Sino-Global Shipping America, Ltd.
Form S-1
October 03, 2014

As filed with the Securities and Exchange Commission on October 3, 2014

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

SINO-GLOBAL SHIPPING AMERICA, LTD.

(Exact Name of Registrant as Specified in Charter)

Virginia	**4731**	**11-3588546**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

1044 Northern Boulevard

Roslyn, New York 11576-1514

(718) 888-1814

(Address, including zip code, and telephone number, including area code, of registrant’s principal executive offices)

Lei Cao

Chief Executive Officer
Sino-Global Shipping America, Ltd.

1044 Northern Boulevard

Roslyn, New York 11576-1514

(718) 888-1814

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Lawrence G. Nusbaum

Gusrae Kaplan Nusbaum PLLC

120 Wall Street, 25th Floor

New York, New York 10005

Tel: (212) 269-1400

Fax: (212) 809-5449

Darrick M. Mix, Esq.

David A. Sussman, Esq.

Duane Morris LLP

30 South 17th Street

Philadelphia, PA 19103-4196

Tel: (215) 979-1000

Fax: (215) 405-2906

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company:

Large accelerated filer ¨	Accelerated filer ¨
Non-accelerated filer ¨	Smaller reporting company x

Calculation of Registration Fee

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee(3)
Common stock, without par value per share			$ 8,400,000	$ 976.08

(1) Estimated solely for the purpose of calculating the registration fee under Rule 457(o) under the Securities Act.

(2) Includes the offering price of shares of common stock that may be sold if the over-allotment option granted by us to the underwriter is exercised.

(3) Calculated pursuant to Rule 457(a) under the Securities Act based on an estimate of the proposed maximum aggregate offering price.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall hereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS DATED OCTOBER 3, 2014

SINO-GLOBAL SHIPPING AMERICA, LTD.

__________ Shares of Common Stock

We are offering [__________] shares of our common stock, at a public offering price of $[____] per share.

For a more detailed description of the shares of common stock, see the section entitled "Description of Securities" beginning on page 44.

Our common stock is listed on the NASDAQ Capital Market under the symbol "SINO". On September 30, 2014, the closing bid price of our common stock was $2.16 per share.

We have agreed to issue at the election of the underwriter, up to [________] additional shares of our common stock, at the public offering price of $[____], to cover over-allotments.

Investing in our common stock involves a high degree of risk. You should purchase shares of our common stock only if you can afford a complete loss of your investment. See "Risk Factors" beginning on page 5.

	Per Common Share	Total
Public Offering Price	$	$
Underwriting discount[1]	$	$
Proceeds, before expenses, to us	$	$

(1) In addition, we have agreed to pay or reimburse the underwriter for certain expenses. See “Underwriting” in this prospectus for additional disclosure regarding underwriting discounts and estimated offering expenses.

The underwriter expects to deliver the shares of common stock to the purchasers on or about [____________], 2014.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

National Securities Corporation

The date of this prospectus is _________, 2014.

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. Neither we nor the underwriter has authorized anyone to provide you with information additional to or different from that contained in this prospectus. Neither we nor the underwriter take any responsibility for any other information others may give you. We and the underwriter are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock.

Neither we nor the underwriter has done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the sales of common stock and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

The following summary highlights selected information contained in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. Before making an investment decision, you should read the entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the notes to the financial statements included elsewhere in this prospectus.

In this prospectus, unless otherwise indicated, the terms (i) "Sino-Global Shipping America, Ltd.", "Sino-Global," "SINO", the "Company", "we", "us", and "our" refer and relate to Sino-Global Shipping America, Ltd. and its consolidated subsidiaries, (ii) "Trans Pacific" refers and relates collectively to (a) Trans Pacific Shipping Ltd., our wholly-owned subsidiary located in China, and (b) Trans Pacific Logistics Shanghai Ltd., 90% of whose equity is owned by Trans Pacific Shipping Ltd., and (iii) "Sino-China" refers and relates to Sino-Global Shipping Agency Ltd., our variable interest entity ("VIE"), in China. References to "China" or the "PRC" mean the People's Republic of China.

Overview

We are a shipping agency, logistics and ship management services company. Our current service offerings consist of shipping agency services, shipping and chartering services, inland transportation management services and ship management services. Substantially all of our business is generated from our clients located in the People's Republic of China (the "PRC"), and our operations are primarily conducted in the PRC and Hong Kong.

Since our inception in 2001 and through our fiscal year ending June 30, 2013, our sole business was providing shipping agency services. While we were able to consistently generate net revenues from such business, we were not able to achieve profitability as our costs and expenses continued to be higher than our net revenues.

Restructuring

Commencing in the latter part of fiscal year 2013 and continuing through our fiscal year ending June 30, 2014, we took various actions to restructure our business with the goal of achieving profitability. These actions included lowering our operating costs and expenses, reducing our dependency on our shipping agency business and hiring a new executive vice president and other consultants to assist us in implementing our business restructuring efforts.

Also, during the first and second quarters of fiscal year 2014, we expanded our service platform by adding two new services: shipping and chartering services and inland transportation management services. These two new services were added to service certain business needs of Tianjin Zhi Yuan Investment Group Co., Ltd. (“Zhiyuan Investment Group”). Zhiyuan Investment Group is controlled by Mr. Zhong Zhang (“Mr. Zhang”), who in April 2013, as approved by our Board of Directors and shareholders, purchased from us 1,800,000 shares of our common stock for approximately $3 million, resulting in Mr. Zhang becoming our largest shareholder.

Fiscal Year 2014 Profitability

As a result of our restructuring and the addition of our two new service lines, fiscal year 2014 represented our first year of profitability since our initial public offering, as we reported net income attributable to Sino-Global of $1,586,353 as compared to net loss attributable to Sino-Global of $1,799,755 for fiscal year 2013.

Complementary Acquisition in Fiscal Year 2015

As part of our strategy to expand our service platform, in September 2014, as approved by our Board of Directors, we acquired Longhe Ship Management (Hong Kong) Co., Limited (“LSM”), a ship management company based in Hong Kong from Mr. Deming Wang (“Mr. Wang”), who in June 2014, as approved by our Board of Directors, purchased from us 200,000 shares of our common stock for $444,000, resulting in Mr. Wang, as of the date of this prospectus, owning approximately 3.2% of our outstanding common stock. While to date the net revenues generated from such business have been immaterial, we believe that the acquisition of LSM is a good complement to our existing service platform. The acquisition of LSM will result in the issuance of between 20,000 and 200,000 shares of our common stock to Mr. Wang, depending on whether LSM reaches certain net income targets for the period July 4, 2014 through December 31, 2014.

Our Strategy

Our strategy is to:

- Develop and implement a business model that drives sustainable earnings and profitability;

- Diversify our service lines organically and/or through acquisitions;
- Continue to streamline our operations and improve our operating efficiency through effective planning, budgeting and cost control;
- Continue to reduce our dependency on our shipping agency services business;
- Add additional clients to reduce our dependency on a few key customers; and
- Continue to monetize our relationship with strategic partners;

Our Management Team

We believe we have a strong and experienced management team including our chief executive officer and chairman Mr. Lei Cao, our acting chief financial officer Mr. Anthony S. Chan, and our chief operating officer Mr. Zhikang Huang, who, together as a team, have many years of experience and a significant network of business contacts in the shipping industry in China and substantial experience in SEC reporting and compliance, business reorganization, mergers and acquisitions, accounting, risk management and operating both public and private companies.

Risks Associated with Our Business

While we believe fiscal year 2014 was a critical transition year in our business, we are aware that moving forward, we are subject to various risks and uncertainties including:

- Our reliance on a limited number of customers;
- Our ability to continue to generate net revenues and operating profits from our two new service lines that we added during fiscal year 2014;
- Our continued ability to keep our operating expenses at manageable levels;
- Certain other risks and uncertainties set forth elsewhere in this prospectus under the section titled “Risk Factors.”

Certain Company Information

We are a Virginia corporation and our principal executive offices are located at 1044 Northern Boulevard, Roslyn, New York 11576-1514. Our telephone number at this address is (718) 888-1814. Our common stock is listed on the NASDAQ Capital Market under the symbol “SINO.”

