653	391,798
Stock issued for services	875	-
Bad debt provision	128,816	84,767
Changes in operating assets and liabilities:		
Accounts receivable, net	(568,573)	(800,556)
Other receivable - related parties	(278,811)	-
Prepayment	2,436	(1,303)
Deferred tax assets	(10,774)	-
Accounts payable and accrued expenses	274,189	94,867
Deferred revenues	319,847	(4,541)
Other payables	5,016	-
Due to related parties	62,080	-
Income tax payable	7,225	20,353
Net cash provided by (used in) operating activities	311,225	(79,968)
Investing Activities:		
Purchase of fixed assets	(10,891)	(20,346)
Acquisition of subsidiaries	(350,000)	-
Net cash used in Investing activities	(360,891)	(20,346)
Financing Activities:		
Repayment of notes payable	-	(15,000)
Proceeds from issuance of common stock	381,019	740,574
Net cash provided by financing activities	381,019	725,574
Increase (Decrease) in cash and cash equivalents	331,352	625,260
Cash and cash equivalents at beginning of period	641,663	16,403.00
Cash and cash equivalents at end of period	$ 973,015	641,663
Supplemental disclosure of cash flow information		
Interest paid	$ 535	$ 638
Income taxes paid	$ -	$ 6,597
Noncash investing and financing activities:		
Shares issued to convert notes payables and other debts	$ 169,168	$ -

See Notes to Financial Statements

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

AmericaTowne, Inc. (the "Company") was incorporated under the laws of the State of Delaware on April 22, 2014. The Company is engaged in exporting and consulting in the exportation of American made goods, products and services to China and Africa through strategic relationships in China and in the United States, which is referred to internally by the Company as the "AmericaTowne Platform". The Company's forward-looking vision is to create a physical location called AmericaTowne in China that incorporates business selling the "American experience" in housing, retail, education, senior care and entertainment. The Company's Registration Statement on Form S-1/A went effective on November 6, 2015 and we terminated the S1 on October 19, 2016.

On June 6, 2016, the Company purchased the majority and controlling interest in ATI Modular Technology Corp (“ATI Modular”), formerly Global Recycle Energy, Inc. OTC:Pinks (GREI) through the acquisition of 100,000,000 shares (86%) of restricted common stock. The Stock Purchase and Sale Agreement dated June 2, 2016 (the “SPA”) closed on June 6, 2016 with the $175,000 payment of the purchase price to Joseph Arcaro, prior shareholder and sole director and officer of ATI Modular.

ATI Modular is engaged in the development and the exporting of modular energy efficient technology and processes that allow government and private enterprises in China to use US based methods for creating modular spaces, facilities, and properties. The Company's forward-looking vision is to create a physical location and manufacturing facility that promotes the export of US based technology, equipment, and process that focuses on building modular buildings, and structures of all types that will be used by both the public and private building and technology sectors in China.

On October 3, 2016, the Company purchased the majority and controlling interest in ATI Nationwide Holding Corp (“ATI Nationwide”), formerly EXA, Inc. OTC:Pinks (EXAI) through the acquisition of 65,000,000 shares (65.5%) shares of restricted common stock. The Stock Purchase and Sale Agreement dated October 3, 2016 (the “SPA EXAI”) closed on October 10, 2016 with the $175,000 payment of the purchase price to Joseph C. Passalaqua, prior shareholder and director and officer of ATI Nationwide.

The Company intends on using this acquisition to facilitate its performance under the July 11, 2016 Master Joint Venture and Operational Agreement with Nationwide Microfinance Limited, a Ghanaian corporation, as disclosed in the Company’s July 14, 2016 Form 8-K (see exhibit table above).

In both acquisitions, the Company purchased the shares with the intent to hold in its personal account on a restricted basis absent registration or qualification under an exemption to registration. The Stock Purchase Agreements were privately negotiated between the parties without facilitation through brokers or promotors, or third-parties, except legal counsel, and were approved by the Company’s Board of Directors as being in the best interests of the Company. The source of funds was working capital from the Company. There is no material relationship between the Company and any of the parties under the Stock Purchase Agreements.

As with any business plan that is aspirational in nature, there is no assurance we will be able to accomplish all of our objective or that we will be able to meet our financing needs to accomplish our objectives.

