Sino-Global Shipping America, Ltd.
Form 10-Q
February 14, 2012

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

x Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the three and six month periods ended **December 31, 2011**

¨ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ___________ to ___________.

Commission File Number 001-34024

Sino-Global Shipping America, Ltd.

(Exact name of registrant as specified in its charter)

Virginia	11-3588546
(State or other jurisdiction of Incorporation or organization)	(I.R.S. employer identification number)

136-56 39th Avenue, Room #305

Flushing, New York 11354

(Address of principal executive offices and zip code)

(718) 888-1814

(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer o	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company x

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The Company is authorized to issue 10,000,000 shares of common stock, without par value per share, and 1,000,000 shares of preferred stock, without par value per share. As of the date of this report, the Company has 2,903,841 issued shares of common stock and no shares of preferred stock.

SINO-GLOBAL SHIPPING AMERICA, LTD.

FORM 10-Q

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains certain statements of a forward-looking nature. Such forward-looking statements, including but not limited to 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 the control of the Company. 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 that could cause actual results to differ materially from those projected or anticipated, including but not limited to the following:

- the ability to timely and accurately provide shipping agency services;
- its dependence on a limited number of larger customers;
- political and economic factors in the Peoples' Republic of China ("PRC");
- the Company's ability to expand and grow its lines of business;
- unanticipated changes in general market conditions or other factors, which may result in cancellations or reductions in the need for the Company's services;
- a weakening of economic conditions which would reduce demand for services provided by the Company and could adversely affect profitability;
- 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 the Company's shipping agency services, operations and financial performance;
- the acceptance in the marketplace of the Company's new lines of services;
- foreign currency exchange rate fluctuations;
- hurricanes or other natural disasters;
- the Company's ability to identify and successfully execute cost control initiatives;
- the impact of quotas, tariffs, or safeguards on the importation or exportation of the Company's customer's products; or
- other risks outlined above and in the Company's other filings made periodically by the Company.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to update this forward-looking information. Nonetheless, the Company reserves the right to make such updates from time to time by press release, periodic report or other method of public disclosure without the need for specific reference to this Report. No such update shall be deemed to indicate that other statements not addressed by such update remain correct or create an obligation to provide any other updates.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

See the financial statements following the signature page of this report, which are incorporated herein by reference.

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

The following discussion and analysis of our company's financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes included elsewhere in this report. 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 service provider for ships coming to and departing from Chinese ports. Our company, was incorporated in New York in February 2001. On September 18, 2007, we amended the Articles of Incorporation and Bylaws of our New York corporation to merge into a new Virginia corporation, Sino-Global Shipping America, Ltd.

Our principal geographic market is in the People's Republic of China ("PRC"). As PRC laws and regulations restrict foreign ownership of shipping agency service businesses, we operate our business in the PRC through Sino-Global Shipping Agency, Ltd. ("Sino-China"), a PRC limited liability company wholly owned by our founder and Chief Executive Officer, Cao Lei, and Chief Financial Officer, Zhang Mingwei, both of whom are PRC citizens. Sino-China holds the licenses and permits necessary to provide shipping services in the PRC. Headquartered in Beijing with branches in Qingdao, Tianjin, Qinhuangdao and Fangchenggang, we provide general shipping agency services in all commercial ports in China.

On November 13, 2007, we formed our wholly owned foreign-owned enterprise, Trans Pacific Shipping Limited ("Trans Pacific Beijing"), which has two subsidiaries, (i) the 90%-owned Trans Pacific Logistics Shanghai Limited

("Trans Pacific Shanghai", Trans Pacific Beijing and Trans Pacific Shanghai are referred to collectively as "Trans Pacific") and (ii) the 19.8%-owned Sino-Global Shipping Agency Development Co., Limited ("Sino-Global Development"). On October 31, 2011, Trans Pacific Beijing reduced its investment in Sino-Global Development from 40% to 19.8% by transferring 20.2% of its share to the other shareholder due to successive operating losses on Sino-Global Development. Trans Pacific Beijing and Sino-China do not have a parent-subsidiary relationship. Trans Pacific Beijing has contractual arrangements with Sino-China and its shareholders that enable us to substantially control Sino-China.

To build an international shipping agency service network, we formed a wholly-owned subsidiary, Sino-Global Shipping Australia Pty Ltd. ("Sino-Global AUS") in Perth, Australia on July 3, 2008 which serves the needs of customers shipping into and out of Western Australia. We also signed an agreement with Monson Agencies Australia ("Monson"), one of the largest shipping agency service providers in Australia. Through Monson, we are able to provide general shipping agency services to all ports in Australia.

We established another wholly-owned subsidiary, Sino-Global Shipping (HK) Limited ("Sino-Global HK") on September 22, 2008. Sino-Global HK is our control and management center for southern Chinese ports and enables our company to extend its offering of comprehensive shipping agency services to vessels going to and from one of the world's busiest ports. On July 27, 2009, Sino-Global HK signed an exclusive partnership agreement with Forbes & Company Limited ("Forbes"), which is a listed company on the Bombay Stock Exchange (BOM: 502865) and one of the largest shipping and logistic service providers in India. Through our relationship with Forbes, we are able to provide general shipping agency services to all ports in India.

On July 5, 2011, Sino-China signed a Strategic Cooperative Agreement with COSCO Container Shipping Agency Co. Limited, one of the largest state-owned shipping agents in China. The Agreement entitles us to use COSCO Container Shipping Agency's name to market business in China and overseas. In addition, we are able to provide shipping agency services through over 50 COSCO's offices in China.

On October 12, 2011, we signed a Memorandum of Understanding with King & Sons Shipping Agency ("King & Sons"), subsidiary of Grindrod Limited, a public company listed on the Johannesburg Securities Exchange (JSE: GNDP) and one of the oldest shipping agents in South Africa. Through our relationship with King & Sons, we are able to provide general shipping agency services to all ports in South Africa.

On November 8, 2011, the Company signed a Memorandum of Understanding with Wilson Sons Shipping Agency ("Wilson Sons"), the oldest and the leading independent Brazilian ship agent. Through the Company's relationship with Wilson Sons, it is able to provide general shipping agency services to all ports in Brazil.

On May 20, 2008, we completed an initial public offering of 1,229,032 shares of common stock at a $7.75 offering price. Our shares started trading on the NASDAQ Capital Market the next day. Following the initial public offering, our Board authorized a stock repurchase program under which we were authorized to repurchase up to 10% of our outstanding common stock for a period of 12 months. In September 2009, our Board approved the extension of the stock repurchase program for another six months ended April 2010. In total, we repurchased 125,191 shares of our common stock from the open market at an average price of $2.98 per share including trading expenses. The total cost of stock repurchase was $372,527.

Revenues

The strict financing policies imposed by the Chinese government since the second half of our fiscal 2011 resulted in lower iron ore imports to China. Facing the reduced number of ships discharging iron ore at the Chinese ports, we conducted intensive marketing activities to increase our services to new customers. The number of ships we served increased from 216 to 222 and 113 to 116 for the six and three months ended December 31, 2010 and 2011, respectively. However, the increased number of ships served primarily used our protective services, which generate lower agency fees per ship. Although the number of ships we served increased, our revenues decreased. For the six and three months ended December 31, 2011, our total revenues amounted to approximately $16.62 million and $8.02 million, compared to our total revenues of $17.27 million and $9.07 million for the same periods in fiscal 2010.

Our total revenues are net of PRC business taxes and related surcharges. Sino-China's revenues are subject to a 5% business tax as well as an additional 0.5% surcharge after deducting the costs of services. We deduct these amounts from our gross revenues to arrive at our total revenues.

We charge the shipping agency fees in two ways: (1) the fixed fees are predetermined with a customer, and (2) the cost-plus fees are calculated based on the actual costs incurred plus a mark up. 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 rate of service fees we charge;

• the number of ports at which we provide services; and

• the number of customers we serve.

