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Cleanaway Company Limited

ANNUAL REPORT 2020

(若與中文版有差異以中文版為主)

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Chapter 1 Letter to Shareholders

I. 2020 Business Report

(I) Results of the implementation of the 2020 Business Plan

The combined revenue of the Company and subsidiaries of the Company in 2020 was NT\$2,680,539 thousand, a decrease of 0.96% compared with NT\$2,706,574 thousand in 2019. After deducting operating costs and operating expenses, we generated NT\$1,447,300 thousand in operating profit. Compared to 2019, operating profit increased by NT\$ 24,214 thousand, with an increase rate of 1.7%. The decrease in revenue and increase in net operating profit were mainly due to the decrease in excavation revenue.

Looking back at the business performance in the past year, Cleanaway gradually adjusted its business direction and laid out the environmental protection industry vertically. By enriching the Group's waste management methods, Cleanaway attempted to treat the wastes that are not suitable for direct landfill by a more appropriate method, in an attempt to gradually reduce the number of final landfills and maximize the output value of landfill storage volume. This effort is expected to extend the life of the two landfills in active service in Cleanaway to 15 years. In addition, the Company shall decrease the dependence on project revenue, increase the proportion of process customers' income, and reduce revenue fluctuations due to project contracting characteristics.

In response to the "Transparency in Waste Processing Prices" policy promoted by the Environmental Protection Administration, the Company has made information public on the Internet by providing a platform for querying the scope of fees charged by waste processing agencies. We also developed the Chase Environmental Platform to match reliable removal and processing agencies for corporate users in order to avoid waste processing price escalation or price reduction competition, resulting in illegal waste processing and improper disposal of wastes. Meanwhile, Chase Environmental Platform allows the government to encourage processors to enhance the proper facilities and fair prices to achieve a smoother realization.

In recent years, CHASE, a digital brand of Cleanaway, has become a gold partner of Microsoft. Taking advantage of Microsoft's cloud service, it ensures user information security, and enables the CHASE Platform to quickly obtain ISO27001 certification. In 2020, it also co-hosted several seminars "AI Starts New Manufacturing-Environmental, Safety and Health Transformation Forum Seminar", "AI x Circular Economy Detonates the Trend of Smart Transformation" in Kaohsiung and Taipei to jointly promote circular economy, and create a win-win situation for economic development and environmental protection through cloud economy.

In the latest issue of Microsoft's Corporate Social Responsibility Sustainability Report, CHASE is selected as Microsoft's solution. It makes good use of Microsoft Azure, Microsoft AI and IoT solutions to track waste history and analyze data with smart technology management, and applies it to quality analysis, risk identification of recycled products... Thus, CHASE can provide more comprehensive, transparent and safe services.

(II) Budget execution status of 2020

The Company did not prepare a financial forecast for 2020. Therefore, there is no need to disclose execution information.

(III) Analysis of financial revenue and profitability (Consolidated Financial Statements)

Item		2019	2020
Financial structure	Liability to asset ratio (%)	20.09	19.40
	Long-term capital to fixed assets ratio (%)	190.09	194.79
Solvency	Current ratio (%)	355.55	308.45
	Quick ratio (%)	350.52	305.65
Profitability	Return on assets (%)	17.02	16.56
	Return on equity (%)	21.00	20.55
	Net margin (%)	43.46	43.79
	Basic earnings per share (NT\$)	10.83	10.81

Note: Compiled in accordance with the data from the Financial Report (Consolidated)

(IV) Research and development

The Company obtained Republic of China patent certificates for the "waste debris unloading device" and "waste heat treatment device" for soil contaminated by mercury in 2017 and 2018. In addition, the Company's R&D team shall conduct research on methods for processing soil contaminated by oil. The Company obtained the parent certificates for the "soil scrubbing device" and "surface oil floatation device." In 2019, the Company obtained the invention patent for the "Volatile Organic Compound Wastewater Treatment System" developed for difficult wastewater treatment. In 2020, the Company obtained the invention patent for "Oil-contaminated soil washing system." In addition, Chase, a subsidiary of the company, also obtained two invention patents for the "Intelligent Waste Disposal Method" and the "Intelligent Waste Matching Method" in 2020. The R&D team shall continue to expand the Company's research and development in various waste disposal technologies, and research and development of the combined application of environmental protection and information technology.

In addition, the Company also initiated related research on incineration and renewable fuels in hopes of achieving development in the incineration process sector to expand the Company's diverse processing methods in waste disposal and provide customers with more comprehensive and economic waste disposal services.

(V) Environmental sustainability

Cleanaway spares no effort in sustainable operation. We have also achieved a wealth of operational results and compiled our first corporate social responsibility report. We have won the TCSA Taiwan Corporate Sustainability Report Award, Category II Service Industry Platinum Award, and become one of the companies with the most complete and transparent disclosure of ESG information in Taiwan. Our brand CHASE has been selected in the Microsoft Sustainability Report. Cleanaway also actively participates in large-scale exhibitions on circular economy topics, and responds to the "TASS 2020 Asia Sustainable Supply + Circular Economy Exhibition" in December 2020.

Industrial development has accelerated the exhaustion of the earth's resources. The promotion of circular economy, the improvement of resource utilization efficiency and the pursuit of sustainable development have become the mainstream of the international trend. Cleanaway also announced the establishment of the Sustainable Development Department in 2020, aiming at the improvement of efficiency of existing laboratories and continuous improvement of circular economy technology. We also invite diversified lecturers to share opinions on circular economy, environment and climate from different professional perspectives, such as "Recycling Industry Development Trend and Establishment of Circular Construction Certification System", "Soil and Groundwater Innovative Remediation Technology Development". Experts from all walks of life are invited to participate in the grand event and work out more practical circular economy strategies.

Circular economy is the future business trend. Excessive waste of resources and no reuse are major problems encountered at present. The flow of enterprise wastes is extremely important to enterprises. The malicious dumping of unscrupulous businesses not only affects the company's image, but also causes environmental pollution. The Environmental Protection Department also regards circular economy as one of the key policy promotion projects. It takes "source reduction

and resource recovery" as the direction to effectively recycle resources and gradually achieve the goal of waste recycling and zero waste. It also hopes that industry players can continue to adopt the system planning and design, properly collect, regenerate and recycle the waste discharged from the industrial production process, and properly make the final landfill disposal of the waste that cannot be reused.

In addition to focusing on its own business, Cleanaway has also incorporated circular economy into its future development policy, and gradually expanded the aspect of circular economy, hoping to remove the burden of linear economy on the environment in the past. We regard ourselves as an environmental protection service industry and provide overall solutions to environmental problems for various institutions. At the end of waste disposal of the industrial chain, we start with waste removal and transportation, integrate the circular economy of the waste industry, accurately divert waste and strive to finally dispose of and recycle waste generated in industrial activities, so that waste is no longer a misplaced resource, and waste that cannot be recycled and reused can be properly disposed of.

II. Overview of 2021 Business Plan

(I) Business strategies and implementation

Seen from the Taiwanese waste management market, general business wastes grow steadily year by year, while hazardous business wastes remain stable in growth. In the next year, Cleanaway will continue to hold the faith in service quality as in the past and ensure that business wastes are properly processed before the landfill through quality laboratories, with the goal of maintaining the trust of customers in Cleanaway over the years.

In terms of reinvestment business, each plant takes improving its waste treatment capacity as the goal, and invests in Cleanaway's investment income: CHUNG TAI RESOURCE's large-scale new production capacity construction has come to an end in 2020, and it is estimated that new equipment and plants will increase the contribution of reinvestment income in 2021. In the Dafa Industrial Waste Treatment Plant of Cleanaway, the first Nitrogen Seal Crushing System (SMP) in Taiwan was introduced in terms of pretreatment capacity. German technology has been adopted to improve the energy and safety of solid waste treatment, and the construction and contract design of the Phase II incineration facility is in progress. Meanwhile, the increase in incineration permits to 26,560 tons per year has passed the threshold. In addition to the commitment to include ammonia (NH₃) in the flue continuous monitoring, the maximum emission concentration of air pollution per hour is more stringent than the current regulatory standards of the first phase.

(II) Promote e-production and e-marketing strategies to enhance the growth momentum of the environmental protection industry

Cleanaway believes that only by improving the operation mode of traditional industries and introducing information technology to accelerate the efficiency of the original industrial chain can improve the service quality of the environmental protection industry. Therefore, the Company will continue to promote the e-waste operation process and promote the introduction of environmental protection industry into electronic commerce model, establish an e-based customer service tool, and use intelligent computing to match the most efficient waste decontamination pipeline, reduce customer costs, reduce the administrative costs of traditional environmental protection companies, let the waste solution be a win-win for the environment, customers and environmental protection industry. Make the industry more convenient and the price more transparent, so that all kinds of hazardous business waste can be properly handled.

In the future, our vision for the development of an environmental protection platform is to actively integrate and optimize online friendly user interfaces and offline waste services, remove the original traditional opaque trading environment, and become "environmental protection Uber" for customers, clearer, processor, even for the government.

There are more than 700 types of industrial waste codes for "technical industry specialization." Most business owners only obtain a few kinds of processing licenses. Through the matching of big data, the waste is diverted and the efficiency of proper waste disposal is improved.

(III) Layout a diversified business vision and expand waste disposal energy

In the short-term reinvestment outlook, as a leader in Taiwan's overall environmental protection solutions, Cleanaway is committed to providing customers with cost-effective one-stop waste service. In the future, the Company will focus on the potential of waste demand in Southeast Asia, prudently evaluate overseas business, and expand the Group's growth.

And we observe that Taiwan 's industrial waste still has a considerable potential market. We will complete the environmental protection industry layout and reduce secondary pollution in waste treatment by investing in more efficient waste treatment plants, allow most troublesome waste codes to be properly resolved, expand waste disposal energy, flexibly use the current stable and sufficient cash flow, actively evaluate new investment projects, make the Group stronger, lay the foundation for the Group's growth momentum, and assist Taiwan in solving the problem of decontamination of industrial waste from the source.

III. Future corporate development strategy

The landfill also bears the responsibility of sustainable operation and social enterprise. In addition to the high development cost, the landfill also bears the trust of the enterprise users to deliver to Cleanaway. The waste-accepting landfill is a permanent responsibility. With more than ten years of heavy responsibility in the landfill business, Cleanaway put aside its past strategy of pursuing landfills to achieve revenue, thinking about the way of waste with customers, even willing to sacrifice some customers, and also being friendly to Taiwan 's environment. By re-examining the customer's waste code and nature, and reviewing the past, the landfill plant received many wastes that should be reused or incinerated, whereby landfill is not the most efficient way for these waste. Therefore, the Company is more active in diversifying the scope of waste treatment and diversifying into more diversified areas to expand the growth space of the Cleanaway Group.

The revitalization of sanitary landfills is also one of the policies promoted and encouraged by the government. For example, the Metropolitan Park for the rehabilitation of sanitary landfills is a good environmental teaching material. Although the Group's current technology is only to temporarily store waste in landfills, with the recent experience of Cleanaway undertaking the sanitary landfill activation project, in the future, it will not rule out the search for a partner with better technical support and economies of scale. In addition to the rebirth of the landfill that Cleanaway has sealed, it has also re-launched the traditional landfill to gain profit momentum through a more efficient business model.

IV. Impact of corporate social responsibility and sustainable operation, external competitive environment, regulatory environment and overall operating environment

The Company's regular business operations are carried out in accordance with related domestic laws and regulations. We also pay close attention to important domestic and foreign political development trends changes in laws. We collect related information for the management as reference for decision making and adjustments of the Company's related business strategies. To date, the Company's finances and businesses have not been affected by major changes in policies and laws of domestic or foreign governments.

In the past 20 years, Cleanaway has focused on the by-products of civilized society and properly handled more than 6.5 million tons of industrial waste. In the coming 20 years, Cleanaway is determined to treat waste issues with a higher degree of social responsibility. In addition to

leading by example, the Group hopes that by taking the first step of environmental education, the Group will convey the correct concept of waste.

In particular, the development of the environmental protection industry is closely related to the public's environmental awareness. Cleanaway established an environmental education team to provide long-term business feedback, and regularly updated the fan page to invite the community to think about environmental issues together, and publish and share environmental teaching tips, by holding environmental education to inform the public about the decontamination of waste and related knowledge. Special lectures are held at the Group headquarters from time to time every month to convey real-time and correct environmental education knowledge to employees and the public through speeches. Through environmental education, Cleanaway works on contributing to the sustainable development of society and the environment and gathering more energy to protect the beautiful island of Taiwan.

Cleanaway Company Limited

Chairman Ching-Hsiang Yang

Chapter 2 Company Profile

I. Date of founding: May 4, 1999

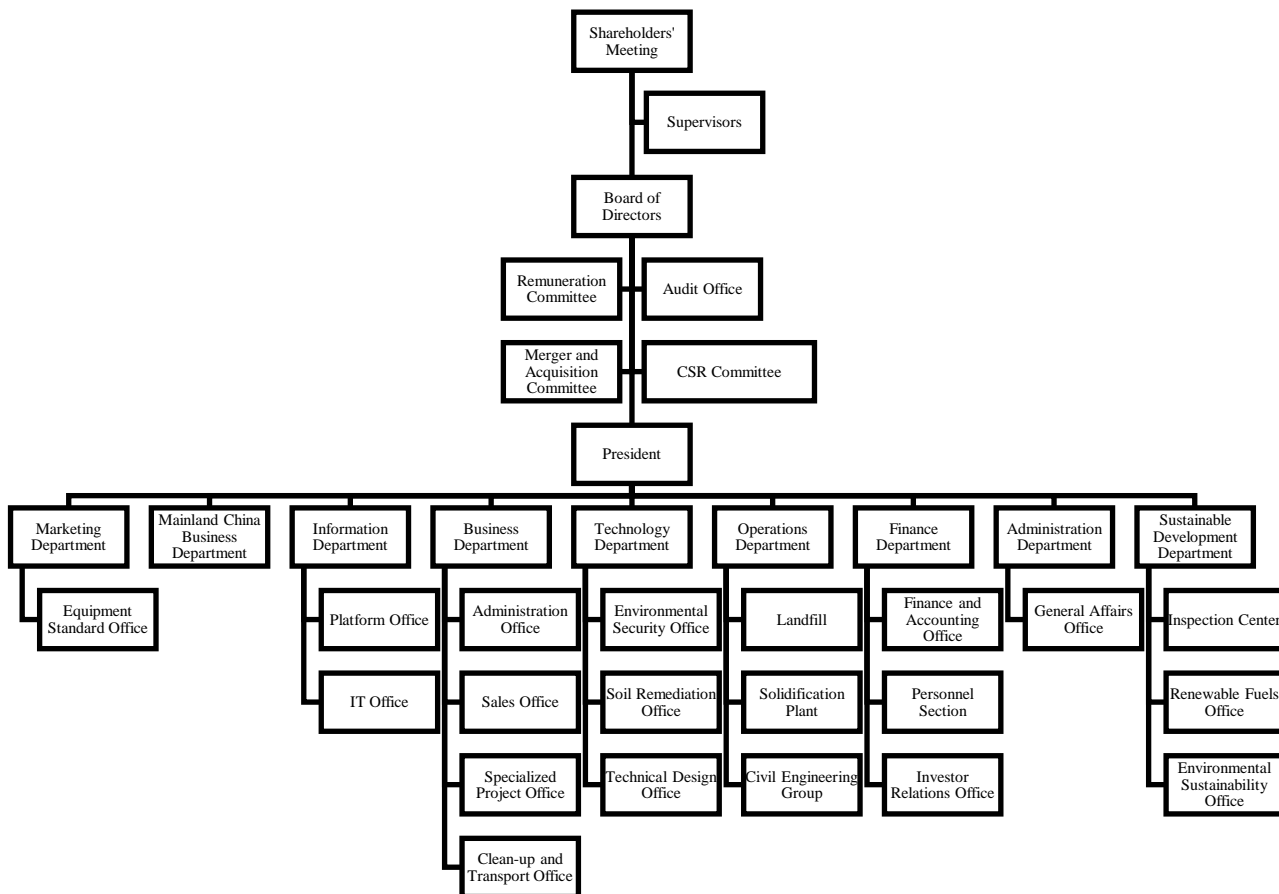
II. Company history:

1999	<ul style="list-style-type: none"> ◆ The subsidiary of Brambles Heavy Contracting Limited (Australia) and one of the Company's shareholders jointly invested and established the Company. The Company was classified as a Class A intermediate treatment solidification plant authorized by the Environmental Protection Administration to process hazardous industrial waste that contains heavy metals. The paid-up capital was NT\$ 50,000 thousand.
2000	<ul style="list-style-type: none"> ◆ Cash capital increase of NT\$ 30,000 thousand and the paid-up capital was NT\$ 80,000 thousand after the capital increase. ◆ Cash capital increase of NT\$ 20,000 thousand and the paid-up capital was NT\$ 100,000 thousand after the capital increase. ◆ Cash capital increase of NT\$ 21,000 thousand and the paid-up capital was NT\$ 121,000 thousand after the capital increase.
2001	<ul style="list-style-type: none"> ◆ Cash capital increase of NT\$ 48,000 thousand and the paid-up capital was NT\$ 169,000 thousand after the capital increase. ◆ Received ISO9001, ISO14001, and OHSAS18001 certification. ◆ Cash capital increase of NT\$ 11,000 thousand and the paid-up capital was NT\$ 180,000 thousand after the capital increase.
2003	<ul style="list-style-type: none"> ◆ Cash capital increase of NT\$ 10,000 thousand and the paid-up capital was NT\$ 190,000 thousand after the capital increase.
2009	<ul style="list-style-type: none"> ◆ Cash capital increase of NT\$ 200 thousand and the paid-up capital was NT\$ 190,200 thousand after the capital increase. ◆ Cash capital increase of NT\$ 200 thousand and the paid-up capital was NT\$ 190,400 thousand after the capital increase. ◆ Renamed the Company to Cleanaway Company Limited.
2010	<ul style="list-style-type: none"> ◆ Merged and capital increase of NT\$424,136 thousand through the issuance of new shares. The paid-up capital was NT\$ 614,536 thousand. The Company owns 100% of Kang Lien Enterprise Company Limited (Kang Lien), Da Tsang Industrial Company Limited (Da Tsang), and Cleanaway Enterprise Company Limited (Cleanaway Enterprise) to establish one-stop service for waste clearing, solidification, and landfill. ◆ Cash capital increase of NT\$ 340,000 thousand through the conversion of capital reserve and the paid-up capital was NT\$ 954,536 thousand after the capital increase. ◆ Cash capital increase of NT\$ 30,000 thousand and the paid-up capital was NT\$ 984,536 thousand after the capital increase. ◆ The Company's stocks were approved for public issuance. ◆ Stocks registered on the emerging market for sales. ◆ Invested and established Chi Wei Company Limited.
2011	<ul style="list-style-type: none"> ◆ Cash capital increase of NT\$104,344 thousand and the paid-up capital was NT\$1,088,880 thousand after the capital increase. ◆ Stocks were listed on the Taiwan Stock Exchange. ◆ Invested NT\$650,000 thousand and NT\$930,000 thousand in 100%-owned subsidiaries Chi Wei Company Limited and Da Tsang Industrial Company Limited.
2012	<ul style="list-style-type: none"> ◆ Invested and established Cleanaway Investment Company Limited with NT\$ 80,000 thousand. ◆ Subsidiary invested and established CCL Investment Holding Company Limited (Samoa). ◆ Subsidiary invested and established Cleanaway Shanghai Management Holding Company Limited (Samoa). ◆ Subsidiary invested and established Cleanaway (Shanghai) Company Limited.
2013	<ul style="list-style-type: none"> ◆ Subsidiary invested and established Cleanaway Zhejiang Holding Company Limited (Samoa). ◆ Subsidiary invested and established Cleanaway Zoucheng Holding Company Limited (Samoa).
2014	<ul style="list-style-type: none"> ◆ Subsidiary invested and established Cleanaway Zoucheng Co., Ltd. ◆ Subsidiary invested and established Da Ning Co., Ltd.
2015	<ul style="list-style-type: none"> ◆ The green wall of Chi Wei Landfill in Gangshan is the world's largest vertical garden and is listed in the Guinness World Records. ◆ Invested RMB 6,000 thousand in 100%-owned subsidiary CCL Investment Holding Company Limited (Samoa). ◆ Invested RMB 3,000 thousand in 100%-owned subsidiary Cleanaway Zhejiang Holding Company Limited (Samoa).
2016	<ul style="list-style-type: none"> ◆ Invested US\$ 500 thousand in 100%-owned CCL Investment Holding Company Limited (Samoa). ◆ The headquarter of the Group was inaugurated in Gangshan District, Kaohsiung, the characteristic green building won two awards in the Commercial Building division and the Open Space Vertical Planting division of "The 6th Kaohsiung LOHAS Building Kaohsiung Green Building Awards".
2017	<ul style="list-style-type: none"> ◆ Invested US\$ 500 thousand in 100%-owned CCL Investment Holding Company Limited (Samoa).
2018	<ul style="list-style-type: none"> ◆ Invested US\$ 500 thousand in 100%-owned CCL Investment Holding Company Limited (Samoa). ◆ Invested NT\$ 650,000 thousand in Cleanaway SUEZ Environmental Resources Limited. ◆ Invested NT\$ 15,000 thousand in Chase Environmental Co., Ltd.
2019	<ul style="list-style-type: none"> ◆ Invested NT\$ 55,000 thousand in Cleanaway Energy Co., Ltd. ◆ Invested NT\$ 374,400 thousand in Chung Tai Resource Technology Corp. ◆ Cleanaway Group has won the Special Reward of Kaohsiung Photovoltaic Intelligent Building Certificate.
2020	<ul style="list-style-type: none"> ◆ Corporate Social Responsibility Report won the TCSA Taiwan Corporate Sustainability Report Award, Category II Service Industry Platinum Award. ◆ Obtained ISO45001 Certification, CHASE obtained ISO27001 Certification.

Chapter 3 Corporate Governance Report

I. Organization

(I) Organization structure



(II) Responsibilities and functions of major departments

Major Department	Functions
Marketing Department	Collection and analysis of waste market information Collection and analysis of investment and bidding information related to waste industry
Mainland China Business Department	Plan and execute operations in China.
Information Department	Computer network and application system development and maintenance, computer hardware, peripheral equipment, information file maintenance and management, and planning and execution of system security.
Business Department	Plan and execution the Company's business development strategies. Provide complete customer service and plan marketing strategies. Maintenance of customer relationships.
Technology Department	Introduce developments of core technologies into the production process. Application and management of intellectual property rights and patents. Safety related tests and management of related certifications for safety specifications.
Operations Department	Production plan schedules and lead time management. Plant equipment, machinery security, and tools management. Improve and enhance production technology and production efficiency. Adjust and negotiate procurement quantity, price, and delivery time based on the procurement strategy. Supplier management and collection and custody of various raw materials.
Finance Department	The Company's overall financial plans, fund allocation, and investment risk management. Planning and formulation of the Company's finance system and operating procedures. Accounting, taxation, shareholder service management and operations, decision-making support analyses and reports. Organizational development/human resources: Personnel management, planning, and implementation of salaries and benefits, manpower planning, and the establishment and implementation of a talent cultivation system. Communication on the capital market and maintenance of investor relations.
Administration Department	The Company's internal support system and operations including: Review and file management of the Company's contracts and document, processing litigation and non-litigation cases, and the maintenance and planning of general affairs. Supplier management and execution of procurement and contracts.
Sustainable Development Department	Obtain and maintain domestic and foreign laboratory certification, waste and product testing related business management. Establish quality systems and advance quality management plans. Renewable fuels product planning, record establishment, product application and decontamination channel evaluation. Environmental education promotion, corporate social responsibility and stakeholder information feedback. Public opinion collection and control.
Audit Office	Business activities, routine audits of operating procedures, implementation and improvement of internal control systems, and provisions of related analyses and reports to the management.

