Explanatory Notes on Main Statistical Indicators

Industry refers to the material production sector which is engaged in the extraction of natural resources and processing and reprocessing of minerals and agricultural products, including (1) extraction of natural resources, such as mining, salt production (but not including hunting and fishing); (2) processing and reprocessing of farm and sideline produces, such as rice husking, flour milling, wine making, oil pressing, silk reeling, spinning and weaving, and leather making; (3) manufacture of industrial products, such as steel making, iron smelting, chemicals manufacturing, petroleum processing, machine building, timber processing; water and gas production and electricity generation and supply; (4) repairing and renovating of industrial products such as the machinery.

State-owned and State-holding Enterprises They are classified according to the actual investment made by the contribor of state-owned part in the paid-in capital of the enterprises, or the degree of control or dominance of the contributor on the assets of the enterprises. The following cases are regarded as state-holding: (1) Absolute state-holding in which the contribors of state-owned parts possess more than 50% of all the paid-in capital (stocks) of the enterprises; (2) Relative state-holding in which the contribors of state-owned parts possess no more than 50% of the paid-in capital (stocks) of the enterprises, but more than that of any other contributors; or Agreed state-holding in which the contribors of state-owned parts possess no more than other contributors but have actual control over the enterprises according to agreements; (3) In the case both contributors possess 50% and it is not clear which one is in absolute holding position, the enterprise is regarded as state-holding enterprise if one of the contributor has state-owned elements.

Total Assets refer to all resources that are owned or controlled by enterprises through previous trades or transactions with expectation of making economic profits. Classified by the degree of liquidity, total assets include current assets and non-current assets. Current assets can be classified into monetary capital, trading financial assets, notes receivable, accounts receivable, advanced payments, other receivables and inventories. Non-current assets can be divided into long-term equity investment, fixed assets, intangible assets and other non-current assets. Data on this indicator can be obtained from the year-end figures of total assets in the Balance Sheet of accounting records.

Total Current Assets refer to the assets that meet one of the following requirements: (1) expected to be cashed, sold or used in a normal operation cycle, mainly including inventory and accounts receivable; (2) be owned for trading purpose mainly; (3) expected to be cashed in one year (including one year) from the day of the Balance Sheet; (4) unlimited cash or cash equivalents that can be exchanged with other assets or being capable of settling debts during one year since the day of the Balance Sheet. Included are monetary capital, notes receivable, accounts receivable and inventories. Data on this indicator can be obtained from the year-end figures of total current assets in the Balance Sheet of accounting records.

Total Liabilities refer to payable liabilities of enterprises that accumulated from previous trades or transactions with expectation of economic profits leaking out. In terms of payment, it can be divided into liquid liabilities and long-term liabilities. Data on this indicator can be obtained from the year-end figures of total liabilities in the Balance Sheet of accounting records.

Accounts Receivable refers to creditor's rights formed by business activities such as selling goods, providing labor, which include payment for goods that should be charged to the customer, value-added tax and advance freight for the clients. It comes from the ending balance of accounts receivable in balance sheet.

Inventories refers to finished goods or commodities held in preparation for sale in enterprises' daily activities, goods in the production process, material or the physical materials consumed in the production process or in the process of providing labor, usually include raw materials, goods in the production process, semi-finished products, finished products, goods and materials in flow. It comes from the ending balance of inventory in balance sheet.

Finished Goods refers to the products that the enterprises have completed all of the production process and accepted and put in storage, and can be sent to the ordering units in accordance with the contract stipulations, or can be on sale. It come from the debit balance of Finished Products of accounting.

Business Revenue refers to the total revenue recognized by an enterprise in its principal business and other business operations. Business revenue includes " revenue from principal Business" and " revenue from other business". It comes from this year's cumulative report of "business revenue" items from the "income statement".

Business Cost refers to the total cost incurred by an enterprise in its principal business and other business operations. It includes various expenditures incurred by enterprises (units) in their daily activities of selling goods and providing labour services during the reporting period. It includes "Cost of principal business" and "Cost of other business". It comes from this year's cumulative report of "operating cost" items from the "income statement".

Selling Expense refers to the cost during the sale of goods and materials, providing labour services, including insurance, packing, exhibition fees and advertising fees, merchandise maintenance costs, expected product quality guarantee loss, transportation fees, handling fees, and operating expenses for the sales of the company's products such as employee compensation, business expenses, depreciation costs for dedicated sales offices (including sales outlets, after-sales service outlets, etc.).

Administrative Expense refers to the expenses for the organization and management of enterprise operating, including the start-up costs during the construction of enterprises, funds occurred during enterprises operating by board of directors and executive management in the enterprise management, or burden by enterprises. It comes from this year's cumulative current amount of management cost in income statement.

Financial Expenses refers to cost of raising fund for enterprises to raise funds for production and operation, including interest payments (a reduction in interest income), exchange loss (less exchange gains) and related fees during the period of production. It comes from this year's cumulative current amount of financial expenses in income statement.

Total Profits refers to the operation results in a certain accounting period, and it is the balance of various incomes minus various spendings in the course of operation, reflecting the total profits and losses of enterprises in reference period. Data are obtained from the this year's cumulative amount of total profits in the profit statement of the accounting record of enterprise.

Annual Average Employees refers to the number of persons engaged in the enterprise production and operation activities in the reporting period, which are actually owned by the enterprise.

Ratio of Profits, Taxes and Interests to Average Assets reflects the profit-making capability of all assets of the enterprise and is a key indicator manifesting the performance and management and evaluating the profit-making potential of the enterprise. It is calculated as follows:

$$\begin{array}{c}\text{Ratio of Profits,}\\ \text{Taxes and Interests}\\ \text{to Average Assets (\%)}\end{array} = \frac{\begin{array}{c}\text{total profits} +\\ \text{total taxes} +\\ \text{interest payment}\end{array}}{\text{average assets}} \times 100\%$$

In the above formula, total taxes is the sum of tax and extra charges on the sales of products and value-added tax payable; and average assets is the arithmetic mean of the sum of beginning assets and ending assets.

Ratio of Debts to Assets reflects both the operation risk and the capability of the enterprise in making use of the capital from the creditors. It is calculated as follows:

$$\begin{array}{c}\text{Ratio of Debts}\\ \text{to Assets (\%)}\end{array} = \frac{\text{total debts}}{\text{total assets}} \times 100\%$$

Both assets and debts are figures at the end of the reference period.

Turnover of Working Capital refers to the number of times of turnover of working capital in a given period of time, which reflects the speed of the turnover of working capital of industrial enterprises, and is calculated as follows:

$$\begin{array}{c}\text{Turnover of}\\ \text{Working Capital}\end{array} = \frac{\text{sales revenue of products}}{\text{average balance of total working capital}}$$

In the above formula, average balance of total working capital refers to the arithmetic mean of the sum of working capital at the beginning and at the end of the reference period.

Ratio of Profits to Total Industrial Costs refers to the ratio of profits realized in a given period to the total costs in the same period, which reflects the economic efficiency of input cost and is calculated as follows:

$$\begin{array}{c}\text{Ratio of Profits to}\\ \text{Total Industrial Cost (\%)}\end{array} = \frac{\text{total profits}}{\text{total costs}} \times 100\%$$

Total costs in the above formula are the sum of cost of products sold, marketing cost, management cost and financial cost.