



3Q13 Review: A Solid Quarter; Maintain Buy and \$12 Price Target

BUY

Price: \$9.58
Price Target: \$12.00

Summary

CCCR reported solid 3Q13 results with net revenue increasing 35% Y/Y to \$3.51 million, well ahead of our estimate of \$2.83 million thanks to higher interest income and a reversal of loan losses. EPS of \$0.17 compared to our estimate of \$0.18. With no major changes to our model and the overall business environment, we are keeping our BUY rating and \$12 price target which is derived by applying a 1.3x multiple to our 2014E book value of \$9.38.

Key Points

- **A Solid Quarter:** Net revenue increased by 35% Y/Y to \$3.51 million, well ahead of our estimate of \$2.83 million, with net interest income and net commissions and fees from guarantee business grew 22% and 25% Y/Y, respectively. A reversal of loan losses of \$0.34 million also contributed to the increase in net revenue. EPS of \$0.17 compared to our estimate of \$0.18 mainly due to a one-time amortization expense of \$0.75 million associated with the conversion feature of Series A and B Preferred that negatively affected EPS by approximately \$0.08.
- **Expanding Direct Loan Portfolio:** As of September 30, 2013, the Company had direct loan portfolio of \$90.51 million and loan guarantee portfolio of \$69.96 million. This compared to \$81.47 million and \$85.68 million, respectively, at the end of 3Q12. The effective weighted average loan interest rate was 14.70% in 3Q13, down from 15.65% for the same period of last year. The Company added 94 new loans with average size of \$0.51 million in 3Q13.
- **Tweaking Our Model:** For 4Q13, we expect net revenue of \$3.11 million and net income attributable to common shareholders of \$1.92 million (or \$0.18 per diluted share). This compares to our previous estimates of \$2.97 million and \$1.87 million, respectively. For 2014, we expect net revenue of \$13.19 million and EPS of \$0.71.
- **No Changes to Investment Thesis:** We believe that improving access to capital and the possibility of using stock as currency for future accretive acquisitions can drive above-average top line growth for the Company in coming years. We are maintaining our BUY rating and \$12 price target.

Risks to Our Price Target: 1) unfavorable changes in laws, rules and regulations; 2) dramatic changes in industry landscape, such as consolidation, potential entry of other financial institutions; 3) a slowdown in China's and/or regional economy; and 4) continued lack of investor appetite for small- and micro-cap Chinese ADRs in general.

Key Metrics

Fiscal Year:	December
52-Week Range:	\$6.49-\$19.39
Cash (M):	\$19.6
Debt (M):	\$15.5
Net Cash/ Share:	\$0.43
Book Value/ Share:	\$8.54

Market Data

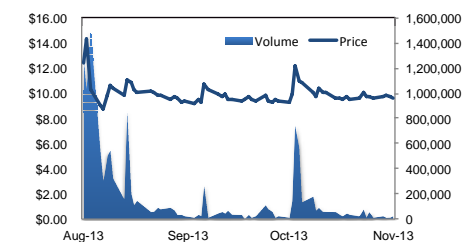
Market Cap (M):	\$99.3
Shares Out (M):	10.43
Float (M):	1.43
3-Months Avg. Vol:	179,000
Enterprise Value (M)	\$95.7

Analyst Estimates

	FY12A	FY13E	FY14E
Revenue (M)			
1Q	\$2.9	\$2.7A	\$3.2
2Q	\$3.7	\$3.1A	\$3.3
3Q	\$2.6	\$3.5A	\$3.3
4Q	\$3.4	\$3.1	\$3.4
FY (Dec)	\$12.6	\$12.4	\$13.2

	FY12A	FY13E	FY14E
EPS			
1Q	\$0.27	\$0.17A	\$0.18
2Q	\$0.37	\$0.22A	\$0.18
3Q	\$0.21	\$0.17A	\$0.18
4Q	\$0.25	\$0.18	\$0.18
FY (Dec)	\$1.04	\$0.74	\$0.71
P/E	9.2x	13.0x	13.4x

1-YEAR PRICE HISTORY



Source: Yahoo! Finance

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PLEASE SEE IMPORTANT DISCLOSURES ON PAGE(S) 8-11 OF THIS REPORT

3Q13 Review

Exhibit 1: Reported Earnings (\$ thousands, except per share data)

	3Q13			3Q12	Y/Y
	Actual	Estimated	Difference	Actual	% Change
Net interest income	\$2,712	\$2,855	-\$143	\$2,226	22%
Commission and Fees on guarantee services	\$456	\$337	\$119	\$366	25%
Net revenue	\$3,508	\$2,826	\$682	\$2,591	35%
Net income	\$2,361	\$1,775	\$586	\$1,915	23%
Net income attributable to common shareholders	\$1,609	\$1,775	-\$166	\$1,915	-16%
EPS	\$0.17	\$0.18	-\$0.01	\$0.23	-28%
Shares outstanding (M)	\$9,693	\$9,788	-\$95	\$8,286	17%

