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## INDUSTRY OVERVIEW

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**The information presented in this section is derived from the market research report prepared by Euromonitor International which was commissioned by us, unless otherwise indicated. The sources of such information are conventional sources for such information and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information has not been independently verified by us, the Sole Sponsor, the Sole Global Coordinator, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering and no representation is given as to its accuracy.**

### **SOURCES OF THE INDUSTRY INFORMATION**

We commissioned Euromonitor, an independent market research consulting firm, to conduct a market analysis of, and produce a report, the Euromonitor Report, on the following:

- overview of China's macro-economy;
- market analysis of the pawn industry in China; and
- competition pattern of the pawn industry in Jiangsu Province and the Greater Suzhou Area.

The methodology used by Euromonitor in gathering the relevant market data in compiling the Euromonitor Report included desktop research and trade interviews. Desktop research involves information integration of data and publication from publicly available resources and market players research on industry and enterprise information issued by our chief competitors. Trade interviews were conducted with relevant institutions to obtain objective and factual data and prospective predictions.

In preparing the Euromonitor Report, Euromonitor made certain predictions based on various data and information including review of historical development of the market, existing government data, industry figures and industry reviews.

We paid a fee of RMB385,770 to Euromonitor for the Euromonitor Report. Except for this report, we did not commission any other customized research report in connection with the Listing or this prospectus.

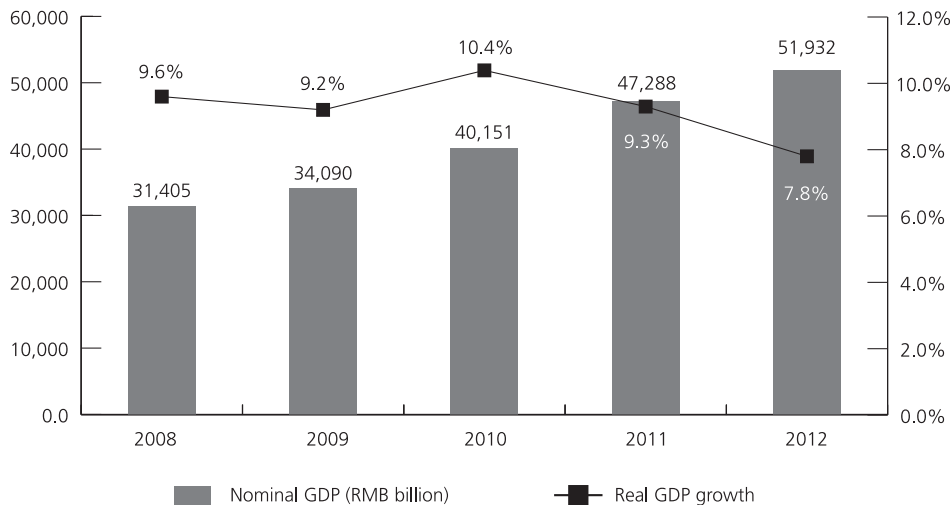
### **STRONG AND SUSTAINABLE GROWTH OF THE PRC MACRO-ECONOMY**

#### **Strong and Sustainable Growth Momentum Driven by Investment and Consumption**

Over the past three decades, China's economy has grown significantly due to the PRC Government's economic reforms and the opening-up of China's market. China has maintained strong economic growth in the past three decades and surpassed Japan as the world's second largest economy in terms of nominal GDP in the second quarter of 2010. The nominal GDP of China grew from approximately RMB31.4 trillion in 2008 to approximately RMB51.9 trillion in

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2012, representing a CAGR of 13.4%. During the same period, nominal GDP per capita grew from RMB23,708 in 2008 to RMB38,354 in 2012, representing a CAGR of 12.8%. The following diagram illustrates the growth of nominal GDP in China from 2008 to 2012:



Source: National Bureau of Statistics of China

### Steady Growth of the Private Businesses and Their Increasing Contribution to the Macroeconomy

As of 31 December 2012, the number of private enterprises surpassed 10 million and the number of self-employed individuals surpassed 40 million. SMEs make a significant contribution to the economy and employment. For example, in the industrial sector the number of above-set-scale<sup>(1)</sup> SMEs increased from 299,000 in 2005 to 449,000 in 2010, representing a CAGR of 8.5%. In 2011, according to the newly released scope<sup>(2)</sup> of above-set-scale SMEs, the number reached 316,498. Above-set-scale SMEs accounted for 97% of the total number of above-set-scale enterprises in the industrial sector and 58% of the total industry value added<sup>(3)</sup> of the above-set-scale enterprises in the industrial sector. These SMEs have an aggregate of 59 million employees, which accounted for 65% of the total employees of above-set-scale industrial enterprises.