Our internet website, www.sino-global.com, provides a variety of information about our company. We do not incorporate by reference into this prospectus the information on, or accessible through, our website, and you should not consider it as part of this prospectus. Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K filed with the United States Securities and Exchange Commission (the “SEC”) are available, as soon as practicable after filing, at the investors’ page on our corporate website, or by a direct link to its filings on the SEC’s website.

THE OFFERING

Issuer:	Sino-Global Shipping America, Ltd.
Common stock offered by us:	[____________] shares
Common stock to be outstanding after this offering (assuming no exercise of the underwriter's option to purchase additional shares):	[____________] shares
Underwriter's option to purchase additional shares:	[____________] shares
Use of proceeds:	We estimate that the net proceeds from this offering will be approximately $___ Million, or approximately $ ____ Million if the underwriters exercise their option to purchase additional shares in full, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate and working capital purposes, including acquisitions of strategic and/or complementary businesses and assets, all as more fully described in this prospectus under the heading "Use of Proceeds."
Risk factors:	Investing in our securities involves a high degree of risk. See the information contained in the section of this prospectus titled "Risk Factors" beginning on page 5, and other information included in this prospectus for a discussion of factors that you should consider carefully before deciding to invest in our common stock
Market for the shares of common stock:	Our common stock is listed on the NASDAQ Capital Market under the symbol "SINO".

SELECTED SUMMARY CONSOLIDATED FINANCIAL DATA

The selected summary consolidated financial data set forth below should be read in conjunction with our financial statements and related notes, "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

We derived the following statement of operations data for the fiscal years ended June 30, 2014 and 2013 and the balance sheet data as of June 30, 2014 and 2013 from our audited financial statements included elsewhere in this prospectus.

Statement of Operations Data:

	Audited Year Ended June 30, 2014	Audited Year Ended June 30, 2013
Net revenues	$ 11,644,392	$ 17,331,759
Cost of revenues	7,613,459	15,402,743
Gross profit	4,030,933	1,929,016
Operating income (loss)	300,130	(2,203,540)
Net income (loss)	434,486	(2,576,896)
Net loss attributable to non-controlling interest	(1,151,867)	(777,141)
Net income (loss) attributable to Sino-Global	1,586,353	(1,799,755)
Comprehensive income (loss)	435,979	(2,592,830)
Comprehensive income (loss) attributable to Sino-Global	1,556,180	(1,761,673)
Net income (loss) per common share:		
Basic	$ 0.34	$ (0.38)
Diluted	$ 0.34	$ (0.38)

Balance Sheet Data:

	Audited June 30, 2014	Audited June 30, 2013
Cash and cash equivalents	$ 902,531	$ 3,048,831
Total assets	5,713,954	7,536,205

Total liabilities	1,230,795	4,404,905
Total equity	4,483,159	3,131,300

4

RISK FACTORS

An investment in our common stock by you involves significant risks. You should carefully consider the following risks and all other information set forth in this prospectus before deciding to invest in our common stock. If any of the events or developments described below occurs, our business, financial condition and results of operations may suffer. In that case, the market price of our common stock may decline and you could lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

Our business operations are primarily conducted in the PRC. Because China's economy and its laws, regulations and policies are different from those typically found in the United States and are continually changing, we face certain risks, which are summarized below.

Risks Related to Our Business

Despite generating net income attributable to Sino-Global in our fiscal year 2014, we have a history of operating losses and may need to raise additional funds to continue our operations and to execute our business plan. We may not be able to obtain additional debt or equity funding under commercially reasonable terms or issue additional securities.

We reported net income attributable to Sino-Global of approximately $1.6 million for fiscal year 2014, compared to net loss to Sino-Global of approximately $1.8 million for fiscal year 2013. As of June 30, 2014, we had an accumulated deficit of approximately $3.3 million in cash and cash equivalents of $0.9 million. If we are not able to generate sufficient income and cash flows from operations to fund our operations and strategic growth plans, we may be required to seek additional funding through the issuance of equity or debt securities. Additional funding may not be available on terms favorable to us, or at all. If we raise additional funds by issuing equity securities, our shareholders may experience dilution. Debt financing, if available, may involve restrictive covenants or security interests in our assets. If we are unable to raise adequate funds or generate them from operations, we may have to delay, reduce the scope of, or eliminate some or all of our growth plans and/or liquidate some or all of our assets.

We have historically relied on a limited number of customers for a substantial portion of our business and no longer provide shipping agency services to our former largest customer.

In fiscal year 2014, we commenced providing shipping and chartering services and inland transportation management services to a single customer, Zhiyuan Investment Group, an entity controlled by Mr. Zhang, our largest shareholder. During fiscal year 2014, $4,120,409 (or 35.4%), of our net revenues and $2,517,008 (or 62.4%), of our gross profits came from providing shipping and chartering services and inland transportation management services to Zhiyuan Investment Group. As of the date of this prospectus, we are not providing shipping and chartering services to Zhiyuan Investment Group, as the nature of business is cyclical, we cannot predict when, or if ever, we will receive another order for shipping and chartering services from Zhiyuan Investment Group. As of the date of this prospectus, we continue to provide inland transportation management services to Zhiyuan Investment Group. If we cease to provide services to Zhiyuan Investment Group, our business and results of operations would be materially adversely affected. Further, we cannot guarantee that we would be able to replace this customer with one or more new customers of similar size. Prior to fiscal year 2014, we relied heavily on Beijing Shourong Forwarding Service, Co., Ltd. ("Shourong"), an affiliate of Capital Steel, a steel company in China, for a substantial percentage of our shipping agency business. As part of the restructuring of our business, we exited our non-performing service arrangements including our shipping agency service with Shourong, who in fiscal year 2013, accounted for approximately 63% of our total net revenues. In fiscal year 2014, we did not provide any shipping agency services to Shourong and cannot determine the extent of services, if any, we will deliver to Shourong in the future.

We have recently entered shipping and chartering services and inland transportation management services businesses and cannot guarantee that we will be able to compete effectively in these business areas.

Prior to fiscal year 2014, our sole line of business was providing shipping agency services. We expanded our services to include shipping and chartering services in the quarter ended September 30, 2013 and inland transportation management services in the quarter ended December 31, 2013. As we are a new entrant into these two business lines, we do not have a significant market presence. Further, we currently only provide shipping and chartering services and inland transportation services to one customer, Zhiyuan Investment Group, who is controlled by Mr. Zhang, our largest shareholder. We may not have been able to enter into these business lines without our relationship with Mr. Zhang, and we cannot guarantee that we will be successful in securing and providing shipping and chartering services and inland transportation management services contracts for other customers on acceptable terms, if at all.

The fees that we received from Zhiyuan Investment Group for our shipping and chartering services and inland transportation management services may not be indicative of the fees that we may receive for the same services provided to unaffiliated customers and may be materially lower, which would have an adverse effect on our results of operations.

Our shipping and chartering services and inland transportation management services to date have been provided to a single customer, Zhiyuan Investment Group. Therefore, we cannot provide any assurances that the fees we have received for these services from this customer are indicative of the fees that we may receive if we are able to obtain non-affiliated customers for these services. The fees that we may receive from non-affiliated customers may be less than what we have received from our affiliated customer, and could possibly be so low as to make these lines of business unprofitable, which would have a material adverse effect on our results of operations and could require us to terminate such service lines.

***We have entered into a number of business arrangements that are significant to us with two of our shareholders including Mr. Zhang, our largest shareholder, and through Mr. Zhang, Zhiyuan Investment Group, who is controlled by Mr. Zhang. The failure to maintain our business relationship with either or both of such shareholders would have a material adverse effect on our business and results of operations*.**

In April 2013, as approved by our Board of Directors and shareholders, Mr. Zhang purchased 1,800,000 shares of our common stock for approximately $3 million, which as of the date of this prospectus represents approximately 29% of our issued and outstanding common stock, resulting in Mr. Zhang becoming our largest shareholder. As a result of Mr. Zhang's desire to find business opportunities that would mutually benefit us and Zhiyuan Investment Group, a company controlled by Mr. Zhang, which owns a number of businesses in China, in June 2013, we signed a 5-year Global Logistic Service Agreement with two parties, one of which was Zhiyuan Investment Group and the other was TEWOO Chemical & Light Industry Zhiyuan Trade Co., Ltd. ("Tewoo"). Thereafter, during the quarter ended September 30, 2013, we executed a shipping and chartering services agreement with Zhiyuan Investment Group, pursuant to which we assisted Zhiyuan Investment Group in the transportation of approximately 51,000 tons of chromite ore from South Africa to China; and in September 2013, we executed an inland transportation management service contract with Zhiyuan Investment Group pursuant to which we agreed to provide certain advisory services and assist Zhiyuan Investment Group in attempting to control its potential commodities loss during the transportation process. On a one-time basis, to assist a short-term working capital need of Zhiyuan Investment Group, effective January 1, 2014, we entered into a one-year non-interest bearing short-term loan agreement with Zhiyuan Investment Group; in addition, we also had trade receivables due from Zhiyuan Investment Group. The aggregate amount of such loan and trade receivables from Zhiyuan Investment Group as of June 30, 2014 was $2,920,950, of which approximately $2.7 million has been repaid as of the date of this prospectus. As of the date of this prospectus, Zhiyuan Investment Group's short term loan has been repaid in full and the balance of trade receivables is approximately $230,000.