Source: Company reports; New Oriental Capital LLC estimates

A Solid Quarter

For the three months ended September 30, 2013, net interest income increased by \$0.49 million, or 22%, to \$2.71 million from \$2.23 million for the same period of last year. The increase was mainly attributable to the expansion of direct loan portfolio from \$81.5 million at the end of 3Q12 to \$90.5 million at the end of 3Q13 and partially offset by lower effective weighted average loan interest rate that decreased from 15.65% in 3Q12 to 14.70% in 3Q13. The Company added 94 new loans with average loan size of \$0.51 million in 3Q13, as compared to 110 new loans with average loan size of \$0.42 million in 3Q12.

Net commissions and fees from the loan guarantee business increased by \$0.09 million, or 25%, to \$0.46 million in 3Q13 from \$0.37 million in 3Q12 despite of decline in loan guarantee portfolio from \$85.7 million at the end of 3Q12 to \$70.0 million at the end of 3Q13.

Net revenue increased by \$0.92 million, or 35%, to \$3.51 million in 3Q13 from \$2.59 million in 3Q12 with net interest income and net commissions and fees from the guarantee business grew 22% and 25% Y/Y, respectively. A reversal of loan losses of \$0.34 million also contributed to the increase in net revenue. Net revenue of \$3.51 million compared to our estimate of \$2.83 million mainly due to higher net interest income and the above-mentioned reversal of loan losses.

Net income increased by \$0.45 million, or 23%, to \$2.36 million in 3Q13 from \$1.91 million in 3Q12 and was well ahead of our estimate of \$1.78 million mainly driven by higher net revenue. However, net income attributable to common shareholders decreased by \$0.31 million, or 16%, to \$1.61 million in 3Q13 from \$1.91 million in 3Q12 and missed our projection of \$1.78 million mainly due to a one-time amortization expense of \$0.75 million associated with the conversion feature of Series A and B Preferred.

EPS of \$0.17 compared to \$0.23 for 3Q12 and our estimate of \$0.18. The above-mentioned amortization expense associated with the conversion feature of Series A and B Preferred had a negative impact on 3Q13 EPS of approximately \$0.08.

As of September 30, 2013, the Company had cash and restricted cash of \$19.65 million and short-term bank loans of \$15.46 million. Direct loan balance totaled \$90.51 million with business loans and personal loans accounting for 59% and 41% of total, respectively. Exhibit 2 highlights the breakdown of the direct loan portfolio. Net loan receivable was \$89.13 million after adjustment for allowance for collectively assessed impairment losses of \$1.39 million at the end of the 3Q13. Loan guarantee balance decreased to \$69.96 million from \$74.87 million at the end of 2Q13 as the company continued to focus on the higher margin direct loan business. Cash flow from operations was \$1.30 million in 3Q13.

Exhibit 2: 3Q13 Direct Loan Portfolio Analysis (\$ millions)

(\$ millions)	2011	2012	1Q13	2Q13	3Q13	2011	2012	1Q13	2Q13	3Q13
Direct loans receivable	76.8	85.8	88.5	91.7	90.5	100%	100%	100%	100%	100%
minus: allowance	(0.8)	(0.9)	(1.4)	(1.7)	(1.4)					
Loan receivable, net	76.0	84.9	87.2	90.0	89.1					
Business loans	66.5	63.8	65.1	65.5	53.8	87%	74%	74%	71%	59%
Individual loans	10.3	21.9	23.4	26.2	36.7	13%	26%	26%	29%	41%
Guarantee-backed	64.4	76.2	78.4	81.3	80.4	84%	89%	89%	89%	89%
Pledge assets-backed	11.6	8.9	9.3	8.9	8.0	15%	10%	11%	10%	9%
Collateral-backed	0.8	0.8	0.9	1.6	2.1	1%	1%	1%	2%	2%
Unsecured	-	-	-	-	-	0%	0%	0%	0%	0%
Current	76.5	82.7	76.0	87.7	86.2	100%	96%	86%	96%	95%
<90 days past due	0.1	1.3	9.7	0.9	2.3	0%	2%	11%	1%	3%
>=90 days past due	0.1	1.7	2.9	3.1	2.1	0%	2%	3%	3%	2%
Pass	76.5	82.7	75.3	86.7	86.2	100%	96%	85%	95%	95%
Special mention	0.1	1.3	10.4	1.6	1.6	0%	2%	12%	2%	2%
Substandard	0.0	0.1	1.2	-	0.2	0%	0%	1%	0%	0%
Doubtful	0.1	1.6	1.7	3.4	2.6	0%	2%	2%	4%	3%
Loss	-	-	-	-	-	0%	0%	0%	0%	0%

