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# Section 1: 8-K (CURRENT REPORT)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 19, 2019

**SINO-GLOBAL SHIPPING AMERICA, LTD.**  
(Exact name of Registrant as specified in charter)

Virginia  
(State or other jurisdiction  
of Incorporation)

001-34024  
(Commission File No.)

11-3588546  
(IRS Employer  
Identification No.)

1044 Northern Blvd., Suite 305,  
Roslyn, New York, 11576-1514  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (718) 888-1814

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFR230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17CFR240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR240.13e-4(c))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| Common              | SINO              | NASDAQ                                    |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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**Item 2.02. Results of Operations and Financial Condition.**

On November 19, 2019, Sino-Global Shipping America, Ltd. (the “**Company**”) issued a press release announcing certain financial results for the fiscal quarter ended September 30, 2019. A copy of the press release is attached hereto as Exhibit 99.1.

The information provided in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exhibit No.</b> | <b>Description</b> |
|--------------------|--------------------|
|--------------------|--------------------|

|      |   |
|------|---|
| 99.1 | <a href="#">Press release of Sino-Global Shipping America, Ltd. dated November 19, 2019</a> |
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## SIGNATURES

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

Date: November 19, 2019

**SINO-GLOBAL SHIPPING AMERICA, LTD.**

By: /s/ Lei Cao  
Name: Lei Cao  
Title: Chief Executive Officer

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## Section 2: EX-99.1 (PRESS RELEASE OF SINO-GLOBAL SHIPPING AMERICA, LTD. DATED NOVEMBER 19, 2019)

Exhibit 99.1



### Sino-Global Announces Fiscal 2020 First Quarter Financial Results

Roslyn, New York, November 19, 2019 – Sino-Global Shipping America, Ltd. (NASDAQ: SINO) (“Sino-Global”, the “Company”, “we”, “our”, or “us”), a global logistics service provider, announced its financial and operating results for its fiscal 2020 first quarter ended September 30, 2019.

The Company has also provided more detailed information on its quarterly report on Form 10-Q filed this afternoon with the U.S. Securities and Exchange Commission. Management encourages investors to review the Company’s 10-Q for a detailed discussion of the Company’s financial results for the quarter ended September 30, 2019.

#### Management Comments

Mr. Lei Cao, Chairman and Chief Executive Officer of Sino-Global commented, “During the first quarter, our strategy continued to be negatively impacted by the ongoing difficult U.S./China trade relations. We were very pleased to have significantly improved gross margins despite a difficult sales environment, partly due to our shifting focus towards our shipping agency business. By utilizing our agency network and previous investments in technology, we have retained the ability to service a broader base of customers. Despite our ongoing efforts to rationalize costs and expenses, we remain cautious amidst a macro-economic stalemate with an indeterminant time frame. As the Company moves forward into fiscal 2020, we will be focusing on leveraging our growing infrastructure to improve operating margins and the bottom line while simultaneously seeking immediate international opportunities. We expect to provide a shareholder letter to outline our growth strategy for the coming year prior to our next annual meeting.”

#### Fiscal First Quarter 2020 Financial Review

- The Company reported total revenues of approximately \$1.8 million for the quarter ended September 30, 2019, compared to approximately \$6.5 million reported in the same period last year. The decrease was largely due to a shift to shipping agency and management activities with certain freight logistics contracts in light of uncertainty surrounding current trade along with lower inland management revenues.
- The Company’s gross profit for the 2020 fiscal first quarter was approximately \$1.1 million, compared to approximately \$1.4 million in the same period last year. Gross profit margin during the quarter was approximately 61.7%, compared to approximately 21.8% in the same period last year. The increase was largely due to shifting toward its agency business for providing freight logistics services where the Company acted solely as an agent and did not control the services rendered to its customers.

