

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 102225 / January 17, 2025**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 4557 / January 17, 2025**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-22424**

**In the Matter of**

**SINGULARITY FUTURE  
TECHNOLOGY, LTD.**

**Respondent.**

**ORDER INSTITUTING CEASE-AND-  
DESIST PROCEEDINGS PURSUANT TO  
SECTION 21C OF THE SECURITIES  
EXCHANGE ACT OF 1934, MAKING  
FINDINGS, AND IMPOSING A CEASE-  
AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Singularity Future Technology, Ltd. (“Singularity,” the “Company,” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent's Offer, the Commission finds that:

### **Summary**

1. This matter involves financial reporting, accounting, books and records, and controls violations by Singularity, a shipping and logistics company that has also sought to expand its operations into digital assets. In each of its past eight fiscal years, Singularity has disclosed that its internal control over financial reporting ("ICFR") and disclosure controls and procedures ("DCP") were ineffective and reported multiple material weaknesses. These ineffective controls and material weaknesses, as well as its failure to maintain required books and records, contributed to Singularity needing to restate, in March 2023, certain prior period financials (the "March 2023 Restatement") due to improperly accounting for a series of related party transactions and improper revenue recognition.

2. As a result of this conduct, Singularity violated Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act, and Rules 12b-20, 13a-1, 13a-13, and 13a-15 thereunder.

### **Respondent**

3. Singularity is a Virginia corporation headquartered in Great Neck, New York. It is a shipping and logistics company which operates through a number of subsidiaries including subsidiaries located in China and Hong Kong. Singularity was formerly known as Sino-Global Shipping America, Ltd., but in January 2022, changed its name to Singularity, in connection with what it characterized as a new focus on digital assets business. In its Form 10-K for its fiscal year ending June 30, 2024, Singularity reported that it was primarily focused on freight logistics services. Singularity's common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act, and trades on the NASDAQ under the symbol "SGLY."

### **Singularity Had Ineffective ICFR and DCP Over Multiple Years**

4. As set forth below, Singularity has disclosed material weaknesses that rendered its ICFR and DCP ineffective for eight consecutive fiscal years, most recently disclosing seven such weaknesses. Singularity has repeatedly acknowledged serious risks associated with its ineffective ICFR and DCP and has specifically acknowledged that certain material weaknesses resulted in material errors in its financial statements. Despite these acknowledgments, and despite the Company's repeated commitment to taking remedial measures, Singularity's ICFR and DCP remain ineffective.

5. On September 27, 2017, Singularity filed an annual report on Form 10-K for its fiscal year ended June 30, 2017. In this Form 10-K, Singularity disclosed that its ICFR was ineffective due to the following material weaknesses:

- “Lack of segregation of duties for accounting personnel who prepared and reviewed the journal entries;
- Lack of resources with technical competency to review and record non-routine or complex transactions;
- Lack of a full time U.S. GAAP personnel in the accounting department to monitor the recording of the transactions.”

In the same Form 10-K, Singularity also disclosed that management had concluded that its DCP were ineffective due to its ineffective ICFR.

6. On September 28, 2018, Singularity filed an annual report on Form 10-K for its fiscal year ended June 30, 2018. In this Form 10-K, Singularity disclosed that its ICFR was ineffective due to two of the three material weaknesses identified in the prior year. In the same Form 10-K, Singularity also disclosed that management had concluded that its DCP were ineffective due to its ineffective ICFR.

7. On September 30, 2019, Singularity filed an annual report on Form 10-K for its fiscal year ended June 30, 2019. In this Form 10-K, the Company disclosed that its ICFR was ineffective. In addition to the material weaknesses identified in the prior fiscal year, the Company disclosed the following additional material weaknesses:

- “Lack of resources with technical competency to review and record non-routine or complex transactions;
- Lack of management control reviews of the budget against actual with analysis of the variance with a precision that can be explained through the analysis of the accounts.”

Singularity added that in order to remediate these material weaknesses, it “intended to explore implementing additional policies and procedures,” and listed certain examples including recruiting qualified accounting personnel, or improving internal control policies. Singularity also disclosed that its DCP were ineffective due to its ineffective ICFR.