In May 2014, we signed a strategic agreement with Qingdao Zhenghe Shipping Group Limited ("Zhenghe"), to jointly explore mutually beneficial business development opportunities. Zhenghe is a PRC company to which Mr. Wang is the majority shareholder. To demonstrate the commitment by Zhenghe to its business relationship with us, in June 2014, as approved by our Board of Directors, Mr. Wang, through a company owned by him, purchased 200,000 shares of our common stock for $444,000, resulting in Mr. Wang owning as of the date of this prospectus, approximately 3.2% of our outstanding common stock. Subsequently, and as part of our strategy to expand our service platform, in September 2014, as approved by our Board of Directors, we acquired LSM, a ship management company based in Hong Kong from Mr. Wang. While to date the net revenues generated from such business have been immaterial, we believe that ship management is a good complement to our existing service platform. The acquisition of LSM will result in the issuance of between 20,000 and 200,000 shares of our common stock to Mr. Wang, depending on whether LSM reaches certain net income targets for the period July 4, 2014 through December 31, 2014. LSM outsources its ship management services to Qingdao Longhe Ship Management Services Co., Ltd., a company controlled by Mr. Wang.

As a result of our business relationship with Mr. Zhang and Mr. Wang, since April 2013, we have received approximately $3.5 million from the sale of 2,000,000 shares of our common stock to such two persons and added shipping and chartering, inland transportation management and ship management services to our service platform, which shipping and chartering services and inland transportation management services generated 35.4% and 62.4% of our net revenues and gross profit in fiscal year 2014, respectively.

Based upon the above, the failure by us to maintain our existing business relationship with Mr. Zhang and/or Mr. Wang would have a material adverse effect on our business and results of operations.

The shipping agency business is very competitive in nature and many of our competitors have greater financial, marketing and other resources than we have.

Our competitors in the shipping agency business include three major shipping agencies, China Ocean Shipping Agency Co., Ltd. ("Penavico"), China Shipping (Group) Company ("China Shipping") and China Marine Shipping Agency Co., Ltd. ("Sinoagent"). These competitors have significantly greater financial, marketing and other resources and name recognition than we have. In addition, we also face competition from a large number of smaller, local shipping agents. Our competitors may introduce new business models, and if these new business models are more attractive to customers than the business models we currently use, our customers may switch to our competitors' services, and we may lose market share. We believe that competition in China's shipping agency industry may become more intense as more shipping agencies, including Chinese/foreign joint ventures, are qualified to conduct business. We cannot assure you that we will be able to compete successfully against any new or existing competitors, or against any new business models our competitors may implement. In addition, the increased competition we anticipate in the shipping agent industry may also reduce the number of vessels for which we are able to provide shipping agency services, or cause us to reduce agency fees in order to attract or retain customers. All of these competitive factors could have a material adverse effect on our business and results of operations.

Our three largest shipping agency competitors, Penavico, China Shipping and Sinoagent, are partly owned by the Chinese government which places us at a significant competitive disadvantage.

The Chinese government's ownership interests in Penavico, China Shipping and Sinoagent, place us at a significant competitive disadvantage. When the Chinese government founded Penavico, it closed the shipping agency industry to a number of foreign shipping agents that had been providing services in China. These restrictions have since been removed, but there can be no assurance that the Chinese government will not reinstate these restrictions or impose other restrictions, or nationalize the shipping agency industry in the future. Further, we believe that state ownership provides Penavico, China Shipping and Sinoagent, with advantages and leverage over local government officials and local companies that we, as a non-state owned company, do not have. Also, due to their relationship with the Chinese government, these competitors may have access to funding that is not available to us. This access may allow them to grow their businesses at a rate we are not able to match. If the Chinese government were to take actions to limit competition or provide these competitors with preferential access to business and funding, which results in our losing business, it would have a material adverse effect on our operations and financial condition.

We believe that our competitors in the shipping and chartering services and inland transportation management services business, have greater name recognition, significantly more experience, financial, marketing and other resources than we have and we expect to face intense competition in these business segments.

We have recently launched the shipping and chartering services and inland transportation management services business and so we expect that our competitors in these segments will have greater experience and name recognition than we do, which is a competitive disadvantage to us. Further, we expect that these competitors will be larger than us and have greater financial and marketing resources than we have, which also puts us at a significant competitive disadvantage. Since larger competitors may be able to offer the same services we offer at lower rates than what we would need to charge to operate profitably, this would have a material adverse effect on our business and results of operation.

The barriers to enter into the business segments in which we operate are low and we may face competition from new entrants into these business segments.

The number of competitors offering the same services that we do may increase in the future since the barriers to entry are low. Increases in competition could lead to revenue reductions, reduced profit margins, or a loss of market share, any one of which could have a material adverse effect on our business and results of operations.

Our customers are engaged in the shipping industry, and, consequently, our financial performance is dependent upon the economic conditions of that industry.

We derive our revenues from providing services to customers in the business of shipping materials to China and our success is dependent upon our customer's shipping needs. Our customers' shipping needs are intrinsically linked to economic conditions in the shipping industry in general and trade with China in particular. The shipping industry, in turn, is subject to intense competitive pressures and is affected by overall economic conditions. Accordingly, demand for our services could be harmed by instability or downturns in the shipping industry, reductions in trade between China and other countries or a combination of both which could materially lower demand or cause our customers to forego the shipping agency services we provide by attempting to provide such services in-house. If any of the foregoing occurs, it would have a material adverse effect on our business and our results of operations.

We may be required to assume liabilities for our clients in the future.

An increasing number of companies that require shipping agency services have pressured shipping agents to guarantee their clients' liabilities. Some companies have required shipping agents, as a condition of doing business, to pay for tariffs, port charges, and other fees, or to pay these fees with the promise of reimbursement at a later date. Other companies have sought to include shipping agents as parties in voyage charter agreements, leading to potential liability for shipping agents in the event of a breach by another party. We expect that these pressures on shipping agents to accept more liability will increase as competition among shipping agencies intensifies. While we do not currently pay these liabilities and have no present intention to begin doing so in the future, the assumption of any of these or other liabilities could have a material adverse effect on our business and results of operations.

We are heavily dependent upon the services of experienced personnel who possess skills that are valuable in our industry, and we may have to actively compete for their services.

We are a small company with limited resources, and we compete in large part on the basis of the quality of services we are able to provide our clients. As a result, we are heavily dependent upon our ability to attract, retain and motivate skilled personnel to serve our clients. Many of our personnel possess skills that would be valuable to other companies engaged in one or more of our business lines. Consequently, we expect that we will have to actively compete with other Chinese shipping agencies to retain these employees. Some of our competitors may be able to pay our employees more than we are able to pay to retain them. Our ability to profitably operate is substantially dependent upon our ability to locate, hire, train and retain our personnel. Although we have not experienced difficulty locating, hiring, training or retaining our employees to date, there can be no assurance that we will be able to retain our current personnel, or that we will be able to attract and assimilate other qualified personnel in the future. If we are unable to effectively obtain and maintain skilled personnel, the quality of the shipping services that we provide could be materially impaired, which would have a material adverse effect on our business and results of operations.

We are substantially dependent upon our key personnel.