Mission

"AmericaTowne is to be a world-class, globally respected and profitable company, providing value to its customers, the environment and the lives of the people we service." This statement is a forward-looking statement; however, the Company has already made strides in facilitating relationships intended to advance its mission.

The Company's aim is to provide upper and middle-income consumers in China with "Made In The USA" goods and services allowing customers to experience the United States' culture and lifestyle. In achieving this objective, our focus is to create a $2.4 billion enterprise through on four initiatives:

(1) The development of a United States International Trade Center in Chizhou and Shexian China with employees and/or independent contractors focusing on advancing our initial business objective, which is to be the "go-to" place for all things "Made in the USA."

(2) The development of upwards of 20 AmericaTowne communities in China with each community consisting of upwards of 50 United States based companies, and upscale hotels, villas, children theme parks, senior care and educational facilities - all based upon United States culture and lifestyle.

(3) The development of an internet platform in Chinese to complement (1) and (2), above, focusing on importing "Made in the USA" goods and services to China through internet sales.

(4) The development of franchise operations in the United States and internationally to support and advance the above-referenced initiatives.

These initiatives are admittedly aspirational in nature. Our intent is to accomplish the majority, if not all, of our initiatives, but there is no assurance we will or that our financing needs to meet our initiatives will be met.

The Company currently has 30 exporters in our export program. Our intention is to bring the United States International Trade Center in Chizhou and Shexian China online in 2017. We expect to complete our initial trade operations with our exporters in 2017. In addition, our office in Raleigh, North Carolina is operational and serves as our base and model for our export franchise operations planned in the United States and other locations. The AmericaTowne Community planned in China and our Internet operations with Chinese websites planned are not yet operational. While we plan to have robust operations in the United States and international locations to support the AmericaTowne concept and trade center, we expect the bulk of our operations and revenue will come from China.

China's economy and its government impact our revenues and operations. While we have an agreement in place with the government in Meishan Ningbo China to operate the United States International Trade Center in Chizhou and Shexian China, there is no assurance that we will operate the center successfully. Additionally, the Company will need government approval in China to operate other aspects of our business plan. There is no assurance that we will be successful in obtaining approvals from government entities to operate other aspects of our business plan.

The Company is in the development phase and intends to be in the business set forth in the forward-looking statements herein. As such, the Company is not subject to all risks inherent in the establishment of a start-up business enterprise.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

On January 29, 2017, the Company reached a determination to restate its previously filed financial statements for the year ended. The restatement decreases net income of $186,933 for the year ended December 31, 2016. The restatement relates to the following items

(1) Defer and recognize as a reduction to the future costs for quarterly fee from exclusivity arrangements in accordance with ASC 605-50-45.

(2) Derecognize the goodwill from acquisition of ATI Nationwide Holdings Corporation and ATI Modular Technology Corporation in accordance with ASC 805-10-55-4 through 55-9.

(3) Correcting error in eliminating entries of consolidation.

(4) Correcting error in recognizing deferred tax assets

The following summarizes the effects of restatement:

	Previously Reported	Adjustment	Restated
Other receivables - related parties:	$ 148,361	110,938	$ 259,569
Deferred tax assets:	$ 0	10,774	$ 10,774
Goodwill:	$ 393,656	(353,325)	$ 40,331
Deferred revenue - current:	$ 4,542	324,387	$ 328,929
Income tax payable:	$ 58,714	(15,742)	$ 42,972
Additional paid in capital:	$ 3,706,582	(376,832)	$ 3,329,750
Retained earnings	$ 241,871	(143,240)	$ 98,631
Noncontrolling interest:	$ 11,468	(20,185)	$ (8,717)
Revenue-related parties:	$ 1,050,000	(500,000)	$ 550,000
Cost of revenues-related parties:	$ 420,099	(175,613)	$ 244,486
General and administrative expenses:	$ 1,386,079	(110,938)	1,275,141
Provision for income taxes:	$ 22,967	(26,516)	$ (3,549)

Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a fiscal year ending on December 31.

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 of the financial statements and the reported amounts of revenues and expenses during the reporting period. In the opinion of management, all adjustments necessary in order to make the financial statements not misleading have been included. Actual results could differ from those estimates.