During the 12th Five Year Plan period (2011–2016), SMEs are expected to face a more favorable environment for further growth and development for a number of reasons. First, domestic demand is expected to continue to grow and stimulate domestic consumption, Second, the on-going strategic restructuring of the overall economy has created opportunities for new sectors and less-developed geographical areas that are now more open to private capital. The combination of these

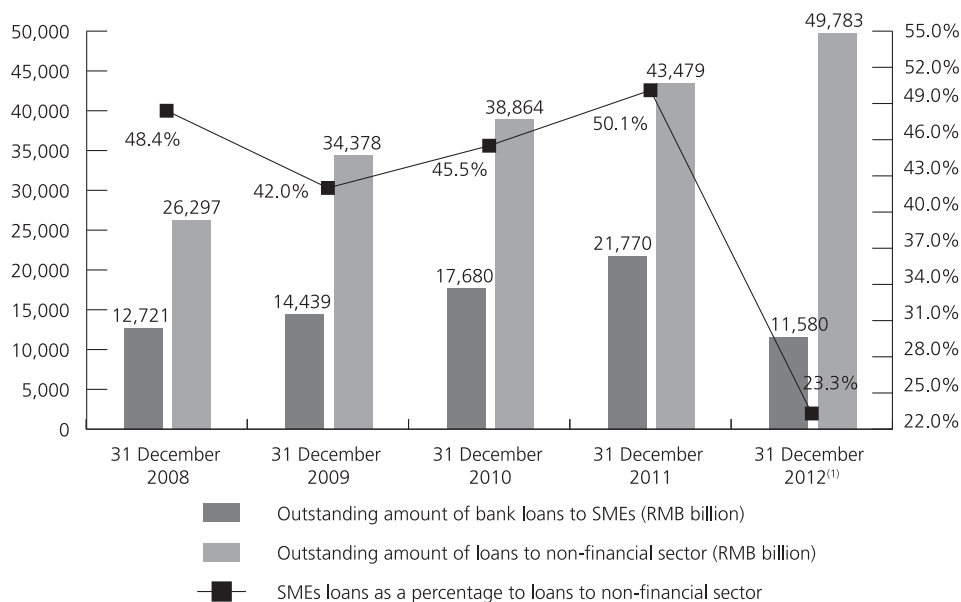
Notes:

- (1) Above-set-scale industrial enterprises (規模以上工業企業) refers to industrial enterprises with annual revenues that are above RMB5 million.
- (2) In June 2011, the Ministry of Industry and Information Technology released a notice on the new scope of above-set-scale SMEs, raising the threshold in terms of revenue.
- (3) The industrial value added (工業增加值) refers to the currency value of final products created by industrial enterprises within a certain period of time, i.e. the industrial production value (工業總產值) minus the value of products/services that are consumed or transferred during production process.

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changes will provide SMEs with more market opportunities in a broader market. Third, the PRC central government is increasingly recognising the importance of the contribution from the private sector to China's continued economic growth and has set the stimulation of growth of the private sector as one of the key priorities for its 12th Five Year Plan. The PRC central government has promulgated a series of rules and regulations designed to foster growth of the private business sector, including Several Opinions of the State Council on Further Promotion of the Development of Small and Medium-sized Enterprises promulgated by the State Council in 2009, Several Opinions on Further Improving Financial Services for SMEs promulgated by PBOC, China Banking Regulatory Commission and China Securities Regulatory Commission in 2010, and Notice on the Support of the Commercial Banks to Further Improve the Small Business Financial Services promulgated by China Banking Regulatory Commission in 2011. All levels of local governments also attach great importance to SMEs and have released a series of supportive policies for SMEs, such as favorable treatment in taxation, financing and public service support.

The continued development of the private business sector has generated great demand for capital and fueled fast increase in loans to self-employed individuals and private enterprises. Bank loans to SMEs have been increasing steadily in recent years, from RMB12.7 trillion in 2008 to RMB21.8 trillion in 2011, representing a CAGR of 14.4%. But due to the rapid development of the SMEs and recent government policies tightening bank lending, SMEs in China are facing increasing difficulties in finding financing resources to satisfy their needs for operations and expansion in spite of their significant contribution to economic growth. The following diagram illustrates outstanding bank loans to SMEs and their share of total enterprise loans as of the indicated dates:



Source: People's Bank of China

Note:

(1) The scope of SMEs for the purpose of such data as published by the PBOC was revised by PBOC in 2012 to only refer to micro and small enterprises, as a result 2012 SMEs loans data is not comparable to previous years.

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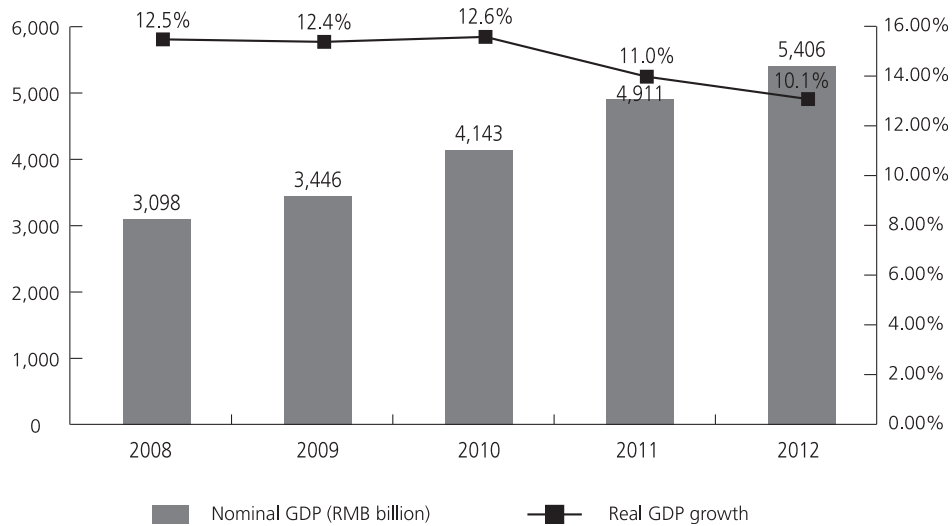
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### RAPID GROWTH OF THE MACRO-ECONOMY AND PARTICULARLY SMEs IN JIANGSU PROVINCE AND THE GREATER SUZHOU AREA