Source: Company reports

Fine-tuning Our Model

For 4Q13, we expect net revenue to decrease by 7.8% Y/Y to \$3.11 million from \$3.37 million in 4Q12, with net interest income after provision for loan losses decreasing 8.5% Y/Y to \$2.73 million and commissions and fees on financial guarantee services declining 2.0% Y/Y to \$0.38 million. This compares to our previous estimates of \$2.97 million for net revenue, \$2.64 million for net interest income after provision for loan losses and \$0.33 million for commissions and fees on financial guarantee services.

We are projecting net income attributable to common shareholders of \$1.92 million, or \$0.18 per diluted share, in 3Q13, as compared to our previous estimate of \$1.87 million, or \$0.18 per diluted share.

For the year of 2014, we are expecting net revenue to increase by 6.6% to \$13.19 million, with net interest income after provision for loan losses increasing 11.0% to \$11.80 million and commissions and fees on financial guarantee services declining 20.4% to \$1.40 million. We are projecting net income attributable to common shareholders of \$8.17 million, or \$0.71 per diluted share in 2014.

Note our estimates are based on the assumption that the company has the ability and willingness to expand its businesses through additional capital raises in coming years. Our model assumes the Company will issue 1 million new shares in 1Q14 and another 1 million new shares in 1Q15 through secondary offerings. Market condition can cause actual results to differ significantly from our model assumptions.

Exhibit 3: Estimate Changes (\$ thousands, except per share data)

	Net revenue		Non-interest income (expense)		EPS	
	New	Previous	New	Previous	New	Previous
4Q	\$3,107	\$2,968	-\$843	-\$761	\$0.18	\$0.18
2013	\$12,379	\$11,558	-\$3,179	-\$3,067	\$0.74	\$0.75
2014	\$13,191	\$12,913	-\$3,575	-\$3,280	\$0.71	\$0.71

Source: New Oriental Capital LLC estimates

No Changes to Our Investment Thesis

With no major changes to our model and the overall business environment, we are keeping our BUY rating and \$12 price target which is derived by applying a 1.3x multiple to our 2014E book value of \$9.38. We remain confident about the Company's growth prospect. Leveraging its recent IPO which generated a lot of publicity for the Company, well established borrower base, and strong relationship with local banks, we believe CCCR can be potential consolidator and long-term winner in the increasingly competitive microcredit industry.

China Commercial Credit, Inc. (Nasdaq: CCCR)