Financial Instruments

The carrying amount reported in the balance sheet for cash, accounts receivable, accounts payable, accrued expenses, interest payable and short-term notes payable approximate fair value because of the immediate or short-term maturity of these financial instruments.

Cash Equivalents

The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company maintains deposits in federally insured financial institutions in excess of federally insured limits. However, management believes the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Property, Plant, and Equipment

Property, plant and equipment are initially recognized recorded at cost. Gains or losses on disposals are reflected as gain or loss in the period of disposal. The cost of improvements that extend the life of plant and equipment are capitalized. These capitalized costs may include structural improvements, equipment and fixtures. All ordinary repairs and maintenance costs are expensed as incurred.

Depreciation for financial reporting purposes is provided using the straight-line method over the estimated useful lives of the assets:

Office equipment	5 years

For the year ended December 31, 2016 and 2015, depreciation expense is $3,388 and $1,989, respectively.

Investments

Investments primarily include cost method investments. On December 31, 2016, the carrying amount of investments is $3,860. There are no identified events or changes in circumstances that may have a significant adverse effect on fair value of the investment as of December 31, 2016.

Income Taxes

Income taxes are provided in accordance with Statement of Financial Accounting Standards ASC 740 Accounting for Income Taxes. A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting and net operating loss carry forwards. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

The Company was established under the laws of the State of Delaware and is subject to U.S. federal income tax and Delaware state income tax. Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts and are based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred income tax assets to the amount expected to be realized.

Earnings per Share

In February 1997, the FASB issued ASC 260, "Earnings per Share", which specifies the computation, presentation and disclosure requirements for earnings (loss) per share for entities with publicly held common stock. ASC 260 supersedes the provisions of APB No. 15, and requires the presentation of basic earnings (loss) per share and diluted earnings (loss) per share. The Company has adopted the provisions of ASC 260 effective (inception).

Basic earnings and net loss per share amounts are computed by dividing the net income by the weighted average number of common shares outstanding. Diluted earnings per share are the same as basic earnings per share due to the lack of dilutive items in the Company.

Segment Information

The standard, "Disclosures about Segments of an Enterprise and Related Information", codified with ASC 280, requires certain financial and supplementary information to be disclosed on an annual and interim basis for each reportable segment of an enterprise. The Company believes that it operates in business segment of marketing and sales in China while the Company's general administration function is performed in the United States. On December 31, 2016, all assets and liabilities are located in the United States where the income and expense has been incurred since inception to December 31, 2016.

Impact of New Accounting Standards

The Company does not expect the adoption of recently issued accounting pronouncements to have a significant impact on the Company's results of operations, financial position, or cash flow.

Pushdown Accounting and Goodwill

Pursuant to applicable rules (FASB ASC 805-50-S99) the Company used push down accounting to reflect Yilaime Corporation's purchase of 100% of the shares of the Company's common stock. Richard Chiang, the Company's prior sole shareholder entered into an agreement to sell an aggregate of 10,000,000 shares of the Company's common stock to Yilaime Corporation effective upon the closing date of the Share Purchase Agreement dated June 26, 2014. Richard Chiang executed the agreement and owned no shares of the Company's common stock. This transaction resulted in Yilaime Corporation retaining rights, title and interest to all issued and outstanding shares of common stock in the Company.

The purchase cost for the agreement was $40,000. The Company used $40,000 as a new accounting basis for its net assets. Since there was no assets on the company's book on June 26, 2014, to make the company's net assets $40,000, the Company recorded $40,331 in goodwill ($40,331-$331=$40,000; $331 was a liability due to a related party). Therefore, in recognizing push down accounting, the Company's net asset increased by the amount reflected by Goodwill.

Revenue Recognition

The Company's revenue recognition policies comply with FASB ASC Topic 605. Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, collectability is reasonably assured, and there are no significant subsequent obligations for the Company to assume.

Prior to an agreement, the Company assesses whether collectability from the potential customer is reasonably assured. The Company reviews the customer's financial condition, which is an indicator of both its ability to pay, and, in turn, whether or not revenue is realizable.

The ability to pay is an important criterion for entrance into an agreement with the customer. If management believes that the potential customer does not have the ability to pay, normally an agreement is not entered into with the customer.

