

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2024**

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

Singularity Future Technology Ltd.

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of
incorporation or organization)

11-3588546

(I.R.S. Employer
Identification No.)

**48 Wall Street, Suite 1100
New York, NY**

(Address of principal executive offices)

10005

(Zip Code)

(718) 888-1814

(Registrant's telephone number, including area code)

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 Stock, no par value	SGLY	NASDAQ Capital Market

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 No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes No

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

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

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.

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

As of November 13, 2024, the Company had 3,503,492 shares of common stock issued and outstanding.

SINGULARITY FUTURE TECHNOLOGY LTD.
FORM 10-Q

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Report contains certain statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such forward-looking statements, including but not limited to statements regarding our projected growth, trends and strategies, future operating and financial results, financial expectations and current business indicators are based upon current information and expectations and are subject to change based on factors beyond our control. Forward-looking statements typically are identified by the use of terms such as "look," "may," "will," "should," "might," "believe," "plan," "expect," "anticipate," "estimate" and similar words, although some forward-looking statements are expressed differently. The accuracy of such statements may be impacted by a number of business risks and uncertainties we face that could cause our actual results to differ materially from those projected or anticipated, including but not limited to the following:

- our ability to timely and properly deliver our services;
- our dependence on a limited number of major customers and suppliers;
- current and future political and economic factors in the United States and China and the relationship between the two countries;
- our ability to explore and enter into new business opportunities and the acceptance in the marketplace of our new lines of business;
- unanticipated changes in general market conditions or other factors which may result in cancellations or reductions in the need for our services;
- the demand for warehouse, shipping and logistics services;
- the foreign currency exchange rate fluctuations;
- possible disruptions in commercial activities caused by events such as natural disasters, health epidemics, terrorist activity and armed conflict;
- the impact of quotas, tariffs or safeguards on our customer products that we service;
- our ability to attract, retain and motivate qualified management team members and skilled personnel;
- relevant governmental policies and regulations relating to our businesses and industries;
- developments in, or changes to, laws, regulations, governmental policies, incentives and taxation affecting our operations;
- our reputation and ability to do business may be impacted by the improper conduct of our employees, agents or business partners; and
- the outcome of litigation or investigations in which we are involved is unpredictable, and an adverse decision in any such matter could have a material adverse effect on our financial condition, results of operations, cash flows and equity.

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 the forward-looking statements. 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

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (IN U.S. DOLLARS) (UNAUDITED)

	September 30, 2024	June 30, 2024
Assets		
Current assets		
Cash	\$ 14,608,525	\$ 14,641,967
Restricted cash	3,132,383	3,094,092

Cryptocurrencies	-	-
Accounts receivable, net	622,778	267,165
Other receivables, net	624	612
Advances to suppliers - third parties	54	51
Prepaid expenses and other current assets	242,257	243,636
Total Current Assets	18,606,621	18,247,523
Property and equipment, net	165,914	183,639
Right-of-use assets	56,870	98,327
Other long-term assets – deposits	96,941	198,550
Total Assets	\$ 18,926,346	\$ 18,728,039
Current Liabilities		
Deferred revenue	\$ 68,019	\$ 66,423
Accounts payable	1,170,929	566,770
Accounts payable – related party	63,434	63,434
Lease liabilities – current	153,365	177,263
Taxes payable	3,320,624	3,206,893
Due to related party	233,023	225,031
Accrued expenses and other current liabilities	1,705,752	1,037,187
Total current liabilities	6,715,146	5,343,001
Lease liabilities - noncurrent	91,122	131,355
Total liabilities	6,806,268	5,474,356
Commitments and Contingencies		
Equity		
Preferred stock, 2,000,000 shares authorized, no par value, no shares issued and outstanding as of September 30, 2024 and June 30, 2024, respectively	-	-
Common stock, 50,000,000 shares authorized, no par value; 3,503,492 and 17,715,526 shares issued and outstanding as of September 30, 2024 and June 30, 2024, respectively	104,192,048	104,192,048
Additional paid-in capital	2,334,962	2,334,962
Accumulated deficit	(91,646,755)	(90,684,966)
Accumulated other comprehensive income	49,007	159,272
Total Stockholders' Equity attributable to controlling shareholders of the Company	14,929,262	16,001,316
Non-controlling Interest	(2,809,184)	(2,747,633)
Total Equity	12,120,078	13,253,683
Total Liabilities and Equity	\$ 18,926,346	\$ 18,728,039

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

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SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(IN U.S. DOLLARS)
(UNAUDITED)

	For the Three Months Ended September 30,	
	2024	2023
Net revenues	\$ 501,402	\$ 895,926
Cost of revenues	(773,317)	(1,002,949)
Gross loss	(271,915)	(107,023)
Selling expenses	(62,981)	(55,853)
General and administrative expenses	(690,556)	(2,054,153)
Impairment loss of cryptocurrencies	-	(72,179)
Provision for expected credit losses	-	(48,618)
Total operating expenses	(753,537)	(2,230,803)
Operating loss	(1,025,452)	(2,337,826)
Other income (expenses), net	21,117	(77,170)
Net loss before provision for income taxes	(1,004,335)	(2,414,996)
Income tax expense	-	-
Net loss	(1,004,335)	(2,414,996)

Net loss attributable to non-controlling interest		(42,546)	(124,811)
Net loss attributable to controlling shareholders of the Company		\$ (961,789)	\$ (2,290,185)
Comprehensive loss			
Net loss		\$ (1,004,335)	\$ (2,414,996)
Other comprehensive (loss) income - foreign currency		(129,270)	148,918
Comprehensive loss		(1,133,605)	(2,266,078)
Less: Comprehensive loss attributable to non-controlling interest		(61,550)	(98,874)
Comprehensive loss attributable to controlling shareholders of the Company		\$ (1,072,055)	\$ (2,167,204)
Loss per share			
Basic and diluted		\$ (0.27)	\$ (0.13)
Weighted average number of common shares used in computation			
Basic and diluted		3,503,492	17,598,135

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

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SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(IN U.S. DOLLARS)
(UNAUDITED)

	Preferred Stock	Common Stock	Additional paid-in capital	Shares to be cancelled	Accumulated deficit	Accumulated other comprehensive loss	Noncontrolling interest	Total
	Shares	Amount	Shares	Amount				
BALANCE, June 30, 2023	-	\$ -	1,771,553	94,332,048	2,334,962	(20,000)	(85,576,438)	90,236
Foreign currency translation	-	-	-	-	-	-	122,981	25,937
Cancellation of shares due to settlement	-	-	(20,000)	-	-	20,000	-	-
Net loss	-	-	-	-	-	(2,290,185)	-	(124,811)
BALANCE, September 30, 2023	-	\$ -	1,751,553	94,332,048	2,334,962	-	(87,866,623)	213,217

	Preferred Stock	Common Stock	Additional paid-in capital	Shares to be cancelled	Accumulated deficit	Accumulated other comprehensive loss	Noncontrolling interest	Total
	Shares	Amount	Shares	Amount				
BALANCE, June 30, 2024	-	\$ -	3,503,492	104,192,048	2,334,962	-	(90,684,966)	159,272
Foreign currency translation	-	-	-	-	-	-	(110,265)	(19,005)
Net loss	-	-	-	-	-	(961,789)	-	(42,546)
BALANCE, September 30, 2024	-	\$ -	3,503,492	104,192,048	2,334,962	-	(91,646,755)	49,007

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

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SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN U.S. DOLLARS)
(UNAUDITED)

	For the Three Months Ended September 30,	
	2024	2023
Operating Activities		
Net loss	\$ (1,004,335)	\$ (2,414,996)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	17,919	38,127
	41,575	97,437
Non-cash lease expense	-	48,618
Provision for doubtful accounts, net	-	72,179
Impairment loss of cryptocurrencies	-	21,917
Interest expenses related to convertible note	-	-
Changes in assets and liabilities		
Accounts receivable	(355,203)	48,656
Other receivables	(25,872)	142,854

Advances to suppliers - third parties	-	73,735
Prepaid expenses and other current assets	1,380	1,330
Other long-term assets - deposits	103,019	49,999
Deferred revenue	330	(1,849)
Accounts payable	585,260	122,777
Taxes payable	24,866	(130,215)
Lease liabilities	(64,250)	(128,825)
Accrued expenses and other current liabilities	666,166	(41,712)
Net cash used in operating activities	(9,145)	(1,999,968)
Investing Activities		
Repayment from related parties	-	49,969
Net cash provided by investing activities	-	49,969
Financing Activities		
Repayment of convertible notes	-	(5,000,000)
Repayment of interest expenses related to convertible notes	-	(403,424)
Net cash used in financing activities	-	(5,403,424)
Net decrease in cash	(9,145)	(7,353,423)
Cash at beginning of period	17,736,059	17,390,156
Effect of exchange rate fluctuations on cash	13,994	17,919
Cash at end of period	\$ 17,740,908	\$ 10,054,652
Non-cash transactions of operating and investing activities		
Initial recognition of right-of-use assets and lease liabilities	\$ -	\$ -

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

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Note 1. ORGANIZATION AND NATURE OF BUSINESS

The Company is an integrated logistics solution provider that was founded in the United States in 2001. On September 14, 2007, the Company merged into a new corporation, Sino-Global Shipping America, Ltd. in Virginia. On January 3, 2022, the Company changed its corporate name from Sino-Global Shipping America, Ltd. to Singularity Future Technology Ltd. to reflect its then expanded operations into the digital assets business. Currently, we primarily focus on providing freight logistics services, which include shipping, warehouse services and other logistical support to steel companies.

In 2017, we began exploring new opportunities to expand our business and generate more revenue. These opportunities ranged from complementary businesses to other new services and product initiatives. Beginning in fiscal 2022, we expanded our services to include warehousing services provided by our U.S. subsidiary Brilliant Warehouse Service Inc.

We are currently operating through our subsidiary Trans Pacific Shipping Limited. As of July 31, 2024, we have terminated the operations of our subsidiaries Gorgeous Trading Ltd. and Brilliant Warehouse Service Inc. Our range of services are mainly transportation.

To date we have not generated any revenues from our entry into the solar panel production and distribution business.

As of September 30, 2024, the Company's subsidiaries included the following:

Name	Background	Ownership
Sino-Global Shipping New York Inc. ("SGS NY")	<ul style="list-style-type: none"> • A New York Corporation • Incorporated on May 03, 2013 • Primarily engaged in freight logistics services 	100% owned by the Company
Sino-Global Shipping HK Ltd. ("SGS HK")	<ul style="list-style-type: none"> • A Hong Kong Corporation • Incorporated on September 22, 2008 • No material operations 	100% owned by the Company
Trans Pacific Shipping Ltd. ("Trans Pacific Beijing")	<ul style="list-style-type: none"> • A PRC limited liability company • Incorporated on November 13, 2007. • Primarily engaged in freight logistics services 	100% owned the Company
Trans Pacific Logistic Shanghai Ltd. ("Trans Pacific Shanghai")	<ul style="list-style-type: none"> • A PRC limited liability company • Incorporated on May 31, 2009 • Primarily engaged in freight logistics services 	90% owned by Trans Pacific Beijing
Gorgeous Trading Ltd ("Gorgeous Trading")	<ul style="list-style-type: none"> • A Texas Corporation • Incorporated on July 01, 2021 • Primarily engaged in warehouse related services 	100% owned by SGS NY
Brilliant Warehouse Service Inc.	<ul style="list-style-type: none"> • A Texas Corporation 	51% owned by SGS NY

("Brilliant Warehouse")	<ul style="list-style-type: none"> • Incorporated on April 19, 2021 • Primarily engaged in warehouse house related services 	
Phi Electric Motor In. ("Phi")	<ul style="list-style-type: none"> • A New York Corporation • Incorporated on August 30, 2021 • No operations 	51% owned by SGS NY
SG Shipping & Risk Solution Inc("SGSR")	<ul style="list-style-type: none"> • A New York Corporation • Incorporated on September 29, 2021 • No material operations 	100% owned by the Company
SG Link LLC ("SG Link")	<ul style="list-style-type: none"> • A New York Corporation • Incorporated on December 23, 2021 • No operations 	100% owned by SG Shipping & Risk Solution Inc on January 25, 2022
New Energy Tech Limited ("New Energy")	<ul style="list-style-type: none"> • A New York Corporation • Incorporated on September 19, 2023 • No material operations 	100% owned by the Company
Singularity(Shenzhen) Technology Ltd. ("SGS Shenzhen")	<ul style="list-style-type: none"> • A Mainland China Corporation • Incorporated on September 4, 2023 • No material operations 	100% owned by the Company

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP") pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The consolidated financial statements include the accounts of the Company and include the assets, liabilities, revenues and expenses of its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Prior to December 31, 2021, Sino-Global Shipping Agency Ltd. ("Sino-China") was considered a Variable Interest Entity ("VIE"), with the Company as the primary beneficiary. The Company, through Trans Pacific Beijing, entered into certain agreements with Sino-China, pursuant to which the Company received 90% of Sino-China's net income.

As a VIE, Sino-China's revenues were included in the Company's total revenues, and any income/loss from operations was consolidated with that of the Company. Because of contractual arrangements between the Company and Sino-China, the Company had a pecuniary interest in Sino-China that required consolidation of the financial statements of the Company and Sino-China.

