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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Liaoning Pacific Industrial Co., Ltd ("LPIC"), Panjin Pacific Real Estate Co., Ltd., ("PPRE"), Shenyang Haojingxiang Real Estate Co., Ltd. ("SHRE") and Fushun Fortune Plaza Real Estate Co., Ltd. ("FFPRE") :

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Liaoning Pacific Industrial Co., Ltd ("LPIC"), Panjin Pacific Real Estate Co., Ltd., ("PPRE"), Shenyang Haojingxiang Real Estate Co., Ltd. ("SHRE") and Fushun Fortune Plaza Real Estate Co., Ltd. ("FFPRE") (collectively the "Group") as of December 31, 2017, 2018 and 2019, and the related consolidated statements of loss and comprehensive loss, stockholders' deficit, and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2017, 2018 and 2019, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

Going concern uncertainty

The accompanying financial statements have been prepared assuming that the Group will continue as a going concern. As discussed in Note 2(a) to the financial statements, the Group incurred net loss from operations and has net cash used in operating activities that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2(a). The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's financial statements based on our audit. We are a public accounting firm registered with the Public Group Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Emphasis of Matter

The Group has significant transactions with related parties, which are described in Note 12 to the financial statements. Transactions involving related parties cannot be presumed to be carried out on an arm's length basis, as the requisite conditions of competitive, free market dealings may not exist.

Audit Alliance LLP

Audit Alliance LLP
Singapore
July 01, 2020

THE GROUP
CONSOLIDATED BALANCE SHEETS

As of December 31, 2017, 2018 and 2019

(All amounts stated in US$, except for number of shares data)

	Notes	December 31, 2017	December 31, 2018	December 31, 2019
		US$	US$	US$
ASSETS				
Current assets				
Cash and cash equivalents		577,731	1,295,126	1,934,243
Restricted cash		-	-	11,489,200
Accounts receivable		634,997	1,166,639	176,110
Other receivables	3	87,580,322	34,597,818	106,731,963
Inventory		19,743	18,674	18,447
Advances to suppliers		8,968,197	8,765,223	8,235,129
Real estate properties under development uncompleted	4	103,967,514	147,207,668	184,594,362
Real estate properties development completed	4	41,886,534	45,702,027	45,400,796
Amounts due from related parties	12	9,226,709	70,835,674	94,931,588
Total current assets		252,861,747	309,588,849	453,511,838
Property and equipment, net	5	39,102,985	25,294,730	23,296,449
Long-term investment	6	93,553,954	88,489,301	1,436,150
Intangible assets	7	5,674,912	5,079,227	5,505,794
Total non-current assets		138,331,851	118,863,258	30,238,393
TOTAL ASSETS		391,193,598	428,452,107	483,750,231
LIABILITIES AND SHAREHOLDERS'DEFICIT				
Current liabilities				
Accounts payables and notes payables		40,508,814	66,183,126	72,288,604
Short-term bank loans	8	209,750,147	193,842,844	188,222,589
Customer deposits	9	26,270,808	28,574,029	21,586,723
Other payables and accrued liabilities	11	256,213,858	233,485,835	279,002,508
Amounts due to related parties	12	-	45,580,796	59,985,614
Total current liabilities		532,743,627	567,666,630	621,086,038
Total liabilities		532,743,627	567,666,630	621,086,038
Commitments and contingencies	13			
Shareholders' deficit				
Common shares		10,759,350	11,428,728	14,325,430
Retained earnings		(149,035,693)	(155,254,578)	(157,964,926)
Accumulated other comprehensive (loss)/gain		(3,273,686)	4,611,327	6,303,689
Total deficit		(141,550,029)	(139,214,523)	(137,335,807)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		391,193,598	428,452,107	483,750,231

The accompanying notes are an integral part of the consolidated financial statements.

THE GROUP

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS/INCOME
For the years ended December 31, 2017, 2018, 2019
(ALL amounts stated in US$, except for number of shares data)

	Notes	Year ended December 31		
		2017	2018	2019
		US$	US$	US$
Revenue:				
Real estate sales		12,885,159	8,261,049	1,495,522
Real estate lease income		1,681,074	2,813,248	2,115,251
Total revenue		14,566,233	11,074,297	3,610,773
Costs of revenue:				
Cost of real estate sales		(10,960,545)	(8,283,247)	(163,839)
Cost of real estate lease income		(140,579)	(781,964)	(845,255)
Total costs of revenue		(11,101,124)	(9,065,211)	(1,009,064)
Gross profit		3,465,109	2,009,086	2,601,709
Selling and distribution expenses		(418,839)	(107,664)	(92,645)
General and administrative expenses		(3,721,823)	(3,098,869)	(2,990,319)
Operating loss		(675,553)	(1,197,447)	(481,255)
Interest expense		(14,944,531)	(12,524,411)	(14,584,995)
Gain on long term investment		-	-	12,377,195
Gain on disposal of properties		-	7,696,041	-
Dividends income		3,363,863	-	-
Loss from operations before income		(12,256,221)	(6,025,817)	(2,689,055)
Income taxes	10	(6,117)	(193,068)	(21,293)
Net loss		(12,262,338)	(6,218,885)	(2,710,348)
Foreign currency translation adjustments		(472,293)	7,885,013	1,692,362
Total comprehensive (loss)/income		(12,734,631)	1,666,128	(1,017,986)

The accompanying notes are an integral part of the consolidated financial statements.