#### Jiangsu is a Top Ranked Province in Terms of Contribution to National GDP and Other Metrics

Jiangsu Province is one of the most economically developed provinces in China. The nominal GDP of Jiangsu Province was RMB5.4 trillion with a real growth of 10.1% in 2012 compared with 2011, ranking second among China's provinces and accounting for 10.4% of the national GDP in 2012. The nominal GDP of Jiangsu Province grew from RMB3.1 trillion in 2008 to RMB5.4 trillion in 2012, representing a CAGR of 14.9%, which is higher than the national average of 13.4% for the same period. The nominal GDP per capita of Jiangsu Province grew from RMB40,014 in 2008 to RMB68,347 in 2012, representing a CAGR of 14.3%, which is also higher than that of the national GDP per capita. The following diagram illustrates the growth of nominal GDP in Jiangsu Province from 2008 to 2012:



Source: The Statistic Bureau of Jiangsu province

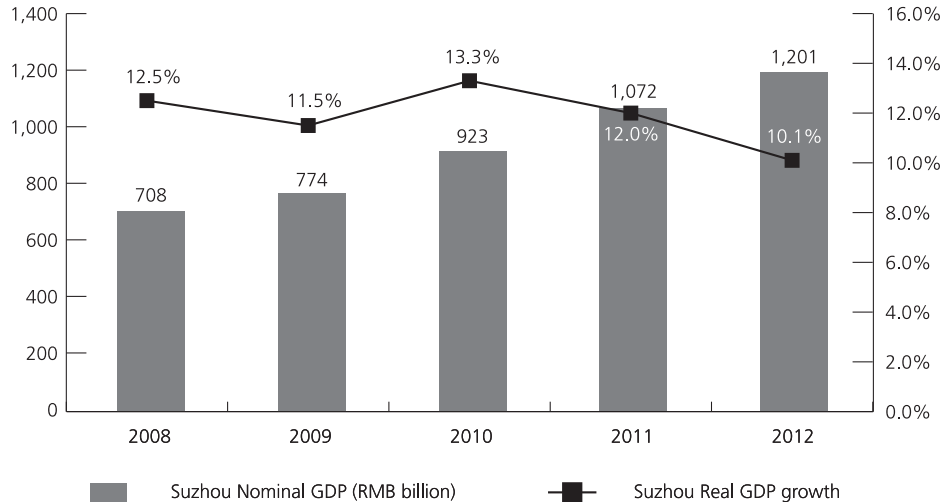
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### The Greater Suzhou Area is a Major Contributor to the Economic Growth of Jiangsu Province

The Greater Suzhou Area is the most economically advanced region in Jiangsu Province and one of the major contributors to the province's economic growth. In 2012 the Greater Suzhou Area contributed 22.2% of the nominal GDP of Jiangsu Province. The nominal GDP per capita of the Greater Suzhou Area was RMB185,419 in 2012. The diagram below illustrates the nominal GDP, and real GDP growth in the Greater Suzhou Area from 2008 to 2012:



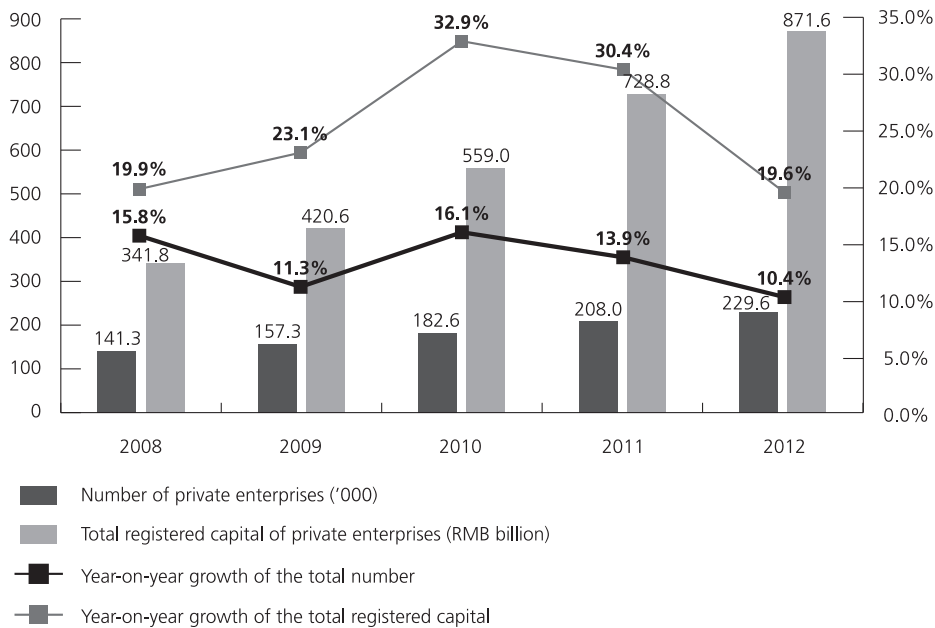
Source: The Statistic Bureau of Suzhou

### SMEs Play an Increasingly Active Role in the Economic Growth of Jiangsu Province and the Greater Suzhou Area, with Increasing Demand for Funding

Jiangsu Province is one of the economic regions in China with the most active and prosperous SMEs. Contribution to nominal GDP by self-employed individuals and private enterprises has been steadily increasing in recent years, from 37.1% in 2008 to 41.7% in 2012. During the same period, the number of private enterprises in Jiangsu Province increased from approximately 816,000 to 1.3 million.