The Company has consolidated Sino-China's operating results in accordance with Accounting Standards Codification ("ASC") 810-10, "Consolidation". The agency relationship between the Company and Sino-China and its branches was governed by a series of contractual arrangements pursuant to which the Company had substantial control over Sino-China. On December 31, 2021, the Company entered into a series of agreements to terminate its VIE structure and deconsolidated its formerly controlled entity Sino-China.

(b) Fair Value of Financial Instruments

The Company follows the provisions of ASC 820, Fair Value Measurements and Disclosures, which clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1 — Observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2 — Inputs other than quoted prices that are observable for the asset or liability in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 — Unobservable inputs that reflect management's assumptions based on the best available information.

The carrying value of accounts receivable, other receivables, other current assets, and current liabilities approximate their fair values because of the short-term nature of these instruments.

(c) Use of Estimates and Assumptions

The preparation of the Company's 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 unaudited condensed consolidated financial statements include revenue recognition, fair value of stock-based compensation, cost of revenues, allowance for credit losses, impairment loss, deferred income taxes, income tax expense and the useful lives of property and equipment. The inputs into the Company's judgments and estimates consider the economic implications of COVID-19 on the Company's critical and significant accounting estimates. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from those estimates.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements
For the Three Months ended September 30, 2024

(d) Translation of Foreign Currency

The accounts of the Company and its subsidiaries 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 U.S. dollar ("USD") while its subsidiaries in the PRC, including Trans Pacific Beijing and Trans Pacific Shanghai report their financial positions and results of operations in Renminbi ("RMB"), its subsidiary Sino-Global Shipping (HK), Ltd. reports its financial positions and results of operations in Hong Kong dollars ("HKD"). The accompanying consolidated unaudited condensed financial statements are presented in USD. Foreign currency transactions are translated into USD 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. The Company translates the foreign currency financial statements 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 sheets' dates and revenues and expenses are translated at average exchange rates in effect during the year. The resulting translation adjustments are recorded as other comprehensive loss and accumulated other comprehensive loss as a separate component of equity of the Company, and also included in non-controlling interests.

The exchange rates as of September 30, 2024 and June 30, 2024 and for the three months ended September 30, 2024 and 2023 are as follows:

Foreign currency	September 30, 2024	June 30, 2024	Three months ended September 30,	
	Balance Sheet	Balance Sheet	2024 Profit/Loss	2023 Profit/Loss
RMB:1USD	7.0181	7.2674	7.1633	7.2350
HKD:1USD	7.7698	7.8082	7.7998	7.8251

(e) Cash

Cash consists of cash on hand and cash in banks which are unrestricted as to withdrawal or use. The Company maintains cash with various financial institutions mainly in the PRC, Australia, Hong Kong and the U.S. As of September 30, 2024 and June 30, 2024, cash balances of \$ 16,614 and \$107,844, respectively, were maintained at financial institutions in the PRC. Nil and \$27,798 of these balances are not covered by insurance as the deposit insurance system in China only insured each depositor at one bank for a maximum of approximately \$70,000 (RMB 500,000). As of, September 30, 2024 and June 30, 2024, cash balances of \$145,630 and \$60,682, respectively, were maintained at U.S. financial institutions. Each U.S. account was insured by the Federal Deposit Insurance Corporation or other programs subject to \$250,000 limitations. The Hong Kong Deposit Protection Board pays compensation up to a limit of HKD 500,000 (approximately \$64,000) if the bank with which an individual/a company holds its eligible deposit fails. As of September 30, 2024 and June 30, 2024, cash balances of \$66,316 and \$65,997, respectively, were maintained at financial institutions in Hong Kong which are all covered by insurance. As of September 30, 2024 and June 30, 2024, a cash balance of \$ 14,404,155 and \$14,404,155 was maintained in financial institutions in Djibouti which are uninsured. As of September 30, 2024 and June 30, 2024, amount of deposits the Company had covered by insurance amounted to \$228,560 and \$206,725, respectively.

Restricted Cash

As of September 30, 2024 and June 30, 2024, our restricted balance was \$ 3.13 million and \$3.09 million. The restricted was required by East West Bank to secure a letter of credit that was used to provide a guarantee to the Company's business partner Solarlink Group Inc. ("Solarlink"), a North Las Vegas based advanced 3.6G photovoltaic solar panel manufacturer and solar power service provider, for Solarlink's rental obligations for a leased warehouse in North Las Vegas. The term of the warehouse lease is one year, upon the expiration of which the letter of credit will terminate unless the letter of credit is used to pay rent under the warehouse lease. Management believes that Solarlink's business is very promising and hopes to actively participate in its future. Management believes that the guarantee provided to Solarlink will not result in substantial losses to Singularity in the future. Based on such expectations, the management believes its restricted cash account stated in the notes is not exposed to any significant risks. The deposit started on November 13, 2023 and will mature on November 13, 2024 with an annual interest rate of 4.880%. The interest proceeds generated as of September 30, 2024 was \$0.13 million.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements
For the Three Months ended September 30, 2024

(f) Receivables and Allowance for Credit Losses

The carrying value of accounts receivable is reduced by an allowance for credit losses that reflects the Company's best estimate of the amounts that will not be collected. The Company makes estimations of the collectability of accounts receivable. Many factors are considered in estimating the general allowance, including reviewing delinquent accounts receivable, performing a customer credit analysis, and analyzing historical bad debt records and current and future economic trends. Accounts receivable represent historical balances recorded less related cash applications, less allowance for credit losses and any write-offs of any receivables not previously provided for.

(g) Credit losses

In June 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326). The ASU introduced a new credit loss methodology, the current expected credit losses ("CECL") methodology, which requires earlier recognition of credit losses while also providing additional disclosure about credit risk. The Company adopted the ASU as of January 1, 2023.

The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, receivables, contract assets and other financial assets measured at amortized cost at the time the financial asset is originated or acquired. The CECL is adjusted each period for changes in expected lifetime credit losses. The CECL methodology represents a significant change from prior U.S. GAAP and replaced the prior multiple existing impairment methods, which generally required that a loss be incurred before it was recognized. Within the life cycle of a loan or other financial asset, the methodology generally results in the earlier recognition of the provision for credit losses and the related ACL than prior U.S. GAAP.

The CECL methodology's impact on expected credit losses, among other things, reflects the Company's view of the current state of the economy, forecasted macroeconomic conditions.

Under the CECL methodology, the allowance for credit losses is model based and utilizes a forward-looking macroeconomic forecast in estimating expected credit losses. The model of the allowance for credit losses would be considers the uncertainty of forward-looking scenarios based on the likelihood and severity of a possible recession as another possible scenario.

Other receivables represent mainly customer advances, prepaid employee insurance and welfare benefits, which will be subsequently deducted from the employee payroll, project advances as well as office lease deposits. Management reviews its receivables on a regular basis to determine if the bad debt allowance is adequate, and adjusts the allowance when necessary. Delinquent account balances are written-off against allowance for doubtful accounts after management has determined that the likelihood of collection is not probable. Other receivables are written off against the allowances only after exhaustive collection efforts.

(h) Property and Equipment, net

Property and equipment are stated at historical cost less accumulated depreciation. 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:

Buildings	20 years
Motor vehicles	3–10 years
Computer and office equipment	1–5 years
Furniture and fixtures	3–5 years
System software	5 years
Leasehold improvements	Shorter of lease term or useful lives
Mining equipment	3 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. For the three months ended September 30, 2024 and 2023, no impairments were recorded.

(i) Investments in unconsolidated entity

Entities in which the Company has the ability to exercise significant influence, but does not have a controlling interest, are accounted for using the equity method. Significant influence is generally considered to exist when the Company has voting shares representing 20% to 50%, and other factors, such as representation on the board of directors, voting rights and the impact of commercial arrangements, are considered in determining whether the equity method of accounting is appropriate. Under this method of accounting, the Company records its proportionate share of the net earnings or losses of equity method investees and a corresponding increase or decrease to the investment balances. Dividends received from the equity method investments are recorded as reductions in the cost of such investments. The Company generally considers an ownership interest of 20% or higher to represent significant influence. The Company accounts for the investments in entities over which it has neither control nor significant influence, and no readily determinable fair value is available, using the investment cost minus any impairment, if necessary.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Investments are evaluated for impairment when facts or circumstances indicate that the fair value of the long-term investment is less than its carrying value. An impairment loss is recognized when a decline in fair value is determined to be other-than-temporary. The Company reviews several factors to determine whether a loss is other-than-temporary. These factors include, but are not limited to, the: (i) nature of the investment; (ii) cause and duration of the impairment; (iii) extent to which fair value is less than cost; (iv) financial condition and near term prospects of the investment; and (v) ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value.

On January 10, 2020, the Company entered into a cooperation agreement with Mr. Shanming Liang, a shareholder of the Company, to set up a joint venture in New York named LSM Trading Ltd., ("LSM") in which the Company holds a 40% equity interest. Mr. Shanming Liang subsequently transferred his shares to Guanxi Golden Bridge Industry Group Co. Ltd. in October 2021. As of June 30, 2023, the Company invested \$210,000 and recorded \$81,640 investment loss in LSM. The joint venture has not started its operations due to COVID-19. As we could not obtain the financial information of the investee, we determined to provide a full impairment of our equity investment. The Company recorded a \$128,360 impairment loss for the year ended June 30, 2023. And no impairments were recorded for the years ended September 30, 2024.

(j) Convertible notes

The Company evaluates its convertible notes to determine if those contracts or embedded components of those contracts qualify as derivatives. The result of this accounting treatment is that the fair value of the embedded derivative is recorded at fair value each reporting period and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statements of operations as other income or expense.

(k) Revenue Recognition

The Company recognizes revenue which represents the transfer of goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in such exchange. The Company identifies contractual performance obligations and determines whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer.

The Company uses a five-step model to recognize revenue from customer contracts. The five-step model requires the Company to (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

For the Company's freight logistic, the Company provides transportation services which include mainly shipping services. The Company derives transportation revenue from sales contracts with its customers with revenues being recognized upon performance of services. Sales price to the

customer are fixed upon acceptance of the sales contract and there is no separate sales rebate, discount, or other incentive. The Company's revenues are recognized at a point in time after all performance obligations were satisfied

For the Company's warehouse services, which are included in the freight logistic services, the Company's contracts provide for an integrated service that includes two or more services, including but not limited to warehousing, collection, first-mile delivery, drop shipping, customs clearance packaging, etc.

Accordingly, the Company generally identifies one performance obligation in its contracts, which is a series of distinct services that remain substantially the same over time and possess the same pattern of transfer. Revenue is recognized over the period in which services are provided under the terms of the Company's contractual relationships with its clients.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

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The transaction price is based on the amount specified in the contract with the customer and contains fixed and variable consideration. In general, the fixed consideration in a contract represents facility and equipment costs incurred to satisfy the performance obligation and is recognized on a straight-line basis over the term of the contract. The variable consideration is comprised of cost reimbursement determined based on the costs incurred. Revenue relating to variable pricing is estimated and included in the consideration if it is probable that a significant revenue reversal will not occur in the future. The estimate of variable consideration is determined by the expected value or most likely amount method and factors in current, past and forecasted experience with the customer. Customers are billed based on terms specified in the revenue contract and they pay us according to approved payment terms.

Revenue for the above services is recognized on a gross basis when the Company controls the services as it has the obligation to (i) provide all services (ii) bear any inventory risk for warehouse services. In addition, the Company has control to set its selling price to ensure it would generate profit for the services.

On January 10, 2022, the Company's joint venture, Thor Miner, entered into a Purchase and Sale Agreement with SOS Information Technology New York Inc. (the "Buyer"). Pursuant to the Purchase and Sale Agreement, Thor Miner agreed to sell and the Buyer agreed to purchase certain cryptocurrency mining equipment.

The Company's performance obligation was to deliver products according to contract specifications. The Company recognizes product revenue at a point in time when the control of products or services are transferred to customers. To distinguish a promise to provide products from a promise to facilitate the sale from a third party, the Company considers the guidance of control in ASC 606-10-55-37A and the indicators in ASC 606-10-55-39. The Company considers this guidance in conjunction with the terms in the Company's arrangements with both suppliers and customers.

In general, revenue was recognized on a gross basis when the Company controls the products as it has the obligation to (i) fulfill the products delivery and custom clearance (ii) bear any inventory risk as legal owners. In addition, when establishing the selling prices for delivery of the resale products, the Company has control to set its selling price to ensure it would generate profit for the products delivery arrangements. If the Company is not responsible for provision of product and does not bear inventory risk, the Company recorded revenue on a net basis.

Contract balances

The Company records receivables related to revenue when the Company has an unconditional right to invoice and receive payment.

Deferred revenue consists primarily of customer billings made in advance of performance obligations being satisfied and revenue being recognized. Contract balances amounted to \$68,019 and \$66,423 as of September 30, 2024 and June 30, 2024, respectively.