II. Information on Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branches

(I) Directors and Supervisors

1. Information on Directors and Supervisors

As of March 31, 2021

Title	Nationality or place of registration	Name	Gender	Date elected (appointed)	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and minor children		Shares held in the name of other persons		Primary work or academic experiences	Titles also held at the Company and other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Chairman	R.O.C.	Ching-Hsiang Yang (Note 1)	Male	July 1, 2019	3	April 22, 1999	12,112,350	11.12%	12,112,350	11.12%	37	0.00%	-	-	Studied in the Department of Business Administration, Dayeh University	Chairman of Da Ning Co., Ltd. Director of CCL Investment Holding Company Limited, Cleanaway Shanghai Management Holding Company Limited, Cleanaway Zoucheng Holding Company Limited and Cleanaway Zhejiang Holding Company Limited	President	Yung-Fa Yang	Immediate family
Director	R.O.C.	Kang Lan Enterprise Co., Ltd.	-	July 1, 2019	3	March 22, 2002	5,526,223	5.08%	5,526,223	5.08%	-	-	-	-	-	Director and Supervisor of Kao Lien Cleanaway Company Ltd. and Xiong Wei Co., Ltd.	-	-	-
		Representative: Cheng-Lun Tao	Male	July 1, 2019	3	April 22, 1999	80,000	0.07%	-	-	-	-	-	-	Department of Business Administration, Tamsui Oxford University College EMBA, National Sun Yat-sen University	Chairman of Kang Lien Enterprise Company Limited, Da Tsang Industrial Company Limited, Cleanaway Zoucheng Co., Ltd., Cleanaway (Shanghai) Company Limited Director of Cleanaway Investment Company Limited, Da Ning Co. Ltd.,	-	-	-

																Cleanaway Zoucheng Holding Company Limited, Chin Wei Environmental Consultant			
	British Virgin Islands	Jocris Ltd. (BVI)	-	July 1, 2019	3	August 10, 2010	5,832,522	5.36%	5,832,522	5.36%	-	-	-	-	-	None	-	-	-
Director	Singapore	Representative: Chong-Meng Lai	Male	July 1, 2019	3	June 29, 2007	-	-	-	-	-	-	4,572,789	4.20%	UCLA MBA President, Asia, Brambles Heavy Contracting Limited (Australia)	Director of Kang Lien Enterprise Company Limited, Da Tsang Industrial Company Limited, Cleanaway Enterprise Company Limited, Chi Wei Company Limited, Cleanaway Investment Company Limited, Da Ning Co. Ltd., Cleanaway (Shanghai) Company Limited	-	-	-
Director	R.O.C.	Kun-Yu Chang	Male	July 1, 2019	3	January 19, 2011	150,000	0.14%	150,000	0.14%	-	-	-	-	Department of Finance, Fortune Institute of Technology	-	-	-	-
Independent Director	R.O.C.	Wen-Tsai Yang	Male	July 1, 2019	3	January 19, 2011	-	-	-	-	23,000	0.02%	-	-	Master from the Graduate Institute of Finance, Chaoyang Yunlin University of Technology Deputy Director, National Treasury Administration, Ministry of Finance Director, National Taxation Bureau of Kaohsiung City, Ministry of Finance	Director, Kaohsiung Red Cross Nursery Center Independent Director, Southeast Cement Corporation	-	-	-

Title	Nationality or place of registration	Name	Gender	Date elected (appointed)	Term	Date first elected	Shares held when elected		Shares currently held		Shares held by spouse and minor children		Shares held in the name of other persons		Primary work or academic experiences	Titles also held at the Company and other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Independent Director	R.O.C.	Kuo-Shuh Fan	Male	July 1, 2019	3	July 1, 2019	11,000	0.01%	11,000	0.01%	-	-	-	-	PhD in Environmental Engineering, Ohio State University Vice President, National Kaohsiung University of Science and Technology Convener, Man-made Disaster Division, National Disaster Prevention and Technology Center For Disaster Reduction CEO of General Waste Recycling and Disposal Fund	President of CEITA Adjunct Chair Professor, Department of Environmental, Safety and Sanitation Engineering, National Kaohsiung First University of Science and Technology	-	-	-
Independent Director	R.O.C.	Juu-En Chang	Male	July 1, 2019	3	July 1, 2019	-	-	-	-	-	-	-	-	PhD in Civil Engineering, Tohoku University, Japan Minister of Environmental Protection Administration	Professor, Department of Environmental Engineering, National Cheng Kung University Independent Director of Green River Holding Co. Ltd.	-	-	-
Supervisors	R.O.C.	Rong-Hsien Hou (Note 4)	Male	July 1, 2019	3	January 19, 2011	6,000	0.01%	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	-	-	-
Supervisors	R.O.C.	Cheng-Han Hsu	Male	July 1, 2019	3	January 19, 2011	-	-	-	-	-	-	-	-	Executive Management Course, EMBA, I-Shou University	Chairman, Fu-Kuo Development Co., Ltd. Director of Baiham Enterprise Co., Ltd., MuNi Kang Co., Ltd., Chan Lien Co., Ltd.	-	-	-
Supervisors	R.O.C.	Kang Xin Investment, Ltd.	-	July 1, 2019	3	January 19, 2011	1,000,000	0.92%	1,000,000	0.92%	-	-	-	-	-	-	-	-	-
		Representative: Chin-Hui Ling	Female	July 1, 2019	3	January 19, 2011	-	-	-	-	50,000	0.05%	-	-	Distribution Management Department, Nanying Vocational High School	Chairman, Kang Hsin Investment, Ltd.	-	-	-

Note 1: Ching-Hsiang Yang's first term as a Director began on April 22, 1999. He has served as the Chairman since March 19, 2009.

Note 2: The data on the shareholding ratio as of March 29, 2021 (book closure date) is calculated and rounded to the second decimal.

Note 3: Based on an assessment of Independent Director Mr. Yang Wen-Tsai's participation in the Board of Directors in the past three terms, we believe that he will retain his independence and fair judgment. Considering his abundant experience in financial and related industries, the Company will leverage his experience and insights for guiding the Company's future.

Note 4: Supervisor Hou Rong-Hsien left the factory on November 4, 2020.

Note 5: The Chairman and the President of the Company are first-degree of kinship. In response to the Company's operational innovation concepts and prospects, the Board of directors passed that the position of President of the company was assumed by Yung-Fa, Yang on November 9, 2018 to his President's expertise in brand management and marketing and lead the Group towards innovative operations. The Company adopts the supervisor system. In addition to the three professional supervisors, there are three independent directors to strengthen the independence of the Board of Directors and implement corporate governance. The Current three independent directors are financial and company-related environmental protection professionals and can effectively strengthen and exert their supervisory functions, and none of the current board members are concurrently serving as managers or employees of the Company.

2. Major shareholders of corporate shareholders

As of March 31, 2021

Name of corporate shareholder	Major shareholders of corporate shareholders
Kang Lien Enterprise Co., Ltd.	Ching-Hsiang Yang (61.71%), Pi-Lien Yang Li (19.90%), Shu-Fen Yang (15.66%), Wei Ho Industry Co., Ltd. (2.14%), Kuo-Fu Wang (0.59%)
Jocris Ltd. (BVI)	Chong-Meng Lai (100.00%)
Kang Xin Investment, Ltd.	Chin-Hui Ling (100.00%)

Name of corporate shareholder	Major shareholders of corporate shareholders
Wei Ho Industry Co., Ltd.	Hsiu-Han Yang (99.99%), Yu-Ching Yang (0.01%)

3. Professional qualifications and independence of the Directors and Supervisors

Name	Qualifications	Has more than five years of work experience and the following professional qualifications Serve in lecturer roles or above in public or private college institutions in one of the following departments: business administration, law, finance, accounting, or another discipline relevant to the company's operations	Currently serving as a judge, prosecutor, lawyer, accountant, or other professional practice or technician that must undergo national examinations and specialized license.	Commercial, legal, financial, accounting or other work experiences required to perform the assigned duties	Meets the independence criteria (Note 1)												Number of other public companies the person serves as an independent director
					1	2	3	4	5	6	7	8	9	10	11	12	
Yang Ching-Hsiang			✓	✓					✓	✓		✓	✓	✓	✓	✓	0
Kang Lan Enterprise Co., Ltd. Cheng-Lun Tao																	0
Jocris Ltd. (BVI) Chong-Meng Lai																	0
Kun-Yu Chang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Wen-Tsai Yang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Juu-En Chang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Kuo-Shuh Fan	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Rong-Hsien Hou (Note 2)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Cheng-Han Hsu			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Kang Xin Investment, Ltd. Chin-Hui Ling																	0

Note 1: For any director or supervisor who fulfills the relevant condition(s) for two fiscal years before being elected to the office or during the term of office, please provide the ✓ sign in the field next to the corresponding conditions.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (This restriction does not apply to independent directors in the Company or its parent company or subsidiaries, which have been appointed in accordance with local laws or laws of the registered country).
- (3) Not natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in (2) or (3).
- (5) Not a director, supervisor, or employee of an corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among top five in shareholdings, or that designates its representatives to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (6) Not a director, supervisor, or employee of that other company that controls a majority of the Company's director seats or

voting shares and those of any other company. (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).

- (7) Not a director (or governor), supervisor, or employee of that other company or institution serve as the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution or a spouse thereof (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not a spouse or a relative within the second degree of kinship with any director.
- (11) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.
- (12) Where the person is not elected in the capacity of the government, a juristic person, or a representative thereof as provided in Article 27 of the Company Act.

Note 2: Supervisor Hou Rong-Hsien left the factory on November 4, 2020.

(II) Information on Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branches

As of March 31, 2021

Title	Nationality	Name	Gender	Date of appointment	Number of shares held		Shares held by spouse and minor children		Shares held in the name of other persons		Primary work or academic experiences	Positions currently held in other companies	Managers who have spousal or second-degree family relationships within the Company		
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship
President	R.O.C.	Yung-Fa Yang (Note 3)	Male	107.11.09	-	-	-	-	1,482,000	1.36%	Master in Brand Management, European Business School London Doctoral Program of Graduate Institute of Environmental Engineering, National Taiwan University	Chairman of Cleanaway Energy, Chase Environmental Co., Ltd., George Yang Co., Ltd. Director of Cleanaway SUEZ Environmental Resources Limited, Chung Tai Resource Technology Corp., Wei Ho Industry, Hao Ta Industry, Cleanaway Zoucheng President of Da Tsang, Cleanaway Enterprise, Chi Wei, Kang Lien, Da Ning, Cleanaway Investment and Cleanaway Energy	-	-	-
Vice President - Marketing & Sales	R.O.C.	Jen-Cheng Tsai	Male	89.01.01	30,000	0.03%	-	-	-	-	Department of Tourism, Shih-Hsin University Sales Manager, Brambles Heavy Contracting Limited (Australia)	Vice President of Marketing & Sales of Da Tsang, Cleanaway Enterprise, Kang Lien, Chi Wei, Da Ning Director of Cleanaway SUEZ Environmental Resources Limited	-	-	-
Vice President - Administration Sustainability Governance	R.O.C.	Chi-Nan Chen	Male	89.07.01	-	-	-	-	-	-	Department of Industrial Engineering, Tunghai University Seton Hall University EMBA Assistant Manager, Fornet Enterprise Co., Ltd.	Executive Vice President of Da Tsang, Cleanaway Enterprise, Kang Lien, Chi Wei, Da Ning, Cleanaway Investment	-	-	-
Vice President - Operations	R.O.C.	Yu-Tsung Tai	Male	88.10.04	17,000	0.02%	-	-	-	-	Master of Environmental Engineering, Tamkang University Operation Manager, Fan Tai Environmental Protection Engineering Co., Ltd.	Vice President - Operations of Da Tsang, Cleanaway Enterprise, Kang Lien, Chi Wei, Da Ning Director of Da Tsang, Cleanaway Enterprise, Kang Lien, Chi Wei, Kao Lien Cleanaway Company Ltd., and Xiong Wei Co., Ltd.	-	-	-
Vice President - Technology	R.O.C.	Lwon-Kuo Sung	Male	91.11.01	-	-	-	-	-	-	PhD in Environmental Engineering, University of Central Florida Manager, Lien Mei Consultancy Co., Ltd.	Vice President-Technology of Da Tsang, Cleanaway Enterprise, Kang Lien, Chi Wei, and Da Ning	-	-	-
Chief Financial Officer	R.O.C.	Tsung-Tien Chen	Male	97.05.21	30,000	0.03%	-	-	-	-	Department of Public Finance, National Chengchi University Spokesperson, Chien Tai Cement Co., Ltd.	Chief Financial Officer of Da Tsang, Cleanaway Enterprise, Kang Lien, Chi Wei, Da Ning, Cleanaway Investment Director of Cleanaway (Shanghai) Company Limited, Cleanaway Zoucheng Holding, Cleanaway Zoucheng Supervisor of Cleanaway SUEZ, Chung Tai Resource Technology Corp., Cleanaway Energy	-	-	-
Chief Auditor	R.O.C.	Mei-Chih Kao	Female	100.02.14	-	-	-	-	-	-	Department of Agribusiness Management, National Pingtung University of Technology Auditor of First Copper Technology Co., Ltd. Finance Section Chief of Shin Tai Industry Co., Ltd.	Chief Auditor of Da Tsang, Cleanaway Enterprise, Kang Lien, Chi Wei, Da Ning, Cleanaway Investment and Cleanaway Energy	-	-	-
Accounting Supervisor	R.O.C.	Ping-Cheng Hung	Male	108.08.09	-	-	-	-	-	-	Master of Financial Management, National Kaohsiung University of Science and Technology	Chief Accountant of Da Tsang, Cleanaway Enterprise, Kang Lien, Chi Wei, Da Ning, Cleanaway Investment, Cleanaway Energy Supervisor of Chase Environmental Co., Ltd.	-	-	-

Note 1: The data on the number of shares held is accurate as of March 29, 2021 (book closure date).

Note 2: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

Note 3: The Chairman and the President of the Company are first-degree of kinship. In response to the Company's operational innovation concepts and prospects, the Board of directors passed that the position of President of the company was assumed by Yung-Fa, Yang on November 9, 2018 to his President's expertise in brand management and marketing and lead the Group towards innovative operations. The Company adopts the supervisor system. In addition to the two professional supervisors, there are three independent directors to strengthen the independence of the Board of Directors and implement corporate governance. The Current three independent directors are financial and company-related environmental protection professionals and can effectively strengthen and exert their supervisory functions, and none of the current board members are concurrently serving as managers or employees of the Company.

(III) Remuneration of Directors, Supervisors, President, and Vice Presidents

1. Remuneration to Directors, Supervisors, President, and Vice Presidents Paid in the Most Recent Year (2020)

(1) Remuneration of Directors (including Independent Directors)

Units: in NTS1,000

Title	Name	Remuneration of Directors								Remuneration paid to concurrent employees								A-G Total		Total A, B, C, D, E, F, Gas % of EAIT (Note 10)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 11)					
		Base Compensation (A) (Note 2)		Severance pay and pension (B)		Directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)		Total A, B, C, D as % of EAIT (Note 10)		Salary, Bonus, and Allowance (E) (Note 5)		Severance pay and pension (F)		Employee Compensation (G) (Note 6)											
		The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	Cash amount	Stock amount	Cash amount	Stock amount		The Company	All companies in the Financial Report (Note 7)	The Company	All companies in the Financial Report (Note 7)	
Chairman	Yang Ching-Hsiang																										
Director	Jocris Ltd. (BVI) Representative: Lai Chong-Meng																										
Director	Chang Kun-Yu																										
Independent Director	Yang Wen-Tsai	0	0	0	0	5,600	5,600	240	240	0.50%	0.50%	0	0	0	0	0	0	0	0	0	0	5,840	5,840	0.50%	0.50%	None	
Independent Director	Chang Juu-En																										
Independent Director	Fan Kuo-Shuh																										
Director	Kang Lan Enterprise Company Limited	0	0	0	0	26,800	26,800	0	0	2.28%	2.28%	0	0	0	0	0	0	0	0	0	0	26,800	26,800	2.28%	2.28%		
	Representative Tao Cheng-Lun	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Total	0	0	0	0	32,400	32,400	240	240	2.77%	2.77%	0	0	0	0	0	0	0	0	0	0	32,640	32,640	2.77%	2.77%		

Except as disclosed above, remuneration received by directors in the latest year for on-balance sheet services (e.g. acting as a non-employee consultant) rendered to the Company: Jocris Ltd. (BVI) collected technology consulting fees of NTS10 million in 2020, Chin Wei Environmental Consultant Co., Ltd. (Tao Cheng-Lun as Representative) collected technology consulting fees of NTS30 million in 2020.

Director remuneration range table

Remuneration range for each Director (representative of Institutional Director) of the Company	Name of Director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in consolidated statements (Note 9) H	The Company (Note 8)	All companies included into the financial statement (Note 9) I
Less than NT\$1,000,000	Yang Ching-Hsiang, Lai Chong-Meng, Tao Cheng-Lun	Yang Ching-Hsiang, Lai Chong-Meng, Tao Cheng-Lun	Yang Ching-Hsiang, Lai Chong-Meng, Tao Cheng-Lun	Yang Ching-Hsiang, Lai Chong-Meng, Tao Cheng-Lun
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Chang Kun-Yu, Yang Wen-Tsai, Chang Juu-En, Fan Kuo-Shuh	Chang Kun-Yu, Yang Wen-Tsai, Chang Juu-En, Fan Kuo-Shuh	Chang Kun-Yu, Yang Wen-Tsai, Chang Juu-En, Fan Kuo-Shuh	Chang Kun-Yu, Yang Wen-Tsai, Chang Juu-En, Fan Kuo-Shuh
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	Kang Lan Enterprise Co., Ltd.	Kang Lan Enterprise Co., Ltd.	Kang Lan Enterprise Co., Ltd.	Kang Lan Enterprise Co., Ltd.
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000				
Total	8 persons	8 persons	8 persons	8 persons

Note 1: Directors' names shall be identified one by one (corporate shareholders shall be identified by the corporate shareholder's name and representative individually), and shall list the general directors and independent directors separately and disclose the amount of various payments in summary. Directors who also serve as General Manager or Vice President shall be listed in the table and the table below (3).

Note 2: Remunerations to the directors in 2020 include director's salary, directors' allowances, severance pay, various bonuses, incentive payments, etc.

Note 3: The remuneration to directors approved by the Board of Directors in 2020.

Note 4: Business expenses paid out to Directors in 2020 (including transportation, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services) If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the company, excluding remuneration, in a separate note.

Note 5: Remuneration for directors concurrently holding positions in the company in 2020 (for positions that include the President, Vice Presidents, other managerial officers, or employees) shall include salaries, job remuneration, pension, severance, bonuses, rewards, transportation fees, special expenses, various subsidies, accommodation, vehicles, and other of physical items, etc. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the company, excluding remuneration, in a separate note. Any salary listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall also be included in remuneration.

Note 6: For directors concurrently holding positions in the company in 2020 (including the President, Vice Presidents, other managerial officers, or employees) and receiving the remuneration (including stock and cash), the employee remuneration paid in the most recent year upon the approval of the Board of Directors shall be disclosed. If such remuneration cannot be estimated, the remuneration to be distributed in the most recent year shall be based on the proportion of the remuneration distributed last year and filled in Table (4).

Note 7: The total remuneration paid to the Company's directors by all the companies (including this Company) listed in consolidated statements shall be disclosed.

Note 8: The name of each director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the Director by the Company.

Note 9: The total amount of all the remuneration paid to each Director of the company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each Director shall be disclosed in the remuneration range.

Note 10: Net profit after tax means the net profit after tax in the individual financial statement in 2020.

Note 11: a. This field shall clearly indicate whether the Director of the Company receives remuneration from investees other than subsidiaries of the Company or the parent company and the amount.

b. If Directors of the Company received remuneration from investees other than subsidiaries of the Company or the parent company, the remuneration received by Directors of the Company from investees other than subsidiaries of the Company

or the parent company may be voluntarily included in I column of the Remuneration Range Table and the name of the field shall be changed to "Parent Company and All Reinvestment Enterprises."

- c. Compensations refers to rewards, remunerations (including remuneration for company employees, directors or supervisors) and allowances from professional practice received by the Director from other non-subsidary companies invested by the Company or the parent company for their services as directors, supervisors, or managers.

Note 12: The Company's earnings distribution for remuneration of Directors and transportation allowance for meetings of the Board of Directors shall be collected by the institutional shareholder if the Director is an institutional director.

Note 13: The remuneration of Directors and Supervisors in this year was approved by the Board of Directors on February 26, 2021.

*A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

(2) Remuneration paid to Supervisors in the most recent year (2020):

Units: in NT\$1,000

Title	Name	Remuneration for Supervisors						Proportion of NIAT after summing items A, B, and C (Note 8)		Remuneration from other non-subsidary companies or the parent company (Note 9)
		Base Compensation (A) (Note 2)		Bonus to Supervisors (B) (Note 3)		Business Execution Expenses (C) (Note 4)		The Company	All companies in the Financial Report (Note 5)	
		The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)	The Company	All companies in the Financial Report (Note 5)			
Supervisors	Hou Rong-Hsien (Note 12)									
Supervisors	Cheng-Han Hsu	0	0	1,600	1,600	150	150	0.15%	0.15%	None
Supervisors	Kang Xin Investment, Ltd. representative: Chin-Hui Ling									

Supervisor Remuneration Range Table

Range of remuneration paid to the Supervisors (representatives of institutional supervisors) of the Company	Names of Supervisor	
	Total of (A+B+C)	
	The Company (Note 6)	All companies in consolidated statements (Note 7) D
Less than NT\$1,000,000	Rong -Hsien Hou, Cheng-Han Hsu, Chin-Hui Ling, Kang Xin Investment, Ltd.	Rong -Hsien Hou, Cheng-Han Hsu, Chin-Hui Ling, Kang Xin Investment, Ltd.
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000		
Total	4 persons	4 persons

Note 1: The names of Supervisors shall be listed separately (names of institutional shareholders and representatives shall be listed separately), and the payment amounts shall be disclosed collectively.

Note 2: Remunerations to the supervisors in 2020 include supervisor's salary, supervisors' allowances, severance pay, various bonuses, incentive payments, etc.

Note 3: The remuneration to supervisors approved by the Board of Directors in 2020.

Note 4: Business expenses paid out to supervisors in 2020 (including transportation, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services) If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the company, excluding remuneration, in a separate note.

Note 5: Total remuneration in various items paid out to the Company's Supervisors by all companies (including this Company) listed in the consolidated statements shall be disclosed.

Note 6: The name of each Supervisor shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the supervisors by the Company.

Note 7: The names of Supervisors paid by all companies in the consolidated statements (including the Company) shall be disclosed in their respective remuneration range.

Note 8: Net profit after tax means the net profit after tax in the individual financial statement in 2020.

Note 9: a. This field shall clearly indicate whether the Supervisor of the Company receives remuneration from investees other than subsidiaries of the Company or the parent company and the amount.

b. If Supervisors of the Company received remuneration from investees other than subsidiaries of the Company or the parent company, the remuneration received by Directors of the Company from investees other than subsidiaries of the Company or the parent company may be voluntarily included in D column of the Remuneration Range Table and the name of the field shall be changed to "Parent Company and All Reinvestment Enterprises."

c. Compensations refers to rewards, remunerations (including remuneration for company employees, directors or supervisors) and allowances from professional practice received by the Supervisors from other non-subsidary companies invested by the Company or the parent company for their services as directors, supervisors, or managers.

Note 10: The Company's earnings distribution for the remuneration of Supervisors and transportation allowance for meetings of the Board of Directors shall be collected by the institutional shareholder if the Supervisor is an institutional supervisor.

Note 11: The remuneration of Directors and Supervisors in this year was approved by the Board of Directors on February 26, 2021.

Note 12: Supervisor Hou Rong -Hsien left the factory on November 4, 2020.

*A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

(3) Remunerations to President and Vice Presidents in the most recent year (2020)

Units: in NT\$1,000

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Bonus and special expense (C) (Note 3)		Employee Compensation (D) (Note 4)				The ratio of the total amount of four items A, B, C and D to the net profit after tax (%) (Note 8)		Remuneration from other non- subsidiary companies (Note 9)
		The Company	All Companies in Consolidated Financial Statements (Note 5)	The Company	All Companies in Consolidated Financial Statements (Note 5)	The Company	All Companies in Consolidated Financial Statements (Note 5)	The Company		All Companies in Consolidated Financial Statements (Note 5)		The Company	All Companies in Consolidated Financial Statements (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Yung-Fa Yang	14,760	14,760	0	0	4,000	13,000	15,000	0	15,000	0	2.87%	3.63%	None
Vice President - Marketing & Sales	Jen-Cheng Tsai													
Vice President - Administration	Chi-Nan Chen													
Vice President - Operations	Yu-Tsung Tai													
Vice President- Technology	Lwon-Kuo Sung													
Chief Financial Officer	Tsung-Tien Chen													

President and Vice President Remuneration Range Table

Range of remuneration paid to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company (Note 6)	Parent company and all reinvested businesses (Note 7, Note 9)
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Jen-Cheng Tsai, Chi-Nan Chen, Yu-Tsung Tai, Lwon-Kuo Sung, Tsung-Tien Chen	Jen-Cheng Tsai, Tsung-Tien Chen
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	Chi-Nan Chen, Yu-Tsung Tai, Lwon-Kuo Sung
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	Yung-Fa Yang	Yung-Fa Yang
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	6 persons	6 persons

Note 1: The name of president or vice presidents shall be identified specifically, and the various payments shall be summarized and then disclosed. This table and Table (1) above shall be filled if a Director serves concurrently as President or Vice President

Note 2: Please specify the salary, duty allowance and severance paid to the presidents and vice presidents in 2020.