8. On October 13, 2020, Singularity filed an annual report on Form 10-K for its fiscal year ended June 30, 2020. In this Form 10-K, the Company disclosed that its ICFR was ineffective. In addition to the same or substantially the same material weaknesses identified in the prior fiscal year, the Company disclosed the following additional material weakness:

- “Lack of the review and supervision procedures on issuance of the Company's common stock.”

Singularity again described its “intention to explore implementing additional policies and procedures” to remediate the material weaknesses, and again disclosed that its DCP were ineffective due to its ineffective ICFR.

9. On September 29, 2021, Singularity filed an annual report on Form 10-K for its fiscal year ended June 30, 2021. In this Form 10-K, the Company disclosed that its ICFR was ineffective, identifying the same four material weaknesses that had been identified in the Form 10-K for the fiscal year ending June 30, 2019. Singularity added one item to its list of potential remediation items, and again disclosed that its DCP were ineffective due to its ineffective ICFR.

10. On March 6, 2023, Singularity filed an annual report on Form 10-K for its fiscal year ended June 30, 2022. As described below, Singularity had on March 1, 2023 announced that certain of its previously issued financial statements should not be relied on and that it would be issuing a restatement. In this Form 10-K, Singularity disclosed that its ICFR was ineffective and described the following material weaknesses, some of which were the same or similar to those previously disclosed, and some of which appeared for the first time:

- “Lack of segregation of duties for accounting personnel who prepared and reviewed the journal entries in some of the subsidiaries within the consolidation, lack of supervision, coordination and communication of financial information between different entities within the Group;
- Lack of a full time U.S. GAAP personnel in the accounting department to monitor the recording of the transactions which led to error in revenue recognition in previously issued financial statements;
- Lack of resources with technical competency to address, review and record non-routine or complex transactions under U.S. GAAP;
- Lack of management control reviews of the budget against actual with analysis of the variance with a precision that can be explained through the analysis of the accounts;
- Lack of proper procedures in identifying and recording related party transactions which led to restatement of previously issued financial statements (See Note 1 of the accompanying consolidated financial statement footnotes);
- Lack of proper procedures to maintain supporting documents for accounting record; and
- Lack of proper oversight for the Company’s cash disbursement process that led to misuse of the Company funds by its former executive.”

This time, Singularity stated that it “intend[ed] to implement” a number of policies and procedures to remediate these material weaknesses, and as it had in the past, listed a number of specific

remedial items. Singularity disclosed that its DCP were ineffective due to its ineffective ICFR. And, as set forth in the list above, Singularity explicitly connected certain material weaknesses with the errors that required the March 2023 Restatement.

11. On September 29, 2023, Singularity filed an annual report on Form 10-K for its fiscal year ended June 30, 2023. In that 10-K, the Company disclosed that its ICFR was ineffective, identifying the same seven material weaknesses as it had in its prior 10-K, listing the same remedial measures, and again disclosing that its DCP were ineffective due to its ineffective ICFR.

12. Finally, on October 15, 2024, Singularity filed an annual report on Form 10-K for its fiscal year ended June 30, 2024. In that 10-K, the Company disclosed that its ICFR was ineffective, identifying the same seven material weaknesses as it had in its two prior 10-Ks, listing the same remedial measures, and disclosing that its DCP were ineffective due to its ineffective ICFR.

### **The March 2023 Restatement**

13. On March 1, 2023, Singularity filed a Form 8-K announcing that (a) its Form 10-K for its fiscal year ended June 30, 2021, (b) its Form 10-Q for the quarter ending September 30, 2021, and (c) its Form 10-Q for the quarter ending December 31, 2021 should no longer be relied upon and that the Company intended to issue a restatement to correct a number of errors. On March 6, 2023, along with a Form 8-K amending the March 1, 2023, announcement, Singularity filed corresponding restated financials for these periods. As described above, Singularity's material weaknesses and ineffective controls contributed to the errors that resulted in the March 2023 Restatement.

14. The first issue requiring restatement related to a series of transactions involving Trans Pacific Logistics Shanghai Ltd ("TPS"), a Chinese subsidiary of Singularity. In sum, TPS received \$6.2 million from an entity called Shanghai Baoyin between March 2019 and June 2019. These transactions were characterized and recorded as a credit to accounts receivable purportedly to pay TPS for amounts owed by certain customers. In reality, Baoyin was a related party, and after a series of additional transactions in fiscal years 2019 to 2021, the result was that TPS sent most of this money back to Baoyin.