The following tables present summary information by segments mainly regarding the top-line financial results for the quarters ended September 30, 2019 and 2018, respectively:

|                               | <b>For the Three Months Ended September 30, 2019</b>       |  |   |  |              |
|-------------------------------|--|--|---|--|--------------|
|                               | <b>Shipping<br/>Agency and<br/>Management<br/>Services</b> | <b>Inland<br/>Transportation<br/>Management<br/>Services</b> | <b>Freight<br/>Logistics<br/>Services</b> | <b>Container<br/>Trucking<br/>Services</b> | <b>Total</b> |
| Revenues                      |  |  |   |  |              |
| - Related party               | \$ -   | \$ -   | \$ -                                      | \$ -                                       | \$ -         |
| - Third parties               | \$ 500,000   | \$ -   | \$ 1,242,142*                             | \$ 44,084                                  | \$ 1,786,226 |
| Total revenues                | \$ 500,000   | \$ -   | \$ 1,242,142                              | \$ 44,084                                  | \$ 1,786,226 |
| Cost of revenues              | \$ 95,822  | \$ -   | \$ 547,684*                               | \$ 39,898                                  | \$ 683,404   |
| Gross profit                  | \$ 404,178   | \$ -   | \$ 694,458                                | \$ 4,186                                   | \$ 1,102,822 |
| Depreciation and amortization | \$ 102,774   | \$ -   | \$ 7,702                                  | \$ 44,101                                  | \$ 154,577   |
| Total capital expenditures    | \$ 4,538   | \$ -   | \$ -                                      | \$ -                                       | \$ 4,538     |
| Gross margin%                 | 80.8%  | -%   | 55.9%                                     | 9.5%                                       | 61.7%        |

\* For certain freight logistics contracts that the Company entered into with certain customers in its fiscal 2020 first quarter, the Company (i) acts as an agent coordinating relationships between customers and third-party service providers and (ii) does not control the services rendered to its customers, revenues related to these contracts are presented net of related costs. For the three months ended September 30, 2019, gross revenues and gross cost of revenues related to these contracts amounted to approximately \$9.1 million and \$8.5 million, respectively.

|                               | <b>For the Three Months Ended September 30, 2018</b>       |  |   |  |              |
|-------------------------------|--|--|---|--|--------------|
|                               | <b>Shipping<br/>Agency and<br/>Management<br/>Services</b> | <b>Inland<br/>Transportation<br/>Management<br/>Services</b> | <b>Freight<br/>Logistics<br/>Services</b> | <b>Container<br/>Trucking<br/>Services</b> | <b>Total</b> |
| Revenues                      |  |  |   |  |              |
| - Related party               | \$ -   | \$ 322,000   | \$ -                                      | \$ -                                       | \$ 322,000   |
| - Third parties               | \$ -   | \$ 598,000   | \$ 5,487,553                              | \$ 91,980                                  | \$ 6,177,533 |
| Total revenues                | \$ -   | \$ 920,000   | \$ 5,487,553                              | \$ 91,980                                  | \$ 6,499,533 |
| Cost of revenues              | \$ -   | \$ 59,874  | \$ 4,965,992                              | \$ 57,966                                  | \$ 5,083,832 |
| Gross profit                  | \$ -   | \$ 860,126   | \$ 521,561                                | \$ 34,014                                  | \$ 1,415,701 |
| Depreciation and amortization | \$ -   | \$ 20,488  | \$ 476                                    | \$ 4,751                                   | \$ 25,715    |
| Total capital expenditures    | \$ -   | \$ -   | \$ -                                      | \$ 830                                     | \$ 830       |
| Gross margin%                 | -  | 93.5%  | 9.5%                                      | 37.0%                                      | 21.8%        |

- The Company had an operating loss of approximately \$1.8 million for the three months ended September 30, 2019, compared to an operating loss of approximately \$1.4 million for the same period in 2018.
- For the fiscal quarter ended September 30, 2019, the Company reported net loss attributable to Sino-Global Shipping America, Ltd. of approximately \$1.6 million, or loss of approximately \$0.10 per diluted share based on approximately 16.1 million weighted average shares outstanding, compared to net loss attributable to Sino-Global Shipping America, Ltd. of approximately \$1.3 million, or loss of approximately \$0.10 per diluted share based on approximately 13.1 million weighted average shares outstanding, for the same period last year.