THE GROUP

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2017, 2018, 2019
(All amounts stated in US$, except for number of shares data)

		Year ended December	
	2017	**2018**	**2019**
	US$	**US$**	**US$**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	(12,262,338)	(6,218,885)	(2,710,348)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	2,078,646	2,016,079	1,820,673
Gain on disposal of properties	-	(7,696,041)	-
Changes in operating assets and liabilities:			
Accounts receivable	(168,517)	(589,609)	984,628
Real estate properties development completed	9,210,179	(6,336,597)	(257,026)
Real estate properties under development	(5,561,974)	(41,906,027)	(39,537,610)
Inventory	(2,399)	-	-
Advances to suppliers	3,567,417	(294,305)	427,038
Other receivables	36,053,818	50,251,819	(73,171,515)
Deposits for land use rights			
Amounts due from related parties			
Accounts payable and notes payables	(3,778,031)	29,028,745	6,969,490
Customer deposits	(5,702,982)	3,880,688	(6,696,031)
Other payables and accrued liabilities	(41,776,064)	(9,226,749)	48,768,500
Net cash (used in) /provided by operating activities	(18,342,245)	12,909,118	(63,402,201)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Disposal of properties held for lease and property and equipment			
Purchase of property and equipment	(13,133,455)	-	-
Acquisition of land use right	(2,087,749)	-	(581,440)
Acquisition of long-term investment	(1,480,045)	-	-
Proceed from disposal of properties	-	9,159,837	-
Proceed from disposal of long-term investment	-	-	86,706,847
Amounts due from related parties	-	(64,696,993)	(25,169,857)
Net cash (used in)/provided by investing activities	(16,701,249)	(55,537,156)	60,955,550
CASH FLOWS FROM FINANCING ACTIVITIES			
Amounts due to related parties	10,961,673	47,480,492	15,086,524
Repayments of short-term bank loans and current portion of long-term bank loans	(94,354,156)	(237,751,030)	(195,608,470)
Proceeds from short-term bank loans and current portion of long-term bank loans	115,443,510	233,009,070	192,319,142
Capital injection	-	669,378	2,896,702
Net cash provided by financing activities	32,051,027	43,407,911	14,693,898
NET (DECREASE)/INCREASE IN CASH, CASH EQUIVALENTS AND	(2,992,467)	779,873	12,247,247
Effect of exchange rate changes on cash, cash equivalents and restricted cash	117,564	(62,478)	(118,930)
Cash, cash equivalents and restricted cash, at beginning of year	3,452,634	577,731	1,295,126
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, AT END OF YEAR	577,731	1,295,126	13,423,443
SUPPLEMENTARY INFORMATION ON CASH FLOWS			
Cash and cash equivalents	577,731	1,295,126	1,934,243
Restricted cash	-	-	11,489,200

The accompanying notes are an integral part of the consolidated financial statements.

THE GROUP

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
For the years ended December 31, 2017, 2018, 2019
(ALL amounts stated in US$, except for number of shares data

	Common Shares	Retained Earnings	Other Comprehensive Income / (Loss)	Total
	US$	US$	US$	US$
BALANCE AT DECEMBER 31, 2016	10,759,350	(136,773,355)	(2,801,393)	(128,815,398)
Foreign currency translation	-	-	(472,293)	(472,293)
Net loss	-	(12,262,338)	-	(12,262,338)
BALANCE AT DECEMBER 31, 2017	10,759,350	(149,035,693)	(3,273,686)	(141,550,029)
Capital injection	669,378	-	-	669,378
Foreign currency translation			7,885,013	7,885,013
Net loss		(6,218,885)	-	(6,218,885)
BALANCE AT DECEMBER 31, 2018	11,428,728	(155,254,578)	4,611,327	(139,214,523)
Capital injection	2,896,702	-		2,896,702
Foreign currency translation	-	-	1,692,362	1,692,362
Net loss	-	(2,710,348)	-	(2,710,348)
BALANCE AT DECEMBER 31, 2019	14,325,430	(157,964,926)	6,303,689	(137,335,807)

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 2017, 2018 and 2019

1. Background information of business and organization

Liaoning Pacific Industrial Co., Ltd ("LPIC") was incorporated on January 16, 1996 located at No. 1998, Zhonghua Road, Heping District, Shenyang City. LPIC is engaged in the field of real estate development and sale of commercial housing, design and construction of security technology and hotel management. On April 22, 2020, Ameritrust Corporation, a Georgis Corporation, has signed share exchange agreement with LPIC by issuing 169,971,671 shares of common stock in exchange of LPIC's all outstanding shares.

Panjin Pacific Real Estate Co., Ltd., ("PPRE") was incorporated on July 31, 2014 located at No. 36 Shifu Street, Xinglongtai District, Panjin City. PPRE is engaged in the field of real estate development; sales of commercial houses; interior and exterior decoration design and construction. On April 22, 2020, Ameritrust Corporation, a Georgis Corporation, has signed share exchange agreement with PPRE by issuing 141,643,059 shares of common stock in exchange of PPRE's all outstanding shares.

Shenyang Haojingxiang Real Estate Co., Ltd. ("SHRE") was incorporated on 23, 2016 located at No. 644, Minglian Road, Huanggu District, Shenyang City. SHRE is engaged in the field of power engineering construction, highway engineering, bridge engineering, indoor and outdoor decoration engineering design and construction. On April 22, 2020, Ameritrust Corporation, a Georgis Corporation, has signed share exchange agreement with SHRE by issuing 118,035,883 shares of common stock in exchange of SHRE's all outstanding shares.