15. Effects of the restatement to address the improper accounting of these transactions included increasing net loss for the fiscal year ending June 30, 2021 by approximately \$4.5 million, from approximately \$6.8 million to approximately \$11.3 million. The Form 10-Qs for the quarters ending September 30, 2021 and December 31, 2021 were also impacted insofar as they carried forward errors.

16. The second issue requiring restatement related to errors in revenue recognition with respect to transactions by another subsidiary, Sino-Global Shipping New York, Inc. ("SGS"). In one instance, Singularity improperly recorded revenue of \$400,000 in connection with a customer advance that SGS received but had to reverse that revenue when it was later unable to confirm

whether services had or would be rendered. In another instance, another subsidiary paid \$580,000 on behalf of SGS, and this was somehow recorded as revenue, rather than expense.

17. As a result of these errors, Singularity reversed \$980,000 of revenue that had been reported in the two Form 10-Qs for the quarters ending September 30, 2021 and December 31, 2021. Reversing this revenue, combined with the effects of the items discussed above as to these periods, led to an increase in net loss of approximately \$2.2 million for the three months ending in September 30, 2021, and the six months ending December 31, 2021.

### **Singularity's Failure to Maintain Books and Records**

18. Singularity failed to maintain books and records that accurately and fairly reflected certain of its transactions, including those that were the subject of the March 2023 Restatement.

19. For example, Singularity did not maintain documents that accurately and fairly reflected the TPS transactions described above in reasonable detail. Rather, Singularity was able to identify nothing other than wire records reflecting cash inflows and outflows. In addition, Singularity did not keep accurate accounting records concerning the TPS transactions, for example, certain journal entries are either missing, internally inconsistent, or simply incorrect.

### **Violations**

20. As a result of the conduct described above, Singularity violated Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder, which require every issuer of a security registered under Section 12 of the Exchange Act to file with the Commission annual and quarterly reports in accordance with all applicable rules and regulations and that such reports contain such further material information as may be necessary to make the required statements not misleading.

21. As a result of the conduct described above, Singularity violated Section 13(b)(2)(A) of the Exchange Act, which requires issuers such as Singularity to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of assets.

22. As a result of the conduct described above, Singularity violated Section 13(b)(2)(B) of the Exchange Act, which requires issuers such as Singularity to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP or any other criteria applicable to such statements.

23. Finally, as a result of the conduct described above, Singularity violated Exchange Act Rule 13a-15, which requires issuers of securities registered pursuant to Section 12 of the Exchange Act to maintain ICFR and DCP.

### **Undertakings**

24. Respondent has undertaken to:
- a. Fully remediate its material weaknesses in ICFR, and ineffective DCP, by June 30, 2026.
  - b. Publicly disclose, concurrent with the filing of Form 10-K for Singularity's fiscal year ending June 30, 2026, whether in management's opinion, Singularity has fully remediated its material weaknesses in ICFR and ineffective DCP and has effective ICFR and DCP.
  - c. Certify, in writing, compliance with the undertakings set forth above. The Commission staff may make reasonable requests for evidence of compliance, including a narrative and supporting exhibits, and Singularity agrees to provide such evidence. The certification and any requested supporting materials should be to Sandeep Satwalekar, Assistant Regional Director, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings.

#### IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Singularity's Offer.

Accordingly, it is hereby ORDERED that:

- A. Pursuant to Section 21C of the Exchange Act, Respondent Singularity cease and desist from committing or causing any violations and any future violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B), of the Exchange Act and Rules 12b-20, 13a-1, 13a-13, and 13a-15 thereunder.
- B. Respondent shall comply with the undertakings enumerated in Paragraph 24, above.
- C. Respondent shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$350,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.
- D. If Respondent fails to comply with the undertakings enumerated in Paragraph 24, above, Respondent shall, by December 31, 2026, pay an additional civil monetary penalty in the amount of \$1,000,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg., Room 181, AMZ-341  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Singularity as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Thomas P. Smith, Jr., Division of Enforcement, Securities and Exchange Commission, 100 Pearl Street, Suite 20-100, New York, NY 10004-2616.

E. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman  
Secretary