#### **Balance Sheet Information**

- As of September 30, 2019, the Company's working capital was approximately \$9.4 million and the Company had cash of approximately \$0.1 million. The Company plans to fund continuing operations through identifying new prospective joint venture partners and strategic alliance opportunities for new revenue sources, and by reducing costs to improve profitability and replenish working capital.
- The Company's allowance for doubtful accounts was approximately \$6.5 million as of September 30, 2019 compared with allowance of doubtful accounts of approximately \$5.7 million as of June 30, 2019. As the Company continues to maintain long-standing relationships with its customers, it will work with these parties to monitor their payments closely and does not believe that there are any significant collection issues with respect to trade accounts receivable, net of allowance.
- The Company holds no long-term debt.

### **About Sino-Global Shipping America, Ltd.**

Founded in the United States in 2001, Sino-Global Shipping America, Ltd. is a company engaged originally in shipping, chartering, logistics and related business services. Headquartered in New York, Sino-Global has offices in mainland China, Australia, Canada and Hong Kong. The Company's current service offerings consist of shipping agency and management, inland transportation management, freight logistics and container trucking services. Additional information about Sino-Global can be found on the Company's corporate website at [www.sino-global.com](http://www.sino-global.com). The Company routinely posts important information on its website.

### **Forward Looking Statements**

No statement made in this press release should be interpreted as an offer to sell or a solicitation of an offer to purchase any security. Such an offer can only be made in accordance with the Securities Act of 1933, as amended, and applicable state securities laws. Any statements contained in this release that relate to future plans, events or performance are forward-looking statements that involve risks and uncertainties as identified in Sino-Global's filings with the U.S. Securities and Exchange Commission. Actual results, events or performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Sino-Global undertakes no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect the events or circumstances after the date hereof or to reflect the occurrence of unanticipated events unless required by applicable law or regulations.

### **Contact Information**

The Equity Group Inc.  
Adam Prior  
Senior Vice-President  
(212)-836-9606 / [aprior@equityny.com](mailto:aprior@equityny.com)

**SINO-GLOBAL SHIPPING AMERICA, LTD. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF OPERATION AND COMPREHENSIVE LOSS**  
**(UNAUDITED)**

|  | <b>For the Three Months Ended</b> |                       |
|--|-----------------------------------|-----------------------|
|  | <b>September 30,</b>              |                       |
|  | <b>2019</b>                       | <b>2018</b>           |
| Net revenues - third parties   | \$ 1,786,226                      | \$ 6,177,533          |
| Net revenues - related party   | -                                 | 322,000               |
| <b>Total revenues</b>  | <b>1,786,226</b>                  | <b>6,499,533</b>      |
| Cost of revenues   | (683,404)                         | (5,083,832)           |
| <b>Gross profit</b>  | <b>1,102,822</b>                  | <b>1,415,701</b>      |
| Selling expenses   | (130,029)                         | (108,369)             |
| General and administrative expenses  | (1,091,455)                       | (973,752)             |
| Impairment loss of fixed assets and intangible asset                         | (327,632)                         | -                     |
| Provision for doubtful accounts  | (889,078)                         | (871,081)             |
| Stock-based compensation   | (414,708)                         | (817,208)             |
| <b>Total operating expenses</b>  | <b>(2,852,902)</b>                | <b>(2,770,410)</b>    |
| <b>Operating loss</b>  | <b>(1,750,080)</b>                | <b>(1,354,709)</b>    |
| Other income, net  | 1,456                             | 712                   |
| <b>Net loss before provision for income taxes</b>                            | <b>(1,748,624)</b>                | <b>(1,353,997)</b>    |
| Income tax benefit   | -                                 | 66,466                |
| Net loss   | (1,748,624)                       | (1,287,531)           |
| Net (loss) income attributable to non-controlling interest                   | (121,271)                         | 29,231                |
| <b>Net loss attributable to Sino-Global Shipping America, Ltd.</b>           | <b>\$ (1,627,353)</b>             | <b>\$ (1,316,762)</b> |
| <b>Comprehensive loss</b>  |                                   |                       |
| Net loss   | \$ (1,748,624)                    | \$ (1,287,531)        |
| Other comprehensive loss - foreign currency                                  | (503,667)                         | (462,162)             |
| Comprehensive loss   | (2,252,291)                       | (1,749,693)           |
| Less: Comprehensive income attributable to non-controlling interest          | 21,273                            | 106,725               |
| <b>Comprehensive loss attributable to Sino-Global Shipping America, Ltd.</b> | <b>\$ (2,273,564)</b>             | <b>\$ (1,856,418)</b> |
| <b>Loss per share</b>  |                                   |                       |
| Basic and diluted  | \$ (0.10)                         | \$ (0.10)             |
| <b>Weighted average number of common shares used in computation</b>          |                                   |                       |
| Basic and diluted  | 16,073,087                        | 13,145,535            |