Fushun Fortune Plaza Real Estate Co., Ltd. ("FFPRE") was established on September 11, 2018 located at No. 4 store, Building 100, Gaoshan Road, Shuncheng District, Fushun City, Liaoning Province. FFPRE is engaged in the field of real estate development, sales, property management, real estate development, commercial housing sales and house rental. On April 22, 2020, Ameritrust Corporation, a Georgis Corporation, has signed share exchange agreement with FFPRE by issuing 141,643,059 shares of common stock in exchange of FFPRE's all outstanding shares.

2. Summary of significant accounting policies

(a) The Group and basis of presentation and consolidation

The four entities (collectively, the "Group") are principally engaged in residential real estate development and the Group's operations are conducted in the PRC. The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). All inter-company transactions and balances between the companies have been eliminated upon consolidation.

The accompanying financial statements are presented on the basis that the Group is a going concern. The going concern assumption contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

The Group incurred net loss of US$2,710,348 (December 31, 2018:US$6,218,885; December 31, 2017: US$12,262,338) and net cash used in operating activities of US$63,402,201 (December 31, 2017:US$18,342,245) during the year ended December 31, 2019. As of December 31, 2019, the Group had net current liability of $167,574,200 (December 31, 2018:US$258,077,781; December 31, 2017: US$279,881,880) and deficit on equity of US$137,335,807 (December 31, 2018:US$139,214,523; December 31, 2017: US$141,550,029).

The ability to continue as a going concern is dependent upon the Group's profit generating operations in the future and/or obtaining the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due. Therefore, there is substantial doubt about the ability of the entity to continue as a going concern within one year after the date that the financial statements are issued. In light of management's efforts, there are no assurances that the Group will be successful in this or any of its endeavors or become financially viable and continue as a going concern. The Group expects to finance operations primarily through capital contributions from the shareholders. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes, and disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates are used for, but not limited to, the selection of the useful lives of property and equipment and finance lease, allowance for doubtful amount associated with accounts receivables, other receivables, contract assets and advances to suppliers, fair values of the purchase price allocation with respect to business combinations, progress towards the completion of the performance obligation, accounting for the impairment of real estate properties under development, real estate properties held for lease and long-term investments and provision necessary for contingent liabilities. Management believes that the estimates utilized in preparing its consolidated financial statements are reasonable and prudent. Actual results could differ from these estimates.

(c) Fair value of financial instruments

Financial instruments include cash and cash equivalents, restricted cash, accounts receivable, other deposits and prepayments, due from related parties, other receivables, long-term investments, accounts payable, customer deposits, other payables and accrued liabilities, short-term bank borrowings and due to related parties. The carrying amounts of the aforementioned financial instruments, mainly long-term investments. Long-term investment has no quoted market prices and it is not practicable to estimate their fair value without incurring excessive costs. The Group reviews the investments for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

For long-term investments other than those accounted for under the equity method or those that result in consolidation of the investee, the Group measures equity investments at fair value and recognizes any changes in fair value in net income. However, for equity investments that do not have readily determinable fair values and do not qualify for the existing practical expedient in ASC 820 to estimate fair value using the net asset value per share (or its equivalent) of the investment, the Group chose to measure those investments at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. At each reporting date, the Group is required to make a qualitative assessment as to whether equity investments without a readily determinable fair value for which the measurement alternative is elected is impaired. In the event that a qualitative assessment indicates that the investment is impaired and the fair value of the investment is less than the carrying value, the carrying value is written down to its fair value. A variety of factors are considered when determining if a decline in fair value is below carrying value, including, among others, the financial condition and prospects of the investee.

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

Level 1-Observable inputs that reflect quoted prices (unadjusted) for identical

assets or liabilities in active markets Level 2-Includes other inputs that are directly

or indirectly observable in the market place

Level 3-Unobservable inputs which are supported by little or no market activity

ASC 820 describes three main approaches for measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

In accordance with ASC 820, investment in marketable equity securities and investment in real estate investment trusts ("REITs") classified as is within Level 1 as the Group measures the fair value using quoted trading prices that are published on a regular basis, and investment in equity securities in unlisted companies categorized as Level 3 is measured at fair value using alternative method, less any impairment, plus or minus changes resulting from observable price in orderly transactions.

(d) Foreign currency translation

The Group's financial information is presented in U.S. dollars. The functional currency of the entities of the Group located in the PRC is Renminbi ("RMB"), the currency of the PRC. The consolidated financial statements of the Group have been translated into U.S. dollars in accordance with ASC 830, *Foreign Currency Matters*. The PRC entities' financial information is first prepared in RMB and then is translated into U.S. dollars at period-end exchange rates as to assets and liabilities and average exchange rates as to revenue and expenses. Capital accounts are translated at their historical exchange rates when the capital transactions occurred.

The RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into U.S. dollars at the rates used in translation.

(e) Cash and cash equivalents

The Group considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Group maintains bank accounts mainly in the PRC. The vast majority of the PRC bank balances are denominated in RMB.

Cash includes cash on hand and demand deposits in accounts maintained with various state-owned and private banks within the PRC. Total cash in banks (excluding restricted cash), of which the vast majority of deposits are not covered by insurance.

(f) Restricted cash

The Group is required to maintain certain deposits with banks that provide banking facilities.

As of December 31, 2019, the Group held US$11,489,200 (December 31, 2018: nil, December 31, 2017:nil) in its bank accounts with withdrawal restriction for its Note Payables.

(g) Real estate properties development completed and under development

Real estate properties completed and under development consist of residential unit sites and commercial offices. The Group leases the land for the residential unit sites under land use right leases with various terms from the PRC government. Real estate properties development completed and under development are stated at the lower of carrying amounts or fair value less selling costs.