Historically, our services have primarily been driven by the increase in the number of ships and customers, provided that the rate of service fees is determined by market competition. We believe that an increase in the number of ports served generally leads to an increase in the number of ships and customers. We expect that we will continue to earn a substantial majority of our revenues from our shipping agency services. As a result, we plan to continue to focus most of our resources on expanding our business to cover more ports in the PRC and overseas. In addition, we will allocate our resources in marketing our brand to customers, including ship owners and charters, which transport goods from all ports around the world to China. We believe that our diversified focus on loading and discharging cargo in both Chinese and overseas ports will enable us to continue growing quickly and also place us in a better position to manage the exchange rate risk associated with the trend of the U.S. dollar's devaluation against the RMB because our overseas revenues and port charges are normally paid in foreign currencies. To the extent these other foreign currencies devalue against the RMB, of course, we would still face exchange rate risks.

Operating Costs and Expenses

Our operating costs and expenses consist of costs of revenues, general and administrative expenses, selling expenses and other expenses. Our company's total operating costs and expenses increased as a percentage of total revenues for the six and three months ended December 31, 2011 compared to the same periods ended December 31, 2010. To maintain our top line growth, we conducted intensive market activities to attract the new clients. As a result, our general and administrative expenses and selling expenses increased significantly. The following table sets forth the components of our company's costs and expenses for the periods indicated.

	For the six months ended December 31,					
	2011		2010		Change	
	US$	%	US$	%	US$	%
Revenues	16,615,305	100.00	17,265,570	100.00	(650,265)	(3.77)
Costs and expenses						
Cost of revenues	(15,206,693)	(91.52)	(15,570,501)	(90.18)	(363,808)	(2.34)
General and administrative	(2,826,615)	(17.01)	(2,135,644)	(12.37)	(690,971)	32.35
Selling	(212,806)	(1.28)	(168,390)	(0.98)	(44,416)	26.38
Others	24,139	0.15	75,358	0.44	(51,219)	(67.97)
Total costs and expenses	(18,221,975)	(109.66)	(17,799,177)	(103.09)	(422,798)	2.38

	For the three months ended December 31,					
	2011		2010		Change	
	US$	%	US$	%	US$	%
Revenues	8,022,598	100.00	9,066,226	100.00	(1,043,628)	(11.51)
Costs and expenses						
Cost of revenues	(7,452,475)	(92.89)	(8,175,823)	(90.18)	723,348	(8.85)
General and administrative	(1,444,702)	(18.01)	(1,108,445)	(12.23)	(336,257)	30.34
Selling	(108,224)	(1.35)	(114,045)	(1.26)	5,821	(5.10)
Others	3,379	0.04	46,332	0.51	(42,953)	(92.71)
Total costs and expenses	(9,002,022)	(112.21)	(9,351,981)	(103.15)	349,959	(3.74)

Costs of Revenues. Costs of revenues represent the expenses incurred in the periods when a ship docks in a harbor to load and unload cargo. We typically pay the costs of revenues on behalf of our customers. Except for Australia and Canada where our revenues and costs are settled in the local currencies, we receive most revenues from our clients in U.S. dollars and pay most costs of revenues to the local port agents in RMB in China. As such, the costs of services will change if the foreign currency exchange rates change. Our costs of revenues could also increase if the ports were to raise their charges, particularly in the case of overtime payments during public holidays.

Our costs of revenues as a percentage of our total revenues increased from 90.18% to 91.52% for the six months and from 90.18% to 92.89% for the three months ended December 31, 2010 and 2011, respectively. The increase was due primarily to the devaluation of the U.S. dollar against the RMB by 4.86% and 4.52% for the six and three month comparative periods, respectively. Our gross margin was also negatively impacted by the reduction in revenues from one of our major customers, Beijing Shourong Forwarding Limited (from 59% to 51% of our total revenues) for the six months ended December 31, 2010 and 2011, respectively.

General and Administrative Expenses. Our general and administrative expenses primarily consist of salaries and benefits for our staff (both operating and administrative personnel), depreciation expenses, office rental expenses and expenses for legal, accounting and other professional services. For the six and three months ended December 31, 2011, our general and administrative expenses as a percentage of our total revenues increased from 12.37% to 17.01% and from 12.23% to 18.01% over the same periods in 2010 because of the increase of expenses in implementing our international expansion strategies. The general and administrative expenses of our Australian and Hong Kong offices constituted about 10.33% of our total general and administrative expenses for the six months ended December 31, 2011, compared to that of 6.43% for the same period ended December 31, 2010.

Selling Expenses. Our selling expenses primarily consist of commissions and traveling expenses for our operating staff to the ports at which we provide services. In line with our efforts to promote rapid business growth, our selling expenses increased in absolute amount and as a percentage of our total net revenues for the six months ended December 31, 2011 compared to 2010. The selling expenses slightly decreased for the three months compared to the same period in 2010.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). These accounting principles require us to make judgments, estimates and assumptions on the reported amounts of assets and liabilities at the end of each fiscal period, and the reported amounts of revenues and expenses during each fiscal period. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable.

The selection of critical accounting policies, the judgments and other matters affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of our condensed consolidated financial statements.

Revenue Recognition

Revenue comprises the value of charges for the services in the ordinary course of our company’s activities and disbursements made on behalf of customers. Revenues are recognized from shipping agency services upon completion of the services, which generally coincides with the date of departure of the relevant vessel from port. Advance payments and deposits received from customers prior to the provision of services and recognition of the related revenues are presented as current liabilities.

Some contracts provide that revenues are recognized as a mark up of actual expenses incurred. In a situation where the services are completed but the information on the actual expenses is not available at the end of the fiscal period, we estimate revenues and expenses based on our previous experience for the revenues of the same kind of vessels, port charges on the vessel’s particulars/movement and costs rate of the port. In general, the estimated revenues are based on the contract amounts. In other situations, the estimated revenues are based on the contract amounts plus any additional costs incurred, such as extra weight taxes because of extended parking time at a harbor, additional tow boats used because of inclement weather, overtime during public holidays and so on. If such contributory factors change, our revenues will increase or decrease accordingly. The estimated costs of revenue are based on the cost information provided by the local port and /or our historical experience of similar transactions. Since all estimated costs and expenses are paid in RMB, if the valuation of the RMB increases compared to the USD, then the estimated costs and expenses will increase accordingly.

Basis of Consolidation

The consolidated financial statements include the accounts of the parent and its subsidiaries. All significant inter-company transaction and balances are eliminated in consolidation. Sino-China is considered to be a variable interest entity ("VIE"), and we are the primary beneficiary. On November 14, 2007, our company through Trans Pacific Beijing entered into agreements with Sino-China, pursuant to which we receive 90% of Sino-China's net income. We do not receive any payment from Sino-China unless Sino-China recognizes net income during its fiscal year. Sino-China pays consulting and marketing fees equal to 85% and 5%, respectively, of its net income to our wholly foreign-owned subsidiary, Trans Pacific Beijing, and Trans Pacific Beijing supplies the technology and personnel needed to service Sino-China. Sino-China was designed to operate in China for the benefit of our company.

The accounts of Sino-China are consolidated in the accompanying consolidated financial statements pursuant to Accounting Standard Codification ("ASC") 810-10, "Consolidation". As a VIE, Sino-China's sales are included in our total sales, its income (loss) from operations is consolidated with our company's, and our net income (loss) from continuing operations before non-controlling interest in income (loss) includes all of Sino-China's net income (loss). Our non-controlling interest in its income (loss) is then added in calculating the net income (loss) attributable to our company. Because of the contractual arrangements, our company had a pecuniary interest in Sino-China that requires consolidation of our and Sino-China's financial statements.

Equity Investment

Investments in companies that are owned 20% to 50% for which we have significant influence but not control are accounted for by the equity method. Under the equity method, we recognize in earnings our proportionate share of the income or loss of the investee. Our income and earnings per share are affected by the income or loss of the investee.

With an expectation to open additional business opportunity to the Company, Sino-Global Development was formed on November 9, 2009. Trans Pacific Beijing has 40% shareholding of Sino-Global Development. Since Sino-Global Development has reported successive losses and is insolvent, Trans Pacific Beijing has recognized an investment loss of $188,999 for the six months ended December 31, 2011. On October 31, 2011, Trans Pacific Beijing transferred 20.2% of its 40% share to the other shareholder due to successive operating losses in Sino-Global Development.