If, at the outset an arrangement is entered into and the Company determines that the collectability of the revenue amount from the customer is questionable, management would not recognize revenue until it receives the amount due or conditions change so that collectability is reasonably assured. If collectability is reasonably assured at the outset of an arrangement, but subsequent changes in facts and circumstances indicate collection from the customer is no longer probable, the amount is recorded as bad debt expense.

There are two primary customer agreements currently offered to the Company's customers - (a) Licensing, Lease and Use Agreement ("Licensing Agreement"), and (b) Exporter Services Agreement ("Exporter Agreement").

(a) Licensing, Lease and Use Agreement

For the License, Lease and Use Agreement, the Company reflects revenue recognition over the course of the term.

(b) Exporter Services Agreement.

For services provided in the Exporter Service Agreement, the Company has two primary types of services called the Service Fee and Transaction Fee. Additionally, under certain circumstances, the Company may charge an Extension Fee. The customer under the Exporter Services Agreement is defined in this section as the "Exporter."

The Service Fee

Upon signing the Exporters Agreement, the Exporter is provided with services consisting of eight related components including: 1) market analysis; 2) review of proposed goods and services; 3) expectations for supply and demand in the market; 4) conducting export business in China; 5) information on financing; 6) information on the export tax savings programs; 7) international trade center assistance; and 8) selecting and assigning a tax saving company. All eight components of the Service Fee are delivered as one deliverable upon the signing or shortly thereafter of the Exporter Service Agreement with the exporter. The Company completes the earnings process upon the signing the Exporter Service Agreement since the one service fee deliverable has been delivered and we have no further obligations. Revenue is not recognized until the completion of these eight components and the Company has no further obligations.

The Transaction Fee

During this process, the Exporter's goods and services are tested in the market, buyers or identified, deals or negotiated and the exporter products and services are delivered, and payment is made. The Transaction Fee is normally a percentage of each transaction.

The Transaction Fee process includes the Exporter's participation in three programs: 1) the Sample and Test Market Program; 2) Market Acceptance Program; and 3) Export Delivery Action. In the Sample and Test Market Program, an Exporter's products and services are tested in the market; sources of goods and services are confirmed; price indications are confirmed; and an Exporter and buyer match occurs. In the Market Acceptance Program, the export deal is identified and negotiated. Finally, in the Export Delivery Action, the goods are shipped and delivered and payment is made. The Company does not recognize revenue until completion of these three programs and the Company has no further obligations.

Throughout the life of the Exporter Agreement, the Company expects Exporters to complete multiple transactions. Each transaction is a separate and independent process.

The Extension Fee

The Extension Fee is an independent accounting unit. The Extension Fee is a fee charged to those Exporters who in rare cases for whatever reason fail to avail themselves of the Transaction Process. The Exporter has one-year to participate in the Sample and Test Market Program. Afterwards, provided no transaction has occurred and the Exporter agrees to pay a fee equal to 25% of the original Service fee within thirty (30) days (the "Extension Fee"), the Exporter may continue the Transaction Process. If the Extension Fee is not paid, the Exporter's participation and membership in the Sample and Test Program terminates. In the event of termination, the balance of any prior fees is still due and payable.

Provided that the Exporter agrees to pay the Extension Fee and continues with the Transaction Process, at the end of the Transaction Process and the last Transaction Fee deliverable is made, the Transaction Fee Process is completed. Upon completion, the Company has no further obligations, revenue is recognized, and the Exporter is invoiced for both the Extension Fee and the Transaction Fee.

After the Exporter pays the Extension Fee, if no transaction has occurred for sixty (60) calendars days, the Company is exempt from any obligation to provide further Transaction Process services and it recognizes revenue of the Extension Fee.

The Company recognizes revenue on a gross basis.

We have gross presentation for services provided by Yilaime, a contractor to the Company prior to the consummation of an arrangement.

In accordance with ASC605-45-45, the gross basis to recognize revenue applies since the Company is the primary obligor in the arrangement.

The Company expects to realize revenue for export funding and support, and franchise and license fees for United States support locations, and education initiatives. Additionally, if and when the Company further develops AmericaTowne, revenues would be expected to be recognized for (a) villa sales, rentals, timeshare and leasing; (b) hotel leasing and or operational revenues and sales; (c) theme park and performing art center operations, sales and/or leasing; and (d) senior care facilities, operations and or sales.

