Medium-term project report

The L-Jin platform is a comprehensive service platform dedicated to broadening the financing channels of domestic housing leasing companies, enriching and perfecting the real estate value chain, and providing individual investors with a new way of investing in the real estate market. And the platform front-end connects enterprises, and the back-end connects investors. It not only provides high-quality and low-cost financing for enterprises, but also provides investors with low-risk and high-yield investment projects.

These days, commercial real estate companies are mainly financed by banks, because banks have a large amount of funds. Due to the strict approvals, only large enterprises can obtain quality financing. Some small and medium-sized enterprises (SMEs) have excellent economic and social benefits. However, they are forced to go through bank audits due to their small scales and weak anti-risk abilities. Even if they pass the audits, the financing costs are higher. In addition to bank financing, another means of obtaining financing is the issuance of securities financing. At present, investors who invest in private equity products on the market are mainly institutional investors. They invest more in AAA-level securities. For those enterprises below AAA, there is little interest. Even the issuance of securities issued by the Oriental Garden has to end with a slap. Moreover, the issuance of public offerings has a high threshold, which is difficult for ordinary companies to obtain financing. In addition, the number of domestic REITs is increasing. Although REITs in China are far behind the developed countries such as Europe and the United States, the REITs model has a good development prospect on the premise that favorable policies continue to be introduced and the financing needs of housing leasing companies continue to grow. At this background, the L-Jin platform came into being, which designed and developed a new type of REITs to fill the gaps in the domestic REITs fund field, solving the financing problems of some excellent commercial real estate enterprises. And the platform

introduced these enterprises to investors, broadening their investment channels. As a result, we meet the needs of both sides and achieve a win-win situation.

There are mainly seven steps in the operation process of the platform. Firstly, the financing enterprise submits the financing application to the platform. After receiving the enterprise's information, the platform combines online and offline auditing methods to conduct a double access audits for enterprises. After the company passes the access audit, the platform partner will set up a private fund for the enterprise, and the platform will obtain the income right from the enterprise. Based on this, the platform will determine the scale of REITs, the issuance period and the dividend standard. Then the platform will issue a special plan for the enterprise to attract investors to invest. During the entire period of the special plan, the platform will use the three-dimensional perfect risk control system to comprehensively monitor the business risks of the enterprise, and launch corresponding credit enhancement measures for the enterprises to protect the capital security of investors.

There are four main innovation points in this project. Firstly, we have realized the innovation of risk control system, mainly including real-time dynamic monitoring of enterprise operating environment based on "crawler" technology, the revised Z-score model to monitor financial risks, and the revised KMV model to monitor corporate default risks. Secondly, we use the API provided by Citibank to obtain investors' information, reducing capital flow steps and improving capital flow efficiency. Thirdly, we have realized the model innovation. We develope a new type of REITs to fill the gaps in the domestic REITs fund field. Fourthly, we conbine the SOM neural network model and the LVQ neural network model into a composite neural network. And machine learning is set up based on the composite neural network to optimize enterprise access.

This project applies the transfer function of Citi API. When an investor purchases a special plan share, the platform will use the API to complete the transfer process. When the special plan pays dividends, the platform also uses the API to realize the transfer from the special plan to the investor.