Accounts Receivable

Accounts receivable are recognized at net realizable value. We maintain allowances for doubtful accounts for estimated losses resulting from the failure of customers to make required payments in the relevant time period. We review the accounts receivable on a periodic basis and record general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, we consider many factors, including the age of the balance, the customer's historical payment history, its current credit-worthiness and current economic trends. Receivables are considered past due after 365 days. In accordance with the Company's accounting policies, management has determined that an allowance of $290,145 was required at December 31, 2011, and $194,955 at June 30, 2011. Accounts are written off only after exhaustive collection efforts. Because of the worldwide financial crisis, we have experienced difficulties in collecting cash from some of our customers. As a result of these experiences, management has determined that its bad debt allowance should be increased.

When a client requests our shipping agency services, we communicate with port officials and our service partners rely on our prior experience for similar vessels with similar needs in the same ports to obtain an estimate for the cost of services. We then calculate our shipping agency fees in two ways: (1) the fixed fees are predetermined with a customer, and (2) the cost-plus fees are calculated based on the actual costs incurred plus a mark up.

We generally obtain advance payment of our shipping agency fees prior to providing service to our clients. This significantly reduces the amount of accounts receivable when the shipping agency fees are recognized. To the extent our estimates are insufficient; we bill our clients for the balance to be paid within 30 days.

We use advance payments to pay a number of fees on behalf of our clients before their ships arrive in port, including harbor, berthing, mooring/unmooring, tonnage, immigration, quarantine and tug hire fees. We record the amounts we receive as Advances from Customers and the amounts we pay as Advances to Suppliers. We recognize revenues and expenses once the client's ship leaves the harbor and the client pays any outstanding amounts. In some cases, a delay in receiving bills will require us to estimate the Service Revenues and Costs of Services in accordance with the rate and formulas approved by the Ministry of Communications. When this happens, we record the difference between Service Revenues (as recognized) and Advances from Customers as Accounts Receivable and the difference between Cost of Services and Advances to Suppliers as Accounts Payable. To the extent we recognize revenues and costs in this way, our Accounts Receivable and Accounts Payable will reflect this estimation until we receive the bills and information we require to adjust revenues and expenses to reflect our actual Service Revenues and Cost of Services. Any adjustment to actual from the estimated Revenues and Cost of Services recorded has been and is expected to be immaterial.

Property and Equipment

We calculate gains and losses on disposals by comparing proceeds with the carrying amount of the related assets and include these gains and losses in the consolidated statements of operations. We consider the carrying value of a long-lived asset to be impaired when the anticipated undiscounted cash flow from such asset is less than its carrying value. If impairment is identified, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved or based on independent appraisals.

Translation of Foreign Currency

The accounts of our company and Sino-China are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Our functional currency is the U.S. dollar, while Trans Pacific and Sino-China report their financial position and results of operations in Renminbi. The accompanying unaudited condensed consolidated financial statements are presented in U.S. dollars. Foreign currency transactions are translated into U.S. dollars using the fixed exchange rates in effect at the time of the transaction. Generally foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the consolidated statements of operations. We translate foreign currency financial statements of Sino-China, Trans Pacific, Sino-Global HK and Sino-Global AUS in accordance with ASC 830-10, “Foreign Currency Matters”. Assets and liabilities are translated at current exchange rates quoted by the People’s Bank of China at the balance sheet dates and revenues and expenses are translated at average exchange rates in effect during the periods.

Taxation

Because we and Sino-China are incorporated in different jurisdictions, we file separate income tax returns. We are subject to income and capital gains taxes in the United States. Additionally, dividend payments made by our company are subject to withholding tax in the United States.

The Company follows the provisions of ASC 740-10, “Accounting for Income Taxes”, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under ASC 740-10, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position would be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. ASC 740-10 also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The implementation of ASC 740-10 resulted in no material liability for unrecognized tax benefits and no material change to the beginning retained earnings of the Company. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations.

PRC Enterprise Income Tax

PRC enterprise income tax is calculated based on taxable income determined under PRC GAAP. Sino-China and Tran Pacific are registered in PRC and governed by the Enterprise Income Tax Laws of the PRC. Their taxable incomes are subject to an enterprise income tax rate of 25%.

PRC Business Tax

Revenues from services provided by Sino-China are subject to PRC business tax of 5% and additional surcharges of 0.5%. We pay business tax on gross revenues generated from our shipping agency services minus the costs of services, which are paid on behalf of our customers.

2012 Trends

The beginning of calendar year 2012 saw a sudden drop of the Baltic Dry Index from 1624 on January 3, 2012 to a 26-year historical low of 647 on February 3, 2012, indicating the difficult macro economic conditions for shipping industries all over the world. Our revenues declined 3.77% for the six months and 11.51% for the three months ended December 31, 2011. We expect our revenues could decrease further if the economic conditions continue worsen. In the uncertain economic environment, we believe that growth is a key for a small company like us to survive and develop. As such, we will continue setting the top line growth as our first priority and increase in revenues from our agency services to vessels coming to Chinese ports as well as expanding business activities at the loading ports in Australia, Canada, South Africa and Brazil.

In addition to the difficulties in revenue growth, we have experienced significant difficulties in managing our foreign exchange risks. Because we receive most of our revenues in U.S. dollars and pay most of our expenses in Chinese RMB, we have faced increased costs of revenues due to the devaluation of the U.S. dollar against the RMB over the last few years. The devaluation of the U.S. dollar against the Chinese RMB is still our main challenge. We expect the trend will continue in fiscal 2012 and our gross margin will continue to be negatively affected by the devalued U.S. dollar. As a small company, we cannot bear the risk of using financial instruments to hedge foreign exchange rates. Our strategies are to allocate our funds into different currencies and encourage our customers to pay us in their local currency.

Our general and administrative expenses are significantly higher than their pre-IPO levels as a result of our domestic and international business expansion and our company's public listing. In the 2012 fiscal year, we will continue our combined effort to control our budget and promote business growth.

Results of Operations

Six Months Ended December 31, 2011 Compared to Six Months Ended December 31, 2010

Revenues. Our total revenues decreased by 3.77% from $17,265,570 for the six months ended December 31, 2010 to $16,615,305 in the comparable six months in 2011. The number of ships that generated revenues for us increased from 216 to 222 for the comparable six month periods ended December 31, 2010 and 2011. The reason for the contrast trend of increased number of ships and the decreased revenues is because we provided protective services for more ships which generated significantly lower revenues per ship. For the six months ended December 31, 2011, we provided protective services to 37 ships, compared to 18 ships for the same six months in 2010.

Total Operating Costs and Expenses. Our total operating costs and expenses increased by 2.38% from $17,799,177 for the six months ended December 31, 2010 to $18,221,975 for the six months ended December 31, 2011. This increase was primarily due to increases in our general and administrative expenses and selling expenses.

Costs of Revenues. Our cost of revenues decreased by 2.34% from $15,570,501 for the six months ended December 31, 2010 to $15,206,693 for the six months ended December 31, 2011. Costs of revenues decreased more slowly than the decrease of revenues, resulting in the decrease of gross margins from 9.82% down to 8.48% for the comparative six months ended December 31, 2010 and 2011, respectively. This was largely due to the devaluation of the U.S. dollar against the Chinese currency. The average foreign exchange rate was $1.00 to RMB6.3865 for the six months ended December 31, 2011 compared to $1.00 to RMB6.7126 for the six months ended December 31, 2010, representing a 4.86% increase in the value of the RMB against the U.S. dollar during the period. We have successfully negotiated an approximately 5% agency fee increase with our largest customer, Beijing Shourong Forwarding Limited beginning in March 2011. The agency fee change partially mitigated the negative impact from the U.S. dollar devaluation on our gross margin.

General and Administrative Expenses. Our general and administrative expenses increased by 32.35% from $2,135,644 for the six months ended December 31, 2010 to $2,826,615 for the six months ended December 31, 2011. This mainly due to (1) an increase of $245,887 in salaries and human resource expenses, (2) increased bad debts provision of $96,246 and (3) an increase of $302,313 in business promotion and expansion expenses. Given the current state of the shipping industry, we have allocated additional funds to maintain our current clients and market to potential clients in China and internationally.