Expenditures for land development, including cost of land use rights, deed tax, pre-development costs and engineering costs, are capitalized and allocated to development projects by the specific identification method. Costs are allocated to specific units within a project based on the ratio of the sales value of units to the estimated total sales value times the total project costs.

Costs of amenities transferred to buyers are allocated as common costs of the project that are allocated to specific units as a component of total construction costs. For amenities retained by the Group, costs in excess of the related fair value of the amenities are also treated as common costs. Results of operations of amenities retained by the Group are included in the current operating results.

In accordance with ASC 360, *Property, Plant and Equipment* ("ASC 360"), real estate property development completed and under development are subject to valuation adjustments when the carrying amount exceeds fair value. An impairment loss is recognized only if the carrying amount of the assets is not recoverable and exceeds fair value. The carrying amount is not recoverable if it exceeds the sum of the undiscounted cash flows expected to be generated by the assets.

When the profitability of a current project deteriorates due to a slowdown in the sales pace, reduction of pricing or some other factor, this indicates that there may be a possible future loss on delivery and possible impairment in the recoverability of the assets. Accordingly, the assets of such project are subsequently reviewed for future losses and impairment by comparing the estimated future undiscounted cash flows for the project to the carrying value of such project. If the estimated future undiscounted cash flows are less than the asset's carrying value, such deficit will be charged as a future loss and the asset will then be written down to its estimated fair value.

The Group determines estimated fair value primarily by discounting the estimated future cash flows relating to the asset. In estimating the cash flows for a project, the Group uses various factors including (a) the expected pace at which the planned number of units will be sold, based on competitive market conditions, historical trends in sales pace and actual average selling prices of similar product offerings and any other long or short-term economic conditions which may impact the market in which the project is located; (b) the estimated net sales prices expected to be attained based on the current market conditions and historical price trends, as well as any estimated increases in future sales prices based upon the projected rate of unit sales, the estimated time gap between presale and expected delivery, the impact of government policies, the local and regional competitive environment, and certain external factors such as the opening of a subway line, school or factory; and (c) the expected costs to be incurred in the future by the Group, including, but not limited to, construction cost, construction overhead, sales and marketing, sales taxes and interest costs.

The Group's determination of fair value requires discounting the estimated cash flows at a rate commensurate with the inherent risk associated with the assets and related estimated cash flows. The discount rate used in determining each project's fair value depends on the stage of development, location and other specific factors that increase or decrease the risk associated with the estimated cash flows.

For the periods presented, the Group did not recognize any impairment for real estate properties completed and under development.

(h) Revenue recognition

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group also elected to exclude sales taxes and other similar taxes from the measurement of the transaction price. Therefore, revenues are recognized net of business tax, value added taxes ("VAT").

Real estate sales

Revenues arising from real estate sales are recognized when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time.

For real estate sales contracts for which the Group has an enforceable right to payment for performance completed to date, revenue is recognized over time by measuring the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains the physical possession, the legal title, or the significant risks and rewards of ownership of the assets and the Group has present right to payment and the collection of the consideration is probable. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

Generally, the Group receives short-term advances from its customers for real estate sales. Using the practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. The Group also receives long-term advances from customers for real estate sales. The transaction price for such contracts is adjusted for the effects of a financing component, if long-term advances from customers is assessed as significant at the individual contract level.

Real estate management lease income

Real estate lease income is generally recognized on a straight-line basis over the terms of the tenancy agreements. For real estate leases, these contracts are treated as leases for accounting purposes, rather than contracts with customers subject to ASC 606.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). The Group's contract liabilities are comprised of customer deposits, which are recognized as revenue when the Group performs under the contract.

The following table presents the Group's contract balances as of December 31, 2017, 2018 and 2019:	**December 31, 2017**	**December 31, 2018**	**December 31, 2019**
Customer deposits	26,270,808	28,574,029	21,586,723

(i) Accounts receivable

Accounts receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The Group's account receivable consists of balances due from customers for the sale of residential units and lease income in the PRC. These balances are unsecured, bear no interest and are due within a year.

Accounts receivable are reviewed periodically as to whether their carrying value has become impaired. The Group considers the assets to be impaired if the collectability of the balances become doubtful. As of December 31, 2019, there was no allowance for doubtful accounts (December 31, 2018: nil, December 31, 2017: nil).

(j) Other receivables

Other receivables consist of various cash advances to unrelated companies and individuals with which the Group has business relationships.

Other receivables are reviewed periodically as to whether their carrying value has become impaired. The Group considers the assets to be impaired if the collectability of the balances becomes doubtful. As of December 31, 2019, there was no allowance for doubtful accounts (December 31, 2018: nil, December 31, 2017: nil)

(k) Deposits for land use rights

Deposits for land use rights consist of upfront cash payments made to local land bureaus to secure land use rights under executed short-term or long-term land framework cooperation agreements or land use rights agreements.

Deposits for land use rights are reviewed periodically as to whether their carrying value has become impaired. The Group considers the assets to be impaired if the collectability of the balances become doubtful. There were no impairment losses for any periods presented.

(l) Advances to suppliers

Advances to suppliers consist of amounts paid to contractors and vendors for services and materials that have not been provided or received and generally relate to the development and construction of residential or commercial units in the PRC. Advances to suppliers are reviewed periodically to determine whether their carrying value has become impaired. The Group considers the assets to be impaired if it is doubtful that the services and materials can be provided. As of December 31, 2017, 2018 and 2019, there was no allowance provided.

(m) Customer deposits

Customer deposits consist of sales proceeds received from customers from the sale of residential or commercial units in the PRC. In the PRC, customers will generally obtain financing for the purchase of their residential or commercial unit prior to the completion of the project. The Group receives these funds and recognizes them as a customer deposit current liability until the revenue can be recognized.