The Company's disaggregated revenue streams are described as follows:

	For the Three Months Ended	
	September 30, 2024	September 30, 2023
Freight logistics services	501,402	895,926
Total	\$ 501,402	\$ 895,926

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Disaggregated information of revenues by geographic locations are as follows:

	For the Three Months Ended	
	September 30, 2024	September 30, 2023
PRC	\$ 501,402	\$ 700,656
U.S.	-	195,270
Total revenues	\$ 501,402	\$ 895,926

The Company adopted FASB ASU 2016-02, "Leases" (Topic 842) for the year ended June 30, 2020, and elected the practical expedients that do not require us to reassess: (1) whether any expired or existing contracts are, or contain, leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases. For lease terms of twelve months or fewer, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. The Company also adopted the practical expedient that allows lessees to treat the lease and non-lease components of a lease as a single lease component. Upon adoption, the Company recognized right of use ("ROU") assets and same amount of lease liabilities based on the present value of the future minimum rental payments of leases, using an incremental borrowing rate of 7% based on the duration of lease terms.

Operating lease ROU assets and lease liabilities are recognized at the adoption date or the commencement date, whichever is earlier, based on the present value of lease payments over the lease term. Since the implicit rate for the Company's leases is not readily determinable, the Company use its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow, on a collateralized basis, an amount equal to the lease payments, in a similar economic environment and over a similar term.

Lease terms used to calculate the present value of lease payments generally do not include any options to extend, renew, or terminate the lease, as the Company does not have reasonable certainty at lease inception that these options will be exercised. The Company generally considers the economic life of its operating lease ROU assets to be comparable to the useful life of similar owned assets. The Company has elected the short-term lease exception, therefore operating lease ROU assets and liabilities do not include leases with a lease term of twelve months or less. Its leases generally do not provide a residual guarantee. The operating lease ROU asset also excludes lease incentives. Lease expense is recognized on a straight-line basis over the lease term.

The Company reviews the impairment of its ROU assets consistent with the approach applied for its other long-lived assets. The Company reviews the recoverability of its long-lived assets when events or changes in circumstances occur that indicate that the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on its ability to recover the carrying value of the asset from the expected undiscounted future pre-tax cash flows of the related operations. The Company has elected to include the carrying amount of operating lease liabilities in any tested asset group and include the associated operating lease payments in the undiscounted future pre-tax cash flows.

(m) Taxation

Because the Company and its subsidiaries and Sino-China were incorporated in different jurisdictions, they file separate income tax returns. The Company uses the asset and liability method of accounting for income taxes in accordance with U.S. 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 unaudited condensed consolidated financial statements. A valuation allowance is provided against deferred tax assets if it is more likely than not that the asset will not be utilized in the future.

The Company recognizes 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 Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense. The Company had no uncertain tax positions as of September 30, 2024 and June 30, 2024.

Income tax returns for the years prior to 2018 are no longer subject to examination by U.S. tax authorities.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

PRC Enterprise Income Tax

PRC enterprise income tax is calculated based on taxable income determined under the PRC Generally Accepted Accounting Principles ("PRC GAAP") at 25%. Sino-China and Trans Pacific Beijing were incorporated in the PRC and are subject to the Enterprise Income Tax Laws of the PRC.

PRC Value Added Taxes and Surcharges

The Company is subject to value added tax ("VAT"). Revenue from services provided by the Company's PRC subsidiaries are subject to VAT at rates ranging from 9% to 13%. Entities that are VAT general taxpayers are allowed to offset qualified VAT paid to suppliers against their VAT liability. Net VAT liability is recorded in taxes payable on the consolidated balance sheets.

In addition, under the PRC regulations, the Company's PRC subsidiaries are required to pay city construction tax (7%) and education surcharges (3%) based on the net VAT payments.

(n) Earnings (loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) attributable to holders of common stock of the Company by the weighted average number of shares of common stock of the Company outstanding during the applicable period. Diluted earnings (loss) per share reflect the potential dilution that could occur if securities or other contracts to issue common stock of the Company were exercised or converted into common stock of the Company. Common stock equivalents are excluded from the computation of diluted earnings per share if their effects would be anti-dilutive.

For the three months ended September 30, 2024 and 2023, there was no dilutive effect of potential shares of common stock of the Company because the Company generated a net loss.

(o) Comprehensive Income (Loss)

The Company reports comprehensive income (loss) in accordance with the authoritative guidance issued by Financial Accounting Standards Board (the "FASB") which establishes standards for reporting comprehensive income (loss) and its component in financial statements. Other comprehensive income (loss) refers to revenue, expenses, gains and losses that under US GAAP are recorded as an element of stockholders' equity but are excluded from net income. Other comprehensive income (loss) consists of a foreign currency translation adjustment resulting from the Company not using the U.S. dollar as its functional currencies.

(p) Stock-based Compensation

The Company accounts for stock-based compensation awards to employees in accordance with FASB ASC Topic 718, "Compensation – Stock

Compensation", which requires that stock-based payment transactions with employees be measured based on the grant-date fair value of the equity instrument issued and recognized as compensation expense over the requisite service period. The Company records stock-based compensation expense at fair value on the grant date and recognizes the expense over the employee's requisite service period.

The Company accounts for stock-based compensation awards to non-employees in accordance with FASB ASC Topic 718 amended by ASU 2018-07. Under FASB ASC Topic 718, stock compensation granted to non-employees has been determined as the fair value of the consideration received or the fair value of equity instrument issued, whichever is more reliably measured and is recognized as an expense as the goods or services are received.

Valuations of stock-based compensation are based upon highly subjective assumptions about the future, including stock price volatility and exercise patterns. The fair value of share-based payment awards was estimated using the Black-Scholes option pricing model. Expected volatilities are based on the historical volatility of the Company's stock. The Company uses historical data to estimate option exercise and employee terminations. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the expected life of the option is based on the U.S. Treasury yield curve in effect at the time of the grant.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

(q) Risks and Uncertainties

The Company's business, financial position and results of operations may be influenced by the political, economic, health and legal environments in the PRC, as well as by the general state of the PRC economy. The Company's operations in the PRC are subject to special considerations and significant risks not typically associated with companies in North America and Western Europe. These include risks associated with, among others, the political, economic, health and legal environments and foreign currency exchange. The Company's results may be adversely affected by changes in the political, regulatory and social conditions in the PRC, and by changes in governmental policies or interpretations with respect to laws and regulations, anti-inflationary measures, currency conversion, remittances abroad, and rates and methods of taxation, among other things.

(r) Recent Accounting Pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability. When it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequences of the change to its condensed consolidated financial statements and assures that there are proper controls in place to ascertain that the Company's condensed consolidated financial statements properly reflect the change.

On June 30, 2022, FASB issued ASU No. 2022-03, *Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. ASU 2022-03 clarifies that a contractual sale restriction prohibiting the sale of an equity security is a characteristic of the reporting entity holding the equity security and is not included in the equity security's unit of account. The new standard is effective for the Company for its fiscal year beginning January 1, 2024, with early adoption permitted.

On March 28, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-01, *Leases (Topic 842): Common Control Arrangements*. The amendments in ASU 2023-01 improve current GAAP by clarifying the accounting for leasehold improvements associated with common control leases, thereby reducing diversity in practice. Additionally, the amendments provide investors and other allocators of capital with financial information that better reflects the economics of those transactions. The new standard is effective for the Company for its fiscal year beginning January 1, 2024, with early adoption permitted.

Note 3. CRYPTOCURRENCIES

The following table presents additional information about cryptocurrencies:

	September 30, 2024	June 30, 2024
Beginning balance	\$ -	\$ 72,179
Impairment loss	-	(72,179)
Ending balance	\$ -	\$ -

The Company recorded nil impairment loss for the three months ended September 30, 2024. There was \$ 72,179 impairment loss for the year ended June 30, 2024. As ownership rights of the cryptocurrencies could not be verified, full impairment was recognized.

Note 4. ACCOUNTS RECEIVABLE, NET

The Company's net accounts receivable are as follows:

	September 30, 2024	June 30, 2024
Trade accounts receivable	\$ 3,964,162	\$ 3,554,156
Less: allowances for credit losses	(3,341,384)	(3,286,991)
Accounts receivable, net	\$ 622,778	\$ 267,165

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Movement of allowance for credit losses are as follows:

	September 30, 2024	June 30, 2024
Beginning balance	\$ 3,286,991	\$ 3,288,740
Provision for credit losses, net of recovery	-	17,667
Write-off/recovery	-	(17,303)
Exchange rate effect	54,393	(2,113)
Ending balance	<u><u>\$ 3,341,384</u></u>	<u><u>\$ 3,286,991</u></u>

For the years ended June 30, 2024, the provision for doubtful accounts and write-off was \$ 17,667 and \$17,303 respectively. There was no provision for doubtful accounts and write-off for the year ended September 30, 2024.

Note 5. OTHER RECEIVABLES, NET

The Company's other receivables are as follows:

	September 30, 2024	June 30, 2024
Advances to customers*	\$ 6,978,426	\$ 6,849,309
Employee business advances	-	2
Total	6,978,426	6,849,311
Less: allowances for credit losses	(6,977,802)	(6,848,699)
Other receivables, net	<u><u>\$ 624</u></u>	<u><u>\$ 612</u></u>

* On March 23, 2023, SG Shipping & Risk Solution Inc. an indirect wholly owned subsidiary of SGLY entered into an operating income right transfer contract with Goalowen Inc. pursuant to which Goalowen agreed to transfer its rights to receive income from operating a tuna fishing vessel to SG Shipping for \$3 million. Such contract was signed by the Company's former COO Jing Shan without the Board's authorization. On May 5, 2023, Ms. Shan made a wire transfer of \$3 million to Goalowen without the Board's authorization. It was recorded as an Advance to customers. As of June 30, 2023, the Company evaluated the collection possibility, and decided to provide a 100% allowance provision in the amount of \$ 3 million, and there was no change in the fiscal year 2024 and for the three months ended September 30 2024.

Movement of allowance for credit losses are as follows:

	September 30, 2024	June 30, 2024
Beginning balance	\$ 6,848,699	\$ 6,994,212
Increase	-	21,348
Less: write-off	-	(160,000)
Exchange rate effect	129,103	(6,861)
Ending balance	<u><u>\$ 6,977,802</u></u>	<u><u>\$ 6,848,699</u></u>

Note 6. ADVANCES TO SUPPLIERS

The Company's advances to suppliers – third parties are as follows:

	September 30, 2024	June 30, 2024
Freight fees (1)	\$ 300,054	\$ 300,051
Less: allowances for credit losses	(300,000)	(300,000)
Advances to suppliers-third parties, net	<u><u>\$ 54</u></u>	<u><u>\$ 51</u></u>

(1) The advanced freight fee is the Company's prepayment made for various shipping costs for shipments from January 1, 2024 to September 30, 2024. The Company provided an allowance of \$300,000 for the year ended June 30, 2022, and there was no change in the fiscal year 2024 and for the three months ended September 30, 2024.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Note 7. PREPAID EXPENSES AND OTHER CURRENT ASSETS

The Company's prepaid expenses and other assets are as follows:

	September 30, 2024	June 30, 2024
Prepaid income taxes	\$ 11,929	\$ 11,929
Other (including prepaid professional fees, rent)	230,328	231,707
Total	<u><u>\$ 242,257</u></u>	<u><u>\$ 243,636</u></u>

Note 8. OTHER LONG-TERM ASSETS – DEPOSITS, NET

The Company's other long-term assets – deposits are as follows:

	September 30, 2024	June 30, 2024
Rental and utilities deposits	\$ 105,372	\$ 206,692
Less: allowances for deposits	(8,431)	(8,142)
Other long-term assets- deposits, net	<u><u>\$ 96,941</u></u>	<u><u>\$ 198,550</u></u>

Movements of allowance for deposits are as follows:

	September 30, 2024	June 30, 2024
Beginning balance	\$ 8,142	\$ 8,157
Provision for expected credit losses, net of recovery	-	50,000
Less: Write-off	-	(50,000)
Exchange rate effect	289	(15)
Ending balance	<u><u>\$ 8,431</u></u>	<u><u>\$ 8,142</u></u>

Note 9. PROPERTY AND EQUIPMENT, NET

The Company's net property and equipment as follows:

	September 30, 2024	June 30, 2024
Motor vehicles	\$ 383,213	\$ 383,213
Computer equipment	55,887	82,421
Office equipment	60,035	59,015
Furniture and fixtures	53,703	96,013
System software	106,496	102,843
Leasehold improvements	60,731	58,648
Mining equipment	-	922,439
Total	720,065	1,704,592
Less: Impairment reserve	(110,964)	(997,209)
Less: Accumulated depreciation and amortization	(443,187)	(523,744)
Property and equipment, net	\$ 165,914	\$ 183,639

Depreciation and amortization expenses for the three months ended September 30, 2024 and 2023 were \$ 17,919 and \$38,127, respectively. No impairment loss was recorded for the three months ended September 30, 2024 and 2023.