Note 3: Please specify the bonus, reward, transportation allowance, special allowance, various allowances, and provision of such tangible objects as dormitory and car, as well as other remunerations, received by the presidents and vice presidents in 2020. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel costs calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the company, excluding remuneration, in a separate note. Any salary listed under IFRS 2 Share-Based Payment, including issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall also be included in remuneration.

Note 4: It refers to the amount of employee compensation (including stocks and cash) distributed to the presidents and vice presidents approved by the Board of Directors in 2020. If such remuneration cannot be estimated, the remuneration to be distributed in the most recent year shall be based on the proportion of the remuneration distributed last year and filled in Table (4).

Note 5: The aggregate amount of remunerations paid to the Company's President and Vice President from all companies (including the Company) included in the consolidated financial statements shall be disclosed.

Note 6: The name of each president or vice president shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the president or vice president by the Company.

Note 7: The total amount of all the remuneration paid to each president or vice president of the company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each president or vice president shall be disclosed in the remuneration range.

Note 8: Net profit after tax means the net profit after tax in the individual financial statement in 2020.

Note 9: a. This field shall clearly indicate whether the presidents and vice presidents of the Company receives remuneration from investees other than subsidiaries of the Company or the parent company and the amount.

b. If presidents and vice presidents of the Company received remuneration from investees other than subsidiaries of the Company or the parent company, the remuneration received by presidents and vice presidents of the Company from investees other than subsidiaries of the Company or the parent company may be voluntarily included in E column of the Remuneration Range Table and the name of the field shall be changed to "All Reinvestment Enterprises."

c. Remuneration in this case refers to remuneration, bonuses (including employee, director, or supervisor bonuses), and allowances received by the president and vice presidents of the Company as the directors, supervisors, or managerial officers of invested companies other than subsidiaries or parent company.

Note 10: The remuneration of employees was approved by the Board of Directors on February 26, 2021.

*A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

(4) Name of managerial officers to which employee rewards are distributed, and the status of distribution:

As of March 31, 2021

Units: in NT\$1,000

Title	Name	Stock amount	Cash amount	Total	Percentage of total compensations to NIAT (%)
President	Yung-Fa Yang	0	15,000	15,000	1.27%
Vice President - Marketing & Sales	Jen-Cheng Tsai				
Vice President - Administration	Chi-Nan Chen				
Vice President - Operations	Yu-Tsung Tai				
Vice President-Technology	Lwon-Kuo Sung				
Chief Financial Officer	Tsung-Tien Chen				

Note 1: The remuneration of employees from earnings appropriation in 2020 was approved by the Board of Directors on February 26, 2021.

Comparison of compensation paid by the Company and all the consolidated entities in the last two years to the company's Directors, Supervisors, President and Vice Presidents as a percentage to the net income after tax. Explanation on remuneration policies, standards and combination of the procedures in determining remuneration, and association with business performance and future risks:

Units: in NT\$1,000

Year	2019				2020			
	The Company		All Companies in consolidated statements		The Company		All Companies in consolidated statements	
Title	Total remuneration	Percentage of compensations to NIAT	Total remuneration	Percentage of compensations to NIAT	Total remuneration	Percentage of compensations to NIAT	Total remuneration	Percentage of compensations to NIAT
Director	32,690	2.78%	32,690	2.78%	32,640	2.77%	32,640	2.77%
Supervisors	2,780	0.24%	2,780	0.24%	1,750	0.15%	1,750	0.15%
Total remuneration to the President and Vice Presidents	33,760	2.87%	42,760	3.64%	33,760	2.87%	42,760	3.63%

The Company's directors and supervisors' consideration and remuneration shall be processed in accordance with Article 40 of the Articles of Incorporation. No more than 5% of the profits from the current year shall be distributed as remuneration to Directors and Supervisors. They may be given reasonable remuneration based on the Company's operation status and the results of performance evaluation of the Board of Directors. The consideration of directors' performance include: execution of company goals and tasks, understanding of the director's roles and responsibilities, participation of the Company's operation, management and communication of the internal relations, expertise and continuing education of the directors, and internal control, which have been incorporated into the evaluation items of performance evaluation of the Board of Directors, and reasonable remuneration will be given. The remunerations for the President and Vice Presidents are executed in accordance with the Company's related salary management regulations, including salary and bonus. Salary is based on the industry level, title, rank, academic education (experience), professional ability and responsibility. Bonuses are based on the company's revenue, pre-tax net profit, after-tax net profit achievement and the management of the department under its jurisdiction in compliance with laws and regulations and operational risk matters, with the distribution principle recommended by the Remuneration Committee, which is approved by the Chairman in accordance

with operating performance. The remunerations for the Director, Supervisor, President and Vice Presidents are reviewed by the Remuneration Committee and the Board of Directors and remunerations may be reviewed where necessary based on actual operation status and related regulations. The related remuneration corresponds to their responsibilities and risks. When comparing 2020 to 2019, the remuneration of Directors and Managerial Officers account for similar percentages of the NIAT. The decline of remuneration for managerial officers in 2020 was primarily caused by the resignation of supervisor Hou Jung-Hsien on November 4, 2020.

III. Implementation of corporate governance

(I) Operation of Board of Directors

A total of 6 meetings (A) were held by the Board of Directors in the most recent fiscal year (2020). The attendance of the members of the Board was as follows:

Title	Name (Note 1)	Attendance in person (B)	Attendance by Proxy	Rate of attendance in person (%) [B/A] (Note 2)
Chairman	Ching-Hsiang Yang	6	0	100%(6/6)
Director	Kang Lan Enterprise Co., Ltd. representative: Cheng-Lun Tao	6	0	100%(6/6)
Director	Jocris Ltd. (BVI) representative: Chong-Meng Lai	6	0	100%(6/6)
Director	Kun-Yu Chang	6	0	100%(6/6)
Independent Director	Wen-Tsai Yang	6	0	100%(6/6)
Independent Director	Kuo-Shuh Fan	6	0	100%(6/6)
Independent Director	Juu-En Chang	6	0	100%(6/6)

Other matters that should be recorded:

I. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of Independent Directors and the company's actions in response to the opinions of Independent Directors shall be stated:

- (I) Items specified in Article 14-3 of the Securities and Exchange Act: Please refer to Chapter 3, III (XI) "Key resolutions adopted by the shareholders' meeting and the Board of Directors in the most recent fiscal year (2020) up to the publication date of this Annual Report" of the Annual Report.
- (II) Other than the matters mentioned above, other resolutions that are objected and reserved by the Independent Directors and are documented or stated: No such occurrences. Please refer to Chapter 3, III(XI) "Key resolutions adopted by the shareholders' meeting and the Board of Directors in the most recent fiscal year (2020) up to the publication date of this Annual Report" of the Annual Report.

II. In regards to the recusal of Directors from voting due to conflict of interests, the name of the Directors, the proposal, reasons for recusal due to conflict of interests and voting outcomes should be stated:

Name of Director	Proposal	Reason for recusal	Participation in voting
Ching-Hsiang Yang, Chong-Meng Lai, Cheng-Lun Tao, Kun-Yu Chang	The Company's distribution of remuneration for all individual Directors for 2019 (board meeting on March 20, 2020)	They are the Company's current regular Directors and personal interests are involved	Recusal in accordance with regulations
Wen-Tsai Yang, Juu-En Chang, Kuo-Shuh Fan	The Company's distribution of remuneration for the three Independent Directors and all individual supervisors for 2019 (board meeting on March 20, 2020)	They are the Company's current Independent Directors and personal interests are involved	Recusal in accordance with regulations
Ching-Hsiang Yang, Chong-Meng Lai, Cheng-Lun Tao, Kun-Yu Chang	The Company's distribution of remuneration for all individual Directors for 2020 (board meeting on February 26, 2021)	They are the Company's current regular Directors and personal interests are involved	Recusal in accordance with regulations
Wen-Tsai Yang, Juu -En Chang, Kuo- Shuh Fan	The Company's distribution of remuneration for the three Independent Directors and all individual supervisors for 2020 (board meeting on February 26, 2021)	They are the Company's current Independent Directors and personal interests are involved	Recusal in accordance with regulations

III. The execution of the Board's evaluation:

Frequency	Period	Scope	Method	Content
Implemented once a year	2020	All Directors	Self-Evaluation	Include the following items 1. Execution of the Company's goals and tasks 2. Understanding of the director's roles and responsibilities 3. Participation of the Company's operation 4. Management and communication of the internal relations 5. Expertise and continuing education of the directors 6. Internal Control
Implemented once a year	2020	All the board of Directors	Self-Evaluation	Include the following items 1. Participation & Involvement for Company' s operation 2. Upgrading the decision making quality of the board of directors 3. The constitution and structure of the board of directors

				4. Election of directors and continuous advanced studies
				5. internal control

IV. An evaluation of the goals set for strengthening the functions of the Board and implementation status during the current and the most recent fiscal year:

1. The operations of the Company's Board of Directors have been implemented in accordance with regulations, the Articles of Incorporation, and resolutions of the shareholders' meeting. All Directors have the professional knowledge, skills, and experience necessary to perform their duties and they uphold fiduciary principles and exercise due care to maximize benefits for all shareholders.
2. To establish a good governance system for the Board of Directors, improve supervision functions, and strengthen management functions of the Company, the Company has established the Procedures for Board of Directors Meetings including the main contents of the proceedings, operations, matters to be stated in the meeting minutes, announcements, and other matters for compliance which shall be handled in accordance with the provisions of these Rules.
3. The Company regularly conduct self-inspections on the operations of the Board of Directors to strengthen its functions and internal auditors also formulate audit reports on the operations of the Board of Directors to meet requirements of the competent authority.
4. The Company followed the regulations of the competent authority and elected two Independent Director in the extraordinary shareholders' meeting in 2011 in accordance with laws. The Company elected a supplementary Independent Director in the general shareholders' meeting in 2012 to increase the number of Independent Director to 3.

(II) Operation of the Audit Committee or Supervisors' participation in the operation of the Board of Directors:

1. The Company has not established an Audit Committee.
2. The meetings of the Board of Director were held 6 (A) times in the most recent year and attendance of the Supervisors was as follows:

Title	Name	Attendance in person (B)	Actual attendance rate (%) (B/A) (Note)	Notes
Supervisors	Rong-Hsien Hou	4	100%(4/4)	Note 1
Supervisors	Cheng-Han Hsu	6	100%(6/6)	
Supervisors	Kang Xin Investment, Co., Ltd. representative: Chin-Hui Ling	5	83%(5/6)	

Note 1: Supervisor Hou Rong -Hsien left the factory on November 4, 2020, and the number of board meetings before his resignation was 4 times.

Other matters that should be recorded:

1. Composition and responsibilities of Supervisors: The Company has 3 supervisors with term of 3 years. The duties include:
 - (1) Supervision of business operations, the management team, and the internal control system of this Company
 - (2) Limiting violations of law by the board or a director in the course of duties
 - (3) Reviewing the books and records of this Company
 - (4) Review of the business and finances of this Company
2. Communication between Supervisors and Company's employees and shareholders: The Company's Audit Office is the current contact window for Supervisors. It regularly provides opinions of employees or shareholders to Supervisors who may communicate with employees or shareholders directly based on actual conditions.
3. Communication between the Supervisor and the internal audit manager or CPA:
4. Communication methods:
5. The audit reports are delivered to the Independent Directors and Supervisor to review each month.
6. If Independent Director and Supervisors have any questions or instructions after reading the audit report, they may ask the audit manager or issue instructions.
7. The internal audit supervisor also attends meetings of the Board of Directors to report on audits.
8. The Company's certifying CPA shall maintain communication with the Chief Financial Officer at all times. The CPA shall discuss the financial statements of the quarter or results of reviews and communicate on other matters required by law with Independent Directors and the Chief Financial Officer. Independent Directors and CPAs maintain good communication.
9. Independent Directors and Supervisors can report items in the quarterly meetings of the Board of Directors through the Audit Office. Alternatively, the audit unit may also provide the status of audit reports to Independent Directors and Supervisors so that they may learn about the status of the Company's operations (including financial operations) and audits. They can use all types of reports and channels (e.g. telephone, fax, email, etc.) to maintain good communication with the Chief Financial Officer, Finance Manager and CPAs.
10. Summary of past meetings between the Independent Directors, Supervisors and internal audit supervisor

Date	Key communication points	Objections and corrections
Jan. 9, 2020	Report on the implementation status of internal audits in December 2019.	None
Feb. 6, 2020	Report on the implementation status of internal audits in January 2020.	None

March 20, 2020	Report on the implementation status of internal audits in February 2020. Report on the implementation and reporting status of the 2019 internal audit plan. Report on the internal control self-assessment report and Internal Control System Statement for 2019.	None
April 13, 2020	Report on the implementation status of internal audits in March 2020.	None
May 8, 2020	Report on the implementation status of internal audits in April 2020. Report on the implementation and reporting status of the Internal Control System Statement in 2019.	None
June 12, 2020	Report on the implementation status of internal audits in May 2020.	None
July 7, 2020	Report on the implementation status of internal audits in June 2020.	None
August 7, 2020	Report on the implementation status of internal audits in July 2020.	None
September 7, 2020	Report on the implementation status of internal audits in August 2020.	None
October 12, 2020	Report on the implementation status of internal audits in September 2020.	None
November 6, 2020	Report on the implementation status of internal audits in October 2020.	None
December 18, 2020	Report on the implementation status of internal audits in November 2020.	None

11. Summary of past meetings between the Independent Directors, Supervisors, and CPAs

Date	Key communication points	Communication results
March 20, 2020	CPAs attend the communication meeting as non-voting participants. The communication items are as follows 2019 Consolidated and Parent Company Only Financial Reports. CPAs and independent directors discuss and communicate before the board of directors.	Submitted to the Board of Directors for approval and reported to competent authority as scheduled.
May 8, 2020	The Chief Financial Officer or Finance Manager contacted the CPAs to discuss and communicate the questions asked by members of the Board of Directors. The communication items are as follows: Consolidated Financial Statements for the first quarter of 2020. Distribution of 2019 earnings in cash dividends and related affairs.	Submitted to the Board of Directors for approval and reported to competent authority as scheduled.
August 7, 2020	The Chief Financial Officer or Finance Manager contacted the CPAs to discuss and communicate the questions asked by members of the Board of Directors. The communication items are as follows: Consolidated Financial Statements for the second quarter of 2020.	Submitted to the Board of Directors for approval and reported to competent authority as scheduled.
November 6, 2020	The Chief Financial Officer or Finance Manager contacted the CPAs to discuss and communicate the questions asked by members of the Board of Directors. The communication items are as follows: Consolidated Financial Statements for the third quarter of 2020.	Submitted to the Board of Directors for approval and reported to competent authority as scheduled.

12. If supervisors stated opinions while attending the board meetings, the date and term of the meeting, the contents of the proposals discussed and resolutions passed in the meeting and the Company's actions in response to the opinions of the Supervisors shall be provided: No Supervisors stated opinions when they attended board meetings in 2020.

(III) Deviations of the Company's corporate governance from the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation:

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
I. Did the Company stipulate and disclose best practice principles for corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established and implemented the "Corporate Governance Best Practice Principles" in August 2011 and disclosed them on the company website and Market Observation Post System.	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
II. Equity structure and shareholders' rights of the Company (I) Has the Company established internal procedures to handle shareholder's suggestions, questions, problems, and litigations, and implemented these measures accordingly? (II) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders? (3) Has the Company established and enforced risk control and firewall systems with its affiliated businesses? (4) Has the Company established internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	V V V V		1. The Company has appointed a Spokesperson, Acting Spokesperson, and shareholder service personnel to resolve related issues. 2. The Company has established a stock affairs unit which maintains close communication with major shareholders and retained control at all times. 3. Affiliate companies operate finance, business, and accounting affairs independently and they are managed and audited by the parent company. The Company has established the "Regulations on Financial Businesses and Transactions with Affiliate Companies" and established the "Supervision and Management Procedures for Subsidiary Companies" in the internal control system and other control operations. 4. The Company has established the "Operating Procedures for Preventing Insider Trading" to prevent the Company or its internal personnel from unintentionally or intentionally violating related regulations on insider trading and protect the interests of investors and the Company.	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
III. Composition and responsibilities of the Board of Directors: (I) Has the Board established and implemented diversification measures in its member setup?	V		1. The Company established the "Corporate Governance Best Practice Principles" and the "Strengthening the Functions of the Board of Directors" section in Chapter 3 of the Principles stipulated a diversity policy. The Company's nomination and selection of members of the Board of Directors are based on regulations in the Company's Articles of Incorporation. The Company shall evaluate the academic and experience of each candidate and take the opinions of stakeholders into consideration. The Company also abides by the Rules Governing the Election of Directors and Supervisors and the Corporate Governance Best Practice Principles to ensure the diversity and independence of board members. The Company appoints four Directors and three Independent Directors who have their own area of expertise including leadership skills, business judgments, business management, and crisis management as well as professional skills such as knowledge of the industry and international market perspectives. The three Independent Directors, Wen-Tsai Yang, Tsu-En Chang and Kuo-Shu Fan, specialize in finance and taxation, environmental engineering and waste disposal respectively, that is beneficial to the Company. There are no directors	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
(II) In addition to setting up a Remuneration Committee and Audit Committee in accordance with the law, has the Company voluntarily established other functional committees?	V		<p>who also concurrently work as employees of the Company. Independent Director ratio is 43%, 2 independent directors have a term of less than 3 years, 1 independent director has a term of 9 years, 2 directors are over 70 years old, 4 are between 60 and 69 years old, and 1 is under 60 years old. There are no female directors. The Company emphasizes that the board members have the knowledge, skills and qualities necessary to perform their duties. The goal of the academic elite with industry knowledge is at least one. Currently there are 7 directors and 2 academic elites (Director Chang Tsu-En, Director Fan Kuo-Shu). The board members shall have the eight abilities in the company's governance code respectively. This is the ideal goal of director diversification. The board members in this session have been elected and the Company has implemented a policy for ensuring the diversification of business members. Further information concerning BOD diversity policy can be found on CMP's website.</p> <p>2. The Company established the "Special Committee for Merger/Consolidation and Acquisition" based on a resolution of the meeting of the Board of Directors on March 25, 2016. According to the Charter of the Special Committee for Merger/Consolidation and Acquisition, the Committee shall have no less than three members which shall be the Independent Directors. The role of the Committee is to review the fairness and reasonableness of the merger/consolidation plan and transactions. The Company shall report the results of the review to the Board of Directors and the shareholders' meeting. The Committee is convened when necessary and no meetings were convened in the most recent year.</p>	
(III) Has the Company established a performance evaluation method for the Board of Directors and conducted performance evaluation accordingly on an annual basis and reported the results of performance evaluation to the Board of Directors and applied to the remuneration of individual directors and nomination renewal as reference?	V		<p>3. The Company has established the Board Performance Assessment Methodology and completed the assessment of the Board of Directors and Directors in December 2020. The results were reported in the meeting of the Board of Directors on February 26, 2021. The assessment is based on the actual operations of the Board of Directors and Directors' participation in 2020. For details of the evaluation items and results, please refer to "The Implementation of Evaluation by the Board of Directors."</p>	
(IV) Does the Company regularly implement assessments on the independence of the CPA?	V		<p>4. The Company's Finance Department assesses the independence of the CPA once each year. The results were submitted to the meeting of the Board of Director on February 26, 2021 for review and passage. The Company has assessed and concluded that the CPAs Shih Chin-Chuan and Lai Kuan-Chung of Deloitte, Taiwan have met the Company's criteria for independence and they are qualified to serve as the Company's certifying CPAs. The Company has also obtained the "Statement of Independence" from the certifying CPAs. The evaluation items for independence are as follows:</p> <ol style="list-style-type: none"> (1) Members of the audit service team, their family members, other CPAs, their families, the firm and the affiliate enterprises of the firm do not have direct or indirect material financial interest in the Company. (2) The Company, its Directors, Supervisors, the audit service team, their family members, other CPAs, their families, the firm and the affiliate enterprises of the firm do not have relations involved in mutual financing or endorsements (there are 	

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>no restrictions on regular commercial interactions with financial institutions).</p> <p>(3) The CPA firm and the audit service team do not have close business relations with the Company or its affiliates.</p> <p>(4) Members of the audit service team do not have potential employment relations with the Company.</p> <p>(5) Members of the audit service team have not served as the Company's Director, Supervisor, or other positions that could seriously impact the audit in the most recent two years.</p> <p>(6) The Company's payment of audit expenses to the CPAs are fixedsum payments and not contingent fees. There has been no issue of delayed payments of public expenses that affect the independence of the audit.</p> <p>(7) The non-audit services provided by the CPA firm and its affiliate companies include direct business tax deduction audit expenses and business registration which have no direct impact on the important accounts in the audits or the Company's management competency. They also do not formulate decisions on behalf of the Company or affected the Company's independence.</p> <p>(8) Members of the audit service team have not been appointed as the Company's defense counsel or represented the Company in mediating conflicts with third parties.</p> <p>(9) After the appointment this year, the CPA Shih Chin-Chuan of Deloitte, Taiwan will have provided services to the Company for one year while the CPA Lai Kuan-Chung will have provided services for three years. Neither the CPA Shih Chin-Chuan or CPA Lai Kuan-Chung have audited the Company's financial statements for more than seven years.</p> <p>(10) No member of the audit service team is a family member or relative of the Company's Director, Supervisor, or other individuals in positions that could seriously impact the audit.</p> <p>(11) The Company's Directors, Supervisors, or managerial officers have not presented valuable gifts to members of the audit service team.</p> <p>(12) The Company's Directors, Supervisors, managerial officers, or other individuals in positions that could seriously impact the audit do not include personnel that have retired from/left the CPA firm in the past year.</p> <p>(13) The Company's Independent Director have not served in the CPA firm in the two years prior to taking office in the Company. The members of the Company's Remuneration Committee have not served as professionals who provided commercial, legal, financial, accounting, or consulting services to the Company in the two years prior to taking office in the Company.</p> <p>(14) The Company does not cause members of the audit service team to suffer or feel threatened by the Company and cause the members to be unable to maintain objectivity and clarify professional doubts.</p>	

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
IV. Does the company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)?	V		The Finance Department of the Company serves as the unit responsible for corporate governance. The Chief Financial Officer is responsible for the supervision and dedicated personnel of the Finance Department provide Directors and Supervisors with the information required for executing business operations. They assist directors and supervisors with legal compliance, organize related matters for meetings of the Board of Directors and shareholders' meeting in compliance with the law, apply for and changing company registry, produce meeting minutes of board/shareholder meetings, and periodically assess the independence and competence of the CPA. They also report directly on related matters they are individually responsible for to the Chief Financial Officer.	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
V. Has the Company set up channels of communication for stakeholders (including but not limited to shareholders, employees, customers and suppliers), dedicated a section of the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	V		<ol style="list-style-type: none"> 1. The Company has established a spokesperson system to process various information announcements and communication affairs. We also established the Investor Relations Office to provide services to investors. 2. The Company maintains open and smooth communication channels with financial institutions, shareholders, and employees and the Company regularly announces related financial and business information on the Market Observation Post System in accordance with related regulations on information disclosure to provide all stakeholders with sufficient information for making judgments and protecting their own interests. 3. The Company has established a message section on the website and assigned dedicated personnel to compile information, transfer information to responsible units for processing, and report all processing status to the management. 	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VI. Has the Company commissioned a professional stock affair agency to manage shareholders' meetings and other relevant affairs?	V		The Company has commissioned the professional stock affair agency of Taishin Securities Co., Ltd. to process affairs related to shareholders' meetings.	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
VII. Information Disclosure				
(I) Has the Company established a website to disclose information on finance, business, and corporate governance?	V		1. The Company has established a website in both Chinese and English to provide company information. The Company also publishes information on the Market Observation Post System and discloses related financial and important information.	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the Company adopted other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose Company information, implement a spokesperson system, and disclosing the process of investor conferences on the company website)?	V		2. The Company has appointed a Spokesperson and Acting Spokesperson and assigned dedicated personnel to take charge of information publication and disclosure. When the Company organizes an investor conference, we also upload related information to the Market Observation Post System simultaneously for investors.	
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and publish and report its financial	V		<ol style="list-style-type: none"> 3. The Company's announcement of the financial report schedule is declared in accordance with the time limit prescribed by the law: <ol style="list-style-type: none"> a. Annual financial report: Declaration shall be completed within two months after the end of 	