(n) Notes payable and other payables

Notes payable represents short-term bank acceptance notes issued by financial institutions that entitle the holder to receive the stated amount from the financial institutions at the maturity date of the notes. The Group has utilized notes payable to settle amounts owed to suppliers and contractors. The notes payable is non-interest bearing and is normally settled within six months. Notes payable was US$948,175, US$356,643 and US$22,978,400 as of December 31, 2017, 2018 and 2019, respectively.

(o) Property and equipment, net

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Office buildings	5-20 years
Vehicles	5-10 years
Equipment	5-10 years
Furniture and fixtures	3-10 years

Maintenance, repairs and minor renewals are charged directly to expense as incurred unless such expenditures extend the useful life or represent a betterment, in which case they are capitalized.

(p) Income taxes

The Group accounts for income tax using the balance sheet method. Deferred taxes are provided for the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, as well as unutilized net operating losses. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Group is able to realize their benefits, or that future utilization is uncertain.

Late payment interests and penalties arising from underpayment of income taxes is recognized according to the relevant tax law. The amount of interest expense to be recognized is computed by applying the applicable statutory rate of interest to the difference between the tax position recognized and the amount previously taken or expected to be taken in a tax return. Interest recognized in accordance with ASC 740-10, *Income Tax* ("ASC 740-10") is classified in the consolidated financial statements as interest expense, while penalties recognized in accordance with this interpretation are classified in the consolidated financial statements as other expenses.

In accordance with the provisions of ASC 740-10, the Group recognizes in its consolidated financial statements the impact of a tax position if a tax return's position or future tax position is "more likely than not" to prevail (defined as a likelihood of more than fifty percent of being sustained upon audit, based on the technical merits of the tax position). Tax positions that meet the "more likely than not" threshold are measured (using a probability weighted approach) at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. The Group's estimated liability for unrecognized tax benefits is periodically assessed for adequacy and may be affected by changing interpretations of laws, rulings by tax authorities, certain changes and/or developments with respect to audits, and expiration of the statute of limitations. The outcome for a particular audit cannot be determined with certainty prior to the conclusion of the audit and, in some cases, appeal or litigation process. The actual benefits ultimately realized may differ from the Group's estimates. As each audit is concluded, adjustments, if any, are appropriately recorded in the Group's consolidated financial statements. Additionally, in future periods, changes in facts, circumstances, and new information may require the Group to adjust the recognition and measurement estimates with regards to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur.

(q) Land Appreciation Tax ("LAT")

In accordance with the relevant taxation laws for real estate companies of the provinces in which the entities operate in the PRC, the local tax authorities levy LAT based on progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures, generally including borrowing costs and relevant property development expenditures. LAT is generally prepaid based on a fixed percentage (varying by local tax jurisdiction) of customer deposits and is expensed when the related revenue is recognized.

(r) Comprehensive income

Comprehensive income is defined as the changes in equity of the Group during a period from transactions and other events and circumstances excluding transactions resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, *Comprehensive Income*, requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. For each of the periods presented, the Group's comprehensive income includes net income and foreign currency translation adjustments and is presented in the consolidated statements of comprehensive income.

(s) Leases

The Group adopted ASU No. 2016-02, Leases (Topic 842) (“ASU 2016-02”) from January 1, 2019.

As a lessor, the Group’s leases are classified as operating leases under ASC 842, and thus the pattern of recognition of real estate lease income remains unchanged from previous lease accounting guidance. Leases, in which the Group is the lessor, are substantially all accounted for as operating leases and the lease components and non-lease components are accounted for separately.

(t) Segment Reporting

In accordance with ASC 280, *Segment Reporting*, segment reporting is determined based on how the Group's chief operating decision maker reviews operating results to make decisions about allocating resources and assessing performance for the Group. However all four entities of the Group are operating in the Liaoning Province, which the property developments have similar expected economic characteristics, type of properties offering, customers and market and regulatory environment. Hence there is no segment report disclosed.

(u) Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses ("ASU 2016-13"). The amendments in ASU 2016-13 update guidance on reporting credit losses for financial assets. This ASU requires entities to measure credit losses for financial assets measured at amortized cost based on expected losses rather than incurred losses. For available-for-sale debt securities with unrealized losses, entities will be required to recognize credit losses through an allowance for credit losses. These amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. For public business entities that are U.S. SEC filers, ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Group is currently evaluating the impact on its consolidated financial statements of adopting this guidance.

In November 2018, the FASB issued ASU 2018-18, Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606. This update clarifies that certain transactions between participants in a collaborative arrangement should be accounted for under ASC 606 when the counterparty is a customer and precludes an entity from presenting consideration from a transaction in a collaborative arrangement as revenue from contracts with customers if the counterparty is not a customer for that transaction. The update is effective in fiscal years beginning after December 15, 2019, and interim periods therein, and early adoption is permitted for entities that have adopted ASC 606. This guidance should be applied retrospectively to the date of initial application of Topic 606. The Group does not believe the adoption of ASU 2018-18 will have a material impact on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. This update simplifies the accounting for income taxes as part of the FASB's overall initiative to reduce complexity in accounting standards. The amendments include removal of certain exceptions to the general principles of ASC 740, Income taxes, and simplification in several other areas such as accounting for a franchise tax (or similar tax) that is partially based on income. The update is effective in fiscal years beginning after December 15, 2020, and interim periods therein, and early adoption is permitted. Certain amendments in this update should be applied retrospectively or modified retrospectively, all other amendments should be applied prospectively. The Group is currently evaluating the impact on its financial statements of adopting this guidance.

