

"it's are located
around, with screens
at



**ASSIGN
BUSTER**

"It's the ring my sister buy for me," says Jessa Mae, a 33-year-old Filipino maid, as she pockets the cash she received by pleading her ring from the pawn shop in Causeway Bay. "I need to send some cash for my children, they are sick". Pawn business in Hong Kong, with the universal sign of a stylized image of a bat holding a coin, is one of the earliest businesses here for centuries. Although often labelled as a sunset industry, pawnbrokers still find the niche even in such a fast-growing city like Hong Kong.

The history behind the neon Often located on busy street particularly Central, and Kowloon since many jewellers and goldsmiths shop are located around, with screens at the entrance to keep those embarrassed customers away from prying eyes, behind the screen stood six or seven feet high counter and enclosed in a metal cage with two or three openings, the pawn shop always amid with iron cold and mysterious. The pawn business started since Hong Kong had become an entrepot. Jeun Yun Aat was the first pawn shop in Hong Kong in 1926 when the Hong Kong government strengthened its regulation on pawnshops and also promulgated the pawn legislation. Since then, pawnbrokers had to be licensed in a bid to start business.

And this industry became more and more popular. The pawnbrokers were undermined by the second World War during the Japanese occupation of Hong Kong but they flourished again after the war in 1945 because of the inflation and shortage of resources. To circulate and resolve fund and finance, the Hong Kong Government urged the pawn industry to revive itself. With the support of government, The Hong Kong & Kowloon Pawnbrokers' Association Limited was set up in 1947. There were only 11 members at the time. Today

it has more than 161 members and coupled with non-member pawnshops, there are approximately 250 pawnshops in Hong Kong nowadays.

How the business runs The pawn shop is a financial institution that receives movable and immovable property as collateral, and lending money to them in return. Clients have to pay interest in order to redeem goods. It is a place for people to deal with financial difficulties especially those at the bottom of the heap.

Pawn shops have two main income streams — interest on loans and profit from the sale of repossessed collateral. Interest accounts for the bulk of their income. "Some customers don't redeem their stuff back then those stuff will up to ours," Cheung said, the shopkeeper of Tak Wah Pawn Shop which located in Douglas Street, Central. By law, pawn shops can charge no more than 3.

5 percent interest per month. The maximum loan amount is HK\$100,000 (US\$12,900). Take a luxury watch, for instance.

Cheung said the first thing he checks is whether it still works well. A luxury watch in good condition can only equal to 70% of the price of a new one. A pawn shop will lend about 50% -60% of the value in return, Cheung said.

Where the old-fashioned industry goes Hong Kong is one of the world's richest cities but the gap between rich and poor is widening, A quarter of the city's working population earns less than HK\$8,000 a month. This is the major force to underpin the business for the city's 250 or so pawnshops. Most of the demand is driven by workers or consumers at the lower end of the pay or

employment scale - domestic helpers account for a quarter of all customers."

Most of the domestic helpers just can't open a saving account in Hong Kong banks, let alone borrow money from them." says Mr Cheung. Another growing segment for this demand is visitors from mainland China, who face caps on the amount of cash they can bring to Hong Kong.

Besides this, the new trend for to catapult the demand comes from young generations. These years saw more customers - especially young ones - turning to pawn shops for luxury goods, they pawn their smartphones and tablets when in a cash trouble. " Once there was a customer who handed a delicate music box to me without seeing the person, then I got up from my chair to see who she was, then I found a teenager with the school uniform stood in front of me. But the people under 18 can't plead anything in Hong Kong by law. She just collected the music box and ran away after knowing the requirements.

" Cheung said. " Customers can get cash in a few minutes," Cheung added, " much easier than getting the loan from any bank in Hong Kong."