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Businesses in the private sector are particularly active in the Greater Suzhou Area. Local government in the Greater Suzhou Area supports the private sector by providing favorable policies and taxation. In 2011, Suzhou municipal government issued Opinions on Stepping Up the Transition and Upgrading of Private Economy (《關於加快民營經濟轉型升級的若干意見》), encouraging local private businesses to expand their scales, develop strong, innovative technologies and corporate structures, promote modernised services and enhance its position in the industry hierarchy. In 2012 the number of newly-registered private enterprises in the Greater Suzhou Area ranked first in Jiangsu Province. The number of private enterprises of the Greater Suzhou Area rose from approximately 141,300 in 2008 to approximately 229,600 in 2012, representing a CAGR of 12.9%. During the same period, the total registered capital of private enterprises increased from RMB341.8 billion in 2008 to RMB871.6 billion in 2012, representing a CAGR of 26.4%. The following diagram illustrates the growth of private enterprises in the Greater Suzhou Area from 2008 to 2012:



Source: The Statistic Bureau of Suzhou

### BACKGROUND OF THE PAWN LOAN INDUSTRY IN CHINA

The pawn loan industry in PRC has experienced significant development in the last decade. It has benefited from the economic growth in China which brings about increased commercial activities and business expansion of enterprises of all sizes, and in turn creates ever-increasing capital needs. The pawn loan industry developed in part to specifically address the capital needs of SMEs, which are historically underserved by traditional commercial banks.

### **Pawn Loans Are Complementary to Traditional Bank Loans and Especially Suitable to SMEs' Urgent Capital Needs**

The Pawning Measures defines “pawn” by emphasising its collateral-backed characteristics. The most common financing channels for SME include bank loans, finance leasing, pawn loans, and small loans. Finance leasing and bank loans usually meet the mid- and long-term financing needs of SMEs, while pawn loans and small loans usually satisfy the short-term financing needs. The interest rates of short-term loans are generally much higher than long-term loans.

Pawn loans differ from traditional bank loans in a number of important ways which make them complementary to, rather than in direct competition with, traditional bank loans and especially suitable to address SMEs' particular capital needs:

*More Accommodating Information Requirements.* Collateral provides security and reduces lending risk of pawn loans, which enables a pawn loan provider to be more accommodating in certain aspects of the loan review process heavily relied on by traditional commercial banks, such as proof of credit history and economic background of the borrowers. Many SMEs in China have relatively short operating histories, and as a result have not yet established meaningful credit records, which makes it difficult for them to apply for traditional bank loans. For SMEs which have readily available collateral to pledge, pawn loans are a natural alternative to traditional bank loans.

*Faster Review Process.* The security provided by collateral allows a pawn loan service provider to shift its focus from evaluating the creditworthiness of the applicant to the verification and appraisal of the collateral pledged when reviewing a loan application. The evaluation of the creditworthiness of an applicant tends to be lengthy and complicated, as it requires the examination of a wide variety of background information and involves judgment calls. In comparison, collateral verification and appraisal is a much faster and straightforward reviewing process, especially for a pawn loan service provider that is familiar with the type of collateral pledged. As a result, a pawn loan service provider can usually make a decision on a loan application within days. SMEs with urgent capital needs will thus opt for a pawn loan under such circumstances. Equally important is the more accommodating standard on the required information of a loan application.

*Smaller Amounts and Shorter Terms.* Compared with commercial loans granted by traditional commercial banks to state-owned enterprises, pawn loans are typically extended to smaller principal amounts. The terms of pawn loans are usually shorter in comparison as well, ranging from several days to months. In comparison, traditional bank loans have terms that are usually at least half a year. SMEs more frequently find themselves in need of small amounts of capital on stringent timelines, at which occasion they are likely to turn to a pawn loan service provider than a traditional commercial bank. From the perspective of a pawn loan service provider, a loan with a smaller principal amount and a shorter term typically means smaller credit risks.

*More Flexible Financial Terms.* Significant bank loans extended by commercial banks tend to have stringent financial terms, such as performance milestones and capped debt ratios. Such financial terms could impose onerous compliance burdens on SMEs, which usually lack adequate internal control and financial reporting capabilities. In addition, banks usually put restrictions on the end use of the loans. In comparison, a pawn loan service provider can afford to negotiate more flexible financial terms with a borrower due to the security provided by collateral and the short term of the loan.