Selling Expenses. Our selling expenses increased by 26.38% from $168,390 for the six months ended December 31, 2010 to $212,806 for the six months ended December 31, 2011. Most selling expenses are commissions paid to business partners who refer shipping agency businesses to us.

Operating Loss. We had an operating loss of $1,606,670 for the six months ended December 31, 2011, compared to operating loss of $533,607 for the comparable six months in 2010. The operating loss for the period ended December 31, 2011 was primarily due to the increase in selling expenses and in general and administrative expenses, coupled with decreased revenues.

Financial Income, Net. Our net financial income was $100,857 for the six months ended December 31, 2011, compared to our net financial income of $119,899 for the six months ended December 31, 2010. The net financial income was derived largely from the foreign exchange benefit recognized in the financial statement consolidation. As described in the above "*Translation of Foreign Currency*", foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the consolidated statements of operations.

Loss from Equity Investment. As explained previously, we recognized an investment loss of $188,999 in the Sino-Global Development for the six months ended December 31, 2011, because it has reported successively operating losses and become insolvent.

Taxation. Our income tax benefits were $24,121 for the six months ended December 31, 2011, compared to income tax expenses of $29,188 for the six months ended December 31, 2010. As we made tax provision of $26, 879 and recognized net deferred tax assets of $51,000, the income tax benefits of the six months ended December 31, 2011 were $24,121. See Note 10 of the consolidated financial statements for more details.

Net Loss. As a result of the foregoing, we had a net loss of $1,654,325 for the six months ended December 31, 2011, compared to net loss of $465,125 for the period ended December 31, 2010. After deduction of non-controlling interest in loss, net loss attributable to Sino-Global Shipping America, Ltd. was $1,060,788 for the six months ended December 31, 2011, compared to net loss of $256,428 for the six months ended December 31, 2010. Since we allocated more resources in international marketing and more personnel for overseas operations, the expenses related to Sino-Global Shipping America Limited increased significantly.

Three Months Ended December 31, 2011 Compared to Three Months Ended December 31, 2010

Revenues. Our total revenues decreased by 11.51% from $9,066,226 for the three months ended December 31, 2010 to $8,022,598 in the comparable three months in 2011. Although the number of ships that generated revenues for us increased from 113 to 116 in the comparable three months ended December 31, 2010 and 2011, the revenue per vessel decreased. The reason for the contrast trend of increased number of ships and the decreased revenues is primarily because we provided protective services for more ships which generated significantly lower revenues per ship. For the three months ended December 31, 2011, we provided protective services to 23 ships, compared to 18 ships for the same three months in 2010. In addition, we provided services to some smaller ships which generated lower revenues.

Total Operating Costs and Expenses. Our total operating costs and expenses decreased by 8.85% from $9,351,981 for the three months ended December 31, 2010 to $9,002,022 for the three months ended December 31, 2011. This decrease was primarily due to decreases in our costs of revenues and general and administrative expenses.

Costs of Revenues. Our cost of revenues decreased by 8.85% from $8,175,823 for the three months ended December 31, 2010 to $7,452,475 for the three months ended December 31, 2011. Costs of revenues decreased more slowly than the decrease of revenues, resulting in the decrease of gross margins from 9.82% down to 7.11% for the comparative three months ended December 31, 2010 and 2011, respectively. This is largely due to the devaluation of the U.S. dollar against the Chinese RMB during the period. The average foreign exchange rate was RMB6.3554 to $1.00 for the three months ended December 31, 2011 compared to RMB6.6560 to $1.00 for the three months ended December 31, 2010, representing a 3.29% increase in the value of the RMB against the U.S. dollar during the period.

General and Administrative Expenses. Our general and administrative expenses increased by 30.34% from $1,108,445 for the three months ended December 31, 2010 to $1,444,702 for the three months ended December 31, 2011. This was mainly due to (1) an increase of $114,536 in salaries and human resource expenses, (2) an increase of $40,700 in office supplies and (3) an increase in business promotion and expansion expenses of $93,717.

Selling Expenses. Our selling expenses decreased by 5.10% from $114,045 for the three months ended December 31, 2010 to $108,224 for the three months ended December 31, 2011, mainly due to lower commission payments related to the sales decrease.

Operating Profit (Loss). We had an operating loss of $979,424 for the three months ended December 31, 2011, compared to operating loss of $285,755 for the comparable three months in 2010. The operating loss for the second quarter of fiscal 2011 was primarily due to the decrease in revenues and increase in general and administrative expenses.

Financial Income, Net. Our net financial income was $144,860 for the three months ended December 31, 2011, compared to our net financial income of $33,758 for the three months ended December 31, 2010. The net financial income comes partially from interest income from money deposits in banks and largely by the foreign exchange gains recognized in the consolidation of financial statements. As described in the above "*Translation of Foreign Currency*", foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the condensed consolidated statements of operations.

Taxation. Our income tax benefits were $1,000 for the three months ended December 31, 2011 compared to tax expense of $1,000 for the three months ended December 31, 2010. As we had losses on our consolidated results of operations, we incurred estimated income tax benefit on the profitable results of our U.S. operations.

Net Loss. As a result of the foregoing, we had a net loss of $827,385 for the quarter ended December 31, 2011, compared to net loss of $263,598 for the quarter ended December 31, 2010. After deduction of non-controlling interest in loss, net loss attributable to Sino-Global Shipping America, Ltd. was $395,001 for the three months ended December 31, 2011, compared to net loss of $113,147 for the three months ended December 31, 2010.

Liquidity and Capital Resources

Cash Flows and Working Capital

We have financed our operations primarily through cash flows from operations and cash derived from our initial public offering. As of December 31, 2011, we had $5,408,974 in cash and cash equivalents. Our cash and cash equivalents primarily consist of cash on hand and cash in banks.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the six months ended December 31, 2011	2010
	US$	US$
Net cash provided by operating activities	640,217	230,575
Net cash used in investing activities	(37,212)	(34,433)
Net cash used in financing activities	(15,151)	(2,780)
Net increase in cash and cash equivalents	530,146	146,668
Cash and cash equivalents at beginning of period	4,878,828	5,926,153
Cash and cash equivalents at end of period	5,408,974	6,072,821

Operating Activities

Our revenues slightly decreased for the six months ended December 31, 2011 compared to our revenues for the six months ended December 31, 2010. Our operating loss increased which was mainly attributable to the higher general and administrative expenses in the six months ended December 31, 2011. Net cash provided by operating activities of $640,217 for the six months ended December 31, 2011, is mainly attributable to a decrease in prepaid tax of $256,492 and an increase in accounts payable of $3,026,016, offset by a net loss of $1,654,325, an increase in advance to suppliers of $337,549 and an increase in accounts receivable of $616,311.

Since we collect most of our revenues in U.S. dollars and pay most of our costs and expenses in RMB, the increase in the valuation of the RMB against the U.S. dollar has caused a decline in gross margin and higher expenses for our company for the six months ended December 31, 2011.

In order for us to maintain a steady and positive cash position, we believe the U.S. dollar has to increase and maintain its valuation against RMB or we need to become less reliant on the U.S. dollar in our operations. The vast majority of our revenues are either received in U.S. dollars or calculated in U.S. dollars and paid in local currencies, so we expect we will be substantially dependent on the value of the U.S. dollar for the foreseeable future, even where the revenues are not paid in U.S. dollars. If the U.S. dollar does not increase its valuation against the RMB, we will continue to focus on maintaining our high growth rate so as to overcome, or least mitigate, the negative impact from the U.S. dollar's devaluation. In addition, we believe that our diversified operations in China and overseas will also help us to manage the foreign exchange rate risks.

Investing Activities

Net cash used in investing activities was $37,212 compared to net cash used in investing activities of $34,433 for the six months ended December 31, 2011 and 2010, respectively. We made capital expenditures representing 0.37% and 0.32% of our total assets, respectively.

Financing Activities

Net cash used in financing activities was $15,151 for the six months ended December 31, 2011 from the increase of non-controlling interest in majority-owned subsidiary.