A batch of fixed assets were disposed of in this period, the original value of this batch of fixed assets is \$ 993,525 , the amount of accumulated depreciation is \$107,280. This batch of fixed assets has been fully impaired in previous periods, therefore, the impairment reserve of \$ 886,245 was written off.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Note 10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	September 30, 2024	June 30, 2024
Salary and reimbursement payable	\$ 587,381	\$ 133,182
Professional fees and other expense payable	1,048,655	849,592
Interest payable	4,872	4,872
Others	64,844	49,541
Total	\$ 1,705,752	\$ 1,037,187

Note 11. CONVERTIBLE NOTES

On December 19, 2021, the Company issued two Senior Convertible Notes (the "Convertible Notes") to two non-U.S. investors for an aggregate purchase price of \$10,000,000.

The Convertible Notes bear an interest at 5% annually and may be converted into shares of the Company's common stock, no par value per share at a conversion price of \$3.76 per share, the closing price of the common stock on December 17, 2021. The Convertible Notes are unsecured senior obligations of the Company, and the maturity date of the Convertible Notes is December 18, 2023. The Company may repay any portion of the outstanding principal, accrued and unpaid interest, without penalty for early repayment. The Company may make any repayment of principal and interest in (a) cash, (b) common stock at the conversion price or (c) a combination of cash or common stock at the conversion price.

On March 8, 2022, the Company issued amended and restated the terms of the notes and issued the Amended and Restated Senior Convertible Notes (the "Amended and Restated Convertible Notes") to the investors to change the principal amount of the Convertible Notes to an aggregate principal amount of \$5,000,000. There other terms of the notes remained unchanged.

For the three months ended September 30, 2024 and 2023, interest expenses related to the aforementioned notes amounted to nil and \$21,917, respectively.

On August 8, 2023, upon the unanimous consent of the board of directors of the Company, the Company prepaid the total outstanding \$ 5,000,000 balance of the 2022 Notes, along with the accrued interest of \$403,424. The Company was not subject to any prepayment penalties.

Note 12. LEASES

The Company determines if a contract contains a lease at inception which is the date on which the terms of the contract are agreed to and the agreement creates enforceable rights and obligations. US GAAP requires that the Company's leases be evaluated and classified as operating or finance leases for financial reporting purposes. The classification evaluation begins at the commencement date and the lease term used in the evaluation includes the non-cancellable period for which the Company has the right to use the underlying asset, together with renewal option periods when the exercise of the renewal option is reasonably certain and failure to exercise such option which result in an economic penalty. All of the Company's leases are classified as operating leases.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

The Company has several lease agreements with lease terms ranging from two to five years. As of September 30, 2024, ROU assets and lease liabilities amounted to \$56,870 and \$244,487 (including \$153,365 from lease liabilities current portion and \$91,122 from lease liabilities non-current portion), respectively and weighted average discount rate was approximately 10.74%.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The leases generally do not contain options to extend at the time of expiration and the weighted average remaining lease terms are 1.64 years.

For the three months ended September 30, 2024 and 2023, rent expense amounted to approximately \$ 478,444 and \$160,489, respectively.

The five-year maturity of the Company's lease obligations is presented below:

Twelve Months Ending September 30,	Operating Lease Amount
2025	\$ 172,249
2026	95,668
Total lease payments	267,917
Less: Interest	23,430
Present value of lease liabilities	\$ 244,487

Note 13. EQUITY

After the close of the stock market on July 7, 2020, the Company effected a 1-for-5 reverse stock split of its common stock in order to satisfy continued listing requirements of its common stock on the NASDAQ Capital Market. The reverse stock split was approved by the Company's board of directors and stockholders and was intended to allow the Company to meet the minimum share price requirement of \$1.00 per share for continued listing on the NASDAQ Capital Market. As a result, all common stock share amounts included in this filing have been retroactively reduced by a factor of five, and all common stock per share amounts have been increased by a factor of five. Amounts affected include common stock outstanding, including those that have resulted from the stock options, and warrants exercisable for common stock.

Stock issuances:

On September 17, 2020, the Company entered into certain securities purchase agreement with certain "non-U.S. Persons" as defined in Regulation S of the Securities Act of 1933, as amended, pursuant to which the Company sold an aggregate of 720,000 shares of the Company's common stock, no par value, and warrants to purchase 720,000 shares at a per share purchase price of \$ 1.46. The net proceeds to the Company from such offering were approximately \$1.05 million. The warrants became exercisable on March 16, 2021 at an exercise price of \$ 1.825 per share. The warrants may also be exercised on a cashless basis if at any time after March 16, 2021, there is no effective registration statement registering, or no current prospectus available for, the resale of the warrant shares. The warrants will expire on March 16, 2026. The warrants are subject to anti-dilution provisions to reflect stock dividends and splits or other similar transactions. The warrants contain a mandatory exercise right for the Company to force exercise of the warrants if the Company's common stock trades at or above \$4.38 for 20 consecutive trading days, provided, among other things, that the shares issuable upon exercise of the warrants are registered or may be sold pursuant to Rule 144 and the daily trading volume exceeds 60,000 shares of common stock per trading day on each trading day in a period of 20 consecutive trading days prior to the applicable date.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

On November 2 and November 3, 2020, the Company issued an aggregate of 860,000 shares of Series A Convertible Preferred Stock (the "Series A Preferred Stock"), each convertible into one share of common stock, no par value, of Company, upon the terms and subject to the limitations and considerations set forth in the Certificate of Designation of the Series A Preferred Stock, and warrants to purchase up to 1,032,000 shares of common stock. The purchase price for each share of Series A Preferred Stock and accompanying warrants is \$1.66. The net proceeds to the Company from this offering was approximately \$1.43 million, not including any proceeds that may be received upon cash exercise of the warrants. The warrants became exercisable six (6) months following the date of issuance at an exercise price of \$1.99 per share. The warrants may also be exercised on a cashless basis if at any time after the six-month anniversary of the issuance date, there is no effective registration statement registering, or no current prospectus available for, the resale of the warrant Shares. The warrants will expire five and a half (5.5) years from the date of issuance. The warrants are subject to anti-dilution provisions to reflect stock dividends and splits or other similar transactions. The warrants contain a mandatory exercise right for the Company

to force exercise of the warrants if the closing price of the common stock equals or exceeds \$5.97 for twenty (20) consecutive trading days, provided, among other things, that the shares issuable upon exercise of the warrants are registered or may be sold pursuant to Rule 144 and the daily trading volume exceeds 60,000 shares of common stock per trading day on each trading day in a period of 20 consecutive trading days prior to the applicable date. In February 2021, the shareholders approved the preferred shareholders' right to convert 860,000 shares of Series A Preferred Stock into 860,000 shares of common stock in the Company's annual meeting of shareholders. As of June 30, 2022, the Series A Preferred Stock have been fully converted to common stock on a one-for-one basis.

On December 8, 2020, the Company entered into a securities purchase agreement with certain investors thereto pursuant to which the Company sold to the investors, and the investors purchased from the Company, in a registered direct offering, an aggregate of 1,560,000 shares of the common stock of the Company, no par value per share, at a purchase price of \$3.10 per share, and warrants to purchase up to an aggregate of 1,170,000 shares of common stock of the Company at an exercise price of \$3.10 per share, for aggregate gross proceeds to the Company of \$ 4,836,000. The warrants are initially exercisable beginning on December 11, 2020 and will expire three and a half (3.5) years from the date of issuance. The exercise price and the number of shares of common stock issuable upon exercise of the warrants are subject to adjustment in the event of stock splits or dividends, or other similar transactions, but not as a result of future securities offerings at lower prices.

On January 27, 2021, the Company entered into a securities purchase agreement with certain non-U.S. investors thereto pursuant to which the Company sold to the investors, and the investors purchased from the Company, an aggregate of 1,086,956 shares of common stock, no par value, and warrants to purchase 5,434,780 shares. The net proceeds to the Company from this offering were approximately \$ 4.0 million. The purchase price for each share of common stock and five warrants is \$3.68, and the exercise price per warrant is \$ 5.00. The warrants became exercisable at any time during the period beginning on or after July 27, 2021 and ending on or prior on January 27, 2026 but not thereafter; provided, however, that the total number of the Company's issued and outstanding shares of common stock, multiplied by the NASDAQ official closing bid price of the common stock shall equal or exceed \$0.3 billion for a three consecutive month period prior to an exercise.

On February 6, 2021, the Company entered into a securities purchase agreement with certain investors pursuant to which the Company sold to the investors, and the investors purchased from the Company, in a registered direct offering, an aggregate of 1,998,500 shares of the common stock of the Company, no par value per share, at a purchase price of \$ 6.805 per share. Net proceeds to the Company from the sale of the shares and the warrants, after deducting estimated offering expenses and placement agent fees, were approximately \$12.4 million. The Company also sold to the investors warrants to purchase up to an aggregate of 1,998,500 shares of common stock at an exercise price of \$ 6.805 per share. The warrants are exercisable upon issuance and expire five and a half (5.5) years from the date of issuance. The exercise price and the number of shares of common stock issuable upon exercise of the warrants are subject to adjustment in the event of stock splits or dividends, or other similar transactions, but not as a result of future securities offerings at lower prices.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

On February 9, 2021, the Company entered into a securities purchase agreement with certain investors pursuant to which the Company sold to the investors, and the investors purchased from the Company, in a registered direct offering, an aggregate of 3,655,000 shares of the common stock of the Company, no par value per share, at a purchase price of \$ 7.80 per share. Net proceeds to the Company from the sale of the shares and the warrants, after deducting estimated offering expenses and placement agent fees, were approximately \$26.1 million. The Company also sold to the investors warrants to purchase up to an aggregate of 3,655,000 shares of common stock at an exercise price of \$ 7.80 per share. The warrants are exercisable upon issuance and expire five and a half (5.5) years from the date of issuance. The exercise price and the number of shares of common stock issuable upon exercise of the warrants are subject to adjustment in the event of stock splits or dividends, or other similar transactions, but not as a result of future securities offerings at lower prices.

On December 14, 2021, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with non-U.S. investors and accredited investors pursuant to which the Company sold to the investors, and the investors agreed to purchase from the Company, an aggregate of 3,228,807 shares of common stock, no par value, and warrants to purchase 4,843,210 shares. The purchase price for each share of common stock and one and a half warrants was \$3.26, and the exercise price per warrant is \$ 4.00. The Company received net proceeds of \$ 10,525,819 and issued 3,228,807 shares and 4,843,210 warrants. In connection with the issuance, the Company issued 500,000 shares to a consultant in assisting the Company in finding potential investors. The warrants will be exercisable at any time during the Exercise Window. The "Exercise Window" means the period beginning on or after June 14, 2022 and ending on or prior to 5:00 p.m. (New York City time) on December 13, 2026 but not thereafter; provided, however, that the total number of the Company's issued and outstanding shares of common stock, multiplied by the NASDAQ official closing bid price of the common stock shall equal or exceed \$150,000,000 for a three consecutive month period prior to an exercise.

The Company's outstanding warrants are classified as equity since they qualify for exception from derivative accounting as they are considered to be indexed to the Company's own stock and require net share settlement. The fair value of the warrants was recorded as additional paid-in capital from common stock.

On January 6, 2022, the Company entered into Warrant Purchase Agreements with certain warrant holders (the "Sellers") pursuant to which the Company agreed to buy back an aggregate of 3,870,800 warrants (the "Warrants") from the Sellers, and the Sellers agreed to sell the Warrants back to the Company. These Warrants were sold to these Sellers in three previous transactions that closed on February 11, 2021, February 10, 2021, and March 14, 2018. The purchase price for each Warrant was \$2.00. Following announcement of the Warrant Purchase Agreements on January 6, 2022, the Company agreed to repurchase an additional 103,200 warrants from other Sellers on the same terms as the previously announced Warrant Purchase Agreements. The aggregate number of warrants repurchased under the Warrant Purchase Agreements was 3,974,000.

On January 7, 2022, the Company wired the purchase price to each Seller. Each Seller has agreed to deliver the Warrant to the Company for cancellation as soon as practicable following the closing date, but in no event later than January 13, 2022. The Warrants are deemed cancelled upon the receipt by the Sellers of the purchase price.

On November 15, 2023, the Company entered into a subscription agreement with ten individual investors, under which the Company agreed to sell an aggregate of 1,700,000 shares of its Common Stock and 1,700,000 warrants, with each warrant initially exercisable to purchase one share of Common Stock at an exercise price of \$6.07 per share, at an aggregate price of US\$ 9,860,000 in a private placement. On December 13, 2023, the Company issued an aggregate of 1,700,000 shares of its common stock to the investors. The company received US\$ 9,860,000 but subsequently returned the funds to the investors because the 1,700,000 warrants, issuable as part of the transaction, could not be issued timely due to certain outstanding warrant terms. The investors returned the funds to the Company on January 4, 2024 after the warrant terms were finalized. On January 26, 2024, the Company entered into an amendment to the subscription agreement which provides, among other things, that Nasdaq's authorization must be obtained for the issuance of the securities under the subscription agreement and the Company stockholders' approval shall be obtained before the 1,700,000 warrants are issued to the investors. Nasdaq has authorized the issuance of the Common Stock and the conditional issuance of the warrants. As of the date of this report, the issuance of the warrants is still awaiting approval from the Company's stockholders.

