

## Explanatory Notes on Main Statistical Indicators

**Industry** refers to the material production sector which is engaged in extraction of natural resources and processing and reprocessing of minerals and agricultural products, including (1) extraction of natural resources, such as mining, salt production, logging (but not including hunting and fishing); (2) processing and reprocessing of farm and sideline produces, such as grain and oil processing, food processing, cotton ginning, silk reeling, spinning and weaving, and leather making; (3) processing and reprocessing of mineral products, such as metallurgical processing, petroleum processing, chemicals manufacturing, machine building, wood processing, Production and supply of electricity, heat, water and gas; (4) Repairing and renovating of industrial products such as the machinery and transportation equipment, etc., does not include the repair of daily necessities, motorcycles, automobiles and bicycles, which are part of the service sector.

**Light Industry** refers to the industry that produces consumer goods and hand tools. It consists of two categories, depending on the materials used: (1) Light industries using farm products as raw materials. These are branches of light industry which directly or indirectly use farm products as basic raw materials, including the manufacture of food and beverages, tobacco processing, textile, sewing, fur and leather manufacturing, paper making printing, etc.; (2) Industries using non-farm products as raw materials. These are branches of light industry which use manufactured goods as raw materials, including the manufacture of cultural, educational articles and sports goods, chemicals, synthetic fiber, chemical products for daily use, glass products for daily use, metal products for daily use, hand tools, medical apparatus and instruments, and the manufacture of cultural and clerical machinery.

**Heavy Industry** refers to the industry which produces capital goods, and provides various sectors of the national economy with necessary material and technical basis. It consists of the following three branches according to the purpose of production or the use of products: (1) Mining, quarrying and logging industry refers to the industry that extracts natural resources, including extraction of petroleum, coal, metal and non metal and logging; (2) Raw materials industry refers to the industry that provides various sectors of the national economy with raw materials, fuels and power.

It includes smelting and processing of metals, coking and coke chemistry, chemical materials, cement, plywood, and power, petroleum refining and coal dressing; (3) Processing industry refers to the industry that processes raw materials. It includes machine building industry which equips sectors of the national economy, industries of metal structure and cement products, industries producing means of agricultural production, such as chemical fertilizers and pesticides.

According to the above principle of classification, the repairing trades which are engaged primarily in repairing products of heavy industry are classified into heavy industry. Otherwise classified into light industry.

**Gross Industrial Output Value** refers to the industrial final product that industrial enterprise produces in reporting period with monetary form and the total value quantity that provides industrial labor service activity. It includes: the enterprise produces in the reporting period, and does not process in the reporting period, the value of all the industrial finished products (including semi-finished products) that have been sold and ready for sale after passing the inspection and put into storage, the income from external processing fees, and the balance value of the self-made semi-finished products in process at the end of the period. The gross industrial output value is calculated with "factory method". The industrial enterprise with legal person calculates industrial gross output value as a whole namely, it is the total value quantity of the final product that its report period produces and offer labor service.

**Paid-in Capital** The total amount of capital (or equity) actually invested by each investor in the enterprise, including money physical intangible assets and other forms of input.

**Total Assets** It refers to the resource that is owned or controlled by the enterprise and is expected to bring economic benefits to the enterprise, including the land owned by enterprises, office buildings, factories, machinery, transportation vehicles, inventory and other physical assets and financial assets such as cash deposits, receivables and prepayments. Assets are generally classified into current assets and non-current assets according to liquidity (the realization or consumption of assets). Current assets can be classified into monetary funds, trading financial assets, notes receivable, accounts receivable, prepayments, other receiv-

ables, inventories, etc. Non – current assets can be divided into long – term equity investment fixed assets intangible assets and other non – current assets .

**Total Liabilities** Refers to the past transactions or events formed by the enterprise, which are expected to lead to the out-flow of economic benefits. The current obligations of the enterprise include bank loans, loans, accounts payable, employees' wages, employees' benefits, taxes, etc. The debts and liabilities for which the enterprise is liable are generally divided into current liabilities and non – current liabilities according to the length of the repayment period.

**Creditors' Equity** refers to the past transactions or events formed by the enterprise, which are expected to lead to the out-flow of economic benefits. The current obligations of the enterprise include bank loans, loans, accounts payable, employees' wages, employees' benefits, taxes, etc. The debts and liabilities for which the enterprise is liable are generally divided into current liabilities and non – current liabilities according to the length of the repayment period.

**Working Capital ( Circulating Assets )** Assets meet one of the following conditions shall be classified as current assets: (1)

Expected to be sold or consumed during a normal operating cycle, mainly including inventory receivables, etc; (2) Held primarily for trading purposes; (3) It is expected to be realized within one year including one year from the balance sheet date; (4) Unrestricted cash or cash equivalents, including monetary funds, notes receivable, accounts receivable, inventory, etc. , within one year from the balance sheet date.

**Operating Income** refers to the inflow of economic interests formed by the production and operation activities such as selling goods, providing services and transferring the right to use assets.

**Operating Cost** refers to the actual costs incurred by enterprises in production and operation activities such as selling goods, providing services and transferring the right to use assets.

**Operating profit** refers to the profits obtained by an enterprise from its production and business operations.

**Profit Total** refers to the operating result that points to an enterprise to be in certain accountant period, it is the surplus after all sorts of income deducts all sorts of consumption in production management process, reflect the profit and loss that the enterprise realizes inside report period total.