We believe that current cash, cash equivalents, and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs, including cash needs for working capital and capital expenditures for at least the next 12 months. We may, however, require additional cash due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue. If our existing cash is insufficient to meet our requirements, we may seek to sell additional equity securities or borrow from banks. However, financing may not be available in the amounts we need or on terms acceptable to us, if at all. The sale of additional equity securities, including convertible debt securities, would dilute our shareholders. The incurrence of debt would divert cash from working capital and capital expenditures to service debt obligations and could result in operating and financial covenants that would restrict our operations and our ability to pay dividends to our shareholders. If we are unable to obtain additional equity or debt financing as required, our business, operations and prospects may suffer.

Contractual Obligations and Commercial Commitments

We have leased certain office premises and apartments for employees under operating leases through October 31, 2013. Below is a summary of our company's contractual obligations and commitments as of December 31, 2011:

	Payment Due by Period			
	Total	Less than 1 year	1-3 years	More than 3 years
Contractual Obligations				
Operating leases	$215,471	$154,826	$60,645	$ -

The Labor Contract Law of the PRC requires employers to assure the liability of severance payments if employees are terminated and have been working for their employers for at least two years prior to January 1, 2008. The employers will be liable for one month of severance pay for each year of service provided by the employees. As of December 31, 2011, our company has estimated its severance payments to be approximately $148,000, which has not been reflected in our consolidated condensed financial statements.

Company Structure

We conduct our operations primarily through our wholly-owned subsidiaries, Trans Pacific, Sino-AUS and Sino-HK and our variable interest entity, 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.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our condensed consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serve as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4/4T. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Company maintains a system of controls and procedures designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Act (15 U.S.C. 78a *et seq.*) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As of December 31, 2011, our company carried out an evaluation, under the supervision of and with the participation of management, including our company's chief executive officer and chief financial officer, of the effectiveness of the design and operation of our company's disclosure controls and procedures. Based on the foregoing, the chief executive officer and chief financial officer concluded that our company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were effective in timely alerting them to information required to be included in the Company's periodic Securities and Exchange Commission filings.

Changes in Internal Control over Financial Reporting

There were no changes in our company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934) during the six months ended December 31, 2011 that have materially affected, or are reasonably likely to materially affect, our company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are periodically involved in legal proceedings in the ordinary course of business. During the three and six months ended December 31, 2011, neither we nor any of our subsidiaries or affiliate was involved in any material pending legal proceedings. Nor was any of our property subject to any such material pending legal proceedings.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) None

(b) The annual report filed on September 26, 2011 for the fiscal year ended June 30, 2011 (SEC Accession No. 0001144204-11-054806) is incorporated herein by reference, subject to the replacement of the table under Item 5 thereof with the following table showing the use of proceeds from our initial public offering.

	Budgeted Use of Net Proceeds		**Through December 31, 2011**	
Description of Use	**US$**	**%**	**US$**	**%**
Organization of our company and creation of contractual arrangements among our company, Sino-China and Trans Pacific	100,000	1.23 %	103,526	1.27 %
Domestic and international business expansion*	5,930,941	72.74 %	3,052,038	37.43 %
Sarbanes-Oxley compliance	500,000	6.13 %	296,689	3.64 %
Marketing of company across China, United States and internationally	244,621	3.00 %	881,419	10.81 %

Develop information exchange system	400,000	4.91 %	112,164	1.38 %
Train staff	163,081	2.00 %	406,347	4.98 %
Fixed asset purchase	407,702	5.00 %	438,791	5.38 %
Miscellaneous expenses	407,702	5.00 %	632,463	7.76 %
Stock repurchases	-	-	372,527	4.57 %
Total	8,154,047	100.00%	6,295,964	77.22%

* We have modified our description of Use of IPO Proceeds from "Business expansion in 15 to 35 main ports in China" to "Domestic and international business expansion". We have identified opportunities to provide shipping agency services to vessels that load exported commodities at overseas ports and believe the modified use of proceeds will allocate the funds more efficiently and in the best interests of our shareholders.

(c) During the six months ended December 31, 2011, the company did not repurchase any shares of common stock.

Item 3 Defaults upon Senior Securities

None.

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Item 4. [Removed and Reserved]

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are filed herewith:

Number	Exhibit
3.1	Articles of Incorporation of Sino-Global Shipping America, Ltd.(1)
3.2	Bylaws of Sino-Global Shipping America, Ltd.(1)
4.1	Specimen Certificate for Common Stock.(1)
10.1	Exclusive Management Consulting and Technical Services Agreement by and between Trans Pacific and Sino-China.(1)
10.2	Exclusive Marketing Agreement by and between Trans Pacific and Sino-China.(1)
10.3	Proxy Agreement by and among Cao Lei, Zhang Mingwei, the Registrant and Sino-China.(1)
10.4	Equity Interest Pledge Agreement by and among Trans Pacific, Cao Lei and Zhang Mingwei.(1)
10.5	Exclusive Equity Interest Purchase Agreement by and among the Registrant, Cao Lei, Zhang Mingwei and Sino-China.(1)
10.6	First Amended and Restated Exclusive Management Consulting and Technical Services Agreement by and between Trans Pacific and Sino-China.(1)
10.7	First Amended and Restated Exclusive Marketing Agreement by and between Trans Pacific and Sino-China.(1)
10.8	Agency Agreement by and between the Registrant and Beijing Shou Rong Forwarding Service Co., Ltd.(2)
10.9	Lease Agreement dated December 8, 2009.(3)
13.1	Annual report of our company on Form 10-K for the year ended June 30, 2011.(4)
14.1	Code of Ethics of our company.(5)
21.1	List of subsidiaries of our company.(6)
31.1	Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(7)
31.2	Certifications pursuant to Rule 13a-14(a) or 15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(7)
32.1	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(7)
32.2	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(7)

EX-101.INS	XBRL Instance Document. (8)
EX-101.SCH	XBRL Taxonomy Extension Schema Document. (8)
EX-101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. (8)
EX-101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. (8)
EX-101.LAB	XBRL Taxonomy Extension Label Linkbase Document. (8)
EX-101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. (8)

(1) Incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-148611.
(2) Incorporated by reference to our company's Form 8-K filed on January 15, 2010, File No. 001-34024.
(3) Incorporated by reference to our company's Form 8-K filed on February 4, 2010, File No. 001-34024.
(4) Incorporated by reference to our company's Form 10-K filed on September 26, 2011, File No. 001-34024.
(5) Incorporated by reference to our company's Form 10-KSB filed on September 29, 2008, File No. 001-34024.
(6) Incorporated by reference to our company's Form 10-K filed on September 22, 2009, File No. 001-34024.
(7) Filed herewith.
(8) Furnished herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SINO-GLOBAL SHIPPING AMERICA, LTD.

February 14, 2012	By:	/s/ Zhang Mingwei
		Zhang Mingwei
		Chief Financial Officer
		(Principal Financial and Accounting Officer)

SINO-GLOBAL SHIPPING AMERICA, LTD. AND AFFILIATE

Index to Financial Statements

SINO-GLOBAL SHIPPING AMERICA LTD. AND AFFILIATE

CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	December 31, 2011 US$	June 30, 2011 US$
Assets		
Current assets		
Cash and cash equivalents	5,408,974	4,878,828
Advances to suppliers	675,856	338,307
Accounts receivable, less allowance for doubtful accounts of $290,145 and $194,955 as of December 31, 2011 and June 30, 2011	2,464,301	1,847,990
Other receivables, less allowance for doubtful accounts of $80,000 as of December 31, 2011 and June 30, 2011	373,744	417,853
Prepaid expenses and other current assets	112,191	86,453
Prepaid taxes	30,000	286,492
Employee loans receivable	8,305	10,662
Income tax receivable	1,885	1,885
Deferred tax assets	165,000	117,000
Total current assets	9,240,256	7,985,470
Property and equipment, net	521,790	587,024
Security deposits	25,330	31,026
Employee loans receivable less current portion	8,727	11,896
Deferred tax assets	255,000	252,000
Equity investment	-	186,514
Total Assets	10,051,103	9,053,930
Liabilities and Equity		
Current liabilities		
Advances from customers	294,393	710,891
Accounts payable	5,939,269	2,913,553
Accrued expenses	45,957	81,146
Income tax payable	12,955	-
Other current liabilities	272,697	173,249
Total Current Liabilities	6,565,271	3,878,839
Total Liabilities	6,565,271	3,878,839
Commitments and Contingencies		