3. Other receivables

The following summarizes the details of other receivables:

	December 31, 2017	December 31, 2018	December 31, 2019
	US$	US$	US$
Fushun Land Acquisition Reserve Trading Center	-	-	24,183,876
Shenyang Pacific Xin Tiandi Real Estate Co., Ltd.	6,805,708	8,001,410	9,582,818
Liaoning Pacific Real Estate Co., Ltd.	-	-	8,658,402
Liaoning Li De Wu Trading Co., Ltd.	3,537,389	8,137,950	7,383,842
Shenyang Xilun Textile Industry Co., Ltd.	-	-	7,209,473
Shenyang Huixiang Yidong Trading Co., Ltd.	7,685,250	7,269,200	7,180,750
Liaoning Zhucheng Real Estate Co., Ltd.	-	-	7,180,750
Liaoning Yudong Trading Co., Ltd.	19,528,017	-	7,028,462
Shengbo, Li	3,318,104	3,289,633	3,249,605
Fushun Shuncheng District Land Reserve Integration Center	-	-	2,982,941
Liaoning Zangyuan Investment Co., Ltd.	-	4,256,160	2,312,296
Shenyang Hongda Technology Co., Ltd.	1,965,831	1,859,408	1,836,783
Minghui Financial Leasing Co., Ltd.	-	2,548,830	-
Shenyang Qizhi Trading Co., Ltd.	8,761,185	-	-
Liaoning Pacific Investment Co., Ltd.	5,226,170	-	-
Shenyang Ruibo Hotel Management Co., Ltd.	4,278,380	-	-
Shenyang Hongda Technology Co., Ltd.	1,965,831	-	-
Huizhou Shunzhan Trading Co., Ltd.	1,884,880	-	-
Dalian Baichuan Golden Sun Culture Shenyang Branch	1,307,884	-	-
Yan, Xing	1,230,101	-	-
Jilin Jiuying Investment Management Group Co., Ltd.	1,221,302	-	-
Liying, Huang	1,148,561	-	-
Zhejiang Baide Guangzhen Film and Television Culture Co., Ltd.	1,100,528	-	-
Dongmei, Ren	1,075,935	-	-
Others	15,539,266	1,784,057	16,763,433
	87,580,322	34,597,818	106,731,963

Other receivables primarily represent various cash advances to unrelated companies and individuals with which the Group has business relationships and they are unsecured, non-interest bearing and due on demand.

4. Real estate properties development completed and under development

The following summarizes the components of real estate properties development completed and under development at December 31, 2017, 2018 and 2019:

	December 31,		
	2017 US$	2018 US$	2019 US$
Development completed:			
Panjin Fortune Building	41,829,171	43,666,894	43,227,664
Jing Bin Yuan	2,298	2,174	2,148
Hunnan Project	55,065	52,084	51,450
Jinzhaoyuan International Building - Shenyang North Station Zhixuan Holiday-Inn	-	1,979,507	1,955,421
Beier Road Project	-	1,368	1,352
Connection of Phase I and phase II Shopping Malls	-	-	108,049
Jinzhaoyuan International Building - Mulongquan Spa	-	-	54,712
Real estate properties development completed	41,886,534	45,702,027	45,400,796
Jinzhaoyuan International Building - North Station Building Phase I	4,245,008	4,095,064	4,045,236
Global Financial Center - North Station Building Phase II	88,886,805	85,756,748	85,502,606
Jinzhaoyuan International Building - Shenyang North Station Zhixuan Holiday-Inn	2,031,722	-	-
Global Financial Center - Marriott Hotel	4,891,876	30,933,093	40,267,662
Connection of Phase I and phase II Shopping Malls	-	52,843	-
Financial Building (Holiday Inn)	-	5,424,533	5,440,132
Financial Building (Building as a whole)	1,089,271	18,120,810	17,959,414
Financial Building (Anshan Office)	-	36,346	67,671
Financial Building (Anshan Sales Office)	-	14,506	14,330
Financial Building (Three-dimensional Parking Equipment)	-	141,150	225,601
Financial Building (Heat Exchange Station, Fire Pump)	-	182,578	319,117
Financial Building (Chaoshan Kitchen)	-	-	143,615
Fushun Jin Ri Yang Guang (Site 1-1#)	-	-	28,211,006
Prepaid tax relating to real estate properties	3,245,734	4,473,261	4,437,055
	104,390,416	149,230,932	186,633,445
(Loss)/profit recognized	(401,598)	(1,830,158)	(1,844,825)
Less: progress billings (Note 9)	(21,304)	(193,106)	(194,258)
Real estate properties under development:	103,967,514	147,207,668	184,594,362
Total real estate properties development completed and under development	145,854048	192,909,695	229,995,158

5. Property and equipment, net

Property and equipment consisted of the following

	December 31, 2017	December 31, 2018	December 31, 2019
	US$	US$	US$
Vehicles	12,503	11,826	11,682
Equipments	505,543	730,189	687,723
Furniture and fixtures	268,719	266,102	290,665
Office buildings	48,844,281	35,191,142	34,762,945
Total	49.631.046	36.199.260	35.753.015
Accumulated depreciation	(10,528,061)	(10,904,530)	(12,456,566)
Property and equipment, net	39,102,985	25,294,730	23,296,449

Depreciation expense for property and equipment for the year ended December 31, 2019 amounted to US$1,731,752 (2017: US$1,982,305; 2018: US$1,957,473).

There were properties disposed in 2018, and gain amounted US$7,696,041 was recognized.

