

Explanatory Notes on Main Statistical Indicators

Total Retail Sales of Consumer Goods refer to the total prices of physical commodities sold by enterprises (entities or self-employed businesses) through transaction directly to individuals and social groups to be used for non-productive and non-operating purposes, combined with the amount of income from provision of food and beverage services. Individuals include urban and rural residents and persons entering China. Social groups include government agencies, social organizations, armies, schools, enterprises and public institutions, residents' committee or villagers' committee, and so on.

Wholesale and Retail Entities refer to entities engaged in commodity wholesale and retail activities in circulation (including legal entities, activity entities and individual entities).

Total Purchases of Commodities refer to the total value (VAT included) of purchases (including direct imports from foreign countries) of commodities by the enterprises from other entities or individuals for the purpose of re-selling, either with or without further processing of the commodities purchased. This indicator is used to show the total price of purchases of retail and wholesale commodities from domestic and overseas markets.

Total Sales of Commodities refer to value of commodities sold by the entities to other entities and individuals (including the commodities consumed by the enterprises themselves, VAT included). This indicator is used to show the total price of wholesale and retail commodities sold in domestic markets and exported.

Inventory (year-end) refers to, for legal entities and self-employed businesses in wholesale and retail trades, the value of all commodities with ownership gained (VAT included) at the end of the reference period; for industrial activity entities in wholesale and retail trades, it refers to the value of all commodities actually in storage and owned by their legal person at the end of the reference period (VAT included). This indicator shows the commodity inventory in wholesale and retail trades, and to what extent the commodities will be supplied to the market.

General Chain Store (Headquarters) means the core management organization in an enterprise, responsible for the development, deployment, control or use of resources (trade name, goodwill, operating model, service standards and management model, etc.) of the chain enterprise. Chain operation means an organization form in which several stores using unified trade name dealing in the same commodities or providing the same services through uniform purchase or franchise operation under the management of the same general store (headquarters) to achieve benefits of scale. Chain operation falls into direct-sale chain, franchised chain and voluntary chain. Direct-sale chain is a form of chain operation

that chain stores are wholly funded or controlled by chain companies, carrying out uniform operation under the direct control of headquarters; franchised chain is a form of chain operation that any enterprise (the franchiser) owning operating resources, such as trademarks, logos, patents and proprietary technologies, authorize such operating resources to any other operator (the franchisee) by contract, and the franchisee operates under uniform operating model as stated in the contract, and pays franchise fees to the franchiser; voluntary chain is a form of chain operation that several stores or enterprises combine together voluntarily to face consumers with the same brand image without changing their own asset ownership relations, and link together through joint purchase.

Chain Stores Based on the operation and management of chain enterprises, stores carrying out daily sales business by following the general store's (headquarters') instruction and required service standards are called chained stores. They include direct-sale stores (controlled stores) and franchised stores.

(1) Direct-sale Stores (Controlled Stores) refer to stores opened with funds from the headquarters of chain enterprises, using the chain operation and management model, and under the uniform management of the headquarters.

(2) Franchised Stores refer to, in franchise chains, stores established after the franchisee is authorized by the franchiser to use its trademark, trade name, operating model, patent and proprietary technologies and other operating resources. Voluntary chain members are also included.

Total Number of Stores refers to the number of all stores owned by the chain enterprises (including direct-sale stores and franchised stores). The general store (if the parent company has stores) is regarded as a direct-sale store. In addition, controlled stores are considered separately in some areas, which are regarded as direct-sale stores.

Restaurants Entities refer to entities (including legal entities, industrial activity entities and self-employed businesses) specialized in cooking and seasoning food which is sold to clients for on-site consumption at a specific site, such as various restaurants, Chinese food and Western food restaurants, pubs, teahouses, dining compartments on trains, canteens at railway stations, and restaurants at airports.

Accommodation Entities refer to entities (including legal entities, industrial activity entities and self-employed businesses) providing clients with temporary accommodation services, such as tourist hotels, guesthouses, hotels, rest houses and inns, for a fee.

Commodity Transaction Markets refer to transaction sites approved by competent authorities and organizations, with fixed places and facilities. There are operation management

departments and regulating personnel in the markets, where several operators stay over years or open for over three months, conducting transactions of on-hand commodities such as living consumables and capital goods, and offering relevant services in a concentrated, open and independent manner. Commodity transaction markets include various markets of consumer goods and capital goods markets, etc.

Consumer Confidence Index is an indicator reflecting and quantifying the consumers' evaluation on current economic situation, and their personal feeling about the economic prospects, income level, income expectation, and psychological state of consumption. It serves as a leading indicator predicting the trend of economy and tendency of consumption, and an essential basis for monitoring the changes in economic cycle.

Consumer Confidence Index consists of consumer satisfaction index and consumer expectation index, and the former one reflects consumers' evaluation on current economic life; consumer expectation index reflects consumers' expectation on the development and changes in the economic prospect in the future.

The index ranges from 0 to 200. 100 represents a critical point between strong and weak confidence. An index greater than 100 indicates the consumers' confidence is strong. An index going toward 200 from 100 shows the consumers' confidence is becoming gradually strong; in contrary, an index smaller than 100 means the consumers' confidence is weak. When the index goes toward 0 from 100, it means the consumers' confidence is weakening gradually.