Equity		
Preferred stock, 1,000,000 shares authorized, no par value; none issued	-	-
Common stock, 10,000,000 shares authorized, no par value; 3,029,032 shares issued and 2,903,841 outstanding	7,709,745	7,709,745
Additional paid-in capital	1,191,796	1,191,796
Treasury stock, at cost	(372,527)	(372,527)
Accumulated deficit	(2,349,570)	(1,288,783)
Accumulated other comprehensive loss	(13,012)	(9,023)
Unearned Compensation	(397,558)	(397,558)
Total Sino-Global Shipping America Ltd. equity	5,768,874	6,833,650
Non-Controlling interest	(2,283,042)	(1,658,559)
Total equity	3,485,832	5,175,091
Total Liabilities and Equity	10,051,103	9,053,930

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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SINO-GLOBAL SHIPPING AMERICA LTD. AND AFFILIATE

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (UNAUDITED)

	For the six months ended December 31,		For the three months ended December 31,	
	2011	2010	2011	2010
	US$	US$	US$	US$
Revenues	16,615,305	17,265,570	8,022,598	9,066,226
Cost of revenues	(15,206,693)	(15,570,501)	(7,452,475)	(8,175,823)
Gross profit	1,408,612	1,695,069	570,123	890,403
General and administrative expense	(2,826,615)	(2,135,644)	(1,444,702)	(1,108,445)
Selling expense	(212,806)	(168,390)	(108,224)	(114,045)
	(3,039,421)	(2,304,034)	(1,552,926)	(1,222,490)
Operating Loss	(1,630,809)	(608,965)	(982,803)	(332,087)
Financial income, net	100,857	119,899	144,860	33,758
Non-operating revenue	16,366	9,916	7,094	6,633
Non-operating costs	-	(215)	-	(215)
Other income	24,139	75,358	3,379	46,332
Loss from equity investment	(188,999)	(31,930)	(915)	(17,019)
	(47,637)	173,028	154,418	69,489
Net loss before provision for income taxes	(1,678,446)	(435,937)	(828,385)	(262,598)
Income taxes benefit (expense)	24,121	(29,188)	1,000	(1,000)
Net loss	(1,654,325)	(465,125)	(827,385)	(263,598)
Net loss attributed to non-controlling interest	(593,537)	(208,697)	(432,384)	(150,451)
Net loss attributable to Sino-Global Shipping America Ltd.	(1,060,788)	(256,428)	(395,001)	(113,147)
Net loss	(1,654,325)	(465,125)	(827,385)	(263,598)
Other comprehensive income				
Foreign currency translation adjustments	(3,989)	(16,200)	(37,638)	(2,405)
Comprehensive loss	(1,658,314)	(481,325)	(865,023)	(266,003)
Comprehensive loss attributable to non-controlling interest	(609,332)	(209,053)	(441,398)	(151,651)

Comprehensive loss attributable to Sino-Global Shipping America Ltd.	(1,048,982)	(272,272)	(423,625)	(114,352)
Earnings (loss) per share				
-Basic and diluted	(0.37)	(0.09)	(0.14)	(0.04)
Weighted average number of common shares used in computation				
-Basic and diluted	2,903,841	2,903,841	2,903,841	2,903,841

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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SINO-GLOBAL SHIPPING AMERICA LTD. AND AFFILIATE

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the six months ended December 31, 2011 US$	2010 US$
Cash flows from operating activities		
Net loss	(1,654,325)	(465,125)
Adjustment to reconcile net loss to net cash provided by operating activities		
Depreciation	137,886	125,791
Provision for doubtful accounts	95,190	-
Deferred tax benefit (expense)	(51,000)	2,000
Loss from equity investment	188,999	31,930
Changes in assets and liabilities		
Increase in advances to supplier	(337,549)	(414,541)
Increase in accounts receivable	(711,501)	(450,447)
Decrease in other receivables	44,109	21,485
(Increase) Decrease in prepaid expense and other current assets	(25,738)	37,292
Decrease in prepaid tax	256,492	342,017
Decrease in employee loan receivables	5,526	17,537
Decrease in income tax receivables	-	35,124
Decrease (Increase) in security deposits	5,696	(30,318)
(Decrease) Increase in advances from customers	(416,498)	1,091,512
Increase (Decrease) in accounts payable	3,025,716	(68,937)
Decrease in accrued expenses	(35,189)	(27,220)
Increase in income taxes payable	12,955	2,876
Increase (Decrease) in other current liabilities	99,448	(20,401)
Net cash provided by operating activities	640,217	230,575
Cash flows from investing activities		
Capital expenditures and other additions	(37,212)	(34,433)
Net cash used in investing activities	(37,212)	(34,433)
Cash flows from financing activities		
Increase in noncontrolling interest	(15,151)	(2,780)
Net cash used in financing activities	(15,151)	(2,780)
Effect of exchange rate fluctuations on cash and cash equivalents	(57,708)	(46,694)

Net increase in cash and cash equivalents	530,146	146,668
Cash and cash equivalents at beginning of period	4,878,828	5,926,153
Cash and cash equivalents at end of period	5,408,974	6,072,821
Supplemental information		
Interest paid	-	713
Income taxes paid	13,200	-

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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SINO-GLOBAL SHIPPING AMERICA, LTD. AND AFFILIATE

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF BUSINESS

Sino-Global Shipping America, Ltd. (the “Company”) was incorporated on February 2, 2001 in New York. On September 18, 2007, the Company amended the Articles of Incorporation and Bylaws to merge into a new Corporation, Sino-Global Shipping America, Ltd. in Virginia.

The Company’s principal geographic market is in the People’s Republic of China (“PRC”). As PRC laws and regulations restrict foreign ownership of shipping agency service businesses, the Company provides its services in the PRC through Sino-Global Shipping Agency Ltd. (“Sino-China”), a Chinese legal entity, which holds the licenses and permits necessary to operate shipping services in the PRC. Sino-China is located in Beijing with branches in Qingdao, Tianjin, Qinhuangdao and Fangchenggang and provides general shipping agency services in all commercial ports in the PRC.

On November 13, 2007, the Company formed a wholly owned foreign-owned enterprise, Trans Pacific Shipping Limited (“Trans Pacific Beijing”), which has two subsidiaries, (i) the 90%-owned Trans Pacific Logistics Shanghai Limited (“Trans Pacific Shanghai”) and (ii) the 19.8%-owned Beijing Sino-Global Shipping Agency Development Co., Limited (“Sino-Global Development”). On October 31, 2011, Trans Pacific Beijing reduced its investment in Sino-Global Development from 40% to 19.8% by transferring 20.2% of its share to the other shareholder due to successive operating losses on Sino-Global Development.

Trans Pacific Beijing and Sino-China do not have a parent-subsidiary relationship. Trans Pacific Beijing has contractual arrangements with Sino-China and its shareholders that enable the Company to substantially control Sino-China.

To build an international shipping agency service network, the Company formed a wholly-owned subsidiary, Sino-Global Shipping Australia Pty Ltd. (“Sino-Global AUS”) in Perth, Australia on July 3, 2008, which serves the needs of customers shipping into and out of Western Australia. The Company also signed an agreement with Monson Agencies Australia (“Monson”), one of the largest shipping agency service providers in Australia. Through the Company’s relationship with Monson, the Company is able to provide general shipping agency services to all ports in Australia.

The Company established another wholly-owned subsidiary, Sino-Global Shipping (HK) Limited ("Sino-Global HK") to perform as a control and management center for southern Chinese ports and enables the Company to extend its offering of comprehensive shipping agency services to vessels going to and from one of the world's busiest ports. Sino-Global HK has signed an exclusive partnership agreement with Forbes & Company Limited (“Forbes”), which is a listed company on the Bombay Stock Exchange (BOM: 502865) and one of the largest shipping and logistic service providers in India. Through the Company’s relationship with Forbes, it is able to provide general shipping agency services to all ports in India.