Our performance is substantially dependent on the performance of our executive officers and key employees. In particular, the services of:

· Mr. Lei Cao, Chief Executive Officer;

· Mr. Anthony S. Chan, Acting Chief Financial Officer; and

· Mr. Zhikang Huang, Chief Operating Officer;

would be difficult for us to replace. While we have employment contracts with each of our executive officers, such contracts may be terminated in certain circumstances by the executive officers. Moreover, we do not have any "key person" life insurance policies on any of our employees. The loss of the services of any of our executive officers or other key employees could substantially impair our ability to effectively execute our business and expand our service platform, which would have a material adverse effect on our business and results of operations.

We need to maintain our relationships with local agents.

Our shipping agency business is dependent upon our relationships with local agents operating in the ports where our customers ship their products. As a general agent, substantially all of our shipping agency revenues have been derived from services delivered by the local agents and we believe local agent relationships will remain critical to our success in the future. We have a number of local agents that account for a significant portion of our business, the loss of one or more of which could materially and negatively impact our ability to retain and service our customers. We cannot be certain that we will be able to maintain and expand our existing local agent relationships or enter into new local agent relationships, or that new or renewed local agent relationships will be available on commercially reasonable terms. If we are unable to maintain and expand our existing local agent relationships, renew existing local agent relationships, or enter into new local agent relationships, we may lose customers, customer introductions and co-marketing benefits, and our business and results of operations may suffer significantly.

We are dependent on third party carriers and inland transportation companies to transport our client's cargo.

We rely on commercial ocean freight carriers and inland transportation companies, for the movement of our client's cargo. Consequently, our ability to provide services for our clients could be adversely impacted by: shortages in available cargo capacity; changes by carriers and transportation companies in policies and practices such as scheduling, pricing, payment terms and frequency of service or increases in the cost of fuel, taxes and labor; and other factors not within our control. Reductions in ocean freight capacity could negatively impact our yields. Material interruptions in service or stoppages in transportation, whether caused by strike, work stoppage, lock-out, slowdown or otherwise, could adversely impact our business, results of operations and financial condition.

Our profitability depends on our ability to effectively manage our cost structure as we grow the business.

As we continue to attempt to increase our revenues through the expansion of our service offerings, we must maintain an appropriate cost structure to maintain and increase our profitability. While we intend to increase our revenues by increasing the number and quality of the shipping services we provide by strategic acquisitions, and by maintaining and expanding our gross profit margins by reducing costs, our profitability will be driven in large part by our ability to manage our agent commissions, personnel and general and administrative costs as a function of our net revenues. There can be no assurances that we will be able to effectively control our costs and failure to do so would result in lack of profitability, which would have a material adverse effect our business and results of operations.

Comparisons of our operating results from period to period are not necessarily meaningful and should not be relied upon as an indicator of future performance.

Our operating results have fluctuated in the past and likely will continue to fluctuate in the future because of a variety of factors, many of which are beyond our control. In fiscal year 2014, a substantial portion of our revenues was derived from Zhiyuan Investment Group whose business needs we believe are tied closely to economic trends and consumer demand that can be difficult to predict. There can be no assurance that our historic operating performance will continue in future periods as we cannot assume or provide any assurance that Zhiyuan Investment Group will continue to utilize our services, or have the same level of demand for our services that it had in fiscal year 2014. Because our quarterly revenues and operating results vary significantly, comparisons of our period-to-period results are not necessarily meaningful and should not be relied upon as an indicator of future performance.

We have not paid any dividends and we do not foresee paying dividends in the future.

We have never declared or paid any cash dividends on our common stock. We do not anticipate paying any cash dividends on our common stock in the foreseeable future, if ever. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will depend upon our financial condition, operating results, capital requirements, Virginia and PRC laws, and other factors that our Board of Directors deems relevant.

Foreign Operational Risks

We do not have business liability, disruption, or director and officer liability insurance.

We do not have any business liability or disruption insurance coverage for our operations in China, or any director and officer liability insurance coverage for our directors and officers in the United States or China. Any business interruption, litigation or natural disaster and/or any claim against any of our directors or officers resulting from any of their actions in such capacities, may result in our business incurring substantial costs and the diversion of resources.

Trans Pacific's contractual arrangements with Sino-China may result in adverse tax consequences to us.

As a result of our corporate structure and contractual arrangements between Trans Pacific and Sino-China, any revenues generated by Sino-China's operations in China and/or any revenues derived from Trans Pacific's contractual arrangements with Sino-China are subject to PRC tax. Moreover, we could face material and adverse tax consequences if the PRC tax authorities determine that Trans Pacific's contractual arrangements with Sino-China were not made on an arm's length basis and adjust our income and expenses for PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment could result in a reduction, for PRC tax purposes, of adjustments recorded by Sino-China, which could adversely affect us by increasing Sino-China's tax liability without reducing Trans Pacific's tax liability, which could further result in late payment fees and other penalties to Sino-China for underpaid taxes.

Trans Pacific's contractual arrangements with Sino-China may not be as effective in providing control over Sino-China as direct ownership of Sino-China.

Until fiscal year 2014, we conducted a significant portion of our shipping agency business through contractual arrangements with Sino-China that provided us, through our ownership of Trans Pacific, with effective control over Sino-China. Although each contract under Trans Pacific's contractual arrangements with Sino-China is valid, binding and enforceable under current PRC laws and regulations, there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations governing the enforcement and performance of such contractual control over Sino-China. If the PRC government determines that these contractual arrangements as a whole do not comply with applicable regulations, our business could be substantially adversely affected. In addition, these contractual arrangements may not be as effective in providing us with control over Sino-China as direct ownership of Sino-China would. Furthermore, Sino-China may breach the contractual arrangements. For example, Sino-China may decide not to pay consulting or marketing fees to Trans Pacific, and consequently to our company, in accordance with the existing contractual arrangements. In event of any such breach, we would have to rely on legal remedies under PRC law. These remedies may not always be effective, particularly in light of uncertainties in the PRC legal system. In light of rising operating costs and expenses associated with doing business in China, consecutive years of operating losses reported by Sino-China, concerns raised by the US regulators over the last few years about VIE's and our belief that the investing public may have a negative perception of publicly traded companies with VIE structures, we decided to reorganize our shipping agency business in fiscal year 2013. As a result of our reorganization efforts, we reduced our overhead, changed our service mix, stopped providing agency services to Shourong, one of our largest customers, and shifted our agency business operation from Sino-China to our wholly-owned subsidiaries in China and Hong Kong.

Uncertainties with respect to the PRC legal system could adversely affect us.

There are substantial uncertainties regarding the interpretation and application of PRC laws and regulations, including, but not limited to, the laws and regulations governing our business, or the enforcement and performance of our contractual arrangements with Sino-China and its shareholders.

We conduct a substantial portion of our business through Trans Pacific and Sino-Global Shipping (HK) Ltd. Sino-Global Shipping (HK) Ltd., Trans Pacific and our company are generally subject to laws and regulations applicable to foreign investment in China and, in particular, laws applicable to wholly foreign-owned enterprises. Trans Pacific, Sino-Global Shipping (HK) Ltd. and our company are considered foreign persons or foreign invested enterprises under PRC law. As a result, Trans Pacific, Sino-Global Shipping (HK) Ltd. and our company are subject to PRC law limitations on foreign ownership of Chinese companies. These laws and regulations are relatively new and may be subject to change, and their official interpretation and enforcement may involve substantial uncertainty. The effectiveness of newly enacted laws, regulations or amendments may be delayed, resulting in detrimental reliance by foreign investors. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively.

In addition, we depend on Sino-China to honor its agreements with Trans Pacific. Almost all of these agreements are governed by PRC law. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to us. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

The PRC government has broad discretion in dealing with violations of laws and regulations, including levying fines, revoking business and other licenses and requiring actions necessary for compliance. In particular, licenses and permits issued or granted to us by relevant governmental bodies may be revoked at a later time by higher regulatory bodies. We cannot predict the effect of the interpretation of existing or new PRC laws or regulations on our businesses. We cannot assure you that our current ownership and operating structure would not be found in violation of any current or future PRC laws or regulations. As a result, we may be subject to sanctions, including fines, and could be required to restructure our operations or cease to provide certain services. Any of these or similar actions could significantly disrupt our business operations or restrict us from conducting a substantial portion of our business operations, which could materially and adversely affect our business, financial condition and results of operations.

The shareholders of Sino-China have potential conflicts of interest with us, which may adversely affect our business.