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?			<p>the year.</p> <p>b. Quarterly financial report: Declaration and announcement shall be completed before the deadline for declaration.</p> <p>c. Operational situation in each month: Declaration shall be completed by the 6th of each month at the latest, which is earlier than the prescribed period.</p>	
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance (Including but not limited to employee's rights, employee care, investor relations, supplier relations, stakeholders' rights, further studies of directors and supervisors, implementation of risk management policies and measurement standards, implementation of customer policies and purchase of liability insurance for the directors and supervisors of the Company)?	V		<p>1. Employees' rights and care The Company has always maintained a business philosophy for stable growth and sustainability and we pay close attention to employee welfare. We appropriate welfare fund each month in accordance with laws and arrange activities to promote employees' physical and mental health such as employee dinner parties, annual medical check-ups, subsidies for marriages, funerals, and festivities, group life insurance, and accident insurance. In addition, the Company established the Employee Retirement Regulations and the Supervisory Committee of Labor Retirement Reserve in accordance with the Labor Standards Act. We appropriate a certain ratio of the employees' total monthly salary to be deposited into the dedicated account in the Bank of Taiwan as pension reserve funds for the payment of employee pension in the future. According to the Labor Pension Act, the Company appropriates no less than 6% of the employees' salary to the employee's personal account at the Bureau of Labor Insurance starting from July 1, 2005. The payment of employee pension is based on the pension account and cumulative proceeds and the pension is paid on a monthly basis or in one lump sum. The Company's related regulations and measures regarding labor relations have been implemented in accordance with related regulations and the implementation status has been good.</p> <p>2. Investor relations The Company upholds the principle of openness and fairness for all shareholders. In terms of the shareholders' meeting, the Company convenes meetings in accordance with the Company Act and related regulations each year. We also notify all shareholders to attend shareholders' meetings in accordance with relevant regulations. We encourage shareholders' active participation in the election of Directors and Supervisors in shareholders' meetings or amendments of the Company's Articles of Incorporation. We also report the acquisition, disposal, endorsements, guarantees, and other material financial and business actions to the shareholders meeting. The Company also provides shareholders with sufficient opportunities for asking questions or filing proposals to facilitate a balance of power. The Company also established the "Rules and Procedures of Shareholders' Meeting." We carefully store the meeting minutes of the shareholders meeting and fully disclose related information on the Market Observation Post System. The Company seeks to ensure that shareholders enjoy the right to know, participate, and make decisions on material items of the Company. In addition to providing the Annual Report to the stock affair agency for shareholders, we also established the roles of the Spokesperson and Acting Spokesperson to properly address shareholders' suggestions, questions, and disputes.</p> <p>The Company has upheld the principle of information disclosure since its initial public offering and registration on the Taiwan Stock Exchange. We implement information disclosure affairs in accordance with related regulations and we established online reporting operations for public information. The Company has designated members of the Finance Department and Audit Office to take charge of the Company's information collection and disclosure. After the information is confirmed by related supervisors,</p>	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
			<p>they are announced and reported to provide information on all matters that may affect investors' decisions.</p> <p>3. Implementation status of supplier relations, the rights, and interest of stakeholders, and customer policies The Company maintains open channels of communication with its banks, other creditors, employees, customers, suppliers, and other stakeholders and we respect and protect their legal rights and interests:</p> <p>(1) The Company provides sufficient information to its partner banks and other creditors to facilitate their best judgment and decision-making processes regarding the Company's operations and finances.</p> <p>(2) The Company has established an Employee Welfare Committee and organizes regular labor-management meetings attended by representatives of management and labor to ensure the Company's care for employees and maintain open communication channels between the parties.</p> <p>(3) The Company has assigned dedicated personnel to respond to their questions and complaints regarding the Company's waste cleanup, solidification, and landfill.</p> <p>(4) The Company and suppliers have assigned dedicated personnel to process payments and there have been no overdue or late payments. The Company's related financial status is also regularly disclosed on the Market Observation Post System and the Company maintains good relations with suppliers.</p> <p>(5) The Company has appointed a Spokesperson and Acting Spokesperson and assigned dedicated personnel to take charge of the message section which serves as a communication channel with stakeholders.</p> <p>4. Continuing education of Directors and Supervisors and purchase of liability insurance by the Company for Directors and Supervisors</p> <p>(1) Continuing education of the 7th-term Directors and Supervisors</p>	

Title	Name	Date of course	Organizer	Course title	Duration of the course	Hours
Chairman	Ching-Hsiang Yang	August 7, 2020	Securities & Futures Institute	Principles and Applications of Artificial Intelligence	3	6.0
		May 8, 2020	Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3	
Representative of Institutional Director	Cheng-Lun Tao	August 7, 2020	Securities & Futures Institute	Principles and Applications of Artificial Intelligence	3	6.0
		May 8, 2020	Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3	
Representative of Institutional Director	Chong-Meng Lai	August 7, 2020	Securities & Futures Institute	Principles and Applications of Artificial Intelligence	3	6.0
		May 8, 2020	Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3	
Director	Kun-Yu Chang	August 7, 2020	Securities & Futures Institute	Principles and Applications of Artificial Intelligence	3	6.0
		May 8, 2020	Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3	
Independent Director	Kuo-Shuh Fan	August 7, 2020	Securities &	Principles and Applications of	3	9.0

					Futures Institute	Artificial Intelligence		
					May 8, 2020	Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3
					February 13, 2020	Securities & Futures Institute	Financial Crisis Warning and Type Analysis	3
			Independent Director	Wen-Tsai Yang	August 7, 2020	Securities & Futures Institute	Principles and Applications of Artificial Intelligence	3
					May 8, 2020	Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3
			Independent Director	Juu-En Chang	August 7, 2020	Securities & Futures Institute	Principles and Applications of Artificial Intelligence	3
					May 8, 2020	Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3
			Supervisors	Cheng-Han Hsu	August 7, 2020	Securities & Futures Institute	Principles and Applications of Artificial Intelligence	3
					May 8, 2020	Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3
				Chin-Hui Ling	August 7, 2020	Securities &	Principles and Applications of	3

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation																																					
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			<table border="1"> <tr> <td rowspan="2">Representative of Institutional Supervisor</td> <td></td> <td></td> <td>Futures Institute</td> <td>Artificial Intelligence</td> <td></td> <td></td> </tr> <tr> <td>May 8, 2020</td> <td></td> <td>Securities & Futures Institute</td> <td>Industry 4.0 and How Companies Lead on Innovation Transformation</td> <td>3</td> <td></td> </tr> </table> <p>Note: Supervisor Hou Jung-Hsien left the factory on November 4, 2020.</p> <p>(2) The Company has purchased liability insurance for Directors, Supervisors, and managerial officers to strengthen the protection of investors' interests.</p> <p>5. Continuing education for the Company's finance and audit personnel</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Date of course</th> <th>Organizer</th> <th>Course title</th> <th>Duration of the course</th> </tr> </thead> <tbody> <tr> <td>Finance Manager</td> <td>Ping-Cheng Hung</td> <td>2020.01.20 2020.01.21 2020.05.07</td> <td>Accounting Research and Development Foundation</td> <td>Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges Analysis of the Competent Authority's Policy of "Assisting Companies in Enhancing the Ability to Prepare Financial Reports" and Internal Control Practices</td> <td>18</td> </tr> <tr> <td>Deputy Manager of Finance</td> <td>Shu-Ju Li</td> <td>2020.11.19 2020.11.20</td> <td>National Cheng Kung University</td> <td>Continuing Education Course for Accounting Manager</td> <td>12</td> </tr> <tr> <td>Auditor Supervisor</td> <td>Mei-Chih Kao</td> <td>2020.08.28</td> <td>Internal Audit Association</td> <td>Business activities and case analysis of the risk of unethical conduct</td> <td>12</td> </tr> </tbody> </table>	Representative of Institutional Supervisor			Futures Institute	Artificial Intelligence			May 8, 2020		Securities & Futures Institute	Industry 4.0 and How Companies Lead on Innovation Transformation	3		Title	Name	Date of course	Organizer	Course title	Duration of the course	Finance Manager	Ping-Cheng Hung	2020.01.20 2020.01.21 2020.05.07	Accounting Research and Development Foundation	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges Analysis of the Competent Authority's Policy of "Assisting Companies in Enhancing the Ability to Prepare Financial Reports" and Internal Control Practices	18	Deputy Manager of Finance	Shu-Ju Li	2020.11.19 2020.11.20	National Cheng Kung University	Continuing Education Course for Accounting Manager	12	Auditor Supervisor	Mei-Chih Kao	2020.08.28	Internal Audit Association	Business activities and case analysis of the risk of unethical conduct	12	
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Item	State of operations							Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary					
					2020.09.25	Securities and Futures Institute	Labor Standard Act and Labor Incident Act from the perspective of corporate social responsibility	
			Audit Agent	Yin-Yu Ke	2020.09.11 2020.11.12	Internal Audit Association	Labor-Related Knowledge That should be known by Audit Personnel - From Recruitment to Dismissal Audit applications and hands-on computer practice for data analysis (taking Excel as an example)	12

IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved:

1. The Company was rated as a company between 21% to 35% in the evaluation in 2019. The results of the Company's corporate governance evaluation for 2020 were not announced as of the publication of the Annual Report. According to the self-assessment scoring for the corporate governance evaluation in 2020, the Company does not need to improve and put forward priority to strengthen improvement measures.
2. The Company voluntarily prepared the Corporate Social Responsibility Report in 2020, and the guidelines in accordance with the internationally recognized report. It prepared and uploaded the Corporate Social Responsibility Report on the Market Observation Post System and the Company's website before the end of September, and won the "2020 TCSA Taiwan Corporate Sustainability Award" Corporate Sustainability Category Platinum Award. The evaluation items of the Corporate Social Responsibility Report in the corporate governance evaluation all meet the evaluation standards.
3. According to the self-assessment results of the 2020 annual corporate governance evaluation, the Company has made the meeting notice for the 2021 general shareholders' meeting, the proceedings of the meeting (including supplementary information of the meeting), Annual Report, and other information in advance to meet the corporate governance evaluation standards and uploaded them simultaneously on the Market Observation Post System. In addition, the Investor Relations Office was requested to hold at least four investor conferences in 2020 and plan to hold at least one invited or self-organized investor conference quarterly in 2021.

Note 1: The continuing education of Directors and Supervisors are implemented in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" published by Taiwan Stock Exchange Corporation.

(IV) Composition, responsibilities and operations of the Company's Remuneration Committee:

1. Information on the members of the Remuneration Committee

Identity	Qualifications	Has more than five years of work experience and the following professional qualifications	Meets the independence criteria (Note 1)											Number of other public companies in which the member also serves as a member of their remuneration committee			
				1	2	3	4	5	6	7	8	9	10				
	Name	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	Currently serving as a judge, prosecutor, lawyer, accountant, or other professional practice or technician that must undergo national examinations and specialized license.	Work experience in business, law, finance, accounting or other areas relevant to the business of the Company													
Independent Director	Wen-Tsai Yang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Independent Director	Kuo-Shuh Fan	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Independent Director	Juu-En Chang	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note 1: For any committee member who fulfills the relevant condition(s) two years before being elected or during the term of office, please provide the mark in the field next to the corresponding condition(s). ✓

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (This restriction does not apply to independent directors in the Company or its parent company or subsidiaries, which have been appointed in accordance with local laws or laws of the registered country).
- (3) Not natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under (1) or any of the persons in (2) or (3).
- (5) Not a director, supervisor, or employee of an corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among top five in shareholdings, or that designates its representatives to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (6) Not a director, supervisor, or employee of that other company that controls a majority of the Company's director seats or voting shares and those of any other company. (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (7) Not a director (or governor), supervisor, or employee of that other company or institution serve as the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution or a spouse thereof (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (This restriction does not apply to independent directors in the Company or its parent company, subsidiary or subsidiary of the same parent, which have been appointed in accordance with local laws or laws of the registered country).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. This restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.

2. Operations of the Remuneration Committee:

- (1) The Company's Remuneration Committee consists of three members.
- (2) Duration of the current term: August 9, 2019 to June 30, 2022.
- (3) The Compensation Committee's meeting, qualifications of the members and attendance in the most recent year are as follows:

The Committee held 2 meetings (A) in 2020, and the attendance of the Committee members is summarized as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Number of meetings required to attend (A)	Attendance rate (%) (B/A)	Notes
Convener	Wen-Tsai Yang	2	0	2	100%.	
Committee Member	Kuo-Shuh Fan	2	0	2	100%.	
Committee Member	Juu-En Chang	2	0	2	100%.	

Other matters that should be recorded:

I. If the board meeting does not adopt or revise the Remuneration Committee's proposals, the board meeting's date, period, motion contents, and resolution decisions as well as the method in which the Company handles the Remuneration Committee's opinions shall be disclosed in detail (e.g. if the salary rate adopted by the board committee is superior to that proposed by the Remuneration Committee, the differences and reasons shall be explained): There were no cases where the Board of Directors failed to adopt or revised the Remuneration Committee's proposals.

II. If there are objections or reservations by the members that have been recorded in writing during the remuneration committee resolution, the remuneration committee meeting's date, period, motion content, the opinions of all of the members, and treatment of the member's opinions must be disclosed in detail: There were no cases where the Remuneration Committee has any dissenting opinions, qualified opinions, or written statements on the resolutions.

Indicate the date of the Remuneration Committee's meeting in 2020, the content of proposals, resolutions of the Committee, and the results of the Company's actions in response to the opinions of the Remuneration Committee:

Date	Content of motion and follow-up actions	Resolution	The Company's treatment of the Remuneration Committee's opinion
March 20, 2020	<ol style="list-style-type: none"> 1. Review the Company's distribution of remuneration for Directors and Supervisors' and employees' compensation for 2019. 2. The Company's distribution of remuneration to Independent Directors Chang Juu-En, Fan Kuo-Shuh, and all individual directors for 2019. 3. The Company's distribution of remuneration for the Independent Director Yang Wen-Tsai and all individual supervisors for 2019. 4. Remuneration for the representative of the institutional director to Cleanaway SUEZ Environmental Resources Limited. 5. Remuneration for the representative of the institutional director to Chung Tai Resource Technology Corp. 	Adopted with the approval of all members of the Committee	Proposed by the Board of Directors Unanimous agreement of all Directors in attendance
December 18, 2020	<ol style="list-style-type: none"> 1. The distribution case of the Company's managerial officers 2020 year-end performance bonus. 2. Remuneration for the representative of the institutional director to Cleanaway SUEZ Environmental Resources Limited in 2019. 	Adopted with the approval of all members of the Committee	Proposed by the Board of Directors Unanimous agreement of all Directors in attendance
February 26, 2021	<ol style="list-style-type: none"> 1. Review the Company's distribution of remuneration for Directors and Supervisors' and employees' compensation for 2020. 2. The Company's distribution of remuneration for the Independent Directors Chang Juu-En, Fan Kuo-Shuh and all individual directors for 2020. 3. The Company's distribution of remuneration for the Independent Director Yang Wen-Tsai and all individual supervisors for 2020. 4. Remuneration for the representative of the institutional director to Chung Tai Resource Technology Corp. 	Adopted with the approval of all members of the Committee	Proposed by the Board of Directors Unanimous agreement of all Directors in attendance

3. Duties of the Remuneration Committee:

The Remuneration Committee is responsible for formulating proposals for the following items and offer recommendations for discussion by the Board of Directors.

- (1) Establish and periodically review the performance evaluation and remuneration policy, system, standards and structure for Directors, Supervisors and managerial officers.
- (2) Conduct regular review and determine the remuneration of Directors, Supervisors and managerial officers.

(V) Implementation of Corporate Social Responsibility and Deviation from the Corporate Social Responsibility Best-Practice Principles for the TWSE/GTSM Listed Companies and reasons thereof:

Evaluation item	State of operations			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
I. Has the company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies? (Note 1)	V		The Company has conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and has established relevant risk management policies. Please refer to the Company's 2019 corporate social responsibility report for the relevant risk management policies.	No particular deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.
II. Has the company set up a dedicated (or part-time) unit for promoting CSR? Is the unit empowered by the Board of Directors to implement CSR activities at the senior management level? Does the unit report the progress of such activities to the Board of Directors?	V		The Company has a corporate social responsibility committee, chaired by the President, who leads the Vice President of various departments and is responsible for formulation and implementation of corporate social responsibility policies, systems or relevant management policies and specific promotion, and organization of relevant materials and submit them to the board of directors.	No particular deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.
III. Environmental Issues				
(I) Has the Company established a suitable environmental management system based on the nature of its industry?	V		1. As the Company operates in a special industry and our products and services are provided in accordance with environmental protection regulations, the Company has established a laboratory to rigorously implement reviews. The Company is an intermediate treatment solidification plant. We process waste that contain various heavy metals. In addition to implementing regular environmental quality monitoring tasks for nearby air, groundwater, and soil based on the requirements of the competent authority for environmental protection, we also established dedicated environmental management personnel (please refer to IV. Expenditure on environmental protection in "Chapter 5 Operational Highlights" in the Annual Report). In addition, the Company also established an Environmental Safety Office in the Technology Department to take charge of the Company's environmental protection monitoring and maintenance tasks.	No particular deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Is the Company committed to improving the efficient use of resources and utilize renewable resources to reduce environmental impact?	V		2. The Company has established the "Energy and Resource Management Procedures" to regulate and evaluate the use of various resources. We also promote the use of renewable materials in the Company operations in cases where the product quality remains unaffected to reduce the impact on the environment.	
(III) Has the company assessed the potential risks and opportunities arising from climate change at present and in the future and taken related countermeasures?	V		3. The Company's response measures to climate change related issues briefly described below, and please refer to the relevant chapters of the company's 2019 CSR report, and a summary description is as follows: (1) Current potential risks and opportunities: install solar panels at the open space above the closed landfill, install the ground solar photovoltaic system (total 3.96 megawatts) at two sealed landfills (Kao Lien Landfill, Xiong Wei Landfill), which provides more than 5 million kWh of	

Evaluation item	State of operations			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
(IV) Has the company the calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the policies with regard to energy conservation and carbon reduction, greenhouse gas reductions, water consumption, and waste management?	V		<p>electricity per year. In total, the annual production rate of the entire Cleanaway solar panel installation exceeds 6 million kWh, and it is estimated that it can reduce 1,869 tons of carbon dioxide annually. Won the Special Reward of Kaohsiung Photovoltaic Intelligent Building Certificate in 2019.</p> <p>In addition, the company also collected organic gas in the landfill plant and use the biogas power generation system to generate electricity by using methane decomposed by the organic matter in the landfill.</p> <p>(2) Future potential risks and opportunities: In response to climate change the government's green energy policy, Cleanaway will also invest in Waste-to-energy related factories, and use high-calorific value waste as the main source of waste treatment to increase energy generation. High-standard air pollution prevention equipment will be used to treat waste while reducing environmental damage and avoiding secondary pollution.</p> <p>4. For the Company's greenhouse gas emissions, water consumption and total weight of waste in the past two years, please refer to the 2019 Corporate Social Responsibility Report. The Company has established multiple initiatives for energy conservation and carbon emissions reduction including central air-conditioning temperature settings in the office environment, use of energy conservation lighting equipment, and using public transportation.</p>	
<p>IV. Social Issues</p> <p>(I) Has the company formulated management policies and procedures following relevant regulations and international human rights treaties?</p> <p>(II) Has the company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?</p> <p>(III) Does the Company provide a healthy and safe work environment, and does it organize health and safety training for its employees on a regular basis?</p>	V V V		<p>1. Please refer to "V. Labor relations" in "Chapter 5 Operational Highlights" of the Annual Report.</p> <p>2. The Company has established reasonable salary and remuneration policies with a performance evaluation system to effectively implement incentives and disincentives. Article 40 of the Articles of Incorporation states that if the Company registered profits in the year, it shall appropriate no less than 1% of the profits as remuneration for employees. The Board of Directors shall determine whether to distribute the remuneration in stocks or cash. The distribution of employee remuneration shall include employees of affiliated companies that meet the criteria. However, a sum shall be set aside in advance to pay down any outstanding cumulative losses.</p> <p>3. The Company has established the "Employee Health Management Operating Standards" to regulate employees' safety and education. In addition to providing health examinations when employees report for duties, the Company also organizes regular health examinations each year. We organize regular occupational safety and health policy seminars to provide education to employees. The Company has passed ISO45001 certification and established the "Safety and Health Work Rules" in accordance with the Occupational</p>	No particular deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	State of operations			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation																																	
	Yes	No	Summary																																		
			<p>Safety and Health Act of the Ministry of Labor. We implement regular safety management and regular employee occupational safety and health education to provide them with a safe work environment. The operation items and frequency for related environmental safety inspections are as follows:</p> <table border="1"> <thead> <tr> <th>Item No.</th> <th>Environmental safety inspection item</th> <th>Inspection frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fire extinguishers in various locations in the plants</td> <td>Monthly inspections</td> </tr> <tr> <td>2</td> <td>Fire hydrants in various locations in the plants</td> <td>Monthly inspections</td> </tr> <tr> <td>3</td> <td>Emergency lights in various locations in the plants</td> <td>Monthly inspections</td> </tr> <tr> <td>4</td> <td>Respirators (breathing apparatus and gas masks)</td> <td>Quarterly inspections</td> </tr> <tr> <td>5</td> <td>First aid medical supplies (oxygen supply equipment and first aid equipment)</td> <td>Monthly inspections</td> </tr> <tr> <td>6</td> <td>Material environmental risk assessment</td> <td>Implemented once a year</td> </tr> <tr> <td>7</td> <td>Safety and health hazard identification and risk assessment</td> <td>Implemented once a year</td> </tr> <tr> <td>8</td> <td>Intolerable safety and health risk factor control table</td> <td>Implemented once a year</td> </tr> <tr> <td>10</td> <td>Emergency response drill (fire safety, earthquake drills, and chemical spills in laboratory)</td> <td>Implemented twice a year</td> </tr> <tr> <td>11</td> <td>Environmental safety engineer inspects plant environmental and safety operations and facilities inspections</td> <td>Monthly inspections as needed</td> </tr> </tbody> </table>	Item No.	Environmental safety inspection item	Inspection frequency	1	Fire extinguishers in various locations in the plants	Monthly inspections	2	Fire hydrants in various locations in the plants	Monthly inspections	3	Emergency lights in various locations in the plants	Monthly inspections	4	Respirators (breathing apparatus and gas masks)	Quarterly inspections	5	First aid medical supplies (oxygen supply equipment and first aid equipment)	Monthly inspections	6	Material environmental risk assessment	Implemented once a year	7	Safety and health hazard identification and risk assessment	Implemented once a year	8	Intolerable safety and health risk factor control table	Implemented once a year	10	Emergency response drill (fire safety, earthquake drills, and chemical spills in laboratory)	Implemented twice a year	11	Environmental safety engineer inspects plant environmental and safety operations and facilities inspections	Monthly inspections as needed	
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(IV) Has the Company established effective career development and training plans for its employees?	V		4. The Company has established education and training programs and employees file applications for continuing studies based on the required skills.																																		
(V) Has the Company followed relevant laws, regulations and international guidelines for the customer health and safety, customer privacy, and marketing and labeling of its products and services and established related consumer protection policies and grievance procedures?	V		5. The Company established "communication procedures" as the basis for collecting, processing, and responding to information provided by external entities. The Company assigns dedicated personnel to process consumer complaints on the telephone and the website.																																		
(VI) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?	V		The Company evaluates suppliers' records for whether they have affected the environment or society when providing loans and conducting reviews. The Company establishes terms for the termination of the contracts in contracts signed with main suppliers if they cause pollution in the environment.																																		