On July 5, 2011, Sino-China signed a Strategic Cooperative Agreement with COSCO Container Shipping Agency Co. Limited, one of the largest state-owned shipping agents in China. The Agreement entitles us to use COSCO Container Shipping Agency's name to market business in China and overseas. In addition, we are able to provide shipping agency services through over 50 COSCO's offices in China.

On October 12, 2011, the Company signed a Memorandum of Understanding with King & Sons Shipping Agency ("King & Sons"), subsidiary of Grindrod Limited, a public company listed on the Johannesburg Securities Exchange (JSE: GNDP) and one of the oldest shipping agents in South Africa. Through the Company's relationship with King & Sons, it is able to provide general shipping agency services to all ports in South Africa.

On November 08, 2011, the Company signed a Memorandum of Understanding with Wilson Sons Shipping Agency ("Wilson Sons"), the oldest and the leading independent Brazilian ship agent. Through the Company's relationship with Wilson Sons, it is able to provide general shipping agency services to all ports in Brazil.

On May 20, 2008, the Company completed an initial public offering of 1,229,032 shares of common stock at a $7.75 offering price. Our shares started trading on the NASDAQ Capital Market the next day. Following the initial public offering, the Company's Board authorized a stock repurchase program under which it was able to repurchase up to 10% of its then outstanding common stock for a period of 12 months. In September 2009, the Board approved the extension of the stock repurchase program for another six months ended April 2010. In total, the Company repurchased 125,191 shares of common stock from the open market at an average price of $2.98 per share including trading expenses. The total cost of stock repurchase was $372,527.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The agency relationship between the Company and Sino-China and its branches is governed by a series of contractual arrangements pursuant to which the Company has substantial control over Sino-China.

In the opinion of the Company's management, the unaudited condensed consolidated financial statements include all adjustments necessary to present fairly the consolidated financial position, results of operations and cash flows of the Company for the periods presented. These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2011, filed on September 26, 2011 (the "Annual Report").

(b) Basis of consolidation

The condensed consolidated financial statements include the accounts of the parent and its subsidiaries. All significant inter-company transactions and balances are eliminated in consolidation. Sino-China is considered a variable interest entity ("VIE"), and the Company is the primary beneficiary. The Company through Trans Pacific entered into agreements with Sino-China, pursuant to which the Company receives 90% of Sino-China's net income. The Company does not receive any payment from Sino-China unless Sino-China recognizes net income during its fiscal year. These agreements do not entitle the Company to any consideration if Sino-China incurs a net loss during its fiscal year. In accordance with these agreements, Sino-China pays consulting and marketing fees equal to 85% and 5%, respectively, of its net income to the Company's wholly owned foreign subsidiary, Trans Pacific, and Trans Pacific supplies the technology and personnel needed to service Sino-China. Sino-China was designed to operate in China for the benefit of the Company.

The accounts of Sino-China are consolidated in the accompanying unaudited condensed consolidated financial statements pursuant to Accounting Standards Codification ("ASC") 810-10, "Consolidation". As a VIE, Sino-China's sales are included in the Company's total sales, and its income (loss) from operations is consolidated with the Company's. Because of the contractual arrangements, the Company had a pecuniary interest in Sino-China that requires consolidation of the Company's and Sino-China's financial statements.

The Company has consolidated Sino-China's income because the entities are under common control in accordance with ASC 805-10, "Business Combinations". For this reason, the Company has included 90% of Sino-China's net income in the Company's net income, and only the 10% of Sino-China's net income not paid to the Company represents the non-controlling interest in Sino-China's income. Management makes ongoing reassessments of whether the Company is the primary beneficiary of Sino-China.

The carrying amount and classification of Sino-China's assets and liabilities included in the Unaudited Condensed Consolidated Balance Sheets are as follows:

	December 31, 2011 US$	June 30, 2011 US$
Total current asstes	627,889	958,934
Total assets	923,639	1,324,636
Total current liabilities	306,805	308,737
Total liabilities	306,805	308,737

(c) Fair Value of Financial Instruments

The carrying amounts reported in the unaudited condensed consolidated financial statements for current assets and current liabilities approximate fair value due to the short-term nature of these financial instruments. The Company determined that the carrying value of the employee loan approximated this fair value.

(d) Use of Estimates and Assumptions

The preparation of the unaudited condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Estimates are adjusted to reflect actual experience when necessary. Significant accounting estimates reflected in the Company's condensed consolidated financial statements include revenue recognition, cost of revenues, allowance for doubtful accounts, the useful lives of property and equipment.

Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

(e) Translation of Foreign Currency

The accounts of the Company and Sino-China and each of its branches are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is the US dollars ("$") while Sino-China reports its financial position and results of operations in Renminbi ("RMB"). The accompanying unaudited condensed consolidated financial statements are presented in US dollars. Foreign currency transactions are translated into US dollars using the fixed exchange rates in effect at the time of the transaction. Generally foreign exchange gains and losses resulting from the settlement of such transactions are recognized in the unaudited condensed consolidated statements of operations. The Company translates foreign currency financial statements of Sino-China, Sino-Global AUS, Sino-Global HK and Trans Pacific in accordance with ASC 830-10, "Foreign Currency Matters". Assets and liabilities are translated at current exchange rates quoted by the People's Bank of China at the balance sheet dates and revenues and expenses are translated at average exchange rates in effect during the periods. Resulting translation adjustments are recorded as other comprehensive income (loss) and accumulated as a separate component of equity of the Company and also included in non-controlling interest.

(f) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, and other highly liquid investments which are unrestricted as to withdrawal or use, and which have maturities of three months or less when purchased. The Company maintains cash and cash equivalents with various financial institutions mainly in the PRC, Australia, Hong Kong and the United States. Cash balances in the United States are insured by the Federal Deposit Insurance Corporation subject to certain limitations.

(g) Property and Equipment

Property and equipment are stated at historical cost less accumulated depreciation and amortization. Historical cost comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

BuildingsJ0 years

Motor vehicles M-10 years

Furniture and office equipmentK-5 years

The carrying value of a long-lived asset is considered impaired by the Company when the anticipated undiscounted cash flows from such asset is less than its carrying value. If impairment is identified, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved or based on independent appraisals. Management has determined that there were no impairments at the balance sheet dates.

(h) Equity Investment

Investments in companies that are owned 20% to 50% for which the Company has significant influence but not control are accounted for by the equity method. Under the equity method, the Company recognizes in earnings its proportionate share of the income or loss of the investee.

With an expectation to open additional business opportunity to the Company, Sino-Global Development was formed on November 9, 2009. Trans Pacific Beijing had a 40% shareholding of Sino-Global Development. Sino-Global Development has reported successive losses and is insolvent, Trans Pacific Beijing has recognized an investment loss of $188,999 for the quarter ended December 31, 2011. Trans Pacific Beijing transferred 20.2% of its 40% share to the other shareholder due to successive operating losses on Sino-Global Development

(i) Revenue recognition

The Company charges shipping agency fees in two ways: (1) fixed fees that are predetermined with the customer, and (2) cost-plus fees that are calculated based on the actual costs incurred plus a markup. The Company generally requires payments in advance from customers and bills them on the balance within 30 days after the transactions are completed.

Revenues are recognized from shipping agency services upon completion of services, which coincides with the date of departure of the relevant vessel from port. Advance payments and deposits received from customers prior to the provision of services and recognition of the related revenues are presented as current liabilities.

Some contracts provide that revenues are recognized as a mark up of actual costs incurred. In a situation where the services are completed but the information on the actual expenses is not available at the end of the fiscal period, we estimate revenues and costs based on our previous experience for the revenues of the same kind of vessels, port charges on the vessel’s particulars/movement and costs rate of the port. In general, the estimated revenues are based on the contract amounts. In other situations, the estimated revenues are based on the contract amounts plus any additional costs incurred, such as extra weight taxes because of extended parking time at a harbor, additional tow boats used because of inclement weather, overtime during public holidays and so on. If such contributory factors change, our revenues will increase or decrease accordingly. The estimated costs of revenue are based on the cost information provided by the local port and /or our historical experience of similar transactions. Since all estimated costs and expenses are paid in RMB, if the valuation of the RMB increases compared to the USD, then the estimated costs will increase accordingly.