**SINO-GLOBAL SHIPPING AMERICA, LTD. AND AFFILIATES**  
**CONSOLIDATED BALANCE SHEETS**  
**(UNAUDITED)**

|   | <b>September 30,<br/>2019</b> | <b>June 30,<br/>2019</b> |
|---|-------------------------------|--------------------------|
| <b>Assets</b>   |                               |                          |
| <b>Current assets</b>   |                               |                          |
| Cash  | \$ 141,438                    | \$ 3,142,650             |
| Notes receivable  | -                             | 383,792                  |
| Accounts receivable, less allowance for doubtful accounts of \$6,506,794 and \$5,670,274 as of September 30, 2019 and June 30, 2019, respectively   | 3,991,830                     | 7,045,846                |
| Other receivables, net  | 9,569,216                     | 4,335,715                |
| Advances to suppliers - third parties   | 55,953                        | 124,140                  |
| Prepaid expenses and other current assets   | 92,126                        | 105,054                  |
| Due from related party, net   | 472,715                       | 807,965                  |
| <b>Total Current Assets</b>   | <b>14,323,278</b>             | <b>15,945,162</b>        |
| Property and equipment, net   | 711,638                       | 989,910                  |
| Right-of-use assets   | 427,291                       | -                        |
| Intangible assets, net  | 73,889                        | 89,722                   |
| Prepaid expenses  | 225,619                       | 519,503                  |
| Other long-term assets - deposits   | 2,928,533                     | 3,054,706                |
| <b>Total Assets</b>   | <b>\$ 18,690,248</b>          | <b>\$ 20,599,003</b>     |
| <b>Liabilities and Equity</b>   |                               |                          |
| <b>Current Liabilities</b>  |                               |                          |
| Advances from customers   | \$ 66,474                     | \$ 68,590                |
| Accounts payable  | 699,855                       | 567,619                  |
| Lease liabilities - current   | 158,455                       | -                        |
| Taxes payable   | 2,710,011                     | 3,184,895                |
| Accrued expenses and other current liabilities  | 1,240,992                     | 1,418,129                |
| <b>Total current liabilities</b>  | <b>4,875,787</b>              | <b>5,239,233</b>         |
| Lease liabilities - noncurrent  | 263,473                       | -                        |
| <b>Total liabilities</b>  | <b>5,139,260</b>              | <b>5,239,233</b>         |
| <b>Commitments and Contingencies</b>  |                               |                          |
| <b>Equity</b>   |                               |                          |
| Preferred stock, 2,000,000 shares authorized, no par value, none issued   | -                             | -                        |
| Common stock, 50,000,000 shares authorized, no par value; 16,834,534 and 16,054,534 shares issued as of September 30, 2019 and June 30, 2019, respectively; 16,659,037 and 15,879,037 shares outstanding as of September 30, 2019 and June 30, 2019, respectively | 27,111,130                    | 26,523,830               |
| Additional paid-in capital  | 1,923,115                     | 2,066,906                |
| Treasury stock, at cost, 175,497 shares as of September 30, 2019 and June 30, 2019  | (417,538)                     | (417,538)                |
| Accumulated deficit   | (8,596,053)                   | (6,968,700)              |
| Accumulated other comprehensive loss  | (1,317,317)                   | (671,106)                |
| <b>Total Sino-Global Shipping America Ltd. Stockholders' Equity</b>   | <b>18,703,337</b>             | <b>20,533,392</b>        |
| <b>Non-controlling Interest</b>   | <b>(5,152,349)</b>            | <b>(5,173,622)</b>       |
| <b>Total Equity</b>   | <b>13,550,988</b>             | <b>15,359,770</b>        |
| <b>Total Liabilities and Equity</b>   | <b>\$ 18,690,248</b>          | <b>\$ 20,599,003</b>     |