Evaluation item	State of operations			Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
V. Did the Company, following internationally recognized guidelines, prepare and publish reports such as its Corporate Social Responsibility report to disclose non-financial information of the company? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?	V		Although the Company is not a company that compulsorily requires a corporate social responsibility report (hereafter referred to as CSR report) by the competent authority, the Company has prepared a CSR report for 2019 to disclose non-financial information of the Company in order to strengthen the communication with stakeholders. The content of the report is in accordance with the international standards or guidelines for the report preparation and obtains the confirmation or assurance opinions of third-party verification units.	No particular deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.
VI. If the Company has established the corporate social responsibility best practice principles based on the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies," please describe any discrepancy between the Principles and their implementation: No particular deviation of the Company's Corporate Social Responsibility Best Practice Principles from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.				
VII. Other important information to facilitate better understanding of the company's Corporate Social Responsibility practices: In order to help all stakeholders understand the Company's corporate social responsibility operation, the Company has independently established a corporate social responsibility website. You can browse and download the corporate social responsibility report by yourself. The website of the Company's social responsibility network is https://www.cleanaway.tw/responsibility.html				

Note 1: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the company's investors and other stakeholders.

(VI) Deviations of the Company's ethical corporate management from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation:

Evaluation item	State of operations			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
I. Stipulating policies and plans for ethical corporate management				
(I) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the board of directors and senior management to rigorous and thorough implementation of such policies?	V		1. The Company has passed the proposal for the establishment of the Company's "Ethical Corporate Management Best Practice Principles" in the meeting of the Board of Directors on March 17, 2011 and approved the Principles on April 29, 2011. All subsequent matter shall be implemented in accordance with the Principles.	No material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		2. The Company has established prevention plans in accordance with the "Ethical Corporate Management Best Practice Principles" and organizes regularly education and training programs for all employees to understand the Company's resolve and policies for ethical corporate management.	
(III) Has the company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	V		3. The Company expressly stipulates regulations on obligations for integrity including the prohibition on the bribery, kickbacks, allowances, or other illegitimate methods for obtaining businesses, prohibition on abusing their posts to request or speak for the interest of others, and related requirements for fairness and selflessness when they perform procurement or audit tasks. All employees have signed consent forms for the aforementioned regulations to demonstrate their knowledge and compliance.	
II. Implementing ethical corporate management				
(I) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		1. The Company provides necessary credit extensions to counterparties in business activities and conducts integrity assessments regularly on suppliers to ensure that their business activities with the Company are conducted in a fair and transparent manner and that they do not provide, request, or accept bribery.	No material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		2. The business scope of the departments of the Company include ethical corporate management tasks. The Vice Presidents of each department are responsible for the promotion of such tasks. The Audit Office is responsible for regulatory systems and the establishment, execution, interpretation, consulting services, and the registration, filing, and supervision tasks for reports in the Ethical Corporate Management Operating Procedures and the Code of Conduct. Where departments	

Evaluation item	State of operations			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
<p>(III) Has the Company established policies to prevent conflicts of interests, provided proper channels of appeal, and enforced these policies and channels accordingly?</p> <p>(IV) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(V) Does the Company regularly hold internal and external educational trainings on ethical corporate management?</p>	V		<p>encounter material defects or violation of the principle of integrity as they advance ethical corporate management tasks, the Vice Presidents of each department shall provide related information which shall be compiled by the Audit Office and submitted to the Board of Directors regularly. The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" to prevent unethical behavior and unify related standard operating procedures and the Code of Conduct.</p> <p>3. The Company has established related regulations for ethical conduct in the Work Rules.</p> <p>4. The Company has established an effective accounting system and internal control system to ensure the implementation of ethical corporate management. Auditors shall conduct regular compliance audits for the aforementioned system.</p> <p>5. The Company regularly invites external professionals to provide related education and training at the Company.</p>	
<p>III. Operation of whistle-blowing system</p> <p>(I) Has the company established a concrete whistleblowing and rewarding system, and set up accessible methods for whistleblowers, and designate appropriate and dedicated personnel to investigate the accused?</p> <p>(II) Has the company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?</p> <p>(III) Does the company take any measures to protect whistleblowers so that they are safe from mishandling?</p>	V		<p>1. The Company has approved the formulation of the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" in the meeting of the Board of Directors on November 10, 2017. The processing units, report channels, and processing procedures are established in the Procedures as the basis for compliance in related operations.</p> <p>2. Article 5 of the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" established by the Company has outlined the procedures for reporting. It also requires the Company to maintain the confidentiality of whistleblowers and the contents of their reports and protect whistleblowers from inappropriate disciplinary actions due to their whistleblowing.</p> <p>3. The Company has assigned dedicated personnel to take charge of processing reports and protect the identity of the whistleblowers.</p>	No material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
<p>IV. Strengthening information disclosure</p> <p>Does the company disclose the ethical corporate management policies and the results of its implementation on the Company website and MOPS?</p>	V		The Company has disclosed its best practices for ethical corporate management on the company website and Market Observation Post System.	No material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	State of operations			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
V. If the Company has established Ethical Corporate Management Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," describe any deviations between the principles and their implementation: None.				
VI. Other important information that facilitate the understanding of the implementation of ethical corporate management (such as review and amendment of the company's Ethical Corporate Management Best Practice Principles): In addition to abiding by various legal requirements, the Company also established company guidelines for the most important parts to require unit personnel to strictly perform their duties. The Company also plans ethical corporate management education and training for suppliers to strengthen the rule of law.				

(VII) Methods of inquiry in the Corporate Governance Best Practice Principles and related regulations established by the Company:

The Company has established the "Corporate Governance Best Practice Principles," "Rules and Procedures of Shareholders' Meeting," "Rules and Procedures of Board of Directors Meeting," "Rules Governing the Scope of Powers of Independent Directors," "Regulations on Financial Businesses and Transactions with Affiliate Companies," "Code of Ethical Conduct," "Remuneration Committee Charter," and other corporate governance guidelines. The methods of inquiry are as follows:

1. Market Observation Post System: Corporate Governance → Establishment of related corporate governance regulations and rules. (<http://mops.twse.com.tw>).
2. Company website: Investors → Corporate Governance information. (www.cleanaway.tw)

(VIII) Other material information that can enhance the understanding of the state of corporate governance at the Company: None

(IX) The following matters for the internal control system implementation status shall be disclosed:

1. **Internal Control System Statement**

Cleanaway Company Limited Internal Control System Statement

Date: Feb. 26, 2021

The Company hereby states the results of the self-evaluation of the internal control system for 2020 as follows:

- I. The Company acknowledges that the Company's Board of Directors and managers are responsible for the implementation and maintenance of the internal control system, and that the Company has already established such a system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. The internal control system has inherent constraints, and no matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control system contains self-monitoring mechanisms and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company uses the assessment items specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. The criteria adopted by the Governing Regulations are divided into 5 components in accordance with the procedures of management control: 1. Control Environment; 2. Risk Assessment; 3. Control Activities; 4. Information and Communication; and 5. Monitoring Activities. Each constituent element includes a number of categories. Please refer to "Governing Regulations" for details.
- IV. The Company has already adopted the aforementioned internal control system assessment items to evaluate the effectiveness of internal control system design and implementation.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2020, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement of declaration shall be the primary content of the Company's Annual Report and prospectus, and shall be made available to the public. Falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors on Feb. 26, 2021, and none of the seven Directors in attendance objected to it and all consented to the content expressed in this statement.

Cleanaway Company Limited

Chairman: Ching-Hsiang Yang Signature and Seal

President: Yung-Fa Yang Signature and Seal

2. Any CPA commissioned to conduct a project review of the ICS shall disclose the CPA's audit report: None.

(X) Penalties Imposed upon the Company and the Company's Employees According to Law, Penalties Imposed by the Company upon Employees for the Violation of the Internal Control System Policy, Principal Deficiencies, and Improvement Status during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

(XI) Major Resolutions of Shareholders' Meeting and Board Meetings during the Most Recent Fiscal Year (2020) and during the Current Fiscal Year up to the Date of Publication of the Annual Report

1. Important resolutions of the Board of Directors:

Board of Directors	Content of motion and follow-up actions	Items listed in Article 14-3 of the Securities and Exchange Act	Dissenting opinion or qualified opinion by independent directors
9th-term 4th meeting March 20, 2020	1. Proposal for distribution of Directors and employees' compensation for 2019		
	2. 2019 Business Report and Financial Statements.		
	3. 2019 earnings distribution proposal.		
	4. Amendment to the "Rules and Procedures of Shareholders' Meeting."		
	5. Proposal to convene the 2020 general shareholders meeting and related affairs		
	6. Proposal of the Company's "Internal Control System Statement."		
	7. Amendment to the Company's "Rules and Procedures of Board of Directors Meeting."		
	8. Amendment to the Company's "Remuneration Committee Charter"		
	9. Replacement of the Company's CPA.		
	10. Proposal of loan for Kang Lien Enterprise Company Limited.		
	11. The Company's distribution of remuneration for all individual Directors for 2019	✓	
	12. The Company's distribution of remuneration for the three Independent Directors and all individual supervisors for 2019.	✓	
	13. Remuneration for the representative of the institutional director to Cleanaway SUEZ Environmental Resources Limited.		
	14. Remuneration for the representative of the institutional director to Chung Tai Resource Technology Corp.		
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: Passed by all directors present at the meeting.		
9th-term 5th meeting May 8, 2020	1. Financial Report for the first quarter of 2020.		
	2. Proposal for the endorsement/guarantee for the subsidiary Cleanaway Enterprise.	✓	
	3. Proposal of an adjustment to the Company's organization.		
	Opinions of independent directors: None.		

	The Company's actions in response to the opinions of independent directors: None.	
	Resolution: Unanimous agreement of all Directors in attendance	
9th-term 6th meeting June 12, 2020	The Company's appropriations of earnings in cash dividends to shareholders for 2019	
	Opinions of independent directors: None.	
	The Company's actions in response to the opinions of independent directors: None.	
	Resolution: Passed by all directors present at the meeting.	
9th-term 7th meeting August 7, 2020	1. Financial Report for the second quarter of 2020. 2. Amendment of the "Internal Control System" and "Internal Audit Rules" ✓ 3. Proposal of funds loaning of NT\$ 60 million for Da Tsang Industrial Company Limited. ✓ 4. Proposal for the application of loan of NT\$ 300 million from Bank SinoPac. 5. Proposal for the application of a credit line of NT\$ 350 million from Hua Nan Commercial Bank. 6. Proposal of the company to invest in Dezhou Kangbo Environmental Protection Technology Co., Ltd. through its subsidiary. ✓	
	Opinions of independent directors: None.	
	The Company's actions in response to the opinions of independent directors: None.	
	Resolution: Passed by all directors present at the meeting.	
9th-term 8th meeting November 6, 2020	1. Financial Report for the third quarter of 2020. 2. Approve the establishment of Corporate Social Responsibility Committee and formulate the "Corporate Social Responsibility Committee Charter" 3. Proposal of an adjustment to the Company's organization. 4. Establishment of the Company's "Risk Management Policy". 5. Proposal for the application of a credit line of NT\$ 50 million from Shanghai Commercial & Savings Bank.	
	Opinions of independent directors: None.	
	The Company's actions in response to the opinions of independent directors: None.	
	Resolution: Passed by all directors present at the meeting.	
9th-term 9th meeting December 18, 2020	1. Reviewed and resolution of the Company's 2021 Business Plan. 2. Establishment of the Company's internal audit plan 2021. 3. Appointment of directors and supervisors of subsidiaries. 4. Proposal for the application of a credit line from CTBC Bank Minzu Branch.	

	<p>5. Proposal for the application of loan of NT\$ 200 million from Mega International Commercial Bank.</p> <p>6. Proposal for the application of loan of NT\$ 200 million from Mega Bills.</p> <p>7. Proposal for the application of loan of NT\$ 300 million from E.SUN Commercial Bank.</p> <p>8. The distribution case of the Company's managerial officers 2020 year-end performance bonus.</p> <p>9. Remuneration for the representative of the institutional director to Cleanaway SUEZ Environmental Resources Limited in 2019.</p>		
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: Passed by all directors present at the meeting.		
9th-term 10th meeting February 6, 2021	<p>1. Proposal for distribution of Directors' and employees' compensation for 2020.</p> <p>2. 2020 Business Report and Financial Statements.</p> <p>3. 2020 earnings distribution, cash dividend distribution.</p> <p>4. Amendment to the Company's Articles of Incorporation.</p> <p>5. Proposal to convene the 2021 general shareholders meeting and related affairs</p> <p>6. Proposal of the Company's "Internal Control System Statement."</p> <p>7. Amendment of the "Internal Control System" and "Internal Audit Rules" ✓</p> <p>8. Proposal for the application of a credit line of NT\$ 400 million from Taishin International Bank.</p> <p>9. Proposal for the application of a credit line of NT\$ 300 million from HSBC Bank.</p> <p>10. The Company's distribution of remuneration for all individual Directors for 2020. ✓</p> <p>11. The Company's distribution of remuneration for the three Independent Directors and all individual supervisors for 2020. ✓</p> <p>12. Remuneration for the representative of the institutional director to Chung Tai Resource Technology Corp.</p>		
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: Passed by all directors present at the meeting.		

2. Important resolutions from the 2020 general shareholders' meeting and implementation status:

Key resolutions	Implementation status
1. Approval of 2019 Business Report and Financial	Resolution passed.

Statements	
2. Approval of the 2019 earnings distribution proposal.	Distribution of cash dividends of NT\$10 per share. The Board of Directors established July 8, 2020 as the ex-dividend date and July 28, 2020 as the dividends issuance date.
3. Approved the amendment of the "Procedures for Acquisition or Disposal of Assets."	The content of the revised document was published on June 12, 2020 on the Company's website and implemented according to the revised content.
4. Amendment to the "Procedures for Loaning of Funds and Making of Endorsements/Guarantees."	The content of the revised document was published on June 12, 2020 on the Company's website and implemented according to the revised content.
5. Approved the amendment of the "Rules of Procedure for Shareholders' Meetings."	The content of the revised document was published on June 12, 2020 on the Company's website and implemented according to the revised content.

(XII) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors of the most recent year and as of the Date of this Annual Report: None.

(XIII) Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, President, Heads of Accounting, Finance, Internal Audit, R&D and Chief Governance Officer of the most recent year and as of the Date of this Annual Report: None.

(XIV) Related certifications obtained Designated the relevant competent authorities by personnel associated the Company with the transparency of financial information:

Title	Name	Certification name
Auditor	Mei-Chih Kao	Certification of Qualification in the Basic Proficiency Test on Enterprise Internal Control

IV. Information on CPA expenses:

1. CPA expenses

Name of CPA Firm	Name of CPA	Audit period	Notes
Deloitte Touche Tohmatsu Limited	Shih Chin-Chuan Kuan-Chung Lai	January 1, 2020~December 31, 2020	

Unit: NT\$ thousand

		Audit fees	Non-audit fees	Total
1	Under NT\$2,000 thousand		V	
2	NT\$2,000 thousand (inclusive) to NT\$4,000 thousand	V		V
3	NT\$4,000 thousand (inclusive) to NT\$6,000 thousand			
4	NT\$6,000 thousand (inclusive) to NT\$8,000 thousand			
5	NT\$8,000 thousand (inclusive) to NT\$10,000 thousand			
6	More than NT\$ 10,000 thousand (inclusive)			

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit fees	Non-audit fees					Audit period	Notes
			System design	Business registration	Human resources	Others	Subtotal		
Deloitte Touche Tohmatsu Limited	Shih Chin-Chuan	2,970	0	106	0	310	416	January 1, 2020 ~ December 31, 2020	NT\$ 215 thousand of maintenance fees for offshore companies NT\$ 95 thousand for business tax deduction audit expense
	Kuan-Chung Lai								

2. The following information shall be disclosed in the event of one of the

following:

- (1) If the non-audit fees paid to the CPAs, their accounting firm and affiliated companies of their accounting firm exceed one-fourth of the audit fees paid to them, the amount of audit and non-audit fees, and the content of non-audit services shall be disclosed: None.**
- (2) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons thereof shall be disclosed: None.**
- (3) Where the accounting fee paid for the year was more than 10% less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed: None.**

V. Replacement of CPAs

(I) Information on the previous CPA:

Date of replacement	March 20, 2020		
Cause and details of the replacement	The Former CPAs Te-Chen Cheng and Kuan-Chung Lai are from Deloitte, Taiwan. Due to internal business rotation, CPAs Kuan-Chung Lai and Chin-Chuan Shih of Deloitte, Taiwan resumed the position since the first quarter of 2020.		
Any details for the termination or rejection of the commissioner or CPA	Contracting party		CPA
	Status		Commissioner
	Active termination of the commission	-	-
	Rejection of (continuing) commission	-	-
Opinion and reasons for audit report issued during the two past fiscal years containing an observation other than unqualified ones	None		
Any disagreement with the issuer	Yes	-	Generally Accepted Accounting Principles (GAAP) or activities
		-	Disclosure of financial reports
		-	Scope or procedure of audits
		-	Others
	None	V	
	Descriptions: None		
Other items for disclosure (items in Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulations shall be disclosed)	None		

(II) Successive CPAs:

Name of the accounting firm	Deloitte Touche Tohmatsu Limited
Name of CPA	Kuan-Chung Lai, Chin-Chuan Shih
Date of commissioning	March 20, 2020
Accounting treatment or accounting principle for specific transactions as well as consultation items and results on audit assessment on the financial report prior to formal engagement	None
Written views on disagreements between the successor and former independent auditors	None

(III) The previous CPA's response for Article 10, Subparagraph 6, Item 1 and Item 2-3 of the accounting standards: Not applicable.

VI. The Company's Directors, President, managerial officers in charge of finance or accounting who has served in the CPA firm or its affiliated companies in the most recent fiscal year shall disclose their names, positions and the period of employment in CPA firm or its affiliated companies: None.

VII. Share transfer by Directors, Supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them:

1. Change in the equities of the Directors, Supervisors, managerial officers and major shareholders

Title	Name	2020		As of March 29, 2021	
		Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Chairman Major shareholder	Yang Ching-Hsiang	0	0	0	0
Director	Kang Lan Enterprise	0	0	0	0
Representative of Institutional Director	Cheng-Lun Tao	0	0	0	0
Director	Jocris	0	0	0	0
Representative of Institutional Director	Chong-Meng Lai	0	0	0	0
Director	Kun-Yu Chang	0	0	0	0
Independent Director	Wen-Tsai Yang	0	0	0	0
Independent Director	Juu-En Chang	0	0	0	0
Independent Director	Kuo-Shuh Fan	0	0	0	0
Supervisors	Rong-Hsien Hou	0	0	Note 2	Note 2
Supervisors	Cheng-Han Hsu	0	0	0	0
Supervisors	Kang Xin Investment	0	0	0	0
Representative of Institutional Supervisor	Chin-Hui Ling	0	0	0	0
Vice President - Marketing & Sales	Jen-Cheng Tsai	0	0	0	0
Vice President - Administration	Chi-Nan Chen	0	0	0	0
Chief Financial Officer	Tsung-Tien Chen	0	0	0	0
Vice President - Operations	Yu-Tsung Tai	0	0	0	0
Vice President-Technology	Lwon-Kuo Sung	0	0	0	0
Chief Auditor	Mei-Chih Kao	0	0	0	0
Accounting Supervisor	Ping-Cheng Hung	0	0	0	0

Note 1: Data collected as of March 29, 2021 (Book close date).

Note 2: Supervisor Hou Rong-Hsien left the factory on November 4, 2020.

2. Where the counterparty of stock transfer or stock pledge is a related party, the name of the counterparty, relationship between the counterparty and the Company, Directors, Supervisors and shareholders with shareholding percentage exceeding 10%, and the shares obtained or pledged shall be disclosed: None.

VIII. Information of the Top Ten Largest Shareholders who are Related Parties or have a Spousal or Familial Relationship within the Second Degree of Kinship

Name	Personal shareholding	Shares held by spouse and minor children	Shares held in the name of other persons	Alias or name and relationship of the top 10 shareholders who are defined by the Statement of Financial Accounting Standard No.6 to be related persons or spouse and relatives within the second-degree of kinship	Notes

	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title (or name)	Relationship	
Yang Ching-Hsiang	12,112,350	11.12	37	0	-	-	Kang Lan Enterprise Company Limited	Major shareholder	-
Fubon Life Insurance Co., Ltd.	6,532,000	6.00	-	-	-	-	None	None	-
Fubon Life Insurance Co., Ltd. representative: Ming-Hsing Tsai	-	-	-	-	-	-	Fubon Life Insurance Co., Ltd.	Chairman	-
Jocris Ltd. (BVI)	5,832,522	5.36	-	-	-	-	Jusiu Limited (BVI)	Same person in charge	-
Jocris Ltd. (BVI) representative: Chong-Meng Lai	-	-	-	-	4,572,789	4.20	Jocris Ltd. (BVI)	Person in charge	-
							Jusiu Limited (BVI)	Person in charge	
Kang Lan Enterprise Co., Ltd.	5,526,223	5.08	-	-	-	-	Yang Ching-Hsiang	Major shareholder	-
Kang Lan Enterprise Co., Ltd. representative: Cheng-Lun Tao	-	-	-	-	-	-	None	None	-
Jusiu Limited (BVI)	4,572,789	4.20	-	-	-	-	Jocris Ltd. (BVI)	Same person in charge	-
Jusiu Limited (BVI) representative: Chong-Meng Lai	-	-	-	-	4,572,789	4.20	Jocris Ltd. (BVI)	Person in charge	-
							Jusiu Limited (BVI)	Person in charge	
Shu-Hui Yang's trust account under the custody of Taishin International Bank	4,532,000	4.16	-	-	-	-	None	None	-
Cathay Life Insurance Co., Ltd.	2,486,888	2.28	-	-	-	-	None	None	-
Cathay Life Insurance Co., Ltd. representative: Hung-Tu Tsai	-	-	-	-	-	-	Cathay Life Insurance Co., Ltd.	Chairman	-
Pi-Lien Yang Lee's trust account under the custody of Taishin International Bank	2,311,000	2.12	-	-	-	-	None	None	-
Citibank (Taiwan) Limited as custodian of Norges Bank	1,496,000	1.37	-	-	-	-	None	None	-
George Yang Co., Ltd.	1,482,000	1.36	-	-	-	-	None	None	-
	-	-	-	-	1,482,000	1.36	Yang Ching-Hsiang	Immediate family	-

George Yang Co., Ltd. Rep. Yang Yung-Fa							George Yang Co., Ltd.	Person in charge	-
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Note: The data is accurate as of March 29, 2021 (book closure date)

IX. The shareholding of the Company, Directors, Supervisors, managerial officers and an enterprise that is directly or indirectly controlled by the Company in the invested company and the calculation of the consolidated shareholding percentage

Reinvestment business (Note)	Investment by the Company		Investments of Directors, Supervisors, managerial officers and the Company's directly or indirectly controlled businesses		Combined investment	
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio
Cleanaway Enterprise Company Limited	18,000,000	100.00%	-	-	18,000,000	100.00%
Da Tsang Industrial Company Limited	27,000,000	100.00%	-	-	27,000,000	100.00%
Kang Lien Enterprise Company Limited	6,020,000	100.00%	-	-	6,020,000	100.00%
Chi Wei Company Limited	41,000,000	100.00%	-	-	41,000,000	100.00%
Cleanaway Investment Company Limited	8,000,000	100.00%	-	-	8,000,000	100.00%
Da Ning Co., Ltd.	-	-	15,000,000	100.00%	15,000,000	100.00%
Cleanaway SUEZ Environmental Resources Limited	21,750,000	29.00%	-	-	21,750,000	29.00%
Chase Environmental Co., Ltd.	-	-	1,500,000	25.00%	1,500,000	25.00%
Cleanaway Energy Co., Ltd.	5,500,000	55.00%	-	-	5,500,000	55.00%
Chung Tai Resource Technology Corp.	15,600,000	20.02%	-	-	15,600,000	20.02%
CCL Investment Holding Company Limited (Samoa)	-	-	-	100.00%	-	100.00%
Cleanaway Shanghai Management Holding Co., Ltd. (Samoa)	-	-	-	100.00%	-	100.00%
Cleanaway (Shanghai) Co., Ltd.	-	-	-	100.00%	-	100.00%
Cleanaway Zoucheng Holding Company Limited (Samoa)	-	-	-	100.00%	-	100.00%
Cleanaway Zoucheng Co., Ltd.	-	-	-	100.00%	-	100.00%
Cleanaway Zhejiang Holding Company Limited (Samoa)	-	-	-	100.00%	-	100.00%

Note: Invested by the Company using the equity method

Chapter 4 Financing Status

I. Capital and shares

(I) Sources of capital

As of March 31, 2021

Unit: Shares; NT\$

Year and month	Issued price (NT\$)	Authorized capital		Paid-up capital		Notes		
		Number of Shares	Amount	Number of Shares	Amount	Sources of capital	Subscriptions paid with property other than cash	Others
100/10	10	200,000,000	2,000,000,000	108,888,000	1,088,880,000	Capital increase from cash	None	Note

Note: Approved in the Jing-Shou-Shang No. 10001240770 Letter of the Ministry of Economic Affairs on October 18, 2011.