Exhibit 4: CCCR Income Statement

INCOME STATEMENT (\$ thousands, except per share data)	MAR				JUN				SEP				DEC				2011	2012	2013E	2014E	2015E
	1Q13	2Q13	3Q13	4Q13E	1Q14E	2Q14E	3Q14E	4Q14E	1Q15E	2Q15E	3Q15E	4Q15E	1Q15E	2Q15E	3Q15E	4Q15E					
Interest and fees on loans	2,912	3,275	2,969	3,198	3,313	3,474	3,448	3,521	3,655	3,785	3,805	3,874	10,855	12,003	12,355	13,756	15,119				
Interest and fees on loans-related party	0	0	0	0	0	0	0	0	0	0	0	0	73	13	0	0	0				
Interest on deposits with banks	97	21	17	15	16	17	17	18	19	19	20	21	248	273	151	67	78				
Total interest and fee income	3,009	3,296	2,986	3,214	3,329	3,491	3,465	3,539	3,673	3,804	3,824	3,895	11,176	12,289	12,506	13,824	15,197				
% of total direct loans	3.4%	3.6%	3.3%	3.1%	3.0%	3.0%	2.9%	3.0%	2.9%	2.8%	2.8%	2.9%	14.6%	14.3%	12.1%	11.7%	11.3%				
Interest expense on short-term bank loans	-306	-317	-274	-232	-232	-232	-232	-232	-232	-232	-232	-232	-1,237	-1,298	-1,129	-928	-928				
Interest expense on short-term borrowings - related party	0	0	0	0	0	0	0	0	0	0	0	0	-347	0	0	0	0				
Net interest income	2,703	2,980	2,712	2,982	3,097	3,259	3,233	3,307	3,441	3,572	3,593	3,663	9,592	10,991	11,376	12,896	14,269				
% of total direct loans	3.1%	3.2%	3.0%	2.9%	2.8%	2.8%	2.7%	2.8%	2.7%	2.7%	2.7%	2.7%	12.5%	12.8%	11.0%	10.9%	10.6%				
Provision for loan losses	-488	-353	341	-250	-260	-270	-280	-290	-300	-310	-320	-330	-43	-85	-750	-1,100	-1,260				
Net interest income after provision for loan losses	2,215	2,627	3,053	2,732	2,837	2,989	2,953	3,017	3,141	3,262	3,273	3,333	9,549	10,906	10,626	11,796	13,009				
Commissions and fees on financial guarantee services	411	362	402	376	365	354	343	333	322	311	300	290	1,442	1,667	1,551	1,395	1,223				
Commissions and fees on financial guarantee services - related party	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0				
Under (over) provision on financial guarantee services	44	105	54	0	0	0	0	0	0	0	0	0	-138	14	202	0	0				
Commissions and fees on financial guarantee services, net	455	466	456	376	365	354	343	333	322	311	300	290	1,314	1,681	1,753	1,395	1,223				
% of total loan guarantees	0.5%	0.6%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	1.5%	1.9%	2.6%	2.3%	2.4%				
Net revenue	2,670	3,093	3,508	3,107	3,202	3,343	3,296	3,350	3,463	3,573	3,573	3,623	10,863	12,587	12,379	13,191	14,232				
YY Growth %	-9.2%	-16.0%	35.4%	-7.8%	19.9%	8.1%	-6.0%	7.8%	8.2%	6.9%	8.4%	8.1%	20.2%	15.9%	-1.6%	6.6%	7.9%				
Q/Q Growth %	-20.8%	15.8%	13.4%	-11.4%	3.0%	4.4%	-1.4%	1.6%	3.4%	3.2%	0.0%	1.4%									
Government incentive	26	0	57	0	0	0	0	0	0	0	0	0	623	188	83	0	0				
Other non-interest income	0	0	99	0	0	0	0	0	0	0	0	0	102	136	99	0	0				
Total non-interest income	26	0	157	0	0	0	0	0	0	0	0	0	726	324	183	0	0				
Salaries and employee surcharges	-198	-147	-167	-172	-177	-183	-188	-194	-199	-205	-212	-218	-839	-1,052	-684	-742	-835				
Rental expenses	-64	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-65	-249	-255	-259	-261	-261				
Business taxes and surcharges	-114	-143	-104	-92	-95	-99	-98	-99	-103	-106	-106	-107	-528	-472	-453	-391	-421				
Other operating expenses	-451	-420	-580	-514	-530	-553	-545	-554	-573	-591	-591	-599	-481	-1,112	-1,964	-2,182	-2,354				
Total non-interest expense	-827	-774	-916	-843	-867	-900	-896	-912	-940	-967	-974	-990	-2,096	-2,891	-3,361	-3,575	-3,871				
Income before provision for income taxes	1,869	2,319	2,749	2,264	2,335	2,443	2,400	2,438	2,523	2,606	2,599	2,633	9,492	10,019	9,200	9,616	10,362				
Provision for income taxes	-299	-355	-388	-340	-350	-367	-360	-366	-378	-391	-390	-395	-1,191	-1,707	-1,381	-1,442	-1,554				
Net income	1,570	1,964	2,361	1,924	1,985	2,077	2,040	2,072	2,145	2,215	2,209	2,238	8,302	8,312	7,819	8,174	8,807				
% of net revenue	58.8%	63.5%	67.3%	61.9%	62.0%	62.1%	61.9%	61.9%	61.9%	62.0%	61.8%	61.8%	76.4%	66.0%	63.2%	62.0%	61.9%				
Amortization of beneficial conversion feature of Series A Preferred	0	0	-373	0	0	0	0	0	0	0	0	0	0	0	-373	0	0				
Amortization of beneficial conversion feature of Series B Preferred	0	0	-380	0	0	0	0	0	0	0	0	0	0	0	-380	0	0				
Net income attributable to common shareholders	1,570	1,964	1,609	1,924	1,985	2,077	2,040	2,072	2,145	2,215	2,209	2,238	8,302	8,312	7,067	8,174	8,807				
Diluted EPS	0.17	0.22	0.17	0.18	0.18	0.18	0.18	0.18	0.17	0.18	0.18	0.18	1.14	1.04	0.74	0.71	0.70				
YY Growth %	-17.8%	-19.4%	-11.6%	-9.7%	2.7%	-17.8%	6.2%	-1.6%	-4.8%	-1.8%	-0.3%	-0.6%	21.9%	-8.5%	-29.3%	-3.4%	-1.9%				
Diluted shares outstanding	9,000	9,000	9,693	10,576	11,076	11,576	11,577	11,578	12,576	12,576	12,576	12,576	7,271	7,961	9,567	11,451	12,576				