The Company does not provide unconditional right of return, price protection or any other concessions to its customers.

There was sales return of $849,000 for the year ended December 31, 2016.

Valuation of Goodwill

We assess goodwill for potential impairments at the end of each fiscal year, or during the year if an event or other circumstance indicates that we may not be able to recover the carrying amount of the asset. In evaluating goodwill for impairment, we first assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If we conclude that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing of the goodwill assigned to the reporting unit is required. However, if we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then we perform a two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment to be recognized, if any.

In the first step of the review process, we compare the estimated fair value of the reporting unit with its carrying value. If the estimated fair value of the reporting unit exceeds its carrying amount, no further analysis is needed. If the estimated fair value of the reporting unit is less than its carrying amount, we proceed to the second step of the review process to calculate the implied fair value of the reporting unit goodwill in order to determine whether any impairment is required. We calculate the implied fair value of the reporting unit goodwill by allocating the estimated fair value of the reporting unit to all of the assets and liabilities of the reporting unit as if the reporting unit had been acquired in a business combination. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of the goodwill, we recognize an impairment loss for that excess amount. In allocating the estimated fair value of the reporting unit to all of the assets and liabilities of the reporting unit, we use industry and market data, as well as knowledge of the industry and our past experiences.

We base our calculation of the estimated fair value of a reporting unit on the income approach. For the income approach, we use internally developed discounted cash flow models that include, among others, the following assumptions: projections of revenues and expenses and related cash flows based on assumed long-term growth rates and demand trends; expected future investments to grow new units; and estimated discount rates. We base these assumptions on our historical data and experience, third-party appraisals, industry projections, micro and macro general economic condition projections, and our expectations.

We have had no goodwill impairment charges for the period from April 22, 2014 (inception) through December 31, 2016, and as of December 31, 2016, the estimated fair value of each of our reporting units exceeded its' respective carrying amount by more than 100 percent based on our models and assumptions.

NOTE 3. ACCOUNT RECEIVABLES

The nature of the accounts receivable for December 31, 2016 in the amount of $1,519,902 are for Export Service Agreements. The Company's allowance for bad debt is $221,221, which provides a net receivable balance of $1,298,681.

Accounts' receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollected amounts through a charge to earnings and a credit to an allowance for bad debts based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for bad debts and a credit to accounts receivable.

Accounts receivable consist of the following:

		December 31 2016		December 31 2015
Accounts receivable	$	795,727	$	913,666
Accounts receivable- related parties		724,175		37,662
Less: Allowance for doubtful accounts		(221,221)		(92,405)
Accounts receivable, net	**$**	**1,298,681**	**$**	**858,923**

Bad debt expense was $128,816 and $84,767 for the fiscal year ended December 31, 2016 and December 31, 2015, respectively.

Allowance for bad debt policy

Our bad debt policy is determined by the Company's periodic review of each account receivable for reasonable assurance of collection. Factors considered are the exporter's financial condition, past payment history if any, any conversations with the exporter about the exporter's financial conditions and any other extenuating circumstances. Based upon the above factors the Company makes a determination whether the receivable is reasonable assured of collection. Based upon our review if required we adjust the allowance for bad debt. As of December 31, 2016, and 2015, based upon our limited history, our allowance for bad debt is just above bad debt we anticipate will be written off for the year.

NOTE 4. DEFERRED REVENUE

ATI Modular Technology Corp receives $250,000 quarterly fee from Yilaime for Sales and Support Services Agreement. In accordance with ASC 605-50-45, the Company defers and recognizes as a reduction to the future costs for quarterly fee. For the year ended December 31, 2016, $500,000 fee from exclusive agreement incurred; $324,387 is booked deferred revenue as current liability on December 31, 2016 and $175,613 went against cost charged by Yilaime.

NOTE 5. NOTES PAYABLE

A $25,000 promissory note was issued to Mr. Xianghai Lin, General Manager of Operations in Meishan Island China, for cost of startup operations Mr. Xianghai Lin may incur on behalf of the Company.