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### **Features of the Pawn Loan Industry in China**

*Relevant government approvals are the main entrance barriers and constraints on business scale of a pawn loan provider.* The pawn loan industry in China is highly regulated and closely supervised by the competent commerce authorities and the public security bureaus, at both the national and provincial level. In addition to the Business License issued by the Administration of Industry and Commerce, a pawn loan service provider is required to obtain a Pawn Operations Business License issued by MOFCOM as well as a Special Industry License issued by local counterpart of Public Security Bureau to operate. Pursuant to the Pawning Measures, if a pawn loan service provider intends to open a new branch office or change the size of its registered capital, it must first obtain approval from relevant government authorities. Approved registered capital is the main constraint on the business expansion of a pawn loan service provider, as the size of the approved registered capital is directly related to the amount of bank loans the pawn loan service provider can obtain pursuant to the Pawn Measures and in turn the total amount of fund available for lending to customers, as well as the size of certain loans a pawn loan service provides can grant. For more details on the Pawning Measures and other relevant rules and regulations on the pawn loan industry, see “Regulatory Overview – The Pawn Loan Industry” in this prospectus.

*SMEs Are the Main Customers for Pawn Loan Service Providers.* According to the Euromonitor Report, the main customers of the pawn loan industry in China are SMEs and individuals.

*Real Estate Is the Main Form of Collateral.* One of the main types of collateral pledged for pawn loans in China is real estate. Real estate is a favorable form of collateral for a number of reasons. First, the legal titles and any encumbrances of real estate properties are usually well documented by relevant local governmental agencies and easily accessible by pawn loan providers. Second, there is an open market for real estate properties which makes them easily appraisable and readily disposable in comparison with other forms of collateral. Equity interests are also frequently pledged by borrowers and increasingly accepted as a common type of collateral as the demands for pawn loan continue to grow and the pawn loan industry matures.

*The Industry Is Dominated by Large Pawn Loan Service Providers.* The pawn loan industry shows a continuing trend of being dominated by large pawn loan service providers with large approved registered capitals and multiple branch offices. The various governmental approvals provide entry barriers and constraints on the business expansion of pawn loan service providers. Large pawn loan service providers with established operating history and experienced management teams tend to be more successful in getting approvals to open new branches and increase registered capital, which in turn solidify and enhance their leading positions in the market.

### **Historical Development**

The first modern pawnshop in the PRC was opened in 1987 and the pawn loan industry has undergone substantial transformation and development since then. The development of the pawn loan industry has always been closely monitored and regulated by the relevant government authorities.

The first governing regulation, namely the Public Security Regulations about the Pawn Industry, was promulgated by the Ministry of Public Security in 1995. In August 2001, the former State Economic and Trade Commission issued Measures on Pawnshop Management (典當行管理辦法), which streamlined the approval procedure for new pawn shops and expanded the business scope of pawn



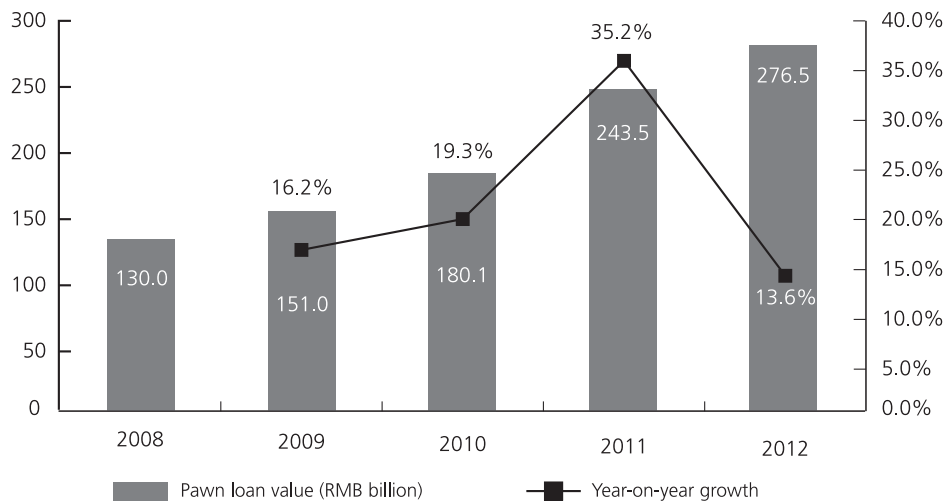
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shops from movable properties to real estate and equity interest. In 2003 the regulatory power over the pawn industry was transferred to the Ministry of Commerce during government institution restructuring. In April 2005, the Pawning Measures came into effect and provided legal basis for standardized administration for the pawn loan industry, which has been playing an important role in the sustained development of the industry since then. For more details on the relevant governmental rules and regulations on the pawn loan industry, see “Regulatory Overview” in this prospectus.

The total number of pawn loan service providers increased from 5,236 in 2011 to 6,084 in 2012, representing a growth rate of 16.2%, while their total registered capital increased from RMB78.0 billion in 2011 to RMB99.4 billion in 2012, representing a growth rate of 27.5%. The total principal amount of pawn loans granted grew from RMB130.0 billion in 2008 to RMB276.5 billion in 2012, representing a CAGR of 20.8%. The following table sets forth the total principal amount of pawn loans granted in China from 2008 to 2012:



Source: the Euromonitor Report

Although the pawn industry has experienced steady growth in recent years, there remains significant room for future growth as the pawn loan industry still accounts for a very small portion of the financing industry in China. According to the Euromonitor Report, in 2012 the penetration rate of pawn loans was only 1.75% of the RMB15.8 trillion total amount of financing in China.