Neither we nor Trans Pacific owns any portion of the equity interests of Sino-China. Instead, we and Trans Pacific rely on contractual obligations to enforce our interest in receiving payments from Sino-China. Conflicts of interest may arise between Sino-China's shareholders and our company if, for example, their interests in receiving dividends from Sino-China were to conflict with our interest requiring Sino-China to make contractually-obligated payments to Trans Pacific. As a result, we have required Sino-China and each of its shareholders to execute irrevocable powers of attorney to appoint the individual designated by us to be his attorney-in-fact to vote on their behalf on all matters requiring shareholder approval by Sino-China and to require Sino-China's compliance with the terms of its contractual obligations. We cannot assure you, however, that when conflicts of interest arise, Sino-China's shareholders will act completely in our interests or that conflicts of interests will be resolved in our favor. In addition, Sino-China's shareholders could violate their agreements with us by diverting business opportunities from us to others. If we cannot resolve any conflicts of interest between us and Sino-China's shareholders, we would have to rely on legal proceedings, which could result in the disruption of our business. In addition, these contractual relationships are governed by PRC law, which may result in uncertainty as to application and enforcement.

We rely on dividends paid by our subsidiary for our cash needs.

We rely on dividends paid by Trans Pacific for our cash needs, including the funds necessary to pay dividends and other cash distributions, if any, to our shareholders, to service any debt we may incur and to pay our operating expenses. The payment of dividends by entities organized in China is subject to limitations. Regulations in the PRC currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in China. Our subsidiary in China is also required to set aside a portion of their after-tax profits according to PRC accounting standards and regulations to reserve fund and other funds required by PRC law. The PRC government also imposes controls on the conversion of Renminbi ("RMB") into foreign currencies and the remittance of currencies out of China. We may experience difficulties in completing the administrative procedures necessary to obtain and remit foreign currency. Pursuant to the PRC enterprise income tax law and its implementation rules that were effective on January 1, 2008, dividends payable by a foreign investment entity to its foreign investors are subject to a withholding tax of up to 10%. Meanwhile, the United States and China are signatories to the 1984

People's Republic of China-United States Income Tax Agreement, which would allow our company to claim a deemed-paid credit, which is an indirect tax credit, on any taxes paid to China by Trans Pacific. To the extent we were not eligible to receive or were unable to use the credit, this tax could have an adverse effect on our company.

Governmental control of currency conversion may affect the value of your investment.

In the course of providing services for international shipments, we occasionally require currencies from other countries to conduct our business. While we believe that we have complied with applicable currency control laws and regulations in all material aspects, we cannot guarantee you that our efforts will be free from challenge or that, if challenged, we will be successful in our defense of our current practices. Under our current corporate structure, our income is paid in different currencies, depending on our agreements with individual customers. We then pay in local currencies the expenses associated with operating a company in several countries. Shortages in the availability of foreign currency may restrict our ability to pay such expenses unless and until we convert currencies that we have into those that we require.

One of the currencies we often convert among is the RMB. The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies without prior approval from the PRC State Administration of Foreign Exchange by complying with certain procedural requirements. However, approval from appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of bank loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay dividends, if any, in foreign currencies to our shareholders.

Fluctuation in the value of the RMB may have a material adverse effect on your investment.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the RMB to the U.S. dollar. Under the new policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy has resulted in an appreciation of the RMB against the U.S. dollar. While the international reaction to the RMB revaluation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the RMB against the U.S. dollar. We rely largely on payments from Trans Pacific and Sino-China. While we charge our fees in U.S. dollars, Sino-China and Trans Pacific nevertheless operate within China and will rely heavily on RMB in their operations. Any significant revaluation of RMB may materially and adversely affect our cash flows, revenues, earnings and financial position, and the value of, and any dividends payable on, our common stock in U.S. dollars. For example, an appreciation of RMB against the U.S. dollar would make any new RMB denominated investments or expenditures more costly to us, to the extent that we need to convert U.S. dollars into RMB for such purposes.

Changes in China's political and economic policies could harm our business.

China's economy has historically been a planned economy subject to governmental plans and quotas and has, in certain aspects, been transitioning to a more market-oriented economy. Although we believe that the economic reform and the macroeconomic measures adopted by the Chinese government have had a positive effect on the economic development of China, we cannot predict the future direction of these economic reforms or the effects these measures may have on our business, financial position or results of operations. In addition, the Chinese economy differs from the economies of most countries belonging to the Organization for Economic Cooperation and Development, or OECD. These differences include:

· economic structure;

· level of government involvement in the economy;

· level of development;

· level of capital reinvestment;

· control of foreign exchange;

· methods of allocating resources; and

· balance of payments position.

As a result of these differences, our business may not develop in the same way or at the same rate as might be expected if the Chinese economy were similar to those of the OECD member countries.

Since 1979, the Chinese government has promulgated many new laws and regulations covering general economic matters. Despite this activity to develop a legal system, China's system of laws is not yet complete. Even where adequate law exists in China, enforcement of existing laws or contracts based on existing law may be uncertain or sporadic, and it may be difficult to obtain swift and equitable enforcement or to obtain enforcement of a judgment by a court of another jurisdiction. The relative inexperience of China's judiciary, in many cases, creates additional uncertainty as to the outcome of any litigation. In addition, interpretation of statutes and regulations may be subject to government policies reflecting domestic political changes. Our activities in China will also be subject to administration review and approval by various national and local agencies of China's government. Because of the changes occurring in China's legal and regulatory structure, we may not be able to secure the requisite governmental approval for our activities. Although we have obtained all required governmental approval to operate our business as currently conducted, to the extent we are unable to obtain or maintain required governmental approvals, the Chinese government may, in its sole discretion, prohibit us from conducting our business."

The Chinese government could change its policies toward private enterprise or even nationalize or expropriate private enterprises, which could result in the total loss of our investment in that country.

Our business is subject to significant political and economic uncertainties and may be adversely affected by political, economic and social developments in China. Over the past several years, the Chinese government has pursued economic reform policies including the encouragement of private economic activity and greater economic decentralization. The Chinese government may not continue to pursue these policies or may significantly alter them to our detriment from time to time with little, if any, prior notice.

Changes in policies, laws and regulations or in their interpretation or the imposition of confiscatory taxation, restrictions on currency conversion, restrictions or prohibitions on dividend payments to shareholders, devaluations of currency or the nationalization or other expropriation of private enterprises could have a material adverse effect on our business. Nationalization or expropriation could even result in the total loss of our investment in China and in the total loss of your investment in us.

As most of our officers, directors and assets are outside the United States, it will be extremely difficult to acquire jurisdiction and enforce liabilities against us and our officers, directors and assets based in China.

Most of our directors and officers reside outside the United States. In addition, the majority of our assets are located outside the United States. As a result, it may be difficult or impossible to effect service of process within the United States upon most, if not all, of our directors or officers and our subsidiaries, or enforce against any of them court judgments obtained in United States courts, including judgments relating to United States federal securities laws. Furthermore, because the majority of our assets are located in China and PRC does not have treaties with the United States or many other countries providing for the reciprocal recognition and enforcement of judgment of courts, it would also be extremely difficult to access those assets to satisfy an award entered against us in United States court.

Our international operations require us to comply with a number of U.S. regulations.

In addition to the Chinese laws and regulations with which we must comply, we must also comply with the United States Foreign Corrupt Practices Act (“FCPA”), which prohibits U.S. companies or their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity or obtain any unfair advantage. Any failure by us to adopt appropriate compliance procedures and ensure that our employees and agents comply with the FCPA and applicable laws and regulations in foreign jurisdictions could result in substantial penalties and/or restrictions in our ability to conduct business in certain foreign jurisdictions. The U.S. Department of the Treasury’s Office of Foreign Asset Control (“OFAC”) administers and enforces economic and trade sanctions against targeted foreign countries, entities and individuals based on U.S. foreign policy and national security goals. As a result, we are restricted from entering into transactions with certain targeted foreign countries, entities, and individuals except as permitted by OFAC, which could reduce our future growth.

Risks Related to This Offering

Our management will have broad discretion in how we use the proceeds from this offering, we may use the proceeds in ways with which you disagree.