The note bears a 5% annual interest rate and its principal and accrued interest are due on December 31, 2015. After the maturity date, the interest rate will increase to 10.5%. This Note is secured by the personal guarantee of Alton Perkins, Chairman of the Company.

On December 31, 2015, unpaid principle for the note is $10,000 and interest expense for the year ended December 31, 2015 is $935.

On February 13, 2016, Mr. Lin was issued 3,976 shares of common stock at $2.75 per share to pay out the note with interest.

NOTE 6. SHAREHOLDER'S EQUITY

The Company incorporates by reference all prior disclosures for the period identified herein. See Part II, Item 6. The stockholders' equity section of the Company contains the following classes of capital stock as of December 31, 2016:

• Common stock, $ 0.0001 par value: 100,000,000 shares authorized; 26,974,775 shares issued and outstanding

• Preferred stock, $ 0.0001 par value: 5,000,000 shares authorized; but not issued and outstanding.

NOTE 7. STOCK BASED COMPENSATION

In 2016, the following employees were awarded common shares pursuant to their employment lock-up agreement with various terms and options Lillian Mabonga 100,000 common shares, Jay Hsu 477,190 shares and Ying Cheng 40,000 common shares. Additionally, where warranted by cash flow the Company may elect to include money compensation for employees. The Perkins Family Trust received 100,000 shares of common stock at $.05 per share upon Mr. Perkins exercising options for 2016 pursuant to his employment agreement.

ATI Modular and ATI Nationwide entered employment lock-up agreements on July 1, 2016 and December 31, 2016 with Alton Perkins to serve as the Chairman of the Board, President, Chief Executive Officer, Chief Financial Officer and Secretary. For both agreements, the term of Mr. Perkins' agreement is five years with ATI Modular and ATI Nationwide retaining an option to extend in one-year periods. In consideration for Mr. Perkins' services, the companies issued to his designee, the Alton & Xiang Mei Lin Perkins Family Trust, 10,000,000 shares of ATI Modular's common stock. The Companies may elect in the future to include money compensation to Mr. Perkins or his designee for his services provided there is sufficient cash flow.

For the year ended December 31, 2016 and December 31, 2015, $436,653 and $391,798 in stock compensation was charged to operating expenses, respectively and $1,450,842 and $1,233,198 was recorded as deferred compensation on December 31, 2016 and 2015, respectively.

NOTE 8. INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The cumulative tax effect of significant items comprising the net deferred tax amount is at December 31, 2016 and 2015 as follows:

	2016	2015
Deferred tax assets:		
Net operating losses	$ 260,502	$ —
Total deferred tax assets	260,502	—
Less: valuation allowance	(249,728)	—
Deferred tax assets, net	$ 10,774	$ —

As of December 31, 2016, for U.S. federal income tax reporting purposes, the Company has approximately $805,636 of unused net operating losses ("NOLs") available for carry forward to future years. Because United States tax laws limit the time during which NOL carry forwards may be applied against future taxable income, the Company may be unable to take full advantage of its NOLs for federal income tax purposes should the Company generate taxable income. Further, the benefit from utilization of NOL carry forwards could be subject to limitations due to material ownership changes that could occur in the Company as it continues to raise additional capital. Based on such limitations, the Company has significant NOLs for which realization of tax benefits is uncertain.

Significant components of income tax expense for the years ended December 31, 2016 and 2015are as follows

	2016	2015
Current tax expense	$ 7,225	$ 26,950
Benefits of operating loss carryforwards	(10,774)	—
Tax expense (benefit)	$ 3,549	$ 26,950

The Company had $42,972 and $35,747 of income tax liability as of December 31, 2016 and 2015 respectively.