Source: Company reports; New Oriental Capital LLC estimates

China Commercial Credit, Inc. (Nasdaq: CCCR)

Exhibit 5: CCCR Key Metrics

KEY METRICS (\$ thousands, except per share data)	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	MAR	JUN	SEP	DEC	2011	2012	2013E	2014E	2015E
	1Q13	2Q13	3Q13	4Q13E	1Q14E	2Q14E	3Q14E	4Q14E	1Q15E	2Q15E	3Q15E	4Q15E					
ROE	NA	9%	10%	11%	8%	8%	8%	8%	7%	7%	7%	7%	NA	53%	42%	31%	28%
ROA	NA	6%	7%	8%	6%	6%	6%	6%	6%	6%	6%	6%	NA	34%	30%	24%	22%
ROIC	NA	7%	8%	9%	7%	7%	7%	7%	7%	6%	6%	6%	NA	39%	34%	27%	25%
Total Equity	69,155	72,223	82,818	92,339	100,863	108,103	107,193	107,379	116,151	124,687	125,207	125,820	59,126	67,249	92,339	107,379	125,820
Total Assets	102,532	108,290	111,641	121,624	130,610	138,313	137,865	138,514	147,748	156,747	157,729	158,805	94,556	100,005	121,624	138,514	158,805
LT Debt	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ST Debt	20,720	21,033	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	23,590	20,607	15,462	15,462	15,462
Total Debt	20,720	21,033	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	23,590	20,607	15,462	15,462	15,462
Total Capital	89,875	93,257	98,281	107,802	116,325	123,566	122,655	122,842	131,613	140,150	140,669	141,283	82,717	87,856	107,802	122,842	141,283
Debt-to-Capital	23.1%	22.6%	15.7%	14.3%	13.3%	12.5%	12.6%	12.6%	11.7%	11.0%	11.0%	10.9%	NA	23.5%	14.3%	12.6%	10.9%
Debt-to-Equity	30.0%	29.1%	18.7%	16.7%	15.3%	14.3%	14.4%	14.4%	13.3%	12.4%	12.3%	12.3%	39.9%	30.6%	16.7%	14.4%	12.3%
Capital Expenditures	0	59	0	0	0	0	0	0	0	0	0	0	1	305	59	0	0
% of Sales	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	0.5%	0.0%	0.0%
Depreciation and Amortization	NA	29	29	26	24	21	19	18	16	15	13	12	48	66	110	82	56
Cash Flow from Operations	NA	2,323	1,298	2,092	2,160	2,260	2,231	2,271	2,352	2,431	2,434	2,471	9,025	8,296	7,514	8,921	9,688
Operating Cash Flow per share	NA	0.26	0.13	0.20	0.19	0.20	0.19	0.20	0.19	0.19	0.19	0.20	1.24	1.04	0.79	0.78	0.77
Free Cash Flow generation	NA	2,264	1,298	2,092	2,160	2,260	2,231	2,271	2,352	2,431	2,434	2,471	9,024	7,991	7,455	8,921	9,688
Free Cash Flow per share	NA	0.25	0.13	0.20	0.19	0.20	0.19	0.20	0.19	0.19	0.19	0.20	1.24	1.00	0.78	0.78	0.77
Book Value per share	7.68	8.02	8.54	8.73	9.11	9.34	9.26	9.27	9.24	9.92	9.96	10.01	8.13	8.45	9.65	9.38	10.01
Tangible Book Value share	7.68	8.02	8.54	8.73	9.11	9.34	9.26	9.27	9.24	9.92	9.96	10.01	8.13	8.45	9.65	9.38	10.01
Cash per share	1.50	1.83	2.03	1.59	1.68	1.65	1.61	1.67	1.62	1.69	1.77	1.85	2.20	1.66	1.76	1.68	1.85
Net Cash per share	-0.80	-0.51	0.43	0.13	0.29	0.32	0.28	0.33	0.39	0.46	0.54	0.62	-1.04	-0.93	0.15	0.33	0.62
TTM Revenue	12,315	11,725	12,642	12,379	12,911	13,161	12,948	13,191	13,453	13,683	13,959	14,232	0	0	0	0	0
Stock price	NA	NA	9.39	9.50	10.00	10.50	10.75	11.00	11.50	12.00	12.50	13.00	NA	NA	9.50	11.00	13.00
Diluted shares outstanding	9,000	9,000	9,693	10,576	11,076	11,576	11,577	11,578	12,576	12,576	12,576	12,576	7,271	7,961	9,567	11,451	12,576
Market equity	NA	NA	91,013	100,467	110,755	121,543	124,447	127,353	144,618	150,906	157,194	163,482	NA	NA	90,887	125,964	163,482
Total debt	20,720	21,033	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	23,590	20,607	15,462	15,462	15,462
Preferred equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash	13,508	16,481	19,648	16,865	18,645	19,140	18,662	19,279	20,402	21,289	22,234	23,272	15,993	13,184	16,865	19,279	23,272
Enterprise Value	NA	NA	86,827	99,064	107,572	117,865	121,248	123,536	139,679	145,080	150,422	155,672	NA	NA	89,484	122,148	155,672
Enterprise Value/Revenue	NA	NA	6.2x	8.0x	8.4x	8.8x	9.2x	9.2x	10.1x	10.2x	10.5x	10.7x	NA	NA	7.2x	9.3x	10.9x