### Growth Potential of the Pawn Loan Industry in China

As the Chinese economy continues to grow, the SMEs and their demands for capital are expected to continue to grow as well. The demands for capital by SMEs are expected to be fulfilled increasingly by alternative financing channels, such as pawn loans, due to a number of reasons:

*Significant Increase in Number and Types of SMEs.* The increase in demand for capital from SMEs will manifest increases in both the numbers and sizes of loans applied for by SMEs. Given the vast and fast-growing numbers of SMEs and their penetration into a wider variety of business sectors, it will be increasingly difficult for commercial banks alone to satisfy all their capital needs, some of which have specific conditions or constraints that are particular to the borrowers’ respective business sectors. In 2011, above-set-scale SMEs accounted for 58% of that of the total industrial

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value added of the above-set-scale enterprises, while loans to SMEs only accounted for about half of the bank loans to all enterprises. SMEs accounted for 97% of the total number of above-set-scale enterprises, and many of them have small scale financing demands that the bank system cannot meet. Thus, there are great market opportunities for alternative financing channels, such as the pawn industry.

*Flexibility of Private Funding Resources.* Traditional commercial banks and financial institutions usually grant loans to borrowers only after lengthy and complicated approval procedures. Bank loans also usually have financial terms and other requirements during the terms of the loans. SMEs which need short-term loans to satisfy their emergency needs but lack established creditworthiness records are unlikely to obtain loans from such banks and financial institutions. Pawn loans are an alternative channel that is particularly suitable and in many ways designed to address such funding needs by SMEs.

*Growing Public Acceptance of the Pawn Loan Industry.* The pawn loan industry has a long history in China but has undergone vast changes in recent years as the economy grew. SMEs increasingly view pawn loans as a viable and sometime better alternative for the capital needs of their business. As a result, the historical image of pawn loans as small loans secured by personal properties and granted mainly for personal uses is also gradually changing. As the public perception of the pawn loan industry improves, more business and individuals will turn to pawn loan service providers in time of need.

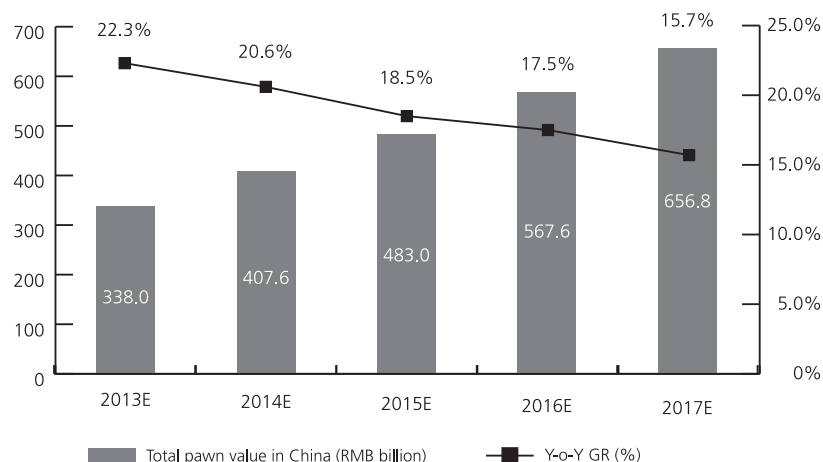
*Regulatory Incentives.* The PRC government recognises the importance of the pawn loan industry to the continued growth of the economy and featured it into its strategic planning for the next Five Year Period. On 15 December 2011, MOFCOM released the Guiding Opinions on Promoting the Development of Pawn Industry during the “12th Five Year Plan” Period (關於“十二五”期間促進典當業發展的指導意見), which reviewed and summarized the development of the pawn industry during the 11th Five Year Period, and emphasized its supervision principles, targets and measures of the pawn industry during the 12th Five Year Period. Going forward, a more clearly defined regulatory environment is beneficiary to the industry as a whole.

*Concerted Efforts of Market Players.* The growth of the pawn loan industry is also positively influenced by the establishment of industry associations, which helps, among other things, to standardize industry norms, promote strategic alliances, and increase communication with supervising governmental authorities. In 2012, 20 provinces and 4 municipalities established local pawn loan associations, and many pawn loan providers in other provinces are in the process of establishing similar associations as well. The Ministry of Commerce is currently promoting the establishment of an official national association which will unify regional-level associations and will serve as a platform for effective dialogues with relevant government authorities.

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As a result of the foregoing, the aggregate amount of pawn loan granted is estimated to increase from RMB276.5 billion in 2012 to RMB656.8 billion in 2017, representing a CAGR of 18.9%.

The following table sets forth the aggregate amount of pawn loan estimated to be granted in China from 2013 to 2017.



Source: *the Euromonitor Report*

### Market Competition Pattern in China

The following table sets forth the top 10 pawn loan service providers by registered capital in China as of 31 December 2012.