Reconciliation of Effective Income Tax Expense is as follows

	2016	2015
Statutory U.S. tax	$ (253,277)	$ 26,950
Less: Valuation Allowance	249,728	—
Tax expense (benefit)	$ 3,549	$ 26,950

NOTE 9. RELATED PARTIES TRANSACTIONS

Yilaime Corporation, a Nevada corporation ("Yilaime") and Yilaime Corporation of NC ("Yilaime NC") are related parties to the Company. Yilaime is a "Control Party" to AmericaTowne because it has title to greater than 50% of the issued and outstanding shares of common stock in the Company. Alton Perkins is the majority shareholder and controlling principal of Yilaime, Yilaime NC, Perkins DISC and the Company. Additionally, for those "trade centers" set forth below, Mr. Perkins directs all major activities and operating policies of each entity. AmericaTowne, is a "Control Party" for ATI Modular Technology Corp, Anhui Ao De Xin Modular Construction Technology Co., Ltd., of China. The common control may result in operating results or a financial position significantly different from that, which would have been obtained if the enterprises were autonomous. Further, pursuant to ASC 850-10-50-6 the Company lists and provides details for all material Related Party transactions so that readers of the financial statements can better assess and predict the possible impact on performance.

Nature of Related Parties' Relationship

On October 8, 2014, the Company entered into the Stock Exchange Agreement with Yilaime NC. Pursuant to the terms of the Stock Exchange Agreement, in consideration for the issuance of 3,616,059 shares of common stock in the Company to Yilaime NC, Yilaime NC conveyed 10,848,178 shares of its restricted common stock to the Company. The intent of the parties in executing and performing under the Stock Exchange Agreement is to effectuate tax-free reorganization under Section 368 of the Internal Revenue Code of 1986. The Company issued the 3,616,059 shares of common stock to Yilaime NC on May 14, 2015. As result of receiving 10,848,178 shares of issued and outstanding common stock in Yilaime (4.5% of issued and outstanding), the Company recorded a $3,860 investment in use of Cost Method.

The Company authorized Yilaime NC to transfer 3,616,059 of these shares pursuant to the Company's effective registration statement on Form S-1/A on November 5, 2015.

The Company entered a Service Provider Agreement with Yilaime on October 27, 2014 (the "Service Agreement") wherein certain "Export Funding and Support Services" and "Occupancy Services," as defined therein, are provided to the Company in consideration for a fee. In addition to these fees, Yilaime pays an Operations Fee to the Company for exclusive rights. Mr. Perkins is the Chief Executive Officer of the Company and is the majority shareholder and controlling person of Yilaime.

The Company also leased office space from Yilaime NC for $3,416/month.

Pursuant to ASC 850-10-50-6, the Company makes the following transaction disclosures for twelve months ending December 31, 2016:

Consolidated Operating Statement Related Party Transactions (for twelve months ending December 31, 2016 and December 31, 2015)

(a) $200,000 and $200,000 in revenues for Yilaime's exclusive agreement with the Company;

(b) $350,000 and 0 in Trade Center Service Agreement Revenue;

(c) $244,486 and 126,197 in expenses under costs of revenues paid to Yilaime for services pursuant to the Service Agreement;

(d) $33,118 and $15,300 for general and administrative expenses for rent expenses the Company paid to Yilaime towards its lease agreement; $15,000 and $0 ATI Modular Technology Corp paid rent expenses to Yilaime; and $7,500 and $0 ATI Nationwide Holding Corp paid rent expenses to Yilaime

(e) $0 and $180,961 for Commission and Fees paid to Perkins Hus Export Corporation pursuant to its qualification as an Interest Charge - Domestic International Sales Corporation ("IC-DISC");

(f) $48,000 and 0 for general and administrative operating expenses recorded as Trade Center Service Agreement Expenses;

(g) $282,829 and $38,123 for general and administrative expenses for commissions and fees.

(h) $3,859 other income of debt forgiveness from Joseph Arcaro (ATI Modular's prior CEO) to ATI Modular.

(i) $198,000 and $0 for operational expense for Anhui Ao De Xin Modular Construction Technology Co., Ltd.

Balance Sheet Related Party Transactions (on December 31, 2016 and 2015)

(a) $405,817 and $35,779 net account receivables Yilaime owes to the Company;

(b) $42,839 and $0 due to Yilaime;

(c) $282,149 and $0 Trade Center receivables owed to the Company;

(d) Other receivables include $69,120 owed by Yilaime; $175,772 owed by Perkins Hus Export Corporation and $14,677 purchase mining equipment and advances for Yilaime Nairobi Ltd;

(e) $324,387 and $0 deferred revenue-Yilaime ;

(f) $198,000 and $0 as accounts payable to Anhui Ao De Xin Modular Construction Technology Co., Ltd.;