Following is a summary of the status of warrants outstanding and exercisable as of September 30, 2024

	<u>Warrants</u>	<u>Weighted Average Exercise Price</u>
Warrants outstanding, as of June 30, 2024	1,208,849	\$ 44.05
Issued	-	-
Exercised	-	-
Expired	-	-
Warrants outstanding, as of September 30, 2024	<u>1,208,849</u>	<u>\$ 44.05</u>
Warrants exercisable, as of September 30, 2024	<u>1,208,849</u>	<u>\$ 44.05</u>

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SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

<u>Warrants Outstanding</u>	<u>Warrants Exercisable</u>	<u>Weighted Average Exercise Price</u>	<u>Average Remaining Contractual Life</u>
2020 warrants -292,200	18,100	\$ 18.3	1.01 years
2021 warrants -1,593,149	1,190,749	\$ 49.4	1.81 years

Stock-based compensation:

By action taken as of August 13, 2021, the Board of Directors (the "Board") of the Company and the Compensation Committee of the Board (the "Committee") approved a one-time award of a total of 1,020,000 shares of the common stock under the Company's 2014 Stock Incentive Plan (the "Plan") to, including (i) a grant of 600,000 shares to Chief Executive Officer, Lei Cao, (ii) a grant of 200,000 shares to acting Chief Financial Officer, Tuo Pan, (iii) a grant of 160,000 shares to Board member, Zhikang Huang, (iv) a grant of 20,000 shares to Board member, Jing Wang, (v) a grant of 20,000 shares to Board member, Xiaohuan Huang, and (vi) a grant of 20,000 shares to Board member, Tieliang Liu. The shares were valued at an aggregate of \$2,927,400 based on the grant date fair value of such shares.

On November 18, 2021, Mr. Jing Wang retired from his positions as a member of the Board, the Chairperson of the Compensation Committee, a member of Nominating/Corporate Governance Committee, and a member of the Audit Committee. In connection with Mr. Wang's retirement, the Company granted Mr. Wang 100,000 shares of common stock under the Company's 2021 stock incentive plan, which shares were valued at \$ 377,000 based on the grant date fair value.

On February 4, 2022, the Company approved a one-time award of a total of 500,000 shares of common stock under the Company's 2021 Stock Incentive Plan to certain executive officers of the Company, including Chief Executive Officer, Yang Jie (300,000 shares), Chief Operating Officer, Jing Shan (100,000 shares), and Chief Technology Officer, Shi Qiu (100,000 shares). The total fair value of the grants amounts to \$2,740,000 based on the grant date share price of \$5.48.

On February 16, 2022, the Company's Board approved a consulting agreement pursuant to which the Company agreed to pay the consultant a monthly fee of \$10,000 and 100,000 shares of the Company's common stock. The shares were valued at \$ 7.42 at grant date with a grant date fair value of \$742,000 to be amortized through October 31, 2022. Stock compensation expenses for this contract was nil and \$247,333 for the three month ended September 30, 2023 and 2022, respectively.

During the three months ended September 30, 2024 and 2023, There was no stock-based compensation expense recorded.

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SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Note 14. NON-CONTROLLING INTEREST

The Company's non-controlling interest consists of the following:

	<u>September 30, 2024</u>	<u>June 30, 2024</u>
Trans Pacific Shanghai	\$ (1,557,671)	\$ (1,532,527)
Brilliant Warehouse	(1,251,513)	(1,215,106)
Total	\$ (2,809,184)	\$ (2,747,633)

Note 15. COMMITMENTS AND CONTINGENCIES

Contingencies

From time to time, the Company may be subject to certain legal proceedings, claims and disputes that arise in the ordinary course of business. Although

the outcomes of these legal proceedings cannot be predicted, the Company does not believe these actions, in the aggregate, will have a material adverse impact on its financial position, results of operations or liquidity.

SOS Information Technology New York, Inc. ("SOSNY"), a company incorporated under the laws of State of New York and a wholly owned subsidiary of SOS Ltd., filed lawsuit in the New York State Supreme Court on December 9, 2022 against Thor Miner, Inc., which is Singularity's joint venture ("Thor Miner"), the Company, and, together with Thor Miner, referred to as the "Corporate Defendants", Lei Cao, Yang Jie, John F. Levy, Teliang Liu, Tuo Pan, Shi Qiu, Jing Shan, and Heng Wang (jointly referred to as the "Individual Defendants") (collectively, the Individual Defendants and the Corporate Defendants are the "Defendants"). SOSNY and Thor Miner entered into a January 10, 2022 Purchase and Sale Agreement (the "PSA") for the purchase of \$200,000,000 in crypto mining rigs, which SOSNY claims was breached by the Defendants.

SOSNY and Defendants entered into a certain settlement agreement and general mutual release with an Effective Date of December 28, 2022 ("Settlement Agreement"). Pursuant to the Settlement Agreement, Thor Miner agreed to pay a sum of thirteen million in U.S. dollars (\$13,000,000) (the "Settlement Payment") to SOSNY in exchange for SOSNY dismissing the lawsuit with prejudice as to the settling Defendants and without prejudice as to all others. The full Settlement Payment was received by SOSNY on December 28, 2022. SOSNY dismissed the lawsuit with prejudice against the Company (and other Defendants) on December 28, 2022.

The Company and Thor Miner further covenanted and agreed that if they receive additional funds from HighSharp (Shenzhen Gaorui) Electronic Technology Co., Ltd. ("HighSharp") related to the PSA, they will promptly transfer such funds to SOSNY in an amount not to exceed forty million, five hundred sixty thousand, five hundred sixty-nine dollars (\$40,560,569.00) (which is the total amount paid by SOSNY pursuant to the PSA less the price of the machines actually received by SOSNY pursuant to the PSA). The Settlement Payment and any payments subsequently received by SOSNY from HighSharp shall be deducted from the total amount of forty million, five hundred sixty thousand, five hundred sixty-nine dollars (\$40,560,569.00) previously paid by, and now due and owing to SOSNY. In further consideration of the Settlement Agreement, Thor Miner agreed to execute and provide to SOSNY, within seven (7) business days after SOSNY's receipt of the Settlement Payment, an assignment of all claims it may have against HighSharp or otherwise to the proceeds of the PSA.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

On October 23, 2023, the Company filed a complaint against its former CFO, Tuo Pan, accusing her of conversion due to her alleged involvement in two unauthorized transfers from the Company amounting to \$219,000 and \$7,920.

On March 23, 2023, SG Shipping & Risk Solution Inc. an indirect wholly owned subsidiary of SGLY entered into an operating income right transfer contract with Goalowen pursuant to which Goalowen agreed to transfer its rights to receive income from operating a tuna fishing vessel to SG Shipping for \$3,000,000 and on May 5, 2023, Ms. Shan made a wire transfer of \$ 3,000,000 to Goalowen . Such contract was signed and payment was made by the Company's former COO, Jing Shan, without the authorization of the board of directors of the Company. The payment was recorded as an advance to a customer. The Company filed a complaint against Jing Shan accusing her of the unauthorized transfers in the United States District Court for the Eastern District of New York and has brought a lawsuit against Goalowen to recover the \$3 million. As of June 30, 2023, the Company evaluated the collection possibility, and decided to provide a 100% allowance provision in the amount of \$ 3,000,000. The Company filed a complaint against Jing Shan accusing her of the unauthorized transfers in the United States District Court for the Eastern District of New York and has brought a lawsuit against Goalowen to recover the \$3 million.

Lawsuits in connection with the Securities Purchase Agreement

On September 23, 2022, Hexin Global Limited and Viner Total Investments Fund filed a lawsuit against the Company and other defendants in the United States District Court for the Southern District of New York (the "Hexin lawsuit"). On December 5, 2022, St. Hudson Group LLC, Imperii Strategies LLC, Isyled Technology Limited, and Hsqynn Family Inc. filed a lawsuit against the Company and other defendants in the United States District Court for the Southern District of New York (the "St. Hudson lawsuit," and together with the Hexin lawsuit, the "Investor Actions"). The plaintiffs in the Investor Actions are investors that entered into a securities purchase agreement ("Securities Purchase Agreement") with the Company in late 2021. Each of these plaintiffs asserts causes of action for, among other things, violations of federal securities laws, breach of fiduciary duty, fraudulent inducement, breach of contract, conversion, and unjust enrichment, and seeks monetary damages and specific performance to remove legends from certain securities sold pursuant to the Securities Purchase Agreement. The Hexin lawsuit claims monetary damages of "at least \$6 million," plus interest, costs, fees, and attorneys' fees. The St. Hudson lawsuit claims monetary damages of "at least \$4.4 million," plus interest, costs, fees, and attorneys' fees.

Lawsuit in connection with the Financial Advisory Agreement

On October 6, 2022, Jinhe Capital Limited ("Jinhe") filed a lawsuit against the Company in the United States District Court for the Southern District of New York, asserting causes of actions for, among other things, breach of contract, breach of the covenant of good faith and fair dealing, conversion, quantum meruit, and unjust enrichment, in connection with a financial advisory agreement entered into by and between Jinhe and the Company on November 10, 2021. Jinhe claims monetary damages of "at least \$575,000" and "potentially exceeding \$1.8 million," plus interest, costs, and attorneys' fees.

On January 10, 2023, St. Hudson lawsuit was consolidated with this lawsuit and Hexin lawsuit and on February 24, 2023, all three consolidated actions were dismissed without prejudice by the court, in furtherance of the parties having reached an agreement in principle to settle their disputes. The Company, Yang Jie, Jing Shan, and the plaintiffs of the above three actions entered into a certain settlement agreement and general mutual release with an effective date of March 10, 2023, pursuant to which the Company agreed to pay the sum of \$10,525,910.82. Plaintiffs in the actions agreed to discharge and forever release the defendants in the actions from all claims that were or could have been raised in those actions, as well as dismissal of each of the actions with prejudice. The Company has no role or knowledge as to how the settlement payment will be allocated between and among the plaintiffs. The Company paid the settlement payment on March 14, 2023.

In addition, the plaintiffs agreed to irrevocably forfeit 3,728,807 shares of Common Stock they hold. The cancellation of 3,528,807 shares has been completed, while the cancellation of the remaining 200,000 shares is still in processing for the year ended June 30, 2023. The fair value of the shares was \$2,125,420 at March 10, 2023, the settlement amount over the fair value of the shares to be cancelled is recorded as other expenses in the Company's consolidated statement of operations. The cancellation of 200,000 shares completed on July 8, 2023

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements
For the Three Months ended September 30, 2024

Putative Class Action

On December 9, 2022, Piero Crivellaro, purportedly on behalf of the persons or entities who purchased or acquired publicly traded securities of the Company between February 2021 and November 2022, filed a putative class action against the Company and other defendants in the United States District Court for the Eastern District of New York, alleging violations of federal securities laws related to alleged false or misleading disclosures made by the Company in its public filings. The plaintiff seeks unspecified damages, plus interest, costs, fees, and attorneys' fees. As this action is still in the early stage, the Company cannot predict the outcome.

In addition to the above litigations, the Company is also subject to additional contractual litigations as to which it is unable to estimate the outcome.

Government Investigations

Following a publication issued by Hindenburg Research dated May 5, 2022, the Company received subpoenas from the United States Attorney's Office for the Southern District of New York and the United States Securities and Exchange Commission. The Company is cooperating with the government regarding these matters. The Company is not able to estimate the outcome or duration of the government investigations.

Employee Agreement

For the year ended June 30, 2023, the Company had employment agreements with each of Mr. Lei Cao, Ms. Tuo Pan and Mr. Yang Jie. Employment agreement of Mr. Lei Cao provided for a ten-year term that extended automatically in the absence of termination notice provided at least 30 days prior to the fifth anniversary date of the agreement. Employment agreements of Mr. Tuo Pan and Mr. Yang Jie provided for five-year terms that extended automatically in the absence of termination notice provided at least 30 days prior to the fifth anniversary date of the agreement. If the Company failed to provide this notice or if the Company wished to terminate an employment agreement in the absence of cause, then the Company was obligated to provide at least 30 days' prior notice. In such case during the initial term of the agreement, the Company would need to pay such executive (i) the remaining salary through the date of October 31, 2026. In addition, to pay Mr. Lei Cao and Ms. Tuo Pan (ii) two times of the then applicable annual salary if there had been no change in control, as defined in the employment agreements or three-and-a-half times of the then applicable annual salary if there was a change in control. The employment agreements for Ms. Tuo Pan and Mr. Yang Jie were terminated in 2022, the Company has no remaining obligation under such agreements.

In February 2024, Zhikang Huang, a former employee of the Company filed a lawsuit against the Company in the Richmond City Circuit Court of Virginia. In the complaint, Zhikang Huang alleges claims that the Company failed to compensate him for the severance payment of \$300,000 contemplated in Section 6.3 of the Employee Agreement, his two months' salary of \$25,000 for the months of November and December 2023 and the incentive-based bonus to which he is entitled pursuant to paragraph 4.2 of the Employee Agreement.