Ranking	Company name	Company name	Registered capital RMB million	Market Share by registered capital (%)
1	蘇州市吳中典當有限責任公司	Suzhou Wuzhong Pawnshop Co. Ltd	500	0.5%
2	北京寶瑞通典當行有限責任公司	Beijing Baoruitong Pawnshop Co. Ltd	270	0.3%
3	上海中新典當有限公司	Shanghai Zhongxin Pawnshop Co. Ltd	245	0.2%
4	合肥皖通典當有限公司	Hefei Wantong Pawnshop Co. Ltd	210	0.2%
5	安徽興泰典當有限責任公司	Anhui Xingtai Pawnshop Co. Ltd	200	0.2%
6	遼寧容大典當有限責任公司	Liaoning Rongda Pawnshop Co. Ltd	200	0.2%
7	呂梁金利典當有限責任公司	Lvliang Jinli Pawnshop Co. Ltd	200	0.2%
8	泉州市閩僑實業典當有限公司	Quanzhou Mingqiao Pawnshop Co. Ltd	155	0.2%
9	蕪湖金財典當有限責任公司	Wuhu Jincai Pawnshop Co. Ltd	150	0.2%
10	北京市華夏典當行有限責任公司	Beijing Huaxia Pawnshop Co. Ltd	150	0.2%

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Source: *the Euromonitor Report*

Note: In March 2013 Beijing Baoruitong Pawnshop Co., Ltd increased its approved registered capital to RMB570 million.

### PAWN LOAN MARKET IN JIANGSU PROVINCE AND THE GREATER SUZHOU AREA

#### The Pawn Loan Market in Jiangsu Province

Jiangsu Province has one of the most developed pawn loan markets in China. There were 369 pawn loan service providers in Jiangsu Province with an aggregate registered capital of RMB8.6 billion as of 31 December 2012. The aggregate amount of pawn loans granted in Jiangsu Province grew from RMB18.2 billion in 2008 to RMB31.8 billion in 2012, representing a CAGR of 15.0%.

Conditions and trends of the pawn loan industry in Jiangsu Province are generally similar to those of the national market, with several characteristics that are unique to Jiangsu Province. The development of the pawn loan industry in Jiangsu Province is regional and uneven. In particular, the pawn loan industry is more developed in the southern part of Jiangsu Province, especially in the Greater Suzhou Area and Wuxi, where pawn loan service providers tend to have larger capital and more sophisticated operations. Many pawn loan service providers in Jiangsu Province are affiliated with large-scale enterprises which have well-known brands and engage in a wide variety of businesses such as real estate, logistics, manufacturing and finance. Such affiliation helps to raise social awareness of the pawn loan industry in Jiangsu Province. The pawn loan industry in Jiangsu Province benefits from a particularly active private business sector, which results in its faster development compared with the national average.

The pawn loan market in Jiangsu Province is dominated by large pawn loan service providers. The top 10 pawn loan service providers in terms of registered capital have an aggregated registered capital of RMB1,390 million as of 31 December 2012, accounting for 16.2% of the total amount of registered capital of pawn loan service providers in Jiangsu Province of the same date. The following table set forth the top 10 pawn loan service providers in terms of registered capital in Jiangsu Province as of 31 December 2012:

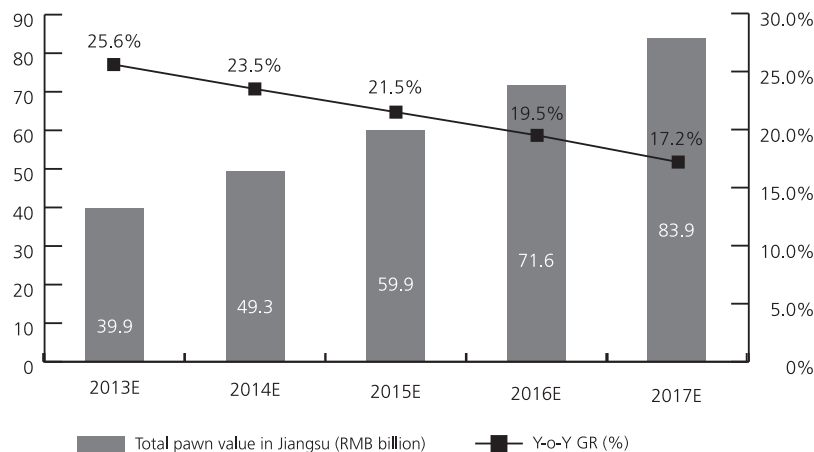
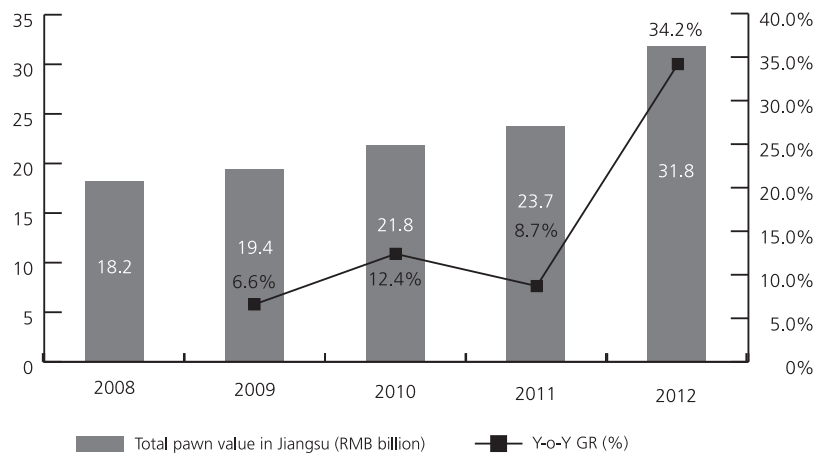
<b>Ranking</b>	<b>Company name</b>	<b>Company name</b>	<b>Registered capital</b>	<b>Market Share</b>
			<b>RMB million</b>	<b>(%)</b>
1	蘇州市吳中典當有限責任公司	Suzhou Wuzhong Pawnshop Co., Ltd.	500	5.8
2	昆山市國信典當有限責任公司	Kunshan Guoxin Pawnbroking Co., Ltd.	140	1.6
3	江蘇再保典當有限公司	Jiangsu Zaibao Pawnbroking Co., Ltd	119	1.4
4	丹陽雙贏典當有限公司	Danyang Shuangyin Pawnbroking Co., Ltd.	101	1.2
5	江蘇寶信典當有限公司	Jiangsu Baoxin Pawnbroking Co., Ltd.	100	1.2
5	常州永之成典當有限公司	Changzhou Yongzhicheng Pawnbroking Co., Ltd.	100	1.2