**SINO-GLOBAL SHIPPING AMERICA, LTD. AND AFFILIATES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(UNAUDITED)**

|   | <u>Preferred Stock</u> |               | <u>Common Stock</u> |               | <u>Additional<br/>paid-in<br/>capital</u> | <u>Treasury Stock</u> |               | <u>Accumulated<br/>deficit</u> | <u>Accumulated<br/>other<br/>comprehensive<br/>loss</u> | <u>Noncontrolling<br/>interest</u> | <u>Total</u> |
|---|------------------------|---------------|---------------------|---------------|---|-----------------------|---------------|--------------------------------|---|------------------------------------|--------------|
|   | <u>Shares</u>          | <u>Amount</u> | <u>Shares</u>       | <u>Amount</u> |   | <u>Shares</u>         | <u>Amount</u> |                                |   |                                    |              |
| BALANCE,<br>June 30, 2018                                   | -                      | \$ -          | 13,271,032          | \$23,717,330  | \$ 1,755,573                              | (175,497)             | \$(417,538)   | \$ (434,856)                   | \$ (272,407)  | \$ (4,812,828)                     | \$19,535,274 |
| Stock based<br>compensation<br>to employee                  | -                      | -             | 430,000             | 473,000       | -   | -                     | -             | -                              | -   | -                                  | 473,000      |
| Stock based<br>compensation<br>to consultants               | -                      | -             | 50,000              | 63,500        | -   | -                     | -             | -                              | -   | -                                  | 63,500       |
| Amortization of<br>shares to<br>management<br>and employees | -                      | -             | -                   | -             | 91,000                                    | -                     | -             | -                              | -   | -                                  | 91,000       |
| Amortization of<br>shares issued to<br>consultants          | -                      | -             | -                   | -             | 189,708                                   | -                     | -             | -                              | -   | -                                  | 189,708      |
| Foreign currency<br>translation                             | -                      | -             | -                   | -             | -   | -                     | -             | -                              | (539,656)   | 77,494                             | (462,162)    |
| Net income (loss)   | -                      | -             | -                   | -             | -   | -                     | -             | (1,316,762)                    | -   | 29,231                             | (1,287,531)  |
| BALANCE,<br>September 30, 201                               | -                      | \$ -          | 13,751,032          | \$24,253,830  | \$ 2,036,281                              | (175,497)             | \$(417,538)   | \$ (1,751,618)                 | \$ (812,063)  | \$ (4,706,103)                     | \$18,602,789 |