Note 16. INCOME TAXES

The Company's income tax expenses for three months ended September 30, 2024 and 2023 are as follows:

	For the three months Ended September 30	
	2024	2023
Current		
U.S.	\$ -	\$ -
PRC	-	-
Total income tax expenses	-	-

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

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For the Three Months ended September 30, 2024

The Company's deferred tax assets are comprised of the following:

	September 30, 2024	June 30, 2024
Allowance for credit losses		
U.S.	\$ 1,212,000	\$ 1,212,000
PRC	1,708,000	1,649,000
Net operating loss		
U.S.	8,977,000	9,920,000
PRC	1,439,000	1,515,000
Total deferred tax assets	13,336,000	14,296,000
Valuation allowance	(13,336,000)	(14,296,000)
Deferred tax assets, net - long-term	\$ -	\$ -

The Company's operations in the U.S. incurred cumulative U.S. federal net operation losses ("NOL") of approximately \$ 47,200,000 as of June 30, 2024, which may reduce future federal taxable income. During the three months ended September 30, 2024, approximately \$1,000,000 of NOL was generated and the tax benefit derived from such NOL was approximately \$210,000. As of September 30, 2024, the Company's cumulative NOL amounted to approximately \$48,200,000, which may reduce future federal taxable income.

The Company's operations in China incurred a cumulative NOL of approximately \$ 2,062,000 million as of June 30, 2024 which was mainly from net loss. During the three months ended September 30, 2024, additional NOL of approximately \$55,000 was generated. As of September 30, 2024, the Company's cumulative NOL amounted to approximately \$2,117,000 which may reduce future taxable income which will expire by 2026.

The Company periodically evaluates the likelihood of the realization of deferred tax assets ("DTA") and reduces the carrying amount of the deferred tax assets by a valuation allowance to the extent it believes a portion will not be realized. Management considers new evidence, both positive and negative, that could affect the Company's future realization of deferred tax assets including its recent cumulative earnings experience, expectation of future income, the carry forward periods available for tax reporting purposes and other relevant factors. The Company determined that it is more likely than not its deferred tax assets could not be realized due to uncertainty on future earnings as a result of the Company's reorganization and venture into new businesses. The Company provided a 100% allowance for its DTA as of September 30, 2024. The net decrease in valuation for the three months ended September 30, 2024 amounted to approximately \$960,000, based on management's reassessment of the amount of the Company's deferred tax assets that are more likely than not to be realized.

The Company's taxes payable consists of the following:

	September 30, 2024	June 30, 2024
VAT tax payable	\$ 1,068,993	\$ 1,030,363
Corporate income tax payable	2,194,567	2,121,724
Others	57,064	54,806
Total	\$ 3,320,624	\$ 3,206,893

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements For the Three Months ended September 30, 2024

Note 17. CONCENTRATIONS

Major Customers

For the three months ended September 30, 2024, one customer accounted for 92.3% of the Company's gross revenues. As of September 30, 2024, two customers accounted for 82.7% and 12.8% of the Company's accounts receivable, net.

For the three months ended September 30, 2023, one customer accounted for 78.3% of the Company's gross revenues. As of September 30, 2023, three customers accounted for 34.5%, 21.2% and 10.8% of the Company's accounts receivable, net.

Major Suppliers

For the three months ended September 30, 2024, three suppliers accounted for approximately 32.8%, 21.4% and 20.9% of the total gross purchases.

For the three months ended September 30, 2023, two suppliers accounted for approximately 22.1% and 15.2% of the total gross purchases.

Note 18. SEGMENT REPORTING

ASC 280, "Segment Reporting", establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, business segments and major customers in unaudited condensed consolidated financial statements for detailing the Company's business segments.

The Company's chief operating decision maker is the Chief Operating Officer, who reviews the financial information of the separate operating segments when making decisions about allocating resources and assessing the performance of the group. The Company ceased to sell crypto-mining equipment since January 1, 2023. For the three months ended September 30, 2024, the Company operated in one segment, freight logistics services, which had operations in PRC. For the three months ended September 30, 2024, the Company did not sell crypto-mining machines.

The following tables present summary information by segment for the three months ended September 30, 2024 and 2023, respectively:

	For the Three Months Ended September 30, 2024		
	Freight Logistics Services	Crypto-mining equipment sales	Total
Net revenues	\$ 501,402	\$ -	\$ 501,402
Cost of revenues	\$ 773,317	\$ -	\$ 773,317
Gross profit	\$ (271,915)	\$ -	\$ (271,915)
Depreciation and amortization	\$ 17,919	\$ -	\$ 17,919
Total capital expenditures	\$ -	\$ -	\$ -
Gross margin%	(54.2)%	-	(54.2)%

	For the Three Months Ended September 30, 2023		
	Freight Logistics Services	Crypto- mining equipment sales	Total
Net revenues	\$ 895,926	\$ -	\$ 895,926
Cost of revenues	\$ 1,002,949	\$ -	\$ 1,002,949
Gross profit	\$ (107,023)	\$ -	\$ (107,023)
Depreciation and amortization	\$ 37,770	\$ 357	\$ 38,127
Total capital expenditures	\$ -	\$ -	\$ -
Gross margin%	(11.9)%	100.0%	(11.9)%

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements
For the Three Months ended September 30, 2024

Total assets as of:

	September 30, 2024	June 30, 2024
Freight Logistic Services	\$ 18,926,346	\$ 18,728,039
Total Assets	<u>\$ 18,926,346</u>	<u>\$ 18,728,039</u>

The Company's operations are primarily based in the PRC and U.S, where the Company derives all of its revenues. Management also reviews consolidated financial results by business locations.

Disaggregated information of revenues by geographic locations are as follows:

	For the Three Months Ended	
	September 30, 2024	September 30, 2023
PRC	\$ 501,402	\$ 700,656
U.S.	-	195,270
Total revenues	<u>\$ 501,402</u>	<u>\$ 895,926</u>

Note 19. RELATED PARTY BALANCE AND TRANSACTIONSDue from related party, net

As of September 30, 2024 and June 30, 2024, the outstanding amounts due from related parties consist of the following:

	September 30, 2024	June 30, 2024
Zhejiang Jinbang Fuel Energy Co., Ltd (1)	\$ 396,549	\$ 382,949
Shanghai Baoyin Industrial Co., Ltd (2)	1,103,860	1,066,003
LSM Trading Ltd (3)	570,000	570,000
Rich Trading Co. Ltd (4)	103,424	103,424
Less: allowance for doubtful accounts	<u>(2,173,833)</u>	<u>(2,122,376)</u>
Total	<u>\$ -</u>	<u>\$ -</u>

(1) As of September 30, 2024 and June 30, 2024, the Company advanced \$ 396,549 and \$382,949 to Zhejiang Jinbang Fuel Energy Co., Ltd ("Zhejiang Jinbang") which is 30% owned by Mr. Wang Qinggang, CEO and legal representative of Trans Pacific Shanghai. The advance is non-interest bearing and due on demand. The Company provided allowance of \$396,549 and \$382,949 for the balance of the receivable as of September 30, 2024 and June 30, 2024, and the allowance changes as a result of changes in exchange rates.

SINGULARITY FUTURE TECHNOLOGY LTD. AND SUBSIDIARIES

Notes to the Condensed Consolidated Financial Statements
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- (2) As of September 30, 2024 and June 30, 2024, the Company advanced approximately \$ 1,103,860 and \$1,066,003 to Shanghai Baoyin Industrial Co., Ltd. which is 30% owned by Qinggang Wang, CEO and legal representative of Trans Pacific Logistic Shanghai Ltd. The advance is non-interest bearing and due on demand. The Company provided full credit losses for the balance of the receivable.
- (3) As of September 30, 2024 and June 30, 2024, the Company advanced \$ 570,000 to LSM Trading Ltd, which is 40% owned by the Company. The advance is non-interest bearing and due on demand. The Company provided full credit losses for the balance of the receivable.
- (4) On November 16, 2021, the Company entered into a project cooperation agreement with Rich Trading Co. Ltd USA ("Rich Trading") for the trading of computer equipment. Rich Trading's bank account was controlled by now-terminated members of the Company's management and was, at the time, an undisclosed related party. According to the agreement, the Company was to invest \$4.5 million in the trading business operated by Rich Trading and the Company would be entitled to 90% of profits generated by the trading business. The Company advanced \$ 3,303,424 for this project, of which \$3,200,000 has been returned to the Company. The Company provided allowance of \$ 103,424 for the balance of the receivable as of September 30, 2024 and June 30, 2024.

Accounts payable- related parties

As of June 30, 2024, the Company had accounts payable to Rich Trading Co. Ltd of \$ 63,434. And there was no change as of September 30, 2024.

Other payable - related party

As of September 30, 2024 and June 30, 2024, the Company had accounts payable to Qinggang Wang, CEO and legal representative of Trans Pacific Shanghai, of \$26,920 and \$25,997. These payments were made on behalf of the Company for the daily business operational activities.

As of September 30, 2024 and June 30, 2024, the Company had accounts payable to \$ 206,103 and \$199,034 to Zhejiang Jinbang Fuel Energy Co., Ltd

("Zhejiang Jinbang") which is 30% owned by Mr. Wang Qinggang, CEO and legal representative of Trans Pacific Shanghai.

Note 20. SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date on which the consolidated financial statements were issued, the Company did not identify any subsequent events that require recognition and disclosure in the consolidated financial statements.

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

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in the 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 global logistics integrated solution provider that was founded in the United States in 2001. On September 18, 2007, the Company merged into a new corporation, Sino-Global Shipping America, Ltd. in Virginia. On January 3, 2022, the Company changed its corporate name to Singularity Future Technology Ltd. to reflect its expanded operations into the digital assets business. Currently, we primarily focus on providing freight logistics services, which mainly include shipping, warehouse services and other logistical support to steel companies.

In 2017, we began exploring new opportunities to expand our business and generate more revenue. These opportunities ranged from complementary businesses to other new service and product initiatives. In the fiscal year 2022, while we continued to provide our traditional freight logistics business, we expanded our services to include warehousing services provided by our U.S. subsidiary Brilliant Warehouse Service Inc.

We are currently operating through our subsidiary Trans Pacific Shipping Limited. As of July 31, 2024, we have terminated the operations of our subsidiaries Gorgeous Trading Ltd. and Brilliant Warehouse Service Inc. Our range of services are mainly transportation.

As a holding company with no material operations, conduct substantially all of our operations through subsidiaries established in the United States, the People's Republic of China (the "PRC" or "China") and Hong Kong. However, neither the holding company nor any of the Company's Chinese subsidiaries conduct any operations through contractual arrangements with a variable interest entity based in China. Investors in our common stock should be aware that they may never directly hold equity interests in the PRC operating entities, but rather equity interests solely in Singularity, our Virginia holding company. Furthermore, shareholders may face difficulties enforcing their legal rights under United States securities laws against our directors and officers who are located outside of the United States.

Recent Developments

We are currently exploring new business opportunities while continuing to provide freight logistics services. On September 19, 2023, the Company formed a 100% owned subsidiary, New Energy Tech Limited. ("New Energy") in New York for to engage in the solar panel commodity trading business (the "Solar Panel Business"). In August 2024, New Energy entered into a joint venture development agreement with Market One Services Corp., a Wyoming corporation, to establish a joint venture to carry out the Solar Panel Business.

The Company decided to develop the Solar Panel Business based on its insight into the broad prospects of new energy. In the decision-making process, the needs of environmental protection and market potential were fully considered. This new Solar Panel Business complements our existing businesses and will expand the company's sustainable development.

Special Committee Investigation

As previously disclosed, on May 6, 2022, the Board of Directors of the Company (the "Board") formed a special committee (the "Special Committee") to investigate claims of alleged fraud, misrepresentation, and inadequate disclosure related to the Company and certain of its management personnel raised in a report, published by Hindenburg Research on May 4, 2022 (the "Hindenburg Report"). On February 23, 2023, the Board approved the dissolution of the Special Committee upon conclusion of the committee's investigation. On July 3, 2023, the Company entered into settlement and release agreement with Mr. Yang Jie, the Company's former CEO, which fully resolved his claims against the Company.

Executive Changes

On July 3, 2023, Mr. Tieliang Liu resigned as a director the Company and a member of the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee.

On July 10, 2023, Company terminated the employment of its Chief Operating Officer, Jing Shan, with cause. The termination was effective immediately.

On July 31, 2023, the Company elected Mr. Zhongliang Xie as a Class II independent director to serve until the annual meeting of stockholders for the fiscal year 2023, to fill the vacancy on the Board resulting from the resignation of Mr. Tieliang Liu. The Board appointed Mr. Xie to serve as Chair of the Audit Committee, a member of the Compensation Committee and a member of the Nominating and Corporate Governance Committee.

On September 21, 2023, Mr. Heng Wang resigned as a director of the Company and a member of the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee.

On September 25, 2023, the Company elected Mr. Xu Zhao as a Class I independent director to serve until the annual meeting of stockholders for the fiscal year 2022, to fill the vacancy on the Board resulting from the resignation of Mr. Heng Wang. The Board appointed Mr. Zhao to serve as a member of the Audit Committee, a member of the Compensation Committee and Chair of the Nominating and Corporate Governance Committee.

On September 28, 2023, Ms. Ling Jiang resigned as a director of the Company and a member of the Compensation Committee, the Audit Committee, and the Nominating and Corporate Governance Committee.

On October 6, 2023, the Company elected Ms. Yangyang Xu as a Class III independent director to serve until the annual meeting of stockholders for the fiscal year 2024, to fill the vacancy resulting from the resignation of Ms. Ling Jiang. The Board appointed Ms. Xu to serve as Chairwoman of the Compensation Committee and as a member of the Audit Committee and the Nominating and Corporate Governance Committee.