Source: Company reports; New Oriental Capital LLC estimates

China Commercial Credit, Inc. (Nasdaq: CCCR)

Exhibit 6: CCCR Balance Sheet

BALANCE SHEET (\$ thousands)	MAR				JUN				SEP				DEC				2011	2012	2013E	2014E	2015E
	1Q13	2Q13	3Q13	4Q13E	1Q14E	2Q14E	3Q14E	4Q14E	1Q15E	2Q15E	3Q15E	4Q15E	1Q15E	2Q15E	3Q15E	4Q15E					
Cash	752	4,441	6,972	4,189	5,969	6,464	5,986	6,602	7,725	8,612	9,558	10,595	3,550	1,588	4,189	6,602	10,595				
Restricted cash	12,756	12,040	12,676	12,676	12,676	12,676	12,676	12,676	12,676	12,676	12,676	12,676	12,444	11,595	12,676	12,676	12,676				
Loans receivable, net	87,189	89,993	89,125	101,868	109,048	116,227	116,227	116,227	124,304	132,381	132,381	132,381	76,023	84,923	101,868	116,227	132,381				
Loan from a related party	0	0	0	0	0	0	0	0	0	0	0	0	236	0	0	0	0				
Interest receivable	1,003	702	867	917	967	1,017	1,067	1,117	1,167	1,217	1,267	1,317	667	905	917	1,117	1,317				
Tax receivable, net	0	346	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	1,013	559	0	1,013	1,013	1,013				
Total current assets	101,699	107,523	110,653	120,663	129,672	137,397	136,968	137,635	146,885	155,899	156,894	157,982	93,478	99,012	120,663	137,635	157,982				
PPE, net	278	307	280	254	230	209	189	172	156	141	128	116	50	303	254	172	116				
Other assets	555	461	707	707	707	707	707	707	707	707	707	707	1,028	690	707	707	707				
Total assets	102,532	108,290	111,641	121,624	130,610	138,313	137,865	138,514	147,748	156,747	157,729	158,805	94,556	100,005	121,624	138,514	158,805				
Short-term bank loans	20,720	21,033	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	15,462	23,590	20,607	15,462	15,462	15,462				
Deposit payable	10,243	12,634	11,324	11,824	12,324	12,824	13,324	13,824	14,324	14,824	15,324	15,824	9,113	9,428	11,824	13,824	15,824				
Unearned income from financial guarantee services	688	650	610	593	575	558	540	523	505	488	470	453	955	773	593	523	453				
Accrual for financial guarantee services	841	749	700	680	660	640	620	600	580	560	540	520	887	881	680	600	520				
Tax payable, net	69	0	0	0	0	0	0	0	0	0	0	0	0	20	0	0	0				
Other current liabilities	507	687	403	403	403	403	403	403	403	403	403	403	620	743	403	403	403				
Total current liabilities	33,068	35,753	28,499	28,961	29,424	29,886	30,349	30,811	31,274	31,736	32,199	32,662	35,166	32,452	28,961	30,811	32,662				
Deferred tax liabilities	309	314	324	324	324	324	324	324	324	324	324	324	264	304	324	324	324				
Total liabilities	33,377	36,067	28,822	29,285	29,747	30,210	30,672	31,135	31,597	32,060	32,523	32,985	35,430	32,756	29,285	31,135	32,985				
Series A preferred stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Series B preferred stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Common stock	9	9	10	10	12	12	12	12	13	13	13	13	1	9	10	12	13				
Subscription receivable	-1	-1	-1	0	0	0	0	0	0	0	0	0	0	-11	0	0	0				
Additional paid-in capital	44,202	44,250	52,782	52,782	60,222	60,222	60,222	60,222	68,592	68,592	68,592	68,592	44,063	44,247	52,782	60,222	68,592				
Statutory reserve	4,478	4,787	5,148	5,448	5,748	6,048	6,348	6,648	6,948	7,248	7,548	7,848	2,967	4,232	5,448	6,648	7,848				
Retained earnings	15,882	17,537	18,785	27,605	27,987	34,527	32,917	32,403	32,104	39,941	39,760	39,673	8,353	14,558	27,605	32,403	39,673				
Accumulated other comprehensive income	4,585	5,641	6,094	6,494	6,894	7,294	7,694	8,094	8,494	8,894	9,294	9,694	3,742	4,213	6,494	8,094	9,694				
Total shareholders' equity	69,155	72,223	82,818	92,339	100,863	108,103	107,193	107,379	116,151	124,687	125,207	125,820	59,126	67,249	92,339	107,379	125,820				
Total liabilities and stockholders' equity	102,532	108,290	111,641	121,624	130,610	138,313	137,865	138,514	147,748	156,747	157,729	158,805	94,556	100,005	121,624	138,514	158,805				