As of March 31, 2021; Unit: Shares

Types of Shares	Authorized capital					Notes
	Outstanding shares			Unissued shares	Total	
	Listed	Unlisted	Total			
Ordinary shares	108,888,000	0	108,888,000	91,112,000	200,000,000	

Note: All shares issued by the Company are listed stocks

(II) Shareholder structure

As of March 31, 2021

Shareholder structure Quantity	Government institutions	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of people	1	31	115	15,753	141	16,041
Shares held (shares)	101,000	20,228,888	11,803,214	51,306,518	25,448,380	108,888,000
Shareholding ratio (%)	0.09%	18.58%	10.84%	47.12%	23.37%	100.00%

Note: The data is accurate as of March 29, 2021 (book closure date)

(III) Distribution of equity ownership

1. Ordinary shares

As of March 31, 2021

Shareholding classification	Number of shareholders	Number of shares held (shares)	Shareholding ratio (%)
1 ~ 999	3,621	663,260	0.61%
1,000 ~ 5,000	10,940	18,920,145	17.38%
5,001 ~ 10,000	816	6,302,301	5.79%
10,001 ~ 15,000	244	3,172,427	2.91%
15,001 ~ 20,000	119	2,164,822	1.99%
20,001 ~ 30,000	96	2,490,490	2.29%
30,001 ~ 40,000	55	1,963,000	1.80%
40,001 ~ 50,000	22	1,025,641	0.94%
50,001 ~ 100,000	52	3,663,191	3.36%
100,001 ~ 200,000	30	4,402,000	4.04%
200,001 ~ 400,000	15	4,374,871	4.02%
400,001 ~ 600,000	13	6,222,721	5.72%
600,001 ~ 800,000	4	2,856,000	2.62%
800,001 ~ 1,000,000	3	2,637,359	2.42%
More than 1,000,001	11	48,029,772	44.11%
Total	16,041	108,888,000	100.00%

Note: The data is accurate as of March 29, 2021 (book closure date)

2. Preferred shares: None.

(IV) List of major shareholders

As of March 31, 2021

Name of major shareholder	Shares	Shares held (shares)	Shareholding ratio (%)
Yang Ching-Hsiang		12,112,350	11.12%
Fubon Life Assurance Co., Ltd.		6,532,000	6.00%
Jocris Limited (BVI)		5,832,522	5.36%
Kang Lan Enterprise Co., Ltd.		5,526,223	5.08%
Jusiu Limited (BVI)		4,572,789	4.20%
Shu-Hui Yang's trust account under the custody of Taishin International Bank		4,532,000	4.16%
Cathay Life Insurance Co., Ltd.		2,486,888	2.28%
Pi-Lien Yang Lee's trust account under the custody of Taishin International Bank		2,311,000	2.12%
Citibank (Taiwan) Limited as custodian of Norges Bank		1,496,000	1.37%
George Yang Co., Ltd.		1,482,000	1.36%

Note: The data is accurate as of March 29, 2021 (book closure date)

(V) Market price, net value, earnings, and dividends per share in the past two years

Currency Unit: NT\$

Item	Year	2019	2020	Current year as of March 31, 2021	
Market value per share	Highest	177.50	172.50	176.00	
	Lowest	151.00	126.50	158.00	
	Average	163.04	157.22	15.52	
Net value per share	Before distribution	51.69	52.49	52.49	
	After distribution	41.69	42.49	42.49	
Earnings per Share (EPS)	Weighted average shares (thousand shares)	108,888	108,888	108,888	
	Earnings per Share (EPS)	10.83	10.81	10.81	
Dividends Per Share	Cash dividends	10	10	10	
	Stock dividends	Stock dividends from retained earnings	-	-	-
		Stock dividends from capital reserve	-	-	-
	Cumulative unpaid dividends	-	-	-	
Return on investment	PE ratio	15.05	14.54	15.31	
	Price-dividend ratio	16.30	15.72	16.55	
	Cash dividend yield	0.061	0.064	0.060	

Note 1: The latest quarterly financial statements audited (reviewed) by the CPA consist of information from Q4 of 2020.

(VI) Dividend policy and implementation status

1. Dividend Policy:

The Company may distribute bonus to shareholders in the form of cash or stocks, however, the cash bonus to shareholders cannot be lower than 10% of total share bonus. The Company is in a growing industry. The Board of Directors shall propose the type and ratio of earnings appropriation after considering the current operating conditions, the shareholders' interests and the balance of dividends and

capital demands. The proposal shall be submitted to the Board of Shareholders.

2. The proposed dividend distribution of shareholders' meeting this year:

In 2020 dividend distribution, based on the number of shares recorded in the register of shareholders on the record date, cash dividend of NT\$1,088,880,000 will be distributed with NT\$10 per share.

3. Any expected material changes to the dividend policy shall be explained: None

(VII) Effects of the stock dividends proposed by the shareholders' meeting on the company's business performance and earnings per share: Not applicable.

(VIII) Remuneration of employees, Directors and Supervisors

1. The percentage or range of compensation to employees, Directors, and Supervisors as prescribed in the Articles of Incorporation:

If the Company generates profit in the current year, the Board of Directors shall determine the distribution of profits in accordance with the Articles of Incorporation and report to the shareholders' meeting:

(1) No more than 5% as remuneration for Directors and Supervisors.

(2) No less than 1% as remuneration for employees. The Board of Directors shall resolve to distribute the remuneration in stocks or cash. The distribution of employee remuneration shall include employees of affiliated companies that meet the criteria.

However, when the Company still has accumulated loss, a certain amount of the earnings shall be retained for making up the loss and the remainder may be set aside as employee bonus and remuneration to Directors and Supervisors according to the percentage specified in the preceding paragraph.

The profit specified in the preceding paragraph refers to the profits before tax before deducting employee remuneration and remuneration to Directors and Supervisors.

2. Accounting treatment for the basis of estimating the amount of the employees' remuneration and Director's remuneration for this fiscal period, the basis of calculating the number of shares to be distributed as employees' remuneration, and for any discrepancy between the actual amount distributed and the estimated figures.

If there are changes made to the amount before the issuance of the consolidated financial statements, the changes shall be adjusted and accounted for as annual expenses. If there are changes made to the amount after the issuance of the consolidated financial statements, the changes shall be accounted for as changes in accounting estimates and recognized in the financial statements of the following year.

3. Information on remuneration proposals passed by the Board of Directors:

(a) Where the value of the employees' remuneration and the Directors' and Supervisors' remuneration distributed in the form of cash or shares exhibit discrepancies with the recognized expenses and annual estimates, the sum, cause, and procedures for handling the discrepancy shall be disclosed:

On February 26, 2021, the BOD has resolved to distribute the 2020 employee compensation of NT\$ 38,621 thousand and Directors remuneration of NT\$ 34,000 thousand, as previously recognized in 2020.

(b) The amount of employee bonus to be paid in stocks out of the current company-level financial report in terms of the sum of net profit after tax and employee bonus: None (all employee remuneration shall be distributed in cash).

4. Actual payment of compensation to employees, Directors and Supervisors in the previous year (including the number of shares, amount and stock price), and if it is different from the amount of compensation recognized, the differences, causes, and ways of reconciliation shall be disclosed.

The Company passed the distribution of Directors and Supervisors' remuneration of NT\$35,000 thousand and employee remuneration of NT\$38,954 thousand of 2019 in a resolution in the 2020 shareholders' meeting. There is no discrepancy from the recognized amount in the 2019 financial statements.

(IX) Buyback of Treasury Stock: None.

II. Issuance of corporate bonds (including overseas corporate bonds): None.

III. Preferred Shares: None.

IV. Issuance of overseas depository receipts: None

V. Employee Stock Options: None.

VI. Issuance of new restricted employee shares: None.

VII. Mergers and Acquisitions, or as Assignee of New Shares Issued by Another Company:

N/A

VIII. Implementation of capital utilization plans:

Cash capital increase before public offering in 2011

1. Project content

- (1) Source of capital: The Company issued 10,434,417 thousand new shares in the cash capital increase with a par value of NT\$10 at a premium price of NT\$180. The Company planned to raise NT\$1,878,195 thousand. The actual issuance price was at a premium price of NT\$170. Funding deficiency was covered by the Company's own funds.
- (2) Competent authority approval date and document number: Jin-Guan-Zheng-Fa No. 1000036805 dated August 9, 2011.
- (3) Fund usage: Investment in Chi Wei Company Limited, Da Tsang Industrial Company Limited, and solar power generation systems.
- (4) Date of entering information to the information reporting website designated by the Securities and Futures Bureau: August 9, 2011.
- (5) Change of project contents: As the prospects of the solar power industry remains unclear, the Board of Directors resolved on July 26, 2017, to change the funds usage to replenishment of operating capital to reduce the cost of funding, strengthen the Company's financial structure, and improve the Company's capacity for fund allocation. The information was entered in the Market Observation Post System on October 5, 2017.

2. Implementation status

Project item	Implementation status			Reasons for the schedule to be ahead or fell behind and the improvement plan
		Anticipated	Actual	
Investment in Chi Wei Company Limited	Expenditure	NT\$ 650,000 thousand	NT\$ 650,000 thousand	Execution completed in December 2011
	implementation progress	100%	100%	
Investment in Da Tsang Industrial Company Limited	Expenditure	NT\$ 930,000 thousand	NT\$ 930,000 thousand	Execution completed in December 2011
	implementation progress	100%	100%	
Installation of solar power generating system	Expenditure	NT\$ 298,195 thousand	-	The expenditures were set to be executed in the third quarter of 2012. As the current outlook of the solar energy industry remains unclear and the government's power purchase price becomes more conservative, the Board of Directors changed the use on July 26, 2017 to the replenishment of operating capital.
	implementation progress	-	-	

3. Implementation effectiveness

The Company has completed the investment projects and the construction of new landfills have begun. The investment in Chi Wei landfill began contributing returns in 2014. The third phase of Da Tsang landfill is expected to begin contributing to profits in 2018. As the current outlook of the solar energy industry remains unclear and the government's power purchase price becomes more conservative, the Board of Directors changed the use of investment for solar energy equipment on July 26, 2017 to the replenishment of operating capital.

Chapter 5 Operational Highlights

I. Business activities

(I) Business scope

1. Main businesses:

The Company mainly operates hazardous industrial waste removal and processing. The main businesses scope includes solidification and clearing of sludge waste that contain hazardous heavy metals, solidification and clearing of dust from the steel industry that contain hazardous heavy metals, solidification and clearing of flying ash that contain hazardous heavy metals from urban incinerators, solidification and clearing of waste that contain hazardous asbestos waste, and improvement of control site and remediation site with soil and groundwater pollution.

2. Proportion of main products as a ratio of operations in 2020 (consolidated information)

Units: in NT\$1,000

Business activities	2020 Operating revenue	Proportion of 2020 operating revenue
Waste solidification and excavation	729,984	27.23%
Waste landfill	1,820,140	67.90%
Waste clearing	101,844	3.80%
Others	28,571	1.07%
Operating Revenues	2,680,539	100.00%

3. The Company's current services

Main products (services)	Contents of product
Waste solidification and excavation services	Solidification refers to the transformation of hazardous waste produced by customers into stable products; excavation refers to the excavation engineering services for improving illegal abandoned waste disposal sites and pollution control sites
Waste burial services	Landfill services for stabilized products or general industrial waste
Waste clearing services	The Company provides domestic customers with Class A waste clearing services

4. New products or service under development

The research team will continue to expand the Company's R&D on the treatment methods of different pollutants by making use of hands-on experience.

Moreover, the Company also initiated related research on waste incineration, in hopes of making a difference in the field of incineration and diversifying the Company's treatment methods for wastes that allow the Company to provide customers with more comprehensive and economic waste treatment services.

(II) Industry overview

1. Current state and development of the industry

Taiwan still occupies important positions in the global economy. The rapid development of industrialization has brought forth tremendous economic benefits and also released boundless energy for industries. However, the large-scale industrial development in the early days has resulted in a supply chain that continues to produce massive amounts of general and hazardous industrial waste which seriously damages the natural environment and the quality of life. There have been repeated incidents of illegal dumping and environmental pollution and the capacity for processing legal waste still fails to keep up with the total amount of waste produced for positive development in Taiwan, let alone the waste that has accumulated in the past decades and the illegal dump sites we continue to uncover.

Therefore, the central and local competent authorities for environmental protection must actively process the industrial waste generated daily by major manufacturers, basic metal industries, urban refuse incinerators (e.g. bottom ash and flying ash that contain hazardous heavy metals) in the country

as well as soil or groundwater pollution remediation site projects. All waste destined for intermediate solidification and final landfill shall contribute to growth in the industry. With the rise of related green environmental protection and energy conservation industries, the rise in environmental awareness, and increasingly rigorous industrial waste disposal regulations, the domestic demand for processing sites has continued to increase and the demand for processing hazardous and general industrial waste has expanded. Such expansion shall provide business opportunities for the Company's environmentally friendly recycled products.

The statistics on the destination of waste reported in accordance with the list of waste that contains heavy metals announced by the Environmental Protection Administration Industrial Waste Control Center of the Executive Yuan that are included in the Company's permitted business scope are shown in the table below:

Waste code	Waste code name	Serial form report volume (ton)				
		2015	2016	2017	2018	2019
A-3701	Scrapped solvents and sludge, scrapped alkali and sludge and scrapped liquor and sludge generated from cleaning the containers containing pigments, drying agents or calochrome stabilizing coating materials	335	315	291	147	279
A-4901	Sludge generated from waste water disposal in the manufacturing of chrome yellow and chrome orange coatings	42	42	41	38	32
A-7101	Furnace dust or sludge discharged and controlled in the pollution control process of electric furnaces	273,072	224,204	194,149	189,580	177,701
A-7201	Scrapped acid liquor left from steel industry's steel material processing or soaking	9,892	7,058	17,585	45,630	54,207
A-7301	Furnace dust or sludge discharged and controlled in the process of iron chrome alloys	139	71	111	186	70
A-7501	Furnace dust or sludge discharged and controlled in the 2nd smelting of lead, nickel, mercury, cadmium, and copper	1,300	1,404	1,212	1,056	1,176
A-8101	Residual or sludge with mercury content generated from waste recycling	3	0	0	0	0
A-8201	Solid metal residuals generated from waste recycling	1	1	1	1	1
A-8301	Acid scrapped liquor or sludge generated from waste recycling	334	300	320	248	398
A-8401	Furnace dust generated from crushing, selection, and recycling of waste wires and cables	1	0	2	1	1
A-8501	Waste phosphor generated from waste recycling	61	24	21	18	8
A-8801	Sludge generated from waste water disposal in the electroplating process. However, it is not limited to those that are produced from the processes below: (1) aluminum's sulfuric acid plating (2) carbon steel tinning (3) carbon steel aluminizing (4) incidental cleaning or stripping carbon steel tinning or aluminizing (5) aluminum's etching and grinding	112,582	113,242	119,383	123,350	115,521
A-8901	Sludge generated from waste water disposal in aluminum's chemical conversion and coating process	1,428	1,282	1,184	870	804
C-0101	Mercury and its chemical compounds (total mercury)	16	13	7	19	19
C-0102	Lead and its chemical compounds (total lead)	30,168	40,231	34,661	32,551	27,659
C-0103	Cadmium and its chemical compounds (total cadmium)	164	62	51	80	51
C-0104	Chrome and its chemical compounds (not including scrapped hide powder, dander and pieces generated from the process to manufacture or use animal leather)	18,916	21,959	19,357	16,720	5,340
C-0105	Chromium(VI) compounds	16	17	10	40	30
C-0106	Arsenic and its chemical compounds (total arsenic)	2,300	2,185	2,298	2,573	2,255
C-0109	Selenium and its chemical compounds (total selenium)	0	13	27	129	84
C-0110	Copper and its chemical compounds (total copper) (only limited to scrapped catalyzer, furnace dust, scrapped liquor, sludge, filter materials, incinerator flying ash or bottom residues)	133,016	108,796	110,597	111,090	102,780
C-0111	Barium and its chemical compounds (total barium)	833	1,738	690	1,338	750
C-0119	Other mixture waste containing toxic heavy metals containing toxic substances and exceeding the leaching standard limit	475	1,327	330	1,042	885

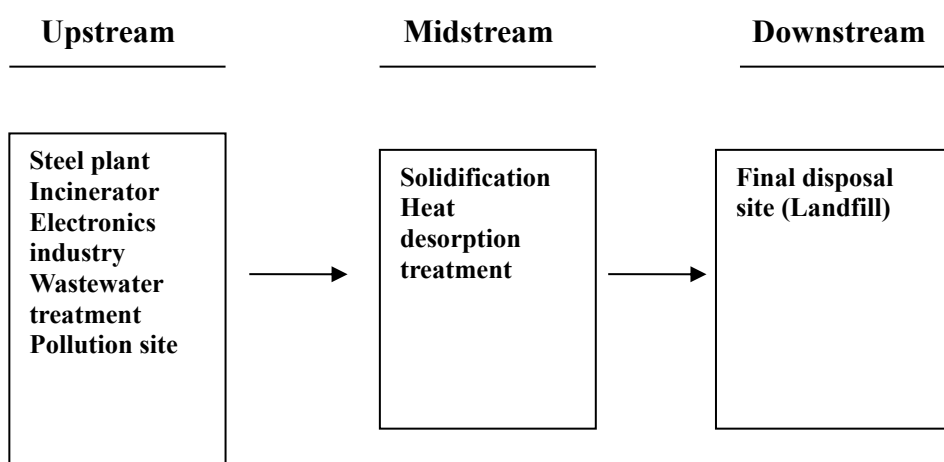
Waste code	Waste code name	Serial form report volume (ton)				
		2015	2016	2017	2018	2019
C-0701	Asbestos and waste from products (definitions based on those specified in the Standards for Defining Hazardous Industrial Waste)	144	396	1,081	981	437
Total		585,237	524,680	503,412	527,689	490,489

Source: Environmental Protection Administration Industrial Waste Control Center of the Executive Yuan; "0" indicates no reported volume or reported volume under 1. Statistics were rounded off.

With the exception of sludge that contains heavy metals produced in industrial processes, there are still 250 illegal dump sites with a total area of 175.535 hectares based on statistics compiled by the Control Yuan in November 2013. The control/remediation plants and dump sites announced by the EPA included 2,143 sites totaling 1,394.75 hectares including 1,941 sites polluted by heavy metals (statistics as of April 2020) totaling 658.44 hectares. The contaminated soil sites announced and supervised by the counties and cities in accordance with the "Soil and Groundwater Pollution Remediation Act" consisted mainly of farmland and gas station soil with heavy metal pollution.

The main processing method for heavy metal waste is based on the level of mutual influence involving heavy metal concentration and pollution intermediaries. They are divided into the following processing methods. The first involves the recycling of heavy metals through heat treatment. The more advanced applications include waste with high concentrations of mercury, zinc, and copper. Waste with medium and low concentrations heavy metals are processed via solidification.

2. Correlations between upstream, midstream and downstream Industries



3. Various product development trends

From the perspective of sustainability, metal resources are exhaustible resources and cannot be regenerated in the natural world. To prevent the continuous depletion of metal resources, we continue to actively develop resource recycling technology for sludge that contains heavy metals. The current processing procedures for the sludge that contain heavy metals are based on the metal content, processing technology, economic value, and load on the environment. These factors are used to determine whether the metals are recycled, developed into reduced-volume recycled products, or processed via solidification and landfill. Therefore, from the perspective of resource recycling, we should change our opinion of sludge that contains heavy metals as hazardous industrial waste and actively develop key technologies for recycling and reusing metals in the sludge so that the sludge can be properly processed, sorted, purified, and smelted for reusing the metal resources.

The current heavy metal sludge processing technologies available in Taiwan and abroad are shown in the table below:

Technology Type	Technology name	Applicable targets	Resource products	Features	Technology maturity	Actual applications
ES	Solidification	Polluted soil	1. Bricks	1. High physical and	Commercial	1. URRICHEM

		that contains multiple types of heavy metals, sludge, hazardous waste, and contaminated soil	2. Reefs	chemical stability 2. Diverse chemical additives 3. Simple construction and operations 4. Low equipment investment 5. Low processing costs 6. Metal resources cannot be recycled and reused	lization	2. Power supply institutes 3. Long Island University, United States 4. CHC hearthstones 5. Remondis Taiwan 6. Sunny Friend Environmental Technology
	Sintering and crystallization	Sludge containing copper and heavy metals	1. Bricks 2. Ceramics paint 3. Fire-resistant bricks 4. Copper oxide	1. The resource recycling performance is higher than that of solidification 2. Not suitable for hybrid sludge 3. High operating costs	Laboratory	Yung-Yuan
Resource recycling technology	Displacement electrolysis	Sludge with multiple types of heavy metals	Silver, lead, cadmium, tin, copper, zinc, calcium sulfate, sulfuric acid Lead, nickel sulfate, chromium hydroxide, ferrous sulfate	1. Various metal elements in pure contents can be obtained 2. Acid and alkali immersion solutions can be recycled for reuse	Commercialization	Recontek Co. (USA)
	Immersion displacement	Sludge containing copper	1. Copper sulfate 2. Copper powder	1. High returns for recycling	Commercialization	1. Gi Ding Technology 2. Chang Cheng 3. Chen Ho
	Ammonia immersion	Sludge with multiple types of heavy metals	Lead chromate, iron oxide, copper sulfate, zinc sulfate, nickel sulfate	1. Advantages in selective immersion 2. Slower immersion speed 3. Ammonia and extracts can be recycled and reused 4. Mature resource recycling technology	Model plant stage Section	Am-MAR (Sweden)
	Microorganism processing technology	Sludge containing multiple heavy metal contents	Recycling of metals such as chromium, nickel, zinc, and cadmium	1. Multiple applications in low-concentration heavy metal wastewater and sludge 2. Slower reaction speed	Model plant stage Section	
	High-temperature smelting	Sludge with multiple types of heavy metals	Chromium, nickel, zinc, cadmium, copper, iron	1. Recovery of metals such as chromium, nickel, zinc, cadmium, copper and iron 2. The copper and nickel contents must be higher than 10% 3. The chlorine and hydrocarbons must be lower than 1,000mg/14 with no Hg or F	Commercialization	1. Mining companies in Japan 2. SEPC (Switzerland)
	Mineral technology	Sludge containing copper (zinc)	Copper, zinc	1. Use high temperature to form ferrite in the heavy metal sludge 2. Use the stability variation of copper (zinc) oxide and ferrite to acid (ammonia) for isolation and purification	Laboratory Stage	

Source: 2005 Resource and Environment Seminar

The table shows that although the intermediate solidification of heavy metal sludge enjoys the highest level of commercialization, high-temperature vitrification processing offers superior stability although massive amounts of energy are required in the sintering process which increases the cost of processing. In addition, if the sludge contains mercury, lead, cadmium, or other more volatile heavy metals, air pollution prevention measures must be taken.

Metal recycling involves displacement electrolysis, ammonia immersion, microorganism processing, high-temperature smelting, and mineralization. Displacement electrolysis usually

involves complicated procedures and multiple sessions of immersion, filtering, reverse washing, and displacement. The changes in the composition of heavy metals in the sludge would also affect the applicability of the technology. Ammonia immersion may be advantageous for selective immersion filtering for certain metals (e.g. copper, nickel, and zinc), the slower immersion rate and the odor of ammonia remain its greatest weaknesses. Therefore, the use of such technology for recycling heavy metal sludge must account for the impact of the ammonia odor on the surrounding environment. There have been rare cases of using microorganisms to recycle heavy metal sludge. Most applications involve removal of heavy metals in sewer sludge or low-concentration waste water. Although the technology is used in Mainland China for recycling metal resources in the heavy metal sludge, the response rate is slower than that of other wet smelting technologies and the processing volume is only 0.5 ton/day. High-temperature smelting may be optimal in terms of its recycling of metal resources and lack of hazardous furnace soot, the high cost of equipment investment has slowed down investment. In addition, if volatile heavy metals are included in the sludge, pollution prevention equipment must be installed for monitoring to prevent secondary pollution. Mineralization technologies are not common in related research or commercialization and it remains a recycling technology in its infancy. The technology focuses on the composition and content of heavy metal sludge and similarities with minerals. Therefore, if the characteristics of the minerals can be brought out, we can use mature sorting and smelting technologies to recycle such metal resources. This may have great potential in the future.