On July 31, 2024, Mr. Haotian Song resigned from his position as a vice president of the Company and as a director of the Board.

On August 6, 2024, the Company appointed Ms. Jia Yang as a vice president of the Company and as a director of the Board to fill the vacancy resulting from Mr. Haotian Song's resignation.

Nasdaq Listing Deficiencies

On January 5, 2023, the Company received a deficiency notice from Nasdaq informing the Company that its common stock, no par value, fails to comply with the \$1 minimum bid price required for continued listing on The Nasdaq Capital Market under Nasdaq Listing Rule 5550(a)(2) based upon the closing bid price of the common stock for the 30 consecutive business days prior to the date of the notice from Nasdaq. The Company has been provided an initial compliance period of 180 calendar days, or until July 5, 2023, to regain compliance with the minimum bid price requirement.

On July 13, 2023, the Company received a notice from Nasdaq stating that the Company failed to regain compliance with respect to the minimum \$1 bid price per share requirement under Nasdaq Listing Rules during the 180 calendar days given by Nasdaq for the Company to regain compliance, which ended on July 5, 2023. However, Nasdaq has determined that the Company is eligible for an additional 180 calendar day period, or until January 2, 2024, to regain compliance. Such determination is based on the Company meeting the continued listing requirement for market value of publicly held shares and all other applicable requirements for initial listing on the Capital Market with the exception of the bid price requirement, and the Company's written notice of its intention to cure the deficiency during the second compliance period by effecting a reverse stock split, if necessary. The Company intends to regain compliance with Nasdaq's bid price requirement prior to the end of the second bid price extension.

On February 21, 2023, the Company received an additional staff determination notice from Nasdaq, advising that it had not received the Company's Form 10-Q for the quarterly period ended December 31, 2022, which served as an additional basis for delisting the Company's securities. The notice stated that the Nasdaq Hearings Panel will consider the additional deficiency in rendering a determination regarding the Company's continued listing on Nasdaq. The Company submitted to the Panel a plan to regain compliance with the continued listing requirements and was granted a grace period to file all the delinquent reports, including the filing of the Form 10-Q for the quarterly period ended December 31, 2022, on or before February 28, 2023. On March 16, 2023, the Company received a formal notification from Nasdaq confirming that the Company had regained compliance with the Nasdaq Listing Rule 5250(c)(1), which requires the Company to timely file all required periodic financial reports with the SEC, and that the matter is now closed.

On March 8, 2023, the Company received a notice from Nasdaq stating that the Company no longer complies with Nasdaq's audit committee requirement under Nasdaq's Listing Rule 5605 following the resignation of John Levy from the Company's board of directors and audit committee effective February 23, 2023. Nasdaq advised the Company that in accordance with Nasdaq's Listing Rule 5605(c)(4), the Company has a cure period to regain compliance (i) until the earlier of the Company's next annual shareholders' meeting or February 23, 2024; or (ii) if the next annual shareholders' meeting is held before August 22, 2023, then the Company must evidence compliance no later than August 22, 2023.

On July 7, 2023, the Company received a Notice of Noncompliance Letter (the "Letter") from Nasdaq stating that the Company was not in compliance with Nasdaq Listing Rules due to its failure to timely hold an annual meeting of shareholders for the fiscal year ended June 30, 2022, which is required to be held within twelve months of the Company's fiscal year end under Nasdaq Listing Rule 5620(a) and 5810(c)(2)(G). The Letter also states that the Company has 45 calendar days to submit a plan to regain compliance and if Nasdaq accepts the Plan, it can grant the Company an exception of up to 180 calendar days from the fiscal year end, or until December 27, 2023, to regain compliance. On August 30, 2023, the Company received a formal notification from Nasdaq stating that it has determined to grant the Company an extension until December 27, 2023, to regain compliance with Listing Rule 5620(a), which requires that the Company hold an annual meeting of shareholders within twelve months of the end of the Company's fiscal year end. On October 19, 2023, the Company received a formal notification from the Nasdaq Stock Market LLC confirming that the Company had regained compliance with Listing Rule 5620(a), which requires that the Company hold an annual meeting of shareholders within twelve months of the end of the Company's fiscal year, and that the matter is now closed.

On July 13, 2023, the Company received a notice from Nasdaq stating that the Company no longer complies with Nasdaq's independent director and audit committee requirements under Nasdaq's Listing Rule 5605 following the resignation of Mr. Liu from the Company's board of directors and audit committee effective July 3, 2023. Nasdaq advised the Company that in accordance with Nasdaq's Listing Rule 5605(c)(4), the Company has a cure period to regain compliance (1) until the earlier of the Company's next annual shareholders' meeting or July 3, 2024; or (2) if the next annual shareholders' meeting is held before January 2, 2024, then the Company must evidence compliance no later than January 2, 2024. In response to this notice, on July 31, 2023, the Company elected Mr. Zhongliang Xie as a Class II independent director to serve until the annual meeting of stockholders for the fiscal year 2023, to fill the vacancy on the Board resulting from the resignation of Mr. Liu. The Board appointed Mr. Xie to serve as Chair of the Audit Committee, a member of the Compensation Committee and a member of the Nominating and Corporate Governance Committee. On August 30, 2023, the Company received a formal notification from the Nasdaq Stock Market LLC ("Nasdaq") confirming that the Company had regained compliance with the independent director and audit committee requirements for continued listing on The Nasdaq Capital Market set forth in Listing Rules 5605(b)(1) and 5605(c)(2) by appointing Mr. Zhongliang Xie to the Company's board of directors and audit committee on July 31, 2023, and that the matter is now closed.

COVID-19

The outbreak of the COVID-19 virus ("COVID-19") starting from late January 2020 in the PRC has spread rapidly to many parts of the world. In March 2020, the World Health Organization declared COVID-19 as a pandemic. Given the continually expanding nature of the COVID-19 pandemic in China and U.S., our business, results of operations, and financial condition are still adversely affected. The situation remains highly uncertain for any further outbreak or resurgence of COVID-19. It is therefore difficult for us to estimate the impact on our business or operating results that might be adversely affected by any further outbreak or resurgence of COVID-19.

In early December 2022, the Chinese government eased its strict control measures for COVID-19, which led to a surge in increased infections and disruptions in our business operations. Any future impact of COVID-19 on the Company's China operational results will depend on, to a large extent, future developments and new information that may emerge regarding the duration and resurgence of COVID-19 variants and the actions taken by government authorities to contain COVID-19 or treat its impact, almost all of which are beyond our control.

The impacts of COVID-19 on our business, financial condition, and results of operations include, but are not limited to, the following:

- Due to travel restrictions between US and China, our joint ventures were unable to start operation as planned which has slowed down our new business development.
- Our sales of crypto mining machines were materially adversely affected by COVID-19. Specifically, Crypto mining machine manufacturers have been impacted by the constrained supply of the semiconductors used in the production of the highly specialized crypto mining machines; COVID-related issues have exacerbated port congestion and intermittent supplier shutdowns and delays, resulting in delayed shipments and additional expenses to expedite delivery; as a result, we were unable to fulfil our customer orders on a timely basis, resulting cancellation of orders and partial refund of purchase price, as evident from the settlement in SOSNY.

Although the impact of COVID-19 on our operations decreased in 2023, such impact still exists and may continue to exist for an unforeseeable period of time. The impact of any future spread of COVID-19 on the Company's China operation will depend, to a large extent, on the duration and resurgence of COVID-19 variants and the actions taken by government authorities to contain COVID-19 or treat its impact, almost all of which is beyond our control.

Results of Operations

Comparison of the Three Months Ended September 30, 2024 and 2023

The following table sets forth the components of our costs and expenses for the periods indicated:

	For the Three Months Ended September 30,					
	2024		2023		Change	
	US\$	%	US\$	%	US\$	%
Revenues	501,402	100.0%	895,926	100.0%	(394,524)	(44.0)%
Cost of revenues	773,317	154.2%	1,002,949	111.9%	(229,632)	(22.9)%
Gross margin	(54.2)%	N/A	(11.9)%	N/A	(42.3)%	N/A
Selling expenses	62,981	12.6%	55,853	6.2%	7,128	12.8%
General and administrative expenses	690,556	137.7%	2,054,153	229.3%	(1,363,597)	(66.4)%
Impairment loss of Cryptocurrencies	-	-	72,179	8.1%	(72,179)	(100.0)%
Provision for credit losses, net	-	-	48,618	5.4%	(48,618)	(100.0)%
Total costs and expenses	1,526,854	304.5%	3,233,752	360.9%	(1,706,898)	(52.8)%

Revenues

The following tables present summary information by segments for the three months ended September 30, 2024 and 2023:

	For the Three Months Ended September 30, 2024		
	Freight Logistics Services		Sales of Crypto Mining Machines
			Total
Net revenues	\$ 501,402	\$ -	\$ 501,402
Cost of revenues	\$ 773,317	\$ -	\$ 773,317
Gross loss	\$ (271,915)	\$ -	\$ (271,915)
Depreciation and amortization	\$ 17,919	\$ -	\$ 17,919
Total capital expenditures	\$ -	\$ -	\$ -
Gross margin	(54.2)%	-	(54.2)%

	For the Three Months Ended September 30, 2023		
	Freight Logistics Services		Sales of Crypto Mining Machines
			Total
Net revenues	\$ 895,926	\$ -	\$ 895,926
Cost of revenues	\$ 1,002,949	\$ -	\$ 1,002,949
Gross loss	\$ (107,023)	\$ -	\$ (107,023)
Depreciation and amortization	\$ 37,770	\$ 357	\$ 38,127
Total capital expenditures	\$ -	\$ -	\$ -
Gross margin	(11.9)%	-	(11.9)%

	% Changes For the Three Months Ended September 30, 2024 and 2023		
	Freight Logistics Services		Sales of Crypto Mining Machines
			Total
Net revenues	(44.0)%	-	(44.0)%
Cost of revenues	(22.9)%	-	(22.9)%
Gross profit	154.1%	-	154.1%
Depreciation and amortization	(52.6)%	(100.0)%	(53.0)%
Total capital expenditures	-	-	-%
Gross margin	(42.3)%	-	(42.3)%

Disaggregated information of revenues by geographic locations are as follows:

	For the Three Months Ended	
	September 30,	September 30,
	2024	2023
PRC	\$ 501,402	\$ 700,656
U.S.	-	195,270
Total revenues	\$ 501,402	\$ 895,926

Revenues decreased by \$394,524, or approximately 44.0%, to \$501,402 for the three months ended September 30, 2024 from \$895,926 for the same period in 2023. The decrease was mainly caused by shipping revenue decline from our U.S. subsidiary, Brilliant Warehouse, in \$195,270 and from our PRC subsidiaries in \$199,254 due to the business volume reduce.

Cost of Revenues

Cost of revenues for our freight logistics services segment mainly consisted of freight costs to various freight carriers, cost of labor, warehouse rent and other overhead and sundry costs. Cost of revenues for our freight logistics services segment was \$773,317 for the three months ended September 30, 2024, a decrease of \$229,632, or approximately 22.9%, as compared to \$1,002,949 for the same period in 2023. The decrease was in line with the decline in revenue.

Our gross margin was (54.2%) and (11.9%) for the three months ended September 30, 2024 and 2023, respectively. This decrease in gross margin was mainly due to decreased revenue from our freight logistics business.

Operating Costs and Expenses

Operating costs and expenses decreased by \$1,706,898 or approximately 52.8% from \$ 1,526,854 for three months ended September 30, 2024 compared to \$3,233,752 for the same period in 2023. This decrease was mainly due to the decrease in general and administrative expenses, impairment loss of Cryptocurrencies and provision for doubtful accounts as more fully discussed below.

Selling Expenses

Our selling expenses consisted primarily of salaries, meals and entertainment and travel expenses for our sales representatives. For the three months ended September 30, 2024, we had \$62,981 in selling expenses, as compared to \$55,853 for the same period in 2023, which represents an increase of \$7,128 or approximately 12.8%. The increase was mainly due to an increase in salaries as we added to employees and incurred increased marketing expenses for the freight logistics segment for our sales team.

General and Administrative Expenses

Our general and administrative expenses consist primarily of salaries and benefits, travel expenses for our administration department, office expenses, and regulatory filing and professional service fees for auditing, legal and IT consulting. For the three months ended September 30, 2024, we had \$690,556 of general and administrative expenses, as compared to \$2,054,153 for the same period in 2023, representing a decrease of \$1,363,597, or approximately 66.4%. The decrease was mainly due to the decreased professional fees of approximately \$647,039 which are mainly included auditor fee, lawyer fee and consulting fee. On the other hand, other employee expense was reduced by \$541,343 due to the labor compensation of \$500,000 was paid in the same period of last year.

Provision for doubtful accounts, net

Our total bad debt expenses amounted to nil and \$48,618 for the three months ended September 30, 2024 and 2023, which was mainly due to the bad debt provision in \$50,000 for the deposit of the early termination of the lease agreement in, Jericho, New York for the same period in 2023.