The Company reports its revenue on the gross amounts billed to customers based on several criteria: (1) the Company assumes all credit risk for the amounts billed to customers, (2) the Company has multiple suppliers for services ordered by customers and discretion to select the supplier that provides the services, and (3) the Company determines the nature, type or specifications of the services ordered by customers and the Company is responsible for fulfilling these services.

(j) Accounts receivable

Accounts receivable are presented at net realizable value. The Company maintains allowances for doubtful accounts for estimated losses. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, customer's historical payment history, its current credit-worthiness and current economic trends. Receivables are considered past due after 365 days. In accordance with the accounting policies, management has determined that an allowance of $290,145 was required at December 31, 2011, and $194,955 at June 30, 2011. Accounts are written off after exhaustive efforts at collection.

(k) Taxation

Because the Company and Sino-China are incorporated in different jurisdictions, they file separate income tax returns. The Company uses the liability method of accounting for income taxes in accordance with US GAAP. Deferred taxes, if any, are recognized for the future tax consequences of temporary differences between the tax basis of assets and liabilities and their reported amounts in the condensed consolidated financial statements.

The Company follows the provisions of ASC 740, "Income Taxes", which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under ASC 740, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position would be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. ASC 740 also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The implementation of ASC 740 resulted in no material liability for unrecognized tax benefits and no material change to the beginning retained earnings of the Company. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense.

Income tax returns for the year prior to 2009 are no longer subject to examination by tax authorities.

PRC Enterprise Income Tax

PRC enterprise income tax is calculated based on taxable income determined under PRC GAAP at 25%. Sino-China and Trans Pacific are registered in PRC and governed by the Enterprise Income Tax Laws of the PRC.

PRC Business Tax and Surcharges

Revenues from services provided by Sino-China and Trans Pacific are subject to the PRC business tax of 5%. Business tax and surcharges are paid on gross revenues generated from shipping agency services minus the costs of services which are paid on behalf of the customers.

In addition, under the PRC regulations, Sino-China is required to pay the city construction tax (7%) and education surcharges (3%) based on the calculated business tax payments.

Sino-China reports its revenues net of PRC's business tax and surcharges for all the periods presented in the condensed consolidated statements of operations.

(l) Earnings (loss) per share

Earnings (loss) per share is calculated in accordance with ASC 260, "Earnings Per Share". Basic earnings per share is computed by dividing net income attributable to holders of common shares by the weighted average number of common shares outstanding during the years. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common shares. Convertible, redeemable preferred shares are included in the computation of diluted earnings per share on an "if-converted" basis, when the impact is dilutive. Contingent exercise price resets are accounted for in a manner similar to contingently issuable shares. Common share equivalents are excluded from the computation of diluted earnings per share if their effects would be anti-diluted.

The effect of 138,000 stock options and 139,032 warrants for all periods presented were not included in the calculation of diluted EPS because they would be anti-dilutive.

3. OTHER RECEIVABLES / OTHER CURRENT LIABILITIES

(a) Other Receivables

Other receivables represent mainly amounts to be received from customers for advance payments made to the port agent for reimbursed charges to be incurred in connection with the costs of services and loans to employees.

(b) Other Current Liabilities

Other current liabilities represent mainly advance payments received from customers for reimbursed port agent charges to be incurred and miscellaneous accrued liabilities.

4. EMPLOYEE LOANS RECEIVABLE

The employee loans receivable represent receivables from employees other than executive officers for three automobiles sold to these employees. These receivables are secured by the automobiles and the personal assets of the employees. The Company has not imputed any interest on these receivables due to immateriality.

	December 31, 2011 US$	June 30, 2011 US$
Loans from employees, secured by their personal assets, receivable in monthly installments of approximately $1,023 bearing no interest through August 2014	17,032	22,558
Less : Current maturities	(8,305)	(10,662)
	8,727	11,896

5. ADVANCES TO SUPPLIERS/ADVANCES FROM CUSTOMERS

(a) Advances to Suppliers

Advances to suppliers represent costs of services and fees paid to suppliers in advance in connection with the agency services fees income to be recognized.

(b) Advances from Customers

Advances from customers represent money received from customers in advance in connection with the agency services fees income to be recognized.

6. PROPERTY AND EQUIPMENT

Property and equipment are as follows:

	December 31, 2011 US$	June 30, 2011 US$
Land and building	78,900	76,819
Motor vehicles	919,386	893,818
Computer equipment	124,295	110,479
Office equipment	46,534	37,059
Furniture & Fixtures	53,573	36,837
System software	120,999	117,807
Leasehold improvement	67,643	65,859
Total	1,411,330	1,338,678
Less : Accumulated depreciation and amortization	889,540	751,654
Property and equipment, net	521,790	587,024

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7. NON-CONTROLLING INTEREST

Non-controlling interest consists of the following:

	December 31, 2011 US$	June 30, 2011 US$
Sino-China:		
Original paid-in capital	356,400	356,400
Additional paid-in capital	1,044	1,044
Accumulated other comprehensive loss	(50,184)	(34,390)
Accumulated deficit	(2,595,652)	(2,004,046)
Other adjustments	(25,491)	(23,559)
	(2,313,883)	(1,704,551)
Trans Pacific Logistics Shanghai Ltd.	30,841	45,992
Total	(2,283,042)	(1,658,559)

8. COMMITMENTS AND CONTINGENCY

(a) Office leases

The Company leases certain office premises and apartments for employees under operating leases through October 31, 2013. Future minimum lease payments under operating leases agreements are as follows:

	Amount US$
Twevle months ending December 31,	
2012	154,826
2013	60,645
	215,471

Rent expense for the six months ended December 31, 2011 and 2010 was $182,396 and $142,328, respectively. Rent expense for the three months ended December 31, 2011 and 2010 was $94,296 and $65,823, respectively.

(b) Contingency

The Labor Contract Law of the People's Republic of China requires employers to assure the liability of the severance payments if employees are terminated and have been working for the employers for at least two years prior to January 1, 2008. The employers will be liable for one month for severance pay for each year of the service provided by the employees. As of December 31, 2011, the Company has estimated its severance payments of approximately $148,000, which has not been reflected in its consolidated financial statements, as the probability of payment is remote.

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9. FINANCIAL INCOME (EXPENSES), NET

Financial income (expenses) for the six months ended December 31, 2011 and 2010 and the three months ended December 31, 2011 and 2010 are as follows:

	For the six months ended December 31,		For the three months ended December 31,	
	2011	2010	2011	2010
	US$	US$	US$	US$
Interest income	15,269	22,607	9,146	10,859
Interest expense	-	(713)	-	(3)
Bank charge	(7,265)	(10,584)	(3,153)	(5,747)
Foreign currency translation	92,853	108,589	138,867	28,649
	100,857	119,899	144,860	33,758

10. INCOME TAXES

The income tax provision for the six months ended December 31, 2011 and 2010 and the three months ended December 31, 2011 and 2010 are as follows:

	For the six months ended December 31,		For the three months ended December 31,	
	2011	2010	2011	2010
	US$	US$	US$	US$
Current				
USA	(26,879)	(29,188)	-	(1,000)
China	-	-	-	-
	(26,879)	(29,188)	-	(1,000)
Deferred				
Allowance for doubtful accounts	48,000	-	1,000	-
Net operating loss carryforward	195,000	29,000	171,000	29,000
Valuation allowance	(192,000)	(29,000)	(171,000)	(29,000)
Net deferred	51,000	-	1,000	-
Total	24,121	(29,188)	1,000	(1,000)

11. MAJOR CUSTOMER

For the six months ended December 31, 2011, approximately 51% and 11% of the Company's revenues were from two customers. For the six months ended December 31, 2010, approximately 59% of the Company's revenues were from one customer. The Company provides services to one customer under an exclusive agency agreement that expires on December 31, 2012. At December 31, 2011, the same customer accounted for approximately 10% of the total accounts receivable balance.

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