Source: Company reports; New Oriental Capital LLC estimates

China Commercial Credit, Inc. (Nasdaq: CCCR)

Exhibit 7: CCCR Statement of Cash Flows

STATEMENT OF CASH FLOWS (\$ thousands)	MAR 1Q13	JUN 2Q13	SEP 3Q13	DEC 4Q13E	MAR 1Q14E	JUN 2Q14E	SEP 3Q14E	DEC 4Q14E	MAR 1Q15E	JUN 2Q15E	SEP 3Q15E	DEC 4Q15E	2011	2012	2013E	2014E	2015E
Cash flow from operating activities:																	
Net income	1,570	1,964	2,361	1,924	1,985	2,077	2,040	2,072	2,145	2,215	2,209	2,238	8,302	8,312	7,819	8,174	8,807
Depreciation and amortization	26	29	29	26	24	21	19	18	16	15	13	12	48	66	110	82	56
Provision for loan losses	488	353	-341	250	260	270	280	290	300	310	320	330	43	85	750	1,100	1,260
(Under)Over provision on financial guarantee services	-44	-105	-54	0	0	0	0	0	0	0	0	0	138	-14	-202	0	0
Deferred tax expense	4	0	8	0	0	0	0	0	0	0	0	0	78	37	12	0	0
Interest receivable	-92	312	-157	-50	-50	-50	-50	-50	-50	-50	-50	-50	68	-233	12	-200	-200
Tax receivable, net	49	-412	-658	0	0	0	0	0	0	0	0	0	-50	584	-1,022	0	0
Other assets	138	103	195	0	0	0	0	0	0	0	0	0	-170	-420	436	0	0
Unearned income from guarantee services	-90	-48	-44	-17	-17	-17	-17	-17	-17	-17	-17	-17	220	-189	-199	-70	-70
Other current liabilities	-247	127	-41	-41	-41	-41	-41	-41	-41	-41	-41	-41	348	67	-203	-165	-165
Net cash provided by (used in) operating activities	1,802	2,323	1,298	2,092	2,160	2,260	2,231	2,271	2,352	2,431	2,434	2,471	9,025	8,296	7,514	8,921	9,688
Cash flow from investing activities:																	
Originated loans disbursement to third parties	-45,167	-93,430	-48,278	-53,000	-56,000	-50,000	-51,000	-50,000	-58,000	-50,000	-50,000	-50,000	-178,771	-211,973	-239,874	-207,000	-208,000
Loans collection from third parties	42,882	91,594	49,843	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	173,423	203,593	234,320	200,000	200,000
Originated loans disbursement to related parties	0	0	0	0	0	0	0	0	0	0	0	0	-232	0	0	0	0
Loans collection from related parties	0	0	0	0	0	0	0	0	0	0	0	0	928	238	0	0	0
Payment of loans on behalf of guarantees	0	0	-435	0	0	0	0	0	0	0	0	0	-982	0	-435	0	0
Collection from guarantees for loan paid on behalf	0	0	0	0	0	0	0	0	0	0	0	0	138	527	0	0	0
Deposit released from banks for financial guarantee services	494	4,136	818	794	771	748	724	701	678	654	631	607	4,433	5,081	6,242	2,944	2,570
Deposit paid to banks for financial guarantee services	-827	-1,010	-2,748	-2,669	-2,591	-2,512	-2,434	-2,355	-2,277	-2,198	-2,119	-2,041	-3,837	-3,652	-7,254	-9,892	-8,635
Release of security deposit on financial guarantee to related party	0	0	0	0	0	0	0	0	0	0	0	0	-122	0	0	0	0
Purchases of PPE	0	-59	0	0	0	0	0	0	0	0	0	0	-1	-305	-59	0	0
Net cash used in investing activities	-2,617	1,232	-801	-4,875	-7,820	-1,765	-2,709	-1,654	-9,599	-1,544	-1,489	-1,433	-5,023	-6,492	-7,061	-13,948	-14,065
Cash flow from financing activities:																	
Issuance of Series A Preferred stocks	0	50	0	0	0	0	0	0	0	0	0	0	0	323	50	0	0
Issuance of Series B Preferred stocks	10	60	0	0	0	0	0	0	0	0	0	0	0	310	70	0	0
Issuance of common stocks	0	0	7,730	0	8,000	0	0	0	9,000	0	0	0	0	0	7,730	8,000	9,000
Issuance cost of Series A & B Preferred stocks	-8	-5	0	0	0	0	0	0	0	0	0	0	0	-124	-13	0	0
Issuance cost of common stocks	-45	-35	0	0	-560	0	0	0	-630	0	0	0	0	-45	-80	-560	-630
Cash payment in reverse acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	-245	0	0	0
Short-term bank borrowings	0	0	4,882	0	0	0	0	0	0	0	0	0	41,449	23,813	4,882	0	0
Short-term borrowings from related parties	0	0	-10,563	0	0	0	0	0	0	0	0	0	7,610	0	-10,563	0	0
Repayment of short-term bank borrowings	0	0	0	0	0	0	0	0	0	0	0	0	-38,152	-26,928	0	0	0
Due from a related party	15	26	-41	0	0	0	0	0	0	0	0	0	-7,883	0	0	0	0
Payments of dividends	0	0	0	0	0	0	0	0	0	0	0	0	-4,365	-843	0	0	0
Net cash provided by (used in) financing activities	-28	96	2,007	0	7,440	0	0	0	8,370	0	0	0	-1,341	-3,739	2,075	7,440	8,370
Effect of exchange rate changes	7	38	27	0	0	0	0	0	0	0	0	0	229	-26	73	0	0
Net change in cash and cash equivalents	-836	3,689	2,531	-2,783	1,780	495	-478	617	1,123	887	945	1,038	2,890	-1,962	2,601	2,413	3,993
Cash and cash equivalents, beginning of period	1,588	752	4,441	6,972	4,189	5,969	6,464	5,986	6,602	7,725	8,612	9,558	659	3,550	1,588	4,189	6,602
Cash and cash equivalents, end of period	752	4,441	6,972	4,189	5,969	6,464	5,986	6,602	7,725	8,612	9,558	10,595	3,550	1,588	4,189	6,602	10,595