6. Long-term investment

As of December 31, 2017, 2018 and 2019, the long-term investment consisted of the following:

	Initial Cost	Ownership	December 31, 2017
	US$		US$
Nonmarketable equity securities			
Fuxin Bank Co., Ltd.	92,016,904	5%	92,016,904
Shenyang Yuhong Yongan Village Bank Co., Ltd.	1,537,050	10%	1,537,050
Total	93,553,954		93,553,954

	Initial Cost	Ownership	2018
	US$		US$
Nonmarketable equity securities			
Fuxin Bank Co., Ltd.	92,016,904	5%	87,035,461
Shenyang Yuhong Yongan Village Bank Co., Ltd.	1,537,050	10%	1,453,840
Total	93,553,954		88,489,301

	Initial Cost	Ownership	2019
	US$		US$
Nonmarketable equity securities			
Shenyang Yuhong Yongan Village Bank Co., Ltd.	1,537,050	10%	1,448,351
Total	1,537,050		1,448,351

In 2019, the Group disposed the equity securities investment in Fuxin Bank Co., Ltd. and gain amounted to US$12,377,195 has been recognized.

Based on management's assessment there is no impairment loss of equity securities investment in Shenyang Yuhong Yongan Village Bank Co., Ltd. as of December 31, 2017, 2018 and 2019.

7. Intangible Assets

	December 31, 2017	December 31, 2018	December 31, 2019
	US$	US$	US$
Land use right	5,744,963	5,230,123	5,743,026
Accumulated depreciation at December 31,	(100,051)	(150,896)	(237,232)
Land use right, net	5,674,912	5,079,227	5,505,794

Amortization expense for property and equipment for the year ended December 31, 2019 amounted to US$88,921 (2017: US$96,341; 2018: US$58,606).

Amortization is computed using the straight-line method over the estimated useful lives of the land use rights. Estimated useful lives of the land use rights are between 20-32 years.

8. Short-term bank loans and other debt

Short-term bank loans and other debt represent amounts due to various banks and financial institutions that are due on the dates indicated below. Short-term bank loans and other debt at December 31, 2017, 2018 and 2019 consisted of the following:

	December 31, 2017	December 31, 2018	December 31, 2019
	US$	US$	US$
Loan from The Bank of Fuxin Shengyang Branch			
Due February 22, 2018, at 4.35% per annum	107,593,500		
Due October 17, 2019, at 5.0025% per annum		98,497,660	
Due September 19, 2020, at 8.00% per annum			79,778,133
Loan from The Bank of Hu Lu Dao Shengyang Branch			
Due June 14, 2018, at 7.80% per annum	27,666,900		
Due April 19, 2019, at 7.80% per annum		26,109,513	
Due May14, 2020, at 6.67% per annum			32,887,835
Loan from The Bank of Fushun Beizhan Branch			
Due May 14, 2018, at 6.10% per annum	27,666,900		
Due May 13, 2019, at 6.10% per annum		26,169,120	
Due May 12, 2020, at 6.67% per annum			34,467,600
Loan from The Bank of Rural Commercial Dadong Branch			
Due June 27, 2019, at 8.19% per annum	9,222,300	8,455,533	
Due June 15, 2020, at 8.19% per annum			7,180,750
Personal loan from Ji Zhang and Tingting Zhao			
Due February 1, 2018, at 8.57% per annum	1,537,050		
Due July 19, 2019, at 8.57% per annum		2,180,760	
Due July 19, 2020, at 8.57% per annum			1,872,618
Loan from The Bank of Fuxin Panjin Branch			
Due February 10, 2018, at 5.0025% per annum	36,063,497		
Due March 7, 2019, at 5.0025% per annum		32,430,258	
Due March 7, 2020, at 5.0025% per annum			32,035,653
Total short-term bank loans and other debt	207,750,147	193,842,844	188,222,589

As of December 31, 2019, except when otherwise indicated, the Group's short-term bank loans were all denominated in RMB and were mainly secured by the Group's real estate properties under development with net book value of US$184,594,362 (December 31, 2018: US$147,207,668, December 31, 2017:US$103,967,514), the real estate properties development completed with net book value of US$45,400,796 (December 31, 2018: US$45,702,027, December 31, 2017:US$41,886,534).

The weighted average interest rate on short-term bank loans and other debt as of December 31, 2019 was 7.55% (December 31, 2018: 6.47%, December 31, 2017:7.13%).

9. Customer deposits

Advances for real estate properties comprise of amounts received from customers for the pre-sale of residential or commercial units in the PRC.

	December 31, 2017	December 31, 2018	December 31, 2019
	US$	US$	US$
Advances for real estate properties	26,292,112	28,767,135	21,780,981
Less: recognized as progress billings (Note 4)	(21,304)	(193,106)	(194,258)
Customer deposits (Note 2(h))	26,270,808	28,574,029	21,586,723

10. Income taxes

Corporate income tax ("CIT")

The Group's PRC entities are subject to income tax at the statutory rate of 25% in accordance to the PRC corporate income tax laws and regulations.

The Group's entities incorporated in the PRC have unused net operating losses ("NOLs") available for carry forward to future years for PRC income tax reporting purposes up to five years. The Group did not record deferred tax asset at December 31, 2017, 2018 and 2019.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Group is able to realize their benefits, or that future deductibility is uncertain.