Impairment Loss of Cryptocurrencies

We recorded an impairment of nil and \$72,179 for the three months ended September 30, 2024 and 2023, for the cryptocurrencies held by us as the ownership of the cryptocurrencies could not be verified.

Other Income(Expenses), Net

Other income, net was \$21,117 for the three months ended September 30, 2024, which mainly consisted of interest income of \$38,484, compared to \$21,917 of interest expenses and \$56,042 of exchange loss for the same period in 2023.

Taxes

We did not record any income tax expense for both the three months ended September 30, 2024 and 2023.

The Company's operations in the U.S. incurred cumulative U.S. federal net operation losses ("NOL") of approximately \$47,200,000 as of June 30, 2024, which may reduce future federal taxable income. During the three months ended September 30, 2024, approximately \$1,000,000 of NOL was generated and the tax benefit derived from such NOL was approximately \$210,000. As of September 30, 2024, the Company's cumulative NOL amounted to approximately \$48,200,000, which may reduce future federal taxable income.

The Company's operations in China incurred a cumulative NOL of approximately \$2,062,000 as of June 30, 2024 which was mainly from net loss. During the three months ended September 30, 2024, additional NOL of approximately \$55,000 was generated. As of September 30, 2024, the Company's cumulative NOL amounted to approximately \$* which may reduce future taxable income which will expire by 2026.

The Company periodically evaluates the likelihood of the realization of deferred tax assets ("DTA") and reduces the carrying amount of the deferred tax assets by a valuation allowance to the extent it believes a portion will not be realized. Management considers new evidence, both positive and negative, that could affect the Company's future realization of deferred tax assets including its recent cumulative earnings experience, expectation of future income, the carry forward periods available for tax reporting purposes and other relevant factors. The Company determined that it is more likely than not its deferred tax assets could not be realized due to uncertainty on future earnings as a result of the Company's reorganization and venture into new businesses. The Company provided a 100% allowance for its DTA as of September 30, 2024. The net decrease in valuation for the three months ended

September 30, 2024 amounted to approximately \$960,000, based on management's reassessment of the amount of the Company's deferred tax assets that are more likely than not to be realized.

Net Loss

As a result of the foregoing, we had a net loss of \$1,004,335 for the three months ended September 30, 2024 compared to a net loss of \$2,414,996 for the same period in 2023. After the deduction of non-controlling interest, net loss attributable to us was \$961,789 for the three months ended September 30, 2024 compared to \$2,290,185 for the same period in 2023. Comprehensive loss attributable to us was \$1,072,055 for the three months ended September 30, 2024 compared to \$2,167,204 for the same period in 2023.

Liquidity and Capital Resources

As of September 30, 2024, we had \$17,740,908 in cash (including cash on hand and cash in bank). The majority of our cash is in banks located in the USA.

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

	For the Three Months Ended September 30,	
	2024	2023
Net cash used in operating activities	\$ (9,145)	\$ (1,999,968)
Net cash provided by investing activities	\$ -	\$ 49,969
Net cash used in financing activities	\$ -	\$ (5,403,424)
Net decrease in cash	\$ (9,145)	\$ (7,353,423)
Cash at the beginning of period	\$ 17,736,059	\$ 17,390,156
Effect of exchange rate fluctuations on cash	\$ 13,994	\$ 17,919
Cash at the end of period	\$ 17,740,908	\$ 10,054,652

The following table sets forth a summary of our working capital:

	September 30, 2024	June 30, 2024	Variation	%
Total Current Assets	\$ 18,606,621	\$ 18,247,523	\$ 359,098	2.0%
Total Current Liabilities	\$ 6,715,146	\$ 5,343,001	\$ 1,372,145	25.7%
Working Capital	\$ 11,891,475	\$ 12,904,522	\$ (1,013,047)	(7.9)%
Current Ratio	2.77	3.42	(0.65)	(19.0)%

In assessing the liquidity, we monitor and analyze our cash on-hand and our operating and capital expenditure commitments. Our liquidity needs are to meet our working capital requirements, operating expenses and capital expenditure obligations. As of September 30, 2024, our working capital was approximately \$11,891,475 and we had cash of approximately \$17,740,908 in cash (including cash on hand and cash in bank). We believe our current working capital is sufficient to support our operations and debt obligations as they become due for the next twelve months.

Operating Activities

Our net cash used in operating activities was approximately \$9,145 for the three months ended September 30, 2024. The operating cash outflow for the three months ended September 30, 2024 was primarily attributable to our net loss of approximately \$1.0 million. We had an increase in accounts payable of approximately \$585,260, and an increase in accrued expenses and other current liabilities of approximately \$666,166 offset by an increase in accounts receivable of approximately \$355,203.

Our net cash used in operating activities was approximately \$2.0 million for the three months ended September 30, 2023. The operating cash outflow for the three months ended September 30, 2023 was primarily attributable to our net loss of approximately \$2.4 million adjusted by non-cash lease expense of \$0.1 million and impairment loss of cryptocurrencies of \$0.1 million.

Investing Activities

We did not have any investing activities for the three months ended September 30, 2024.

Net cash provided by investing activities was approximately \$0.05 million for the three months ended September 30, 2023 due to repayments from related parties from Zhejiang Jinbang Fuel Energy Co., Ltd ("Zhejiang Jinbang") which is owned by Mr. Qinggang Wang.

Financing Activities

We did not have any financing activities for the three months ended September 30, 2024.

Net cash used in financing activities for the three months ended September 30, 2023 was \$5.4 million due to the repayment of \$5 million of convertible notes and the accrued interest of \$403,424.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. Note 2, "Summary of Significant Accounting Policies" of the Notes to consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended June 30, 2024 (describe the significant accounting policies and methods used in the preparation of the Company's consolidated financial statements. There have been no material changes to the Company's critical accounting estimates since the 2023 Form 10-K.

Off-Balance Sheet Arrangements

None.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange 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 us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

As of September 30, 2024, the Company carried out an evaluation, under the supervision of and with the participation of its management, including the Company's Chief Operating Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing evaluation, the Chief Operating Officer concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective to ensure that the information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms due to ineffective internal controls over financial reporting that stemmed from the following material weaknesses:

- 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 full time U.S. GAAP personnel in the accounting department to monitor and reconcile 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;
- Lack of proper procedures to maintain supporting documents for accounting records; and
- Lack of proper oversight for the Company's cash disbursement process that led to misuse of the Company funds by its former executive.

In order to remediate the material weaknesses stated above, we have hired external financial advisors and updated certain of our internal controls. We intend to implement additional policies and procedures, which include:

- Hiring additional accounting staff to report the internal financial timely;
- Reporting other material and non-routine transactions to the Board and obtain proper approval;
- Recruiting additional qualified professionals with appropriate levels of U.S. GAAP knowledge and experience to assist in resolving accounting issues in non-routine or complex transactions;
- Developing and conducting U.S. GAAP knowledge, SEC reporting and internal control training to senior executives, management personnel, accounting departments and the IT staff, so that management and key personnel understand the requirements and elements of internal control over financial reporting mandated by the U.S. securities laws;
- Setting up budgets and developing expectations based on understanding of the business operations, compare the actual results with the expectations periodically and document the reasons of the fluctuations with further analysis. This should be done by CFO and reviewed by CEO, communicated with the Board;
- Strengthening corporate governance;
- Setting up policies and procedures for the Company's related party identification to properly identify, record and disclose related party transactions; and
- Setting up proper procedures for the Company's fund disbursement process to ensure that cash is disbursed only upon proper authorization, for valid business purposes, and that all disbursements are properly recorded.

Changes in Internal Control over Financial Reporting.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Litigations

On August 23, 2023, Jing Shan commenced a lawsuit against the Company in the Richmond City Circuit Court of Virginia for unpaid salaries and indemnification of her litigation costs defending herself in the SGLY Securities Class Action and the Conversion Lawsuit. The court entered an order on May 3, 2024, granted Jing Shan's request for payment of withheld wages through the time of her termination, plus liquidated damages, and litigation costs in prosecuting the withheld wages. The court denied Jing Shan's motion for expenses incurred in other litigation, deferring those issues to resolution by trial. The Company has paid the past due wages and statutory liquidated damages. Jing Shan filed a motion for rule to show cause on July 29, 2024, demanding payment of attorney's fees of \$36,523.21, plus sanctions by the court for the Company's failure to comply with the court's order of payment.

On January 18, 2024, John Levy, a former board member of the Company, filed a claim in the EDNY for reimbursement and advancement of reasonable legal fees, costs, and expenses incurred in connection with defending the action *Crivellaro v. Singularity Future Technology Ltd.*, 22-cv-7499-BMC, in which John Levy was named as an individual defendant. On a letter dated August 6, 2024, John Levy notified the court that it would move for default judgement. The Company does not intend to defend its position.

In February 2024, Zhikang Huang, a former employee of the Company filed a lawsuit against the Company in the Richmond City Circuit Court of Virginia. In the complaint, Zhikang Huang alleges claims that the Company failed to compensate him for the severance payment of \$300,000 contemplated in Section 6.3 of the Employee Agreement, his two months' salary of \$25,000 for the months of November and December 2023 and the incentive-based bonus to which he is entitled pursuant to paragraph 4.2 of the Employee Agreement. A hearing on plaintiff's motion to compel discovery was scheduled on August 26, 2024. The Company intends to defend its position.

Government Investigations

On February 28, 2023, the audit committee of the Company, after discussion with the management of the Company, and in consultation with the Company's independent registered public accounting firm, concluded that the Company's previously issued financial statements for the fiscal year ended June 30, 2021 included in the Company's Annual Report on Form 10-K filed with the SEC on November 29, 2021 (the "2021 Form 10-K") should no longer be relied upon as a result of incorrect accounting treatment of approximately \$4.6 million of related party loan receivable. The audit committee also concluded that the financial statements for the quarters ended September 30, 2021 and December 31, 2021 included in the Company's Quarterly Reports on Form 10-Q (the "2021 Form 10-Qs," collectively with the 2021 Form 10-K, the "Affected Reports"), filed with the SEC on November 12, 2021 and February 14, 2022, respectively, should no longer be relied upon as a result of incorrect recognition of revenue from freight shipping services in the amount of \$980,200 for the three months ended September 30, 2021 and six months ended December 31, 2021. The Company corrected the errors referenced above in an amendment to (1) the 2021 Form 10-K (the "Amended Form 10-K") and (2) each of the 2021 Form 10-Qs (the "Amended Form 10-Qs," collectively with the Amended Form 10-K, the "Restatements").

On June 17, 2024, the Company received a subpoena from the SEC requesting the production of certain documents related to an investigation by the SEC regarding the Restatements (the "Investigation"). Because the Investigation is at an early stage, the Company cannot predict its outcome, duration, or any potential consequences at this time. The SEC has not advised the Company that it has concluded any legal violation has occurred, but any Investigation potentially could result in government enforcement actions and civil and/or criminal sanctions under relevant laws. The Company intends to cooperate with the SEC with respect to the Investigation.

Except as set forth above, there have been no other material development in the legal proceedings that the Company is a party. For a discussion of all of our legal proceedings, see the information in Part I, "Item 1. Business - Recent Developments" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024. There have been no material changes to the legal proceedings disclosed in our 2024 Form 10-K.

Item 1A. Risk Factors

As of the date of this Quarterly Report, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2024, as filed with the SEC on October 15, 2024. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

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

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q:

Number	Exhibit
31.1*	Certification of the Principal Executive Officer 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.
31.2*	Certification of the Principal Financial Officer 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.
32.1*	Certifications of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2*	Certifications of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

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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.

SINGULARITY FUTURE TECHNOLOGY, LTD.

November 14, 2024

By: /s/ Ziyuan Liu
Ziyuan Liu
Chief Executive Officer

November 14, 2024

By: /s/ Ying Cao
Ying Cao
Chief Financial Officer

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**CERTIFICATIONS REQUIRED BY
RULE 13a-14(a)/15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ziyuan Liu, certify that:

- (1) I have reviewed this Form 10-Q of Singularity Future Technology Ltd. (the "Registrant") for the quarterly period ended September 30, 2024;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- (4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- (5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 14, 2024

By: /s/ Ziyuan Liu
Ziyuan Liu
Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
AND SECURITIES AND EXCHANGE COMMISSION RELEASE 34-46427**

I, Ying Cao, certify that:

- (1) I have reviewed this Form 10-Q of Singularity Future Technology Ltd. (the "Registrant") for the quarterly period ended September 30, 2024;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- (4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- (5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 14, 2024

By: /s/ Ying Cao
Ying Cao
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Singularity Future Technology Ltd. (the "Company") for the quarterly period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof and pursuant to 18 U.S.C. §1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Ziyuan Liu, Chief Executive Officer, hereby certifies that:

- (1) This report containing the financial statements fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in this report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: November 14, 2024

By: /s/ Ziyuan Liu
Ziyuan Liu
Chief Executive Officer

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Singularity Future Technology Ltd. (the "Company") for the quarterly period ended September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof and pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Ying Cao, Chief Financial Officer, each hereby certifies that:

- (1) This report containing the financial statements fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the this report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: November 14, 2024

By: /s/ Ying Cao
Ying Cao
Chief Financial Officer

This certification accompanies each Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of §18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.