Our management will have broad discretion in applying the net proceeds of this offering. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that the net proceeds will be used by us in a way that does not yield a favorable, or any, return for us. The failure of our management to use such funds effectively could have a material adverse effect on our business financial condition, operating results and cash flow.

You will experience immediate dilution in the book value per share of the common stock you purchase.

Because the price per share of our common stock being offered is substantially higher than the book value per share of our common stock, you will suffer substantial dilution in the net tangible book value of the common stock you purchase in this offering. After giving effect to the sale by us of [_________] shares of common stock in this offering, and based on a public offering price of $[___] per share and a net tangible book value per share of our common stock of $0.88 as of June 30, 2014, if you purchase securities in this offering, you will suffer immediate and substantial dilution of $[____] per share in the net tangible book value of the common stock purchased. See "Dilution" on page 19 for a more detailed discussion of the dilution you will incur in connection with this offering.

We currently have a sporadic, illiquid and volatile market for our common stock, and the market for our common stock is and may remain sporadic, illiquid and volatile in the future.

We currently have a sporadic, illiquid and volatile market for our common stock, which market is anticipated to remain sporadic, illiquid and volatile in the future. Factors that could affect our stock price or result in fluctuations in the market price or trading volume of our common stock include:

- quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income and cash flows, or those of companies that are perceived to be similar to us;
- speculation in the press or investment community;
- public reaction to our press releases, announcements and filings with the SEC;
- sales of our equity or debt securities by us or our shareholders, or the perception that such sales may occur;
- the realization of any of the risk factors presented in this prospectus;
- the recruitment or departure of key personnel;
- commencement of, or involvement in, litigation;
- changes in market valuations of companies similar to ours; and
- domestic and international economic, legal and regulatory factors unrelated to our performance.

Our stock price may be impacted by factors that are unrelated or disproportionate to our operating performance or our actual value. The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock. Additionally, general economic, political and market conditions, such as recessions, interest rates or international currency fluctuations may adversely affect the market price of our common stock. Due to the limited volume of our shares which trade, we believe that our stock prices (bid, ask and closing prices) may not be related to our actual value, and not reflect the actual value of our common stock. Shareholders and potential investors in our common stock should exercise caution before making an investment in us.

An active liquid trading market for our common stock may not develop in the future.

Our common stock currently trades on the NASDAQ Capital Market, although our common stock’s trading volume is low. Liquid and active trading markets usually result in less price volatility and more efficiency in carrying out investors’ purchase and sale orders. However, our common stock may continue to have limited trading volume, and many investors may not be interested in owning our common stock because of the inability to acquire or sell a substantial block of our common stock at one time. Such illiquidity could have an adverse effect on the market price of our common stock. In addition, a shareholder may not be able to borrow funds using our common stock as collateral because lenders may be unwilling to accept the pledge of securities having such a limited market. We cannot assure you that an active trading market for our common stock will develop or, if one develops, be sustained.

Because we are a small company, the requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the requirements of the Sarbanes-Oxley Act and the Dodd-Frank Act, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

As a public company with listed equity securities, we must comply with the federal securities laws, rules and regulations, including certain corporate governance provisions of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and the Dodd-Frank Act, related rules and regulations of the SEC and the NASDAQ Capital Market, with which a private company is not required to comply. Complying with these laws, rules and regulations occupies a significant amount of time of our Board of Directors and management and will significantly increase our costs and expenses. Among other things, we must:

- maintain a system of internal control over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and the related rules and regulations of the SEC and the Public Company Accounting Oversight Board;
- comply with rules and regulations promulgated by the NASDAQ Capital Market;
- prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- maintain various internal compliance and disclosures policies, such as those relating to disclosure controls and procedures and insider trading in our common stock;
- involve and retain to a greater degree outside counsel and accountants in the above activities;
- maintain a comprehensive internal audit function; and
- maintain an investor relations function.

Future sales of our common stock could cause our stock price to decline.

If we sell, or the public market perceives we may sell, substantial amounts of our common stock in the public market, the market price of our common stock could decline significantly. Pursuant to our Registration Statement on Form S-3 (Registration Statement No. 333-194211, which the SEC declared effective on April 15, 2014), we have the right to sell, subject to certain limitations, in one or more offerings to the public, up to $8,860,000 of a variety of our securities, including shares of our common stock. Additionally, if our existing shareholders sell, or indicate an intent to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline significantly. A decline in the price of shares of our common stock might significantly impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities.

Securities analysts may not cover our common stock and this may have a negative impact on our common stock's market price.

The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over independent analysts. We do not currently have and may never obtain research coverage by independent securities and industry analysts. If no independent securities or industry analysts commence coverage of us, the trading price for our common stock would be negatively impacted. If we obtain independent securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our common stock, changes their opinion of our shares or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease and we could lose visibility in the financial markets, which could cause our stock price and trading volume to decline.

The shares of our common stock are listed on the NASDAQ Capital Market. If we fail to meet the NASDAQ Capital Market's continued listing requirements and other NASDAQ rules, we may risk delisting. Delisting could negatively affect the market price of our common stock, which could make it more difficult for us to sell our securities in a future financing or for you to sell our common stock you purchase in this offering.

The shares of our common stock are listed on the NASDAQ Capital Market and we are required to meet the continued listing requirements of the NASDAQ Capital Market and other NASDAQ rules, including those regarding director independence and independent committee requirements, minimum shareholders' equity, minimum share price and certain other corporate governance requirements. In particular, we are required to maintain a minimum bid price for our listed common stock of $1.00 per share and a minimum of $2.5 million of shareholders' equity. If we do not meet these continued listing requirements, our common stock could be delisted. Delisting from the NASDAQ Capital Market would cause us to pursue eligibility for trading of our common stock on other markets or exchanges, or on the "pink sheets." In such case, our shareholders' ability to trade, or obtain quotations of the market value of our common stock would be severely limited because of lower trading volumes and transaction delays. These factors could contribute to lower prices and larger spreads in the bid and ask prices of our common stock. There can be no assurance that our common stock, including our shares that you purchase in this Offering, if delisted from the NASDAQ Capital Market in the future, would be listed on a national securities exchange, a national quotation service, the over-the-counter markets or the pink sheets. Delisting from the NASDAQ Capital Market, or even the issuance of a notice of potential delisting, would also result in negative publicity, make it more difficult for us to raise additional capital, adversely affect the market liquidity of our common stock, decrease securities analysts' coverage of us, if any at such time, or diminish investor, supplier and employee confidence. In November 2012, we received a notification letter from NASDAQ indicating that for the quarter ended September 30, 2012 our shareholders' equity was below NASDAQ's $2.5 million minimum continued listing requirement. As a result of the sale by us in April 2013, as approved by our Board of Directors and shareholders, of 1,800,000 shares of our common stock for approximately $3 million to Mr. Zhang, we returned to compliance with NASDAQ's continued listing requirements. If, however, in the future we fail to meet such and/or any other NASDAQ continued listing requirement, we may risk delisting.

You may experience future dilution as a result of future equity offerings or other equity issuances.

We may in the future issue additional shares of our common stock or other securities convertible into or exchangeable for our common stock. We cannot assure you that we will be able to sell shares or other securities in any other offering or other transactions at a price per share that is equal to or greater than the price per share paid by investors in this offering. The price per share at which we sell additional shares of our common stock or other securities convertible into or exchangeable for our common stock in future transactions may be higher or lower than the price per share in this offering.

We are obligated to develop and maintain proper and effective internal control over financial reporting. We may not complete our analysis of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

Each year we are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting and, if we cease to be a "smaller reporting company," a statement that our independent registered public accounting firm has issued an opinion on our internal control over financial reporting. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline. To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff.

Statements in this prospectus concerning our future plans and operations are dependent on our ability to secure adequate funding and the absence of unexpected delays or adverse developments. We may not be able to secure required funding.