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Ranking	Company name	Company name	Registered capital	Market Share
			RMB million	(%)
7	南通融通典當有限公司	Nantong Rongtong Pawnbroking Co., Ltd.	90	1.0
8	蘇州吳門典當有限公司	Suzhou Wumen Pawnshop Co., Ltd.	80	0.9
8	無錫市銀苑典當有限公司	Wuxi Yinyuan Pawnbroking Co., Ltd.	80	0.9
8	蘇州信誠典當行有限公司	Suzhou Xincheng Pawnbroking Co., Ltd.	80	0.9

Source: the Euromonitor Report

According to the Euromonitor Report, the aggregate amount of pawn loans granted in Jiangsu Province grew from RMB18.2 billion in 2008 to RMB31.8 billion in 2012, representing a CAGR of 15.0%, and is expected to grow from RMB31.8 billion in 2012 to RMB83.9 billion in 2017, representing a CAGR of 21.4%.



Source: the Euromonitor Report

### **The Pawn Loan Market in the Greater Suzhou Area**

The Greater Suzhou Area has the most developed pawn loan industry in Jiangsu Province. There were 20 pawn loan service providers in the Greater Suzhou Area in 2006. In comparison, there were 54 pawn loan service providers in 2012. The total registered capital of pawn loan service providers in the Greater Suzhou Area grew from RMB300 million in 2006 to RMB2.1 billion in 2012. The aggregate amount of pawn loans granted in the Greater Suzhou Area grew from RMB7.1 billion in 2008 to RMB11.0 billion in 2012, representing a CAGR of 11.5%.

Conditions and trends of the pawn loan industry in the Greater Suzhou Area are generally similar to those of the national market and Jiangsu Province, with several characteristics that are particular to the Greater Suzhou Area. For example, customers of pawn loan service providers in the Greater Suzhou Area are predominantly SMEs, as pawn loans granted to SMEs accounted for 80% to 90% of the total amount of pawn loans granted in recent years. Pawn loan service providers in the Greater Suzhou Area are generally familiar with their customers. In addition, the Suzhou Government also attaches great importance to the local pawn loan service industry and provides support and supervision of the industry. The Finance Affairs Office of the Suzhou Municipal Government assists the Suzhou Municipal Bureau of Commerce in regulating and monitoring the local pawn loan industry.

The pawn loan market in the Greater Suzhou Area is dominated by large pawn loan service providers. The top 5 pawn loan service providers in terms of registered capital have an aggregated registered capital of RMB868 million as of 31 December 2012, accounting for 41.3% of the total

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amount of registered capital of pawn loan service providers in the Greater Suzhou Area as of the same date. The following table set forth the top 5 pawn loan service providers in terms of registered capital in Greater Suzhou Area as of 31 December 2012:

<b>Ranking</b>	<b>Company name</b>	<b>Company name</b>	<b>Registered capital</b>	<b>Market share by registered capital</b>
			<b>RMB million</b>	<b>(%)</b>
1	蘇州市吳中典當有限責任公司	Suzhou Wuzhong Pawnshop Co., Ltd.	500	23.8
2	昆山市國信典當有限責任公司	Kunshan Guoxin Pawnbroking Co., Ltd.	140	6.7
3	蘇州吳門典當行有限公司	Suzhou Wumen Pawnbroking Co., Ltd.	80	3.8
4	蘇州信誠典當行有限公司	Suzhou Xincheng Pawnbroking Co., Ltd.	80	3.8
5	江蘇金騰典當有限責任公司	Jiangsu Jinteng Pawnbroking Co., Ltd.	68	3.2

*Source: the Euromonitor Report*

According to the Euromonitor Report, the pawn loan industry in the Greater Suzhou Area is expected to continue to grow in the next five years. The aggregate amount of pawn loans granted in the Greater Suzhou Area is expected to grow from RMB11.0 billion in 2012 to RMB27.5 billion in 2017, representing an estimated CAGR of 20.2%.