|   | <u>Preferred Stock</u> |               | <u>Common Stock</u> |               | <u>Additional<br/>paid-in<br/>capital</u> | <u>Treasury Stock</u> |               | <u>Accumulated<br/>deficit</u> | <u>Accumulated<br/>other<br/>comprehensive<br/>loss</u> | <u>Noncontrolling<br/>interest</u> | <u>Total</u> |
|---|------------------------|---------------|---------------------|---------------|---|-----------------------|---------------|--------------------------------|---|------------------------------------|--------------|
|   | <u>Shares</u>          | <u>Amount</u> | <u>Shares</u>       | <u>Amount</u> |   | <u>Shares</u>         | <u>Amount</u> |                                |   |                                    |              |
| BALANCE,<br>June 30, 2019                             | -                      | \$ -          | 16,054,534          | \$26,523,830  | \$ 2,066,906                              | (175,497)             | \$(417,538)   | \$ (6,968,700)                 | \$ (671,106)  | \$ (5,173,622)                     | \$15,359,770 |
| Stock based<br>compensatio<br>to<br>employees         | -                      | -             | 90,000              | 63,000        | -   | -                     | -             | -                              | -   | -                                  | 63,000       |
| Stock based<br>compensatio<br>to<br>consultants       | -                      | -             | 690,000             | 524,300       | (324,000)                                 | -                     | -             | -                              | -   | -                                  | 200,300      |
| Amortization<br>of shares<br>issued to<br>consultants | -                      | -             | -                   | -             | 180,209                                   | -                     | -             | -                              | -   | -                                  | 180,209      |
| Foreign<br>currency<br>translation                    | -                      | -             | -                   | -             | -   | -                     | -             | -                              | (646,211)   | 142,544                            | (503,667)    |
| Net loss  | -                      | -             | -                   | -             | -   | -                     | -             | (1,627,353)                    | -   | (121,271)                          | (1,748,624)  |
| BALANCE,<br>September 30,<br>2019                     | -                      | \$ -          | 16,834,534          | \$27,111,130  | \$ 1,923,115                              | (175,497)             | \$(417,538)   | \$ (8,596,053)                 | \$ (1,317,317)  | \$ (5,152,349)                     | \$13,550,988 |



**SINO-GLOBAL SHIPPING AMERICA, LTD. AND AFFILIATES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

**For the Three Months Ended  
September 30,**

|   | <b>2019</b>        | <b>2018</b>        |
|---|--------------------|--------------------|
| <b>Operating Activities</b>   |                    |                    |
| Net loss  | \$ (1,748,624)     | \$ (1,287,531)     |
| Adjustments to reconcile net loss to net cash used in operating activities: |                    |                    |
| Stock-based compensation  | 414,708            | 817,208            |
| Depreciation and amortization   | 154,577            | 25,715             |
| Non-cash lease expense  | 40,426             | -                  |
| Provision for doubtful accounts   | 889,078            | 871,081            |
| Impairment loss of fixed assets and intangible asset                        | 327,632            | -                  |
| Deferred tax benefit  | -                  | (194,500)          |
| Changes in assets and liabilities   |                    |                    |
| Notes receivable  | 386,233            | -                  |
| Accounts receivable   | 2,159,346          | (3,709,059)        |
| Other receivables   | (5,389,083)        | 67,499             |
| Advances to suppliers - third parties                                       | 67,902             | (789,150)          |
| Advances to suppliers - related party                                       | -                  | 3,322,210          |
| Prepaid expenses and other current assets                                   | 81,209             | (290,651)          |
| Other long-term assets - deposits   | 90,016             | (2,510,665)        |
| Due from related parties  | 372,500            | 807,405            |
| Advances from customers   | (1,525)            | (250,650)          |
| Accounts payable  | 141,114            | (2,804,782)        |
| Taxes payable   | (443,828)          | (35,535)           |
| Lease liabilities   | (39,201)           | -                  |
| Accrued expenses and other current liabilities                              | (172,838)          | 122,962            |
| <b>Net cash used in operating activities</b>                                | <b>(2,670,358)</b> | <b>(5,838,443)</b> |
| <b>Investing Activities</b>   |                    |                    |
| Acquisition of property and equipment                                       | (4,538)            | (830)              |
| <b>Net cash used in investing activities</b>                                | <b>(4,538)</b>     | <b>(830)</b>       |
| Effect of exchange rate fluctuations on cash                                | (326,316)          | (271,955)          |
| <b>Net decrease in cash</b>   | <b>(3,001,212)</b> | <b>(6,111,228)</b> |
| Cash at beginning of period   | 3,142,650          | 7,098,259          |
| Cash at end of period   | \$ 141,438         | \$ 987,031         |
| <b>Supplemental information</b>   |                    |                    |
| Income taxes paid   | \$ 35,191          | \$ 9,108           |
| Interest paid   | \$ 11,116          | \$ -               |
| <b>Non-cash transactions of operating and investing activities</b>          |                    |                    |
| Transfer of prepayment to intangible asset                                  | \$ 218,678         | \$ -               |
| Initial recognition of right-of-use assets and lease liabilities            | \$ 469,218         | \$ -               |