Source: Company reports; New Oriental Capital LLC estimates

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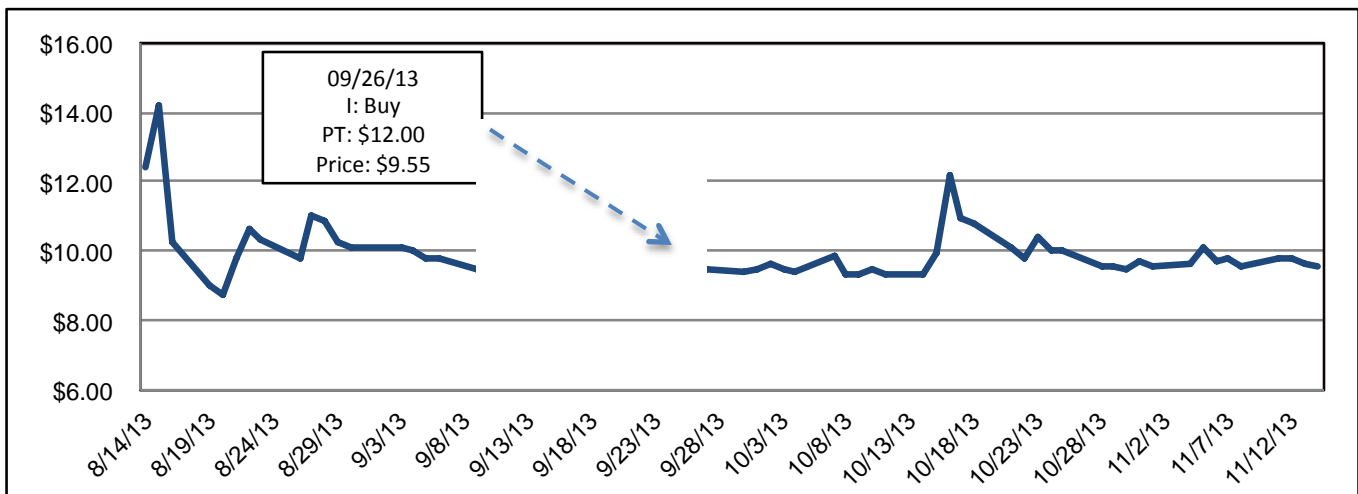
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Rating and Price Target History For: China Commercial Credit, Inc. (Nasdaq: CCCR)



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