We leverage our experience and future innovative plans to consider trends in the supply, demand, and environmental protection legislation. We predict that future solidification, landfill, and recycling volume would be significantly different. The life cycle factors (emerging plans for the development of products, new products, products in the growth era, and maturity products) are explained below:

①Mature products - Solidification and landfill market (steel, petrochemicals, and electronics industries)

If we divide the technologies for processing hazardous heavy metal waste produced by industries into three stages from mature products, growth-period products, and new products, solidification would no doubt be the most mature, popular, and acceptable processing method. Solidification is the most stable and feasible technology and the most acceptable and economic solution for industries. However, the government's resource recycling policy may cause such solidification processing volume to decrease in the future based on a rate of the acceptance of growth-period products and new products as well as the government's promotion of resource reuse. The business volume after the reduction shall be supplemented by newly-developed growth-period products and new products.

②Growth-period products - Solidification and landfill market (market for ash from electric arc furnaces in the steel and iron industry and flying ash from urban incineration plants)

Current growth-period products for the heavy metal waste processing market consist of heavy metal recycling from semiconductor waste and recycled zinc oxide collected from steel-making industries. Both recycling technologies make economic sense. However, the residual of zinc oxide recovered from ash collected from steel and iron industry may still contain heavy metals. Therefore, solidification must still be adopted as the back-end solution and we remain dependent on solidification for growth-period recycling technologies.

③New products - Resource recycling market (market for ash from electric arc furnaces in the steel and iron industry and flying ash from urban incineration plants)

The Company has extensive experience in working with foreign environmental protection processing companies and we actively introduce new processing technologies from foreign countries as commercialized products. For instance, new waste screening and sorting technologies and equipment have reduced the cost of processing waste and transformed waste into resources to be reused.

④Emerging products - The land on remediation sites and control sites announced by the EPA and

local Environmental Protection Bureaus can be provided to the original landowner for reuse and development.

4. Competition

Waste processed through solidification in the country is mainly sourced from flying ash that contain heavy metals (results in dissolution experiments exceed levels specified in the Standards for Defining Hazardous Industrial Waste) which is produced in the operations of public and private urban refuse incinerators, toxic metal waste classified based on the Standards for Defining Hazardous Industrial Waste, and asbestos and products made from asbestos that are considered as hazardous industrial waste. These types of waste are permitted by law for solidification. There are two types of operations of solidification equipment for flying ash from public and private urban refuse incinerators. The first consists of cases where the operators urban refuse incineration plants outsource such operations to external entities and the second consists of cases where the operators conduct their own operations.

As it is difficult to obtain professional technologies, land, and permits for such services, the industry has a high entry barrier. Private solidification plants in Taiwan include the Company, CHC Resources Corporation, Remondis Taiwan, and Sunny Friend Environmental Technology Changpin Plant. The total monthly processing volume is 23,620 tons and the annual processing volume is 283,440. Existing heavy metal waste processing plant (including recycling facilities) can process various heavy metal waste up to a total of 91,175 tons/month and 1,094,100 tons per year. These facilities are sufficient for processing the output of various hazardous industrial waste but they may not be able to accommodate or contain the total amount of illegal dump sites and contaminated soil. Ash from electric arc furnaces in the steel and iron industry is mainly processed by Taiwan Steel Union Co., Ltd. and various steel plants. Waste that contain copper pollutants in the electronics industry and PCB industry is mainly processed by Yung Yuan Chemical Materials Corp. and other recycling companies. Solidification is not a competitive solution for processing these two types of waste but the two types of recycling or reusing facilities mentioned above cannot recycle soil that has been contaminated by heavy metals. Therefore, solidification remains more competitive for other types of heavy metal waste and disposal sites as well as soil with heavy metal contamination.

The private solidification plants permitted to process hazardous waste and open to external operations are shown in the table below:

Solidification plant name	Cleanaway Company Limited	CHC Resources Corporation	Remondis Taiwan	Sunny Friend Environmental Technology Changpin Plant
Permitted solidification processing volume	15,250 tons/month	2,970 tons/month	1,800 tons/month	3,600 tons/month
Main waste categories processed	containing heavy metals and asbestos Waste Disposal	Waste containing heavy metals	Waste containing heavy metals	containing heavy metals and asbestos Waste Disposal

The table above shows that the volume and categories of waste processed by the Company are both higher than those of competitors and the Company uses affiliate companies to establish independent landfills and general industrial waste landfills after processing hazardous industrial waste. We provide customers with more comprehensive services while improving the Company's business competitiveness.

(III) Overview of technology and R&D

1. R&D expenditures: R&D expenditures in 2020: NT\$20,024 thousand

2. Successfully Developed Technologies and Products:

The Company's research and development is focused on the introduction of processing unit before heat desorption in the solidification process which would increase the sources of business in hazardous industrial waste. As the current environmental protection laws requires pre-processing for waste that contains high concentration of mercury, mercury must be processed and recycled before solidification and intermediate processing. Therefore, if the Company can respond to regulatory requirements and add a processing unit before heat desorption in the solidification process, the Company's potential business revenue in waste permitted for recycling will be expanded and it would be favorable to business expansion. The processing unit before heat desorption has been approved for operations in July 2011 and it is the only waste solidification processing unit with such facilities in Taiwan. The equipment is extremely competitive in the market for processing hazardous waste that contains mercury. The collection also continues to research the feasibility of using the unit to process other types of waste based on the valuable data we collected in onsite operations.

The Company also provides customers with technical services such as heat drying sludge produced in manufacturing processes to reduce waste volume for customers. However, high-temperature oxidation will cause hazardous heavy metals to be released more easily and significantly increase the toxicity. The Company provides customers with comprehensive technical support for the reason, theoretical verification, and solutions derived from this issue. Related research contents have been compiled and published in theses collection of the Chinese Institute of Environmental Engineering.

On-site remediation of oil-contaminated soil is an important service area of the Company. The recently developed water washing reduction method can effectively reduce the cost of off-site treatment and provide customers with comprehensive remediation services.

(IV) Long-term and short-term business development plans

1. Short-term development plans

(1) Solidification and landfill market

As the current domestic industrial structure and the demand for waste disposal far exceeds the market supply, there remains a large demand for solidification landfill treatment in the near future. Based on the imbalance of supply and demand and Cleanaway Group's advantages over competitors in terms of processing volume, the Company's short-term plan is to concentrate on development in the Central and Southern Taiwan market to maintain stable sales volume of the company's waste disposal services.

(2) Remediation site businesses

The remediation site market is the main focus of the Company's medium and long-term business development strategy. As early environmental protection laws and people's environmental protection awareness were insufficient, and the factory pollution prevention and control technology were far from perfect, they have caused changes in the industrial structure and urban plan developments of municipalities in recent years. As polluting industries gradually close, plants and sites that require remediation continued to increase and the improve sites can bring about immense opportunities for diversified operations for companies. This market has been a business developed by the Company in recent years and the business volume has continued to improve each year based on accrued remediation technologies. Many major domestic companies have polluted plants and sites that desperately require remediation. Therefore, the demand in the future remediation site market is expected to grow. The effect is especially prominent for major multinational companies which may become our main customers.

(3) Resource reuse market

The Company actively promotes the resource reuse market mainly for processing and reusing ash from electric arc furnaces in the steel and iron industry and flying ash from urban incineration

plants. The market will be the Group's niche in future sustainable development and the Company shall implement effective development to help promote the brand and advance medium to long-term business plans.

2. Long-term development plans

(1) Solidification and landfill market

As previously described, the sources of solidification processing include several large categories of which flying ash from urban incineration plants account for the largest share. The annual production volume is approximately 200,000 tons (statistics compiled by the Environmental Protection Administration in 2016). The current waste treatment method for such waste can be divided into solidification processes conducted by operators and processes outsourced to external operators. As the two types of companies are not dedicated institutions for processing hazardous waste, the processed products remain extremely unstable and there may be nowhere to bury the solidified products after processing. We expect that such waste will most likely be delivered to professional processing companies in the future and this would be one of the sources for the Company's long-term and stable business revenue.

(2) Remediation site businesses

Environmental protection laws become increasingly rigorous and refined and cities have expanded so much that the wastelands at the edges of early cities have become valuable for land development due to urbanization. If the land development value is higher than the land pollution remediation expenses, it would create incentives for development for the landowners. Cleanaway Group's years of experience will allow the Group to generate a high proportion of revenue from such business operations.

(3) Resource reuse market

The Company actively promotes resource recycling and market processing operations for steel industry ash and flying ash urban incineration plants in accordance with the Environmental Protection Administration's "Six-Year National Development Program - Incineration Plant Resource Recycling Project" and the recycling program for arc furnaces in the steel and iron industry promoted by the Industrial Development Bureau, Ministry of Economic Affairs. As the technical bottlenecks and recycled construction materials market channels have yet to mature, the Company shall start by marketing, promotion, and brand establishment as well as cooperation with the Environmental Protection Administration's incentives to build a solid foundation for medium to long-term market development businesses in the cement industry. The road paving materials, soil improvement agent, or more valuable Eco Cement or Eco Bricks produced from recycled products will not only contribute to society but also open up another sales market for Cleanaway beyond processing industrial waste. They will also become one of Cleanaway's goals for sustainable development.

(4) Mainland China operations

The Board of Directors approved the proposal for investment in China through an offshore company in mid-August 2012. The Company has established the head office of Cleanaway Investment in Shanghai to take charge of business management in China. The head office is responsible for introducing the "one-stop" integrated service model into China and seeking investment opportunities in other related environmental protection businesses. The Board of Directors passed another two investment proposals in China in 2013 for investments in Shandong Province and Zhejiang Province. The environmental impact assessment for the project in Zoucheng, Shandong was passed in 2014. Mainland governments at all levels are becoming more and more strict in enforcing environmental laws and regulations in the face of environmental pollution caused by industrialization. However, due to the global epidemic, the current schedule is still under careful planning, and there are still many uncertainties in the construction of factories in the mainland. In addition to adopting a more prudent investment strategy, the Company plans to implement a downsizing plan for mainland

organizations.

II. Overview of market, production and sales

(I) Market analysis

1. Analysis of main products and sales regions in the two most recent years

Units: in NT\$1,000

Main business Sales territory	2019		2020	
	Amount	%	Amount	%
Waste solidification Taiwan	377,446	13.94%	490,703	18.30%
Waste excavation Taiwan	290,674	10.74%	239,281	8.93%
Waste landfill Taiwan	1,936,722	71.56%	1,820,140	67.90%
Waste clearing Taiwan	81,543	3.01%	101,844	3.80%
Others Taiwan	20,189	0.75%	28,571	1.07%
Total operating revenue	2,706,574	100.00%	2,680,539	100.00%

Note: The Company's sales revenues in 2020 and 2019 were from Taiwan.

2. Market share

The market share is based on statistics compiled by the Environmental Protection Administration and the waste code specified in the Company's waste disposal license. We refer to the flying ash and the solidification quantity in the incineration plants to calculate the Company's market share.

Units: in NT\$1,000

Main waste items processed by the Company	2019			2020		
	Volume (ton)	Revenue	Market share	Volume (ton)	Revenue	Market share
Waste solidification	29,497	377,446	4.16%	29,719	490,703	Note 1
Waste landfill	166,207	1,936,722	4.20%	137,845	1,820,140	Note 1

Note 1: The Environmental Protection Administration has not yet announced the reported waste processing volume for 2020.

Note 2: Waste clearing, waste excavation, and other revenue cannot be effectively quantified and therefore the market share is not calculated.

The Company's main customers include those in the steel and iron, electronics, optoelectronics, petrochemicals, electroplating, leather processing, metal processing, and tenders of other public and private enterprises.

3. Future market supply/demand and growth

(1) Demand and supply in domestic solidification and landfill sites

Incineration plants are always accompanied by solidification plants and landfills mainly because the bottom slag and flying ash produced in the incineration process require stabilization and solidification as well as sites for disposal. The bottom slag produced in domestic incineration plants mostly pass the requirements in toxicity characteristic leaching procedure (TCLP) tests before they are provided to private operators for reuse. Flying ash in incineration plants contain higher concentrations of heavy metals and dioxin as well as higher leaching potential and the risks of reuse can be excessively high. Therefore, it must be delivered by qualified clearing companies to intermediate processing plants and qualified in TCLP tests before delivery to individually segregated landfills for landfill (non-general industrial waste landfills) for final disposal. Other non-hazardous waste that does not pose contamination risks is delivered to general industrial waste landfills.

Environmental protection regulations have become increasingly rigorous. The Company is a

professional waste processing company that strictly complies with regulatory requirements and quality control. The tightening environmental protection regulations, declining number of waste processing and landfill institutions, and increased amounts of industrial waste in the development of domestic industries mean that there may be imbalances in demand and supply of processing capacity as such demands grow.

(2) Demand in announced domestic processing, solidification, and landfill

Domestic environmental protection authorities have announced the following processing, solidification, and landfill volume (immense volume):

- A. Basic volume of hazardous waste from customers that require solidification: Hazardous heavy metal waste (the Company's business code) with an annual production volume of 554,286 tons (EPA statistics from 2020).
- B. Hazardous waste solidification for steel and iron industry ash: Hazardous ash with heavy metal content with an annual production volume of 168,294 tons (EPA statistics from 2020). The current storage volume in various steel plants is 3,004 tons (EPA statistics from 2020).
- C. Hazardous waste solidification for hazardous flying ash from urban incineration plants (flying ash solidification): Hazardous ash with heavy metal content from urban incineration plants with an annual production volume of 211,431 tons (EPA statistics from 2020).
- D. Hazardous solidification for hazardous waste that contains asbestos: According to statistics and actual market surveys conducted by the EPA, hazardous asbestos waste has long been prohibited from production and therefore the market development for the waste remains limited. However, the uniqueness of the current market means potential for the development of a highly profitable market. According to EPA statistics, the annual output of hazardous asbestos waste is approximately 4,361 tons (EPA statistics from 2020).
- E. Illegal dump sites and soil and groundwater pollution control sites: According to the EPA's statistics in April 2020, there are currently 14 illegal waste dump sites (control/remediation sites) and 11.3 hectares that require cleanup of pollutants. The EPA currently lists 2,039 control sites and 105 remediation sites for soil and groundwater pollution.

4. Competitive niches, favorable and unfavorable factors for future development, response measures

(1) Competitive Niches

Maximum permitted solidification capacity

Cleanaway Group process a wide range of waste categories and our processing capacity per hour is higher than that of our competitors. We also have the largest permitted solidification capacity in Taiwan and each of our advantages demonstrate our solid competitiveness.

Integrated one-stop services

Final landfills are required for waste after solidification. As Class A solidification plants in Taiwan must meet extremely rigorous standards, the number has remained low. Cleanaway Group processes higher volumes than competitors and the Company also has professional cleanup fleets, intermediate solidification plants, and final landfills. The integrated one-stop services effectively simplify environmental protection reporting procedures while other solidification plants that do not have landfills are less competitive in the market. Most of the solidification products produced by the two intermediate solidification plants in Taiwan (CHC Resources and Remondis) and the fly ash solidification and stabilization products from 4 other municipal incineration plants are delivered to the landfill of Company's affiliate company Chi Wei Company Limited for landfill.

Leading technology research and development

Cleanaway has established an independent R&D technology laboratory. In addition to the new

heavy metal mercury heat desorption treatment technology, the Company also organized a database of processing data for various hazardous waste which will be invaluable for research and development of new technologies.

Solid customer base

Cleanaway has established a solid basis for business development across Taiwan based on legal, qualified, responsible, and integrated one-stop services as well as decades of outstanding records.

(2) Favorable factors

The number of sites that require clean-up has grown as land acquisition becomes increasingly difficult and residents' environmental protection awareness has increased. This has led to a current shortage in intermediate solidification plants and final landfills. The demand for processing hazardous and general industrial waste in Taiwan remains large. For Cleanaway Group, our professional technologies and approved one-stop waste disposal, processing, and landfill have given us advantages in the cost of operations and professional services. The Company has begun planning the development of environmentally-friendly new recycled products. We have established a formidable business system with the aim of improving operating revenue.

(3) Unfavorable factors and response measures

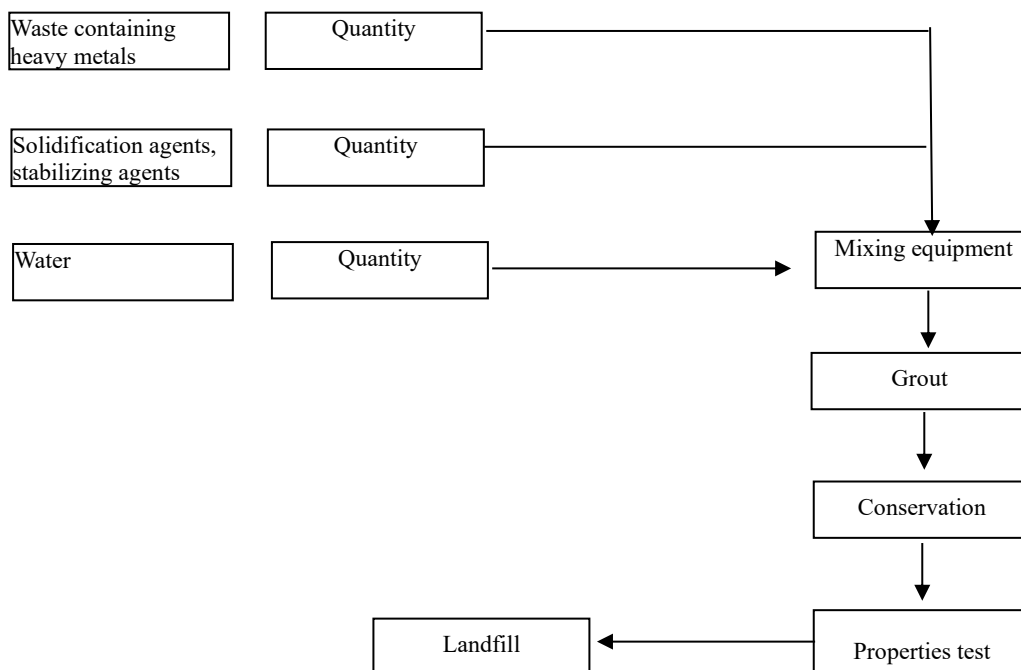
Domestic environmental protection authorities fully advocate the waste recycling policy which will impact the Company's operations. Difficulties in landfill and recycling will lead to the redistribution of the market. In terms of strategy, we have developed both landfill and resource recycling businesses to reduce the operation risks derived from recycling trends on the market and to improve the Company's competitiveness in diverse industries. The Company has always focused on R&D to reduce the cost of solidification and landfill. We also adopt high-performance processing technologies to break free of price competition in the market and maintain our market share in markets that require professional and advanced technologies.

(II) Major applications and production process of the primary products

1. Major applications of primary products

The Company is a professional company that processes hazardous industrial waste. Our main product is the service we provide that processes hazardous industrial waste produced by industries to harmless regular waste to reduce the risks of hazardous waste in the environment. The Company's intermediate processing plant produce solidified products that meet environmental protection regulations and standards and they are transported to the landfill for final disposal. We use the intermediate solidification process to neutralize waste and use effective management in the landfill to achieve the purpose of appropriate processing and disposal.

2. Production process



(III) Supply status of main materials

Main materials	Supplier	Supply status
Cement	CHC Resources Corporation, Hsing Lien Fa	Good, stable
Solidification agents	You Li Chiu	Good, stable
Heavy metal chelating agent	San Yi	Good, stable
Bulk bags	Cheng Yang, Sheng Feng, Hua Hsin	Good, stable
Iron (II) chloride	Hsiang Jui, Joyce Chemical Co., Ltd.	Good, stable

(IV) Information on major suppliers in the last two years-consolidated

Units: in NT\$1,000

Item	2019				2020			
	Name	Amount	Percentage in Total Net Purchase (%)	Relationship with issuer	Name	Amount	Percentage in Total Net Purchase (%)	Relationship with issuer
1	You Li Chiu	10,321	34.89%	None	You Li Chiu	11,296	34.66%	None
2	CHC Resources Corporation	10,299	34.81%	None	CHC Resources Corporation	8,712	26.73%	None
3	Hsing Lien Fa	7,562	25.56%	None	Hsing Lien Fa	8,134	24.95%	None
	Others	1,401	4.74%		Others	4,452	13.66%	
	Total	29,583	100.00%		Total	32,594	100.00%	

Note: Where procurement acquired from a supplier exceed 10% of total procurement for the most recent two years, the name of the said supplier, procurement value, and proportion of the procurement shall be disclosed. However, contractual terms dictate that the name of such a supplier or trading partner cannot be disclosed if the said supplier or trading partner is an individual and unrelated party, and codes may be used to replace the names instead.

Reasons for the change: The Company has maintained stable transactions with main suppliers and there were no changes in major suppliers.

(V) Information of major customers for the last two years:

Item	2019				2020			
	Name	Amount	Percentage in Total Net Sales (%)	Relationship with issuer	Name	Amount	Percentage in Total Net Sales (%)	Relationship with issuer
1	A customer	434,827	16%	-	A customer	447,233	17%	-
	Others	2,271,747	84%	-	Others	2,233,306	83%	-
	Net sales	2,706,574	100%		Net sales	2,680,539	100%	

The Company's sales revenues were from Taiwan.

(VI) Output volume and value for the last two years (consolidated information)

Unit: Ton/Thousands of New Taiwan Dollars

Year Production quantity and value	2019		2020	
	Volume (Note 1)	Value	Volume (Note 1)	Value
Waste solidification and excavation	29,497	354,520	29,719	371,009
Waste landfill	166,207	460,931	137,845	356,959
Waste clearing	132,077	68,683	126,877	70,459
Total	-	884,134	-	798,427

Note: The excavation service fees are different in each project and cannot be quantified.

Reasons for the change: The decline in solidification excavation and clearing cost was mainly caused by decrease in treatment.

(VII) Sales volume and value for the last two years (consolidated information)

Unit: Ton/Thousands of New Taiwan Dollars

Year Sales volume and value	2019		2020	
	Volume (Note 1)	Value	Volume (Note 1)	Value
Waste solidification and excavation	29,497	668,120	29,719	729,984
Waste landfill	166,207	1,936,722	137,845	1,820,140
Waste clearing	132,077	81,543	126,877	101,844
Others	-	20,189	-	28,571
Total	-	2,706,574	-	2,680,539

Note: The excavation service fees are different in each project and cannot be quantified. The Company's sales revenues were from Taiwan.

Reasons for the change: The decline in solidification, landfill, clearing, and excavation was mainly caused by decrease in treatment; increase in other revenue was mainly caused by increase in the scale of solar power generation.

III. Information on employees in the last two years and as of the publication date of the Annual Report (consolidated information)

Year		2019	2020	As of March 31, 2021
Number of employees	Direct	104	107	106
	Indirect	64	69	57
	Total	168	176	163
Average age		43.4	43.47	43.68
Average years of service (years)		10.19	10.15	10.58
Academic distribution ratio (%)	PhD	1.18%	1.12%	1.23%
	Master	14.80%	16.76%	15.95%
	College	38.46%	40.78%	40.49%
	Senior high school	37.87%	34.64%	36.20%
	Below senior high school	7.69%	6.70%	6.13%

IV. Expenditure on environmental protection**(I) Total amount of losses and penalties incurred due to environmental pollution in the most recent fiscal year up to the publication date of the Annual Report:****1. According to regulations, the Company must apply and receive permits for the establishment of anti-pollution facilities and pollution emission, pay pollution prevention fees, or designate environmental personnel. The status of the above-mentioned measures is as follows:**

According to regulations, the Company must apply and receive permits for the establishment of

anti-pollution facilities and pollution emission, pay pollution prevention fees, or designate environmental personnel. The status of the above-mentioned measures is as follows:

(1) Permit for installing polluting facilities, permit for pollution drainage

Item	License number	Effective period of license
Operating license for stationary sources of pollution	Kaohsiung City Environmental Protection Bureau Kong-Cao-Xu-Zheng No. E0292-01	July 18, 2016 to July 17, 2021

(2) Payment of pollution prevention fees

The Company has paid all payments for air pollution in accordance with the Air Pollution Control Act and has not delayed or owed payments.