	Year ended December		
	2017 US$	2018 US$	2019 US$
Current tax:			
Income tax expense	6,117	193,068	21,293

The Group's income tax expense differs from the tax expense computed by applying the PRC statutory CIT rate of 25% for the years ended December 31, 2017, 2018 and 2019, are as follows:

	Year ended December		
	2017 US$	2018 US$	2019 US$
CIT at rate of 25%	(3,064,055)	(1,506,454)	(672,264)
Changes in valuation allowance	3,070,172	1,699,522	693,557
Income tax expense	6,117	193,068	21,293

11. Other payables and accrued liabilities

	December 31, 2017	December 31, 2018	December 31, 2019
	US$	US$	US$
Other tax payables	285,364	708,942	1,021,686
Salary payables	384	122	885
Other payables (1)	255,928,110	232,776,771	277,979,937
Total	256,213,858	233,485,835	279,002,508

(1): Other payables primarily represent various cash advances from unrelated companies and individuals with which the Group has business relationships and they are unsecured, non-interest bearing and due on demand.

12. Related party transactions

Name of Related Parties	Relationship with the Group
Shengyang Ruibo Hotel Management Co., Ltd	Xu Bai is shareholder
Liaoningi Tongfei Investment Co., Ltd	Xu Bai is shareholder
Liaoning Tongfei General Aviation Co., Ltd.	Xu Bai is shareholder
Liaoning Tongfei General Club Co., Ltd.	Xu Bai is shareholder
Liaoning United Airlines Shenyan Aircraft Co., Ltd.	Changgang Bai is shareholder
Liaoning Suisi Construction Engineering Group Co., Ltd.	Shareholder of FFPRE
Shengyang Ruiyin Investment Co., Ltd.	Related party of Bai Xu
Liaoning Pacific Investment Co., Ltd.	Shareholder of FFPRE
Xu Bai	Shareholder of LPIC
Jun Li	Shareholder of LPIC
Changgang Bai	Shareholder of LPIC

The Group had the following related party balances at the end of the years:

Amount due from related parties	**December 31, 2017**	**December 31, 2018**	**December 31, 2019**
	US$	**US$**	**US$**
Shengyang Ruibo Hotel Management Co., Ltd	2,139,190	1,508,436	16,110,101
Liaoning Tongfei Investment Co., Ltd.	3,701,436	37,285,981	45,904,686
Liaoning Tongfei General Aviation Co., Ltd.	-	12,459,463	15,368,388
Xu Bai	204,389	-	-
Jun Li	3,181,694	5,169,893	798,537
Changgang Bai	-	14,411,901	16,749,876
	9,226,709	70,835,674	94,931,588
Amount due to related parties			
Shenyang Ruiyin Investment CO., Ltd.	-	1,725,774	-
Liaoning United Airlines Shenyan Aircraft Co., Ltd.	-	19,738,786	19,497,890
Xu Bai	-	171,235	152,854
Changgang Bai	-	3,591,241	4,150,648
Liaoning Tongfei General Club Co., Ltd.	-	20,353,760	20,106,100
Liaoning Suisi Construction Engineering Group Co., Ltd.	-	-	11,396,273
Liaoning Pacific Investment Co., Ltd.	-	-	4,681,849
	-	45,580,796	59,985,614

13. Commitments and contingencies

Other commitments

As of December 31, 2019, the Group had outstanding commitments with respect to non-cancellable construction contracts for real estate development and land use rights purchases as follows:

	Amount
	US$
2020	16,875,213
2021	21,980,501
2022	818,606
2023	-
Total	39,674,320

Contingencies

Liaoning Pacific Industry Co., Ltd., ("LPCI"), has a construction contract with Shenyang Shanmeng Construction Group Co., Ltd. ("SSCG") (defendant) and LPCI has a deposit of US$29,839 with SSCG and after the construction completed, SSCG did not return our deposit, but transferred the deposit to its related company Panjin Yongxin Commodity Concrete Co., Ltd. (defendant). The court will open in 2020. As of December 31, 2019, there was no provision made.

14. Concentration of risk

The Group's operations are conducted in the PRC. Accordingly, the Group's business, financial condition and results of operations is primarily influenced by the political, economic and legal environments in the PRC and by the general state of the PRC economy.

The Group's operations in the PRC are subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environments and foreign currency exchange. The Group's results may be adversely affected by changes in the political and social conditions in the PRC, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things.

The Group transacts all of its business in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approval of foreign currency payments by the PBOC or other institutions requires submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the RMB to the US$. Under the new policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy has resulted in a 15.7% appreciation of the RMB against the US$ from July 21, 2005 to December 31, 2019.

To the extent that the Group needs to convert US$ into RMB for capital expenditures and working capital and other business purposes, appreciation of RMB against US$ would have an adverse effect on the RMB amount the Group would receive from the conversion. Conversely, if the Group decides to convert RMB into US$ for the purpose of making payments for dividends on ordinary shares, strategic acquisitions or investments or other business purposes, appreciation of US$ against RMB would have a negative effect on the US$ amount available to the Group. In addition, a significant depreciation of the RMB against the US$ may significantly reduce the US$ equivalent of the Group 's earnings or losses.

In addition, no single customer accounted for more than 10% of revenue for the years ended December 31, 2017, 2018 and 2019.

15. Subsequent events

Since January 2020, the coronavirus pandemic (“the COVID-19”) has spread across China and other countries, governments have implemented a series of measures including travel restrictions and quarantines to contain COVID-19, which adversely affected the real estate industry where the Group operates. We currently believe our first quarter results of operations will be negatively impacted by these developments. The development and evolution of the COVID-19 in China and globally still has great uncertainty in the duration and severity, which may further amplify and delay the impact on the recovery of the real estate industry. Given the uncertainty about the situation, the Group currently cannot estimate the impact to the 2020 financial performance and cash flows.