The statements contained in this prospectus concerning future events or developments or our future activities, such as concerning strategic business plans and other statements concerning our future operations and activities, are forward-looking statements that in each instance assume that we are able to obtain sufficient funding in the near term and thereafter to support such activities and continue our operations and planned activities in a timely manner. There can be no assurance that this will be the case. Also, such statements assume that there are no significant unexpected developments or events that delay or prevent such activities from occurring. Failure to timely obtain sufficient funding, or unexpected development or events, could delay the occurrence of such events or prevent the events described in any such statements from occurring which could adversely affect our business, financial condition and results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections titled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Our Company," contains certain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements, including but not limited to statements regarding our projected growth, trends and strategies, future operating and financial results, financial expectations and current business indicators are based upon current information and expectations and are subject to change based on factors beyond our control. Forward-looking statements typically are identified by the use of terms such as “look,” “may,” “will,” “should,” “might,” “believe,” “plan,” “expect,” “anticipate,” “estimate” and similar words, altho forward-looking statements are expressed differently. The accuracy of such statements may be impacted by a number of business risks and uncertainties we face that could cause our actual results to differ materially from those projected or anticipated, including but not limited to the following:

- Our ability to timely and properly deliver shipping agency, shipping and chartering, inland transportation management and ship management services;
- Our dependence on a limited number of major customers and related parties;
- Political and economic factors in China;
- Our ability to expand and grow our lines of business;
- Unanticipated changes in general market conditions or other factors which may result in cancellations or reductions in the need for our services;
- The effect of terrorist acts, or the threat thereof, on consumer confidence and spending or the production and distribution of product and raw materials which could, as a result, adversely affect our services, operations and financial performance;
- The acceptance in the marketplace of our new lines of services;
- Foreign currency exchange rate fluctuations;
- Hurricanes or other natural disasters;
- Our ability to identify and successfully execute cost control initiatives;
- The impact of quotas, tariffs or safeguards on our customer products that we service; and
- Our ability to attract, retain and motivate skilled personnel.

16

These forward-looking statements are based on management's current expectations, estimates, forecasts and projections about our business and the industry in which we operate and management's beliefs and assumptions are not guarantees of future performance or development and are subject to a number of known and unknown risks, uncertainties and assumptions, including those described in "Risk Factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances we discuss in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

MARKET INDUSTRY AND OTHER DATA

We obtained the industry, market and similar data set forth in this prospectus from our own internal estimates and research, and from industry publications and research, surveys and studies conducted by third party consultants, which were commissioned by us. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such information and estimates.

Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. In some cases, we do not expressly refer to the sources from which this data is derived. In that regard, when we refer to one or more sources of this type of data in any paragraph, you should assume that other data of this type appearing in the same paragraph is derived from the same sources, unless otherwise expressly stated or the context otherwise requires.

USE OF PROCEEDS

We estimate that the net proceeds we receive from this offering will be approximately $[__] million after deducting the underwriting discount and our estimated expenses of the offering, and assuming a public offering price of $_____ per share. If the underwriter's over-allotment option is exercised in full, we estimate that the net proceeds we receive from this offering will be approximately $[__] million.

The principal purpose of this offering is to raise additional capital to assist us in our continued growth and expansion as part of our growth strategy of continuing to develop a scalable platform in the shipping industry that we believe is capable of generating sustainable and increasing earnings. As of the date of this prospectus , we cannot specify with certainty all of the particular uses for our net proceeds or the amounts that we plan to use for any particular purpose. Accordingly, our management team will have broad discretion in using our net proceeds. We currently expect, however, to use such net proceeds primarily for general corporate and working capital purposes including hiring additional personnel with experience and knowledge in one or more of our offered services. We may also use a portion of the net proceeds to make strategic and/or complementary acquisitions of business and/or assets as, if and when we find such opportunities. While we currently have no commitments or agreements, we believe that by having additional available cash, if we find strategic acquisition opportunities, we will be better situated to act quickly to secure such opportunities, which without such additional funds, we could risk the loss of.

Our expected use of the net proceeds we receive from this offering represents our intentions based on our current plans and business conditions. The amount and timing of our actual expenditures will depend on numerous factors, including how quickly we collect our receivables, the outlays of funds we are required to expend in connection with our business operations and any unforeseen cash needs. As a result, we will retain broad discretion in the allocation and use of the net proceeds we receive from this offering.

Pending our use of the net proceeds we receive from this offering, we may invest such net proceeds in a variety of capital preservation investments, including short-term investment grade, interest bearing, instruments and U.S. government securities.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock. We do not anticipate paying any cash dividends on our common stock in the foreseeable future, if ever. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will depend upon our financial condition, operating results, capital requirements, Virginia and PRC laws, and other factors that our Board of Directors deems relevant.

We conduct our operations primarily through our subsidiaries, Trans Pacific, Sino-Global Shipping Australia Pty Ltd., Sino-Global Shipping (HK) Ltd. and our VIE, Sino-China. As a result, our ability to pay dividends and to finance any debt we may incur depends upon dividends paid by our subsidiaries and management fees paid by Sino-China. If our subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, Trans Pacific is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, wholly foreign-owned enterprises like Trans Pacific are required to set aside at least 10% of their after-tax profit each year to fund a statutory reserve until the amount of the reserve reaches 50% of such entity's registered capital.

To the extent Trans Pacific does not generate sufficient after-tax profits to fund this statutory reserve, its ability to pay dividends to us may be limited. Although these statutory reserves can be used, among other ways, to increase the registered capital and eliminate future losses in excess of retained earnings of the respective companies, these reserve funds are not distributable as cash dividends except in the event of a solvent liquidation of the companies. Other than as described in the previous sentences, China's State Administration of Foreign Exchange ("SAFE") has approved the company structure between our company and Trans Pacific, and Trans Pacific is permitted to pay dividends to our company

CAPITALIZATION

You should read this table together with the sections in this prospectus titled "Selected Summary Consolidated Financial Data," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes appearing elsewhere in this prospectus.

The following table sets forth our capitalization as of June 30, 2014 on:

- an actual basis;
- an as-adjusted basis to reflect the sale of [__________] shares of our common stock in this offering, at an offering price of $[_________] per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	June 30, 2014	
	Actual (Audited)	As Adjusted (1)
Assets		
Cash and cash equivalents	$902,531	
Liabilities		
Total current liabilities	1,230,795	1,230,795

Equity		
Preferred stock, without par value per share, 2,000,000 shares authorized, none issued	-	-
Common stock, without par value per share, 50,000,000 shares authorized, 5,229,032 shares issued and 5,103,841 shares outstanding actual and [____________] shares issued and outstanding, as adjusted (2)	11,662,157	
Additional paid-in capital	1,144,842	
Accumulated deficit	(3,270,260)	
Non-controlling interest	(4,694,031)	
Total equity	4,483,159	

(1) Assumes the underwriter's over-allotment option has not been exercised.

(2) Based upon 5,103,841 shares of our common stock outstanding as of June 30, 2014, excluding (i) 205,032 shares of our common stock issuable upon exercise of our outstanding stock options and warrants with weighted average exercise prices ranging from $6.88 to $9.30 per share outstanding as of the date of this prospectus, (ii) 9,400,000 shares of our common stock available for issuance as of the date of this prospectus under our 2014 Stock Incentive Plan, and (iii) 236,903 shares of our common stock available for issuance as of the date of this prospectus under our 2008 Stock Incentive Plan.

DILUTION

Purchasers of shares of our common stock offered in this offering will experience an immediate dilution in the net tangible book value of their shares of our common stock from the offering price of the shares of our common stock in this offering. The net tangible book value of shares of our common stock as of June 30, 2014 was approximately $4.5 million, or $0.88 per share. Net tangible book value per share of shares of our common stock is equal to our net tangible assets (tangible assets less total liabilities) divided by the number of shares of common stock issued and outstanding as of June 30, 2014.

Dilution per share represents the difference between the public offering price per share of our common stock and the adjusted net tangible book value per share of our common stock after giving effect to this offering. After reflecting the sale of [____________] shares of common stock offered by us at the public offering price of $[___] per share, less underwriter discount and estimated offering expenses, the adjusted net tangible book value per share of our common stock as of June 30, 2014 would have been $[__] per share. The change represents an immediate increase in net tangible book value per share of our common stock of $[____] per share to existing shareholders and an immediate dilution of $[___] per share to new investors purchasing the common stock in this offering. The following table illustrates this per share dilution:

Public offering price per share of our common stock	$
Net tangible book value per share as of June 30, 2014 (1)	0.88
Increase per share attributable to this offering (2)	
As adjusted net tangible book value per share after this offering (2)	$
Dilution per share to new investors in this offering (2)	$

(1) Based upon 5,103,841 shares of our common stock outstanding as of June 30, 2014, excluding (i) 205,032 shares of our common stock issuable upon exercise of our outstanding stock options and warrants with weighted average exercise prices ranging from $6.88 to $9.30 per share outstanding as of the date of this prospectus, (ii) 9,400,000 shares of our common stock available for issuance as of the date of this prospectus under our 2014 Share Incentive Plan, and (iii) 236,903 shares of our common stock available for issuance as of the date of this prospectus under our 2008 Incentive Plan.

(2) Assumes the underwriter’s over-allotment option has not been exercised.

MARKET PRICE

OF COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

Market Information

Market for Our Common Stock

Our common stock is traded on the NASDAQ Capital Market under the symbol “SINO.” The high and low common stock sales prices per share during the periods indicated were as follows:

Quarter Ended	Sep. 30	Dec. 31	Mar. 31	June 30	Year
Fiscal year 2015					
Common stock price per share:					
High	$ 4.69				$4.69
Low	$ 1.37				$1.37
Fiscal year 2014					
Common stock price per share:					
High	$ 3.52	$ 2.90	$ 2.97	$ 3.00	$3.52
Low	$ 1.43	$ 1.57	$ 2.26	$ 2.01	$1.43
Fiscal year 2013					
Common stock price per share:					
High	$ 2.73	$ 2.49	$ 2.75	$ 1.89	$2.75
Low	$ 1.85	$ 1.30	$ 1.71	$ 1.24	$1.24

On September 30, 2014, the closing price as reported on the NASDAQ Capital Market of our common stock was $2.16 per share. As of September 30, 2014, we had six (6) holders of record of our common stock. The number of holders of record is based upon the actual number of holders registered at such date and does not include holders of shares in “street name” or persons, partnerships, associates, corporations or other entities in security position listings maintained by depositories.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors.

Overview

We are a shipping agency, logistics and ship management services company. Our current service offerings consist of shipping agency services, shipping and chartering services, inland management transportation services and ship management services. Substantially all of our business is generated from our clients located in China, and our operations are primarily conducted in the PRC and Hong Kong.

Commencing in the latter part of fiscal year 2013 and continuing through fiscal year 2014, we embarked on our previously described business restructuring to lower our operating costs and expenses; reduce our dependence on the shipping agency business and expand our service platform to include two new services: shipping and chartering services and inland transportation management services.

As a result of our business restructuring, fiscal year 2014 represented our first year of profitability. Despite a decline in net revenues from $17,331,759 in fiscal year 2013 to $11,644,392 in fiscal year 2014, we reported net income attributable to Sino-Global of $1,586,353 in fiscal year 2014 as compared to a net loss attributable to Sino-Global of $1,799,755 in fiscal year 2013. The decrease in our net revenues was the result of our decision to exit non-performing service arrangements that included our shipping agency service relationship with Shourong in fiscal year 2013. Shourong accounted for approximately 63% of our net revenues for fiscal year 2013.

The shift to profitability in fiscal year 2014 was due primarily to the addition of our two new service lines; and reduction in our overhead and operating costs and expenses. Our two new service lines, together generated net revenues of $4,120,409 (or 35.4%) and gross profit of $2,517,008 (or 62.4%) of our net revenues and gross profit, respectively, for fiscal year 2014.

In May 2014, we signed a strategic cooperation agreement with Zhenghe to jointly explore mutually beneficial business development opportunities. In June 2014, as approved by our Board of Directors, Mr. Wang, President and a major shareholder of Zhenghe, purchased 200,000 shares of our common stock for approximately $444,000.

As part of our strategy to expand our service platform, in September 2014, as approved by our Board of Directors, we acquired LSM, a ship management company based in Hong Kong from Mr. Wang, who owns approximately 3.2% of our outstanding common stock. While to date the net revenues generated from such business have been immaterial, we believe that it is a good complement to our existing service platform. The acquisition of LSM will result in the issuance of between 20,000 and 200,000 shares of our common stock to Mr. Wang, depending on whether LSM reaches certain net income targets for the period July 4, 2014 through December 31, 2014.

Business Segments

The Company is currently engaged in the delivery of the following services: shipping agency services, shipping and chartering services, and inland transportation management services. Historically, we have been in the business of solely providing shipping agency services, but during fiscal year 2014 we expanded our service platform to include shipping and chartering services and inland transportation management services. These new services are part of the company's strategic initiatives to broaden our service platform and improve our operating performance.

	For the Year Ended June 30, 2014				For the Year Ended June 30, 2013			
	Shipping Agency Service	Shipping and Chartering Services	Inland Transportation Management Services	Consolidated	Shipping Agency Service	Shipping and Chartering Services	Inland Transportation Management Services	Consolidated
Revenues	$7,523,983	$1,937,196	$2,183,213	$11,644,392	$17,331,759	$ -	$ -	$17,331,759
Cost of revenues	$6,010,058	1,291,048	$312,353	$7,613,459	$15,402,743	$ -	$ -	$15,402,743
Gross profit	$1,513,925	646,148	$1,870,860	$4,030,933	$1,929,016	$ -	$ -	$1,929,016
Gross margin	20.12 %	33.35 %	85.69 %	34.62 %	11.13 %	-	-	*11.13* %

Revenues

(1) Revenues from Shipping Agency Business

We provide two types of shipping agency services: loading/discharging services and protective services. For loading/discharging agency services, we receive the total amount from our customers and pay the port charges on our customers' behalf. For protective agency services, we charge fixed fees while our customers are responsible for the payment of port costs and expenses. Under these circumstances, we generally require payments in advance from customers and bill them the balances within 30 days after the transactions are completed. We believe the most significant factors that directly or indirectly affect our shipping agency service revenues are:

- the number of ships to which we provide port loading/discharging services;
- the size and types of ships we serve;
- the type of services we provide;
- the rate of service fees we charge;
- the number of ports at which we provide services; and

· the number of customers we serve.

During fiscal year 2014, our shipping agency business continued to be negatively impacted, we believe, by the softening of the Chinese economy and its import of iron ore as well as the decline in the number of ships to which we provided loading/discharging agency services and protective agency service. Moreover, during our fiscal year 2014, we completed a number of cost reduction initiatives and reorganized our shipping agency business in China. As a result of the above factors including the exit from our non-performing service arrangements including our shipping agency service relationship with Shourong, our shipping agency revenues decreased from $17.3 million for fiscal year 2013 to $7.5 million for fiscal year 2014. In addition, the number of ships we served decreased from 438 to 312 for the fiscal years ended June 30, 2013 and 2014, respectively.

	For the years ended June 30,			
	2014	2013	Change	%
Number of ships served				
Loading/discharging	60	161	(101)	(62.7)
Protective	252	277	(25)	(9.0)
Total	312	438	(126)	(28.8)

Historically, our revenues have been primarily driven by the number of ships and customers we serve, provided that the service fees are determined by market competition. To stabilize our shipping agency business, we have shifted our focus to protective agency services, initiated actions to streamline our operations and reduce our overhead.

21

(2) Revenues from Shipping and Chartering Services

During September 2013, we executed a shipping and chartering service agreement with Zhiyuan Investment Group and assisted it in the transportation of approximately 51,000 tons of chromite ore from South Africa to China, which resulted in revenues in excess of $1.9 million and gross profit of approximately $0.6 million for fiscal year 2014.

(3) Revenues from Inland Transportation Management Services

In September 2013, we executed an inland transportation management service contract with Zhiyuan Investment Group pursuant to which we agreed to provide certain advisory services and assist it in attempting to control its potential commodities losses during the transportation process. The inland transportation management services generated revenues of approximately $2.2 million and gross profit of approximately $1.9 million for fiscal year 2014.

Operating Costs and Expenses

Our operating costs and expenses consist of cost of revenues, general and administrative expenses, and selling expenses. During fiscal year 2014, we completed a number of cost reduction initiatives and reorganized our shipping agency business in China. In light of our new service platforms and improvement in gross margin, we were able to reduce our total operating costs and expenses by approximately $8.2 million for fiscal year 2014 as compared to the same period of 2013.

The following tables set forth the components of our costs and expenses for the periods indicated.

	For the years ended June 30,					
	2014		2013		Change	
	US$	%	US$	%	US$	%
Revenues	11,644,392	100.0%	17,331,759	100.0%	(5,687,367)	-32.8%
Cost of revenues	7,613,459	65.4 %				