(3) Establishment of dedicated environmental protection unit and personnel

Name	Permit type	Permit No.
Yu-Wen Hu	Class A Waste Disposal Technician	(1996) EPA Shun-Zheng No. HA210245
Shu-Fen Wu	Class A Waste Disposal Technician	(1999) EPA Shun-Zheng No. HA180631
Tzu-Chi Shan	Class A Waste Disposal Technician	(2003) EPA Shun-Zheng No. HA401227
Ting-Chang Hsiao	Class A Waste Disposal Technician	(2010) EPA Shun-Zheng No. HA310599
Shun-Kai Yu	Class A Waste Disposal Technician	(2003) EPA Shun-Zheng No. HA400618
Tai-Yu Chen	Class A Waste Disposal Technician	(2006) EPA Shun-Zheng No. HA420271
Chih-Ping Kan	Class A Waste Disposal Technician	(2000) EPA Shun-Zheng No. HA220863
Ya-Ping Kuo	Class A Waste Disposal Technician	(2001) EPA Shun-Zheng No. HA101043
Chen-Hung Huang	Class A Waste Water Disposal Personnel	(2010) EPA Shun-Zheng No. GA120556

2. **Explanations on the pollution treatment and environment improvement of the Company over the last two years until the publication date of this report. If there had been any pollution dispute, its handling process will also be explained: None.**
3. **Explanation on the total losses (including indemnity paid) and penalties paid by the Company for environmental pollution, as well as future response measures (including improvement measures) and possible expenditure (including losses incurred by not implementing response measures, penalties, and an estimated amount of indemnity over the last two years until the publication date of this report; if a reasonable estimation cannot be made, explain the reason): None.**
4. **Explain the current status of pollution, its effects on the Company's earnings, competitive position and capital spending, and capital expenditure estimated major environmental protection measures in the following year: None.**

V. Labor relations

(I) Various employee benefit plans, continuing education, training, retirement systems, and the state of implementation as well as various employee-employer agreements and measures for maintaining employee rights and interests

1. Employee benefits

The Company pays close attention to labor relations and satisfies employees' demands in work, safety, and health to protect employees' rights, benefits, and interests. The Company established the Employee Welfare Committee in January 2007 to improve welfare measures for employees. The Company's welfare measures: Subsidies for traditional Chinese holidays, employee remuneration and bonus, internal and external education and training courses, subsidies for marriages and funerals, group insurance for employees, employee birthdays, scholarship for employees' children, annual tours, etc.

2. Retirement system

The Company established the Employee Retirement Regulations and the Supervisory Committee of Labor Retirement Reserve. We appropriate 2% of the employees' total monthly salary to be deposited into the dedicated account in the Bank of Taiwan as pension reserve funds. Starting from July 1, 2005, the Company appropriates 6% of the employee's salary to the dedicated personal

pension account established by the Bureau of Labor Insurance in accordance with the "Labor Pension Act." The Company's employees can also voluntarily contribute up to 6% of their individual salaries every month as a retirement pension.

3. Labor-management negotiation status

The Company's operations are based on the Labor Standards Act and we emphasize the basic ideals of "human nature management" in our business management system. Labor and management use digital forums to achieve optimal coordination and communication and maintain harmonious labor relations.

The Company's employees can express their ideas and suggestions to the management through the internal network system. We have assigned dedicated personnel for management. The Company's Human Resources Office is responsible for maintaining regular communication channels with employees. It uses the bulletin board in the internal networks to publish material operational information for the Company.

4. Employee education

The Company regularly conducts education and training for specific items including on-the-job training for employees and outsourced work skill training. The items are summarized below:

On-the-job training:	Personnel work skill training in external institutions
<ul style="list-style-type: none"> ● 3M provides safety education and training for respirators at the Company ● Gas container education and training ● Environmental protection and occupational safety regulations ● General hazard education 	<ul style="list-style-type: none"> ● Forklift operator ● Fixed crane ● Acetylene welding operator ● Fire prevention personnel ● First aid personnel ● Forklift ● Business manager ● Organic solvent operations supervisor

- Refer to the following table for details on the number of training hours in 2020:

Courses	Number of employees trained	Number of training hours
AA ICP software operation training	2	16
AAS principle and method development overview and basic maintenance practice	2	16
CSSP Sustainable Supply Professional Certification Course	1	98
ICPOES principle and method development overview and basic maintenance practice	3	24
Class B occupational safety technician retraining	2	24
Safety and Health Education Training for Operators of Fixed Cranes with Hoisting Capacity of 3 Tons or More	2	88
Safety and Health Education Training for Operators of Mobile Cranes with Hoisting Capacity of 3 Tons or More	2	76
Class A Employee Health & Safety Affairs Manager	3	199
Supervisors of Organic Solvent Operations - Retraining	1	6
Fixed crane - retraining	4	12
Quality Management System Internal Auditor Training Course	3	42
Safety and health on-the-job education and training for roofing supervisors	1	6
Safety and Health On-the-Job Training for First Aid Personnel	3	54
First aid personnel - retraining	4	12
Supervisors of Specific Chemical Operations - Retraining	2	12
Safety and Health Education Training for Forklift Operators	2	36
Training for forklift operators	1	18
Forklift operator - retraining	7	21
Labor safety and health manager retraining	14	84
Drone control license tutoring class	3	80
Training of road dangerous goods delivery personnel	14	252
Training of ISO/IEC 17025 Laboratory Certification Regulations	1	24
Radiation application education and training	1	18

The Company also encourages employees to actively participate in lectures and seminars organized by external institutions.

(II) List any loss sustained as a result of labor disputes in the latest year, and during the current year up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken. If the loss cannot be reasonably estimated, make a statement to that effect.

The Company has maintained good management and benefit systems and enjoys a harmonious relationship between labor and management. Therefore, there were no labor disputes or losses in the most recent two years and up to the publication date of the Annual Report. The Company upholds values for benefiting both labor and management and sharing profits. The possibility of labor disputes and losses in the future is very low and there is no issue of future disputes.

VI. Important contracts

Nature of the contract	Contracting party	Commencement date/expiration date	Main contents	Restrictive terms
Labor contracting	Government institutions	106.06~112.12	Soil removal and processing	None
Labor contracting	Government institutions	108.05~110.10	Revitalization of landfill	None

Chapter 6 Financial Overview

I. Concise financial data from the last five years

(I) Condensed balance sheet - IFRSs (condensed financial information)

Units: in NT\$1,000

Item	Year	Financial information for the most recent five years (Note 1)				
		December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Current Assets		3,481,891	2,919,239	2,241,946	1,843,691	2,048,232
Property, plant and equipment		1,692,530	2,682,718	3,491,026	3,459,753	3,323,906
Intangible Assets		0	0	0	0	0
Non-current assets (property, plant and equipment not included)		803,866	459,722	1,083,373	1,791,899	1,766,606
Total assets		5,978,287	6,061,679	6,816,345	7,095,343	7,138,744
Current Liabilities	Before distribution	509,724	445,192	897,367	518,553	664,046
	After distribution (Note 2)	1,761,936	1,642,960	1,986,247	1,607,433	1,752,926
Noncurrent liabilities		168,721	205,313	385,166	906,724	720,535
Total liabilities	Before distribution	678,445	650,505	1,282,533	1,425,277	1,384,581
	After distribution (Note 2)	1,930,657	1,848,273	2,371,413	2,514,157	2,473,461
Equity attributable to owners of the parent company		5,299,842	5,411,174	5,533,812	5,627,964	5,715,482
Capital Stock		1,088,880	1,088,880	1,088,880	1,088,880	1,088,880
Capital surplus		1,701,775	1,701,775	1,701,775	1,701,911	1,701,911
Retained earnings	Before distribution	2,510,240	2,621,576	2,745,072	2,839,944	2,927,454
	After distribution (Note 2)	1,258,028	1,423,808	1,656,192	1,751,064	1,838,574
Other equity		(1,053)	(1,057)	(1,915)	(2,771)	(2,763)
Non-controlling interests		0	0	0	42,102	38,681
Total Equity	Before distribution	5,299,842	5,411,174	5,533,812	5,670,066	5,754,163
	After distribution (Note 2)	4,047,630	4,213,406	4,444,932	4,581,186	4,665,283

Note 1: The Company adopted IFRS on January 1, 2013. The aforementioned financial statements have been reviewed or audited by the CPA.

Note 2: On February 26, 2021, the Board of Directors has resolved the 2020 earnings distribution of NT\$ 10 per share.

(II) Condensed statement of comprehensive income - IFRSs (consolidated financial information)

Units: in NT\$1,000

Item	Year	Financial information for the most recent five years (Note 1)				
		2016	2017	2018	2019	2020
Operating revenue		3,122,533	2,785,266	3,395,807	2,706,574	2,680,539
Gross Profit		1,993,064	1,984,816	2,147,117	1,822,440	1,882,112
Operating profit (loss)		1,669,999	1,578,695	1,702,834	1,423,086	1,447,300
Nonoperating income and expenses		12,651	22,523	12,031	25,027	40,424
Income before tax		1,682,650	1,601,218	1,714,865	1,448,113	1,487,724
Net profit of this period		1,440,055	1,363,498	1,320,610	1,176,226	1,173,798
Other comprehensive income (net income after-tax)		(3,978)	46	(204)	3,908	(821)
Total comprehensive income in the current period		1,436,077	1,363,544	1,320,406	1,180,134	1,172,977
Net profit attributable to owners of the parent company		1,441,053	1,363,498	1,320,610	1,178,988	1,177,219
Net Income Attributable to Non-controlling Interests		(998)	0	0	(2,762)	(3,421)
Comprehensive income (loss) attributable to owners of parent company		1,437,166	1,363,544	1,320,406	1,182,896	1,176,398
Comprehensive Income Attributable to Non-controlling Interests		(1,089)	0	0	(2,762)	(3,421)
Earnings per share (NT\$)		13.23	12.52	12.13	10.83	10.81

Note 1: The Company adopted IFRS on January 1, 2013. The aforementioned financial statements have been reviewed or audited by the CPA.

(III) Condensed balance sheet - IFRSs (parent company only financial information)

Units: in NT\$1,000

Item	Year	Financial information for the most recent five years (Note 1)				
		December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Current Assets		1,825,292	1,422,623	954,311	1,473,633	1,395,702

Property, plant and equipment		414,072	472,314	1,295,748	1,369,756	1,357,602
Intangible Assets		0	0	0	0	0
Non-current assets (property, plant and equipment not included)		3,518,909	3,905,145	4,516,048	3,704,541	3,718,807
Total assets		5,758,273	5,800,082	6,766,107	6,547,930	6,472,111
Current Liabilities	Before distribution	434,318	363,884	1,008,031	393,031	350,445
	After distribution (Note 2)	1,686,530	1,561,652	2,096,911	1,481,911	1,439,325
Noncurrent liabilities		24,113	25,024	224,264	526,935	406,184
Total liabilities	Before distribution	458,431	388,908	1,232,295	919,966	756,629
	After distribution (Note 2)	1,710,643	1,586,676	2,321,175	2,008,846	1,845,509
Equity attributable to owners of the parent company		5,299,842	5,411,174	5,533,812	5,627,964	5,715,482
Capital Stock		1,088,880	1,088,880	1,088,880	1,088,880	1,088,880
Capital surplus		1,701,775	1,701,775	1,701,775	1,701,911	1,701,911
Retained earnings	Before distribution	2,510,240	2,621,576	2,745,072	2,839,944	2,927,454
	After distribution (Note 2)	1,258,028	1,423,808	1,656,192	1,751,064	1,838,574
Other equity		(1,053)	(1,057)	(1,915)	(2,771)	(2,763)
Total Equity	Before distribution	5,299,842	5,411,174	5,533,812	5,627,964	5,715,482
	After distribution (Note 2)	4,047,630	4,213,406	4,444,932	4,539,084	4,626,602

Note 1: The Company adopted IFRS on January 1, 2013. The aforementioned financial statements have been reviewed or audited by the CPA.

Note 2: On February 26, 2021, the Board of Directors has resolved the 2020 earnings distribution of NT\$ 10 per share.

(IV) Condensed statement of comprehensive income - IFRSs (parent company only financial information)

Units: in NT\$1,000

Item	Year	Financial information for the most recent five years (Note 1)				
		2016	2017	2018	2019	2020
Operating revenue		1,552,555	853,437	1,435,479	1,026,128	1,082,227
Gross Profit		383,047	261,413	393,910	313,519	361,551
Operating profit (loss)		264,588	123,224	264,472	209,076	239,054
Nonoperating income and expenses		1,216,370	1,267,126	1,122,708	1,015,589	993,365
Income before tax		1,480,958	1,390,350	1,387,180	1,224,665	1,232,419
Net profit of this period		1,441,053	1,363,498	1,320,610	1,178,988	1,177,219
Other comprehensive income (net income after-tax)		(3,887)	46	(204)	3,908	(821)
Total comprehensive income in the current period		1,437,166	1,363,544	1,320,406	1,182,896	1,176,398
Earnings per share (NT\$)		13.23	12.52	12.13	10.83	10.81

Note 1: The Company adopted IFRS on January 1, 2013. The aforementioned financial statements have been reviewed or audited by the CPA.

(V) Condensed balance sheet - domestic financial reporting standards (parent company only financial information)

The Company adopted IFRS on January 1, 2013. Therefore, we do not have financial information for 2013 to 2020 formulated based on ROC GAAP and audited by the CPA.

(VI) Condensed income statement - domestic financial reporting standards (parent company only financial information)

The Company adopted IFRS on January 1, 2013. Therefore, we do not have financial information for 2013 to 2020 formulated based on ROC GAAP and audited by the CPA.

(VII) Condensed balance sheet - domestic financial reporting standards (consolidated financial information)

The Company adopted IFRS on January 1, 2013. Therefore, we do not have financial information for 2013 to 2020 formulated based on ROC GAAP and audited by the CPA.

(VIII) Condensed income statement - domestic financial reporting standards (consolidated financial information)

The Company adopted IFRS on January 1, 2013. Therefore, we do not have financial information for 2013 to 2020 formulated based on ROC GAAP and audited by the CPA.

Significant items, such as accounting changes, business combination or shutdown of operating segments, which affect the consistency comparison of the aforementioned financial statements and their impact on the financial statements of the current year:

The Company adopted IFRS on January 1, 2013. Therefore, we do not have financial information for 2013 to 2020 formulated based on ROC GAAP and audited by the CPA.

(IX) Names of auditing CPAs of the most recent five years and their audit opinions

Year	Accounting firm	Name of CPA	Audit opinions
105	Deloitte Touche Tohmatsu Limited	Te-Chen Cheng and Chin-Chuan Shih	Unqualified opinion
106	Deloitte Touche Tohmatsu Limited	Te-Chen Cheng and Chin-Chuan Shih	Unqualified opinion
107	Deloitte Touche Tohmatsu Limited	Te-Chen Cheng and Kuan-Chung Lai	Unqualified opinion
108	Deloitte Touche Tohmatsu Limited	Te-Chen Cheng and Kuan-Chung Lai	Unqualified opinion
109	Deloitte Touche Tohmatsu Limited	Kuan-Chung Lai, Chin-Chuan Shih	Unqualified opinion

(X) Evaluation basis and foundation of the evaluation accounts of the assets and liabilities

Loss allowances

The average credit period of the Company for services rendered is 30 to 120 days. The Company considers any changes in the credit quality of notes and accounts receivable from the original credit date to the balance sheet date when determining the recoverability of notes and accounts receivable. As historical experience indicates that notes and accounts receivable overdue for over 365 days cannot be recovered, the Company recognizes 100% of those amounts in the allowance for doubtful accounts. For notes and accounts receivable aging between 0 to 365 days, the unrecoverable amounts were estimated based on the past delinquent payments and analysis of current financial status when recognizing the allowance for doubtful accounts, with the unrecoverable amount estimated in the range of 1% to 20%.

Accumulated depreciation:

The Company adopts two types of depreciation methods. Equipment associated with landfill which shall lose value when the landfill is sealed is accounted for via the units of production method which increases the depreciation proportionally as the tonnage of waste entering the landfill increases. Other equipment is depreciated based on the straight-line method.

II. Financial analysis

(I) IFRSs (consolidated financial information)

Item		Year	Financial information for the most recent five years (Note 1)				
		2016	2017	2018	2019	2020	
Financial structure	Liability to asset ratio	11.35%	10.73%	18.82%	20.09%	19.40%	
	Long-term capital to property, plant and equipment ratio	323.10%	209.36%	169.55%	190.09%	194.79%	
Solvency	Current ratio	683.09%	655.73%	249.84%	355.55%	308.45%	
	Quick ratio	681.91%	653.05%	248.07%	350.52%	305.65%	
	Interest coverage ratio	Not applicable	Not applicable	1,214.63	147.41	240.26	
Operating performance	Receivables turnover rate (times)	4.04	4.42	5.92	4.45	5.17	
	Average collection days	90.33	82.49	61.62	82.02	70.65	
	Inventory turnover rate (times)	442.15	358.30	643.16	513.58	425.94	
	Payables turnover rate (times)	110.62	66.30	97.53	82.51	57.55	
	Average inventory turnover days	0.83	1.02	0.57	0.71	0.86	
	Property, plant and equipment turnover rate (times)	1.89	1.27	1.10	0.78	0.79	
	Total asset turnover (times)	0.53	0.46	0.53	0.39	0.38	
Profitability	Return on assets (%)	24.44%	22.65%	20.53%	17.02%	16.56%	
	Return on equity (%)	28.09%	25.46%	24.13%	21.00%	20.55%	
	Pre-tax profit to paid-in capital ratio (%)	154.53%	147.05%	157.49%	132.99%	136.63%	
	Net margin (%)	46.12%	48.95%	38.89%	43.46%	43.79%	
	Earnings per share (NT\$)	13.23	12.52	12.13	10.83	10.81	
Cash flow	Cash flow ratio (%)	319.76%	386.93%	181.33%	210.86%	274.82%	
	Cash flow adequacy ratio (%) (Note 2)	97.19%	100.40%	97.31%	97.71%	98.98%	
	Cash reinvestment ratio (%)	8.24%	6.78%	5.65%	0.05%	8.68%	
Leverage	Operating leverage	1.11	1.15	1.21	1.13	1.12	
	Financial leverage	1.00	1.00	1.00	1.01	1.00	

Explanation of the variation: Please refer to "Chapter 7 Review and Analysis of the Financial Position and Operating Performance and Risk Assessment" in the Annual Report.

Note 1: The Company adopted IFRS on January 1, 2013. The aforementioned financial statements have been reviewed or audited by the CPA.

Note 2: The cash flows were calculated based on the IFRS financial statements audited or reviewed by CPAs and do not contain five-year information.

Calculation formula

1. Financial structure

- (1) Liability to asset ratio = Total liabilities / total assets.
- (2) Ratio of long-term capital to property, plant, and equipment = (total equity + non-current liabilities)/net amount of property, plant, and equipment.

2. Solvency

- (1) Current ratio = Current assets / Current liabilities
- (2) Quick ratio = (Current assets - Inventory - Prepaid expenditures)/Current liabilities.
- (3) Interest coverage ratio = Earnings before interests and taxes (EBIT) / Interest expenses over this period.

3. Operation performance

- (1) Receivables turnover rate (including bills receivable resulting from accounts receivable and business operations) = Net sales / Average accounts receivable in various periods (including bills receivable resulting from accounts receivable and business operations).
- (2) Average collection days = 365 / Receivables turnover ratio.
- (3) Inventory turnover rate = Cost of sales / average inventory.
- (4) Payables turnover rate (including bills payable resulting from accounts payable and business operations) = Cost of sales / Average accounts payable in various periods (including bills payable resulting from accounts payable and business operations).
- (5) Average inventory turnover days = 365 / Inventory turnover rate.
- (6) Property, plant, and equipment turnover rate = net sales / average net property, plant, and equipment.
- (7) Total asset turnover rate = net sales / average total assets

4. Profitability

- (1) Return on assets (ROA) = [Net income after income tax + Interest expenses * (1 - tax rate)]/Average total assets.
- (2) Return on equity = net income after tax / average equity.
- (3) Net margin = net income / net sales.
- (4) Earnings per Share = (Income Attributable to Owners of Parent Company – Dividends on Preferred Stock)/Weighted Average Number of Shares Issued.

5. Cash flow

- (1) Cash flow ratio = net operating cash flow / current liabilities.
- (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend) for the most recent five years.
- (3) Cash flow reinvestment ratio = (Net cash flow from operating activities – cash dividend) / (gross fixed assets value + long-term investment + other assets + working capital).

6. Degree of leverages

- (1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating income.
- (2) Financial leverage = operating income / (operating income - interest expenses).

(II) IFRSs (parent company only financial information)

Item	Year	Financial information for the most recent five years (Note 1)				
		2016	2017	2018	2019	2020
Financial structure	Liability to asset ratio	7.96%	6.71%	18.21%	14.05%	11.69%
	Long-term capital to property, plant and equipment ratio	1285.76%	1150.97%	444.38%	449.34%	450.92%
Solvency	Current ratio	420.27%	390.96%	94.67%	374.94%	398.27%
	Quick ratio	419.32%	388.85%	93.56%	369.51%	394.57%
	Interest coverage ratio (times)	Not applicable	Not applicable	502.87	140.95	270.38
Operating performance	Receivables turnover rate (times)	3.03	2.57	5.75	3.66	5.10
	Average collection days	120.61	142.24	63.42	99.61	71.56
	Inventory turnover rate (times)	399.22	239.44	536.48	413.95	384.46
	Payables turnover rate (times)	6.52	3.82	9.99	12.26	14.40
	Average inventory turnover days	0.91	1.52	0.68	0.88	0.95
	Property, plant and equipment turnover rate (times)	3.99	1.93	1.62	0.77	0.79
	Total asset turnover (times)	0.27	0.15	0.23	0.15	0.17
Profitability	Return on assets (%)	25.46%	23.59%	21.05%	17.82%	18.14%
	Return on equity (%)	28.11%	25.46%	24.13%	21.13%	20.76%
	Pre-tax profit to paid-in capital ratio (%)	136.01%	127.69%	127.40%	112.47%	113.18%
	Net margin (%)	92.82%	159.77%	92.00%	114.90%	108.78%
	Earnings per share (NT\$)	13.23	12.52	12.13	10.83	10.81
Cash flow	Cash flow ratio (%)	40.16%	77.73%	-7.66%	26.92%	153.60%
	Cash flow adequacy ratio (%) (Note 2)	28.41%	25.35%	14.46%	17.29%	14.97%
	Cash reinvestment ratio (%)	-16.69%	-17.30%	-21.45%	-15.45%	-8.66%
Leverage	Operating leverage	1.07	1.17	1.09	1.19	1.18
	Financial leverage	1.00	1.00	1.01	1.04	1.02

Explanation of the variation: Please refer to "Chapter 7 Review and Analysis of the Financial Position and Operating Performance and Risk Assessment" in the Annual Report.

Note 1: The Company adopted IFRS on January 1, 2013. The aforementioned financial statements have been reviewed or audited by the CPA.

Note 2: The cash flows were calculated based on the IFRS financial statements audited or reviewed by CPAs and do not contain five-year information.

(III) Domestic financial reporting standards (parent company only financial information)

The Company adopted IFRS on January 1, 2013. Therefore, we do not have financial information for 2013 to 2020 formulated based on ROC GAAP and audited by the CPA.

(IV) Domestic financial reporting standards (consolidated financial information)

The Company adopted IFRS on January 1, 2013. Therefore, we do not have financial information for 2013 to 2020 formulated based on ROC GAAP and audited by the CPA.

III. Supervisors' Review Report on financial statements of the most recent year

Supervisors' Review Report

The Parent Company Only Financial Statements 2020 and Consolidated Financial Statements 2020 prepared by the Board of Directors were submitted along with the Business Report and earnings distribution proposal to the Supervisors for review and we found them to be compliant with regulations. We hereby produce this report in accordance with Article 219 of the Company Act and submit it for your review.

To:

2021 General Shareholders Meeting of Cleanaway Company Limited

Cleanaway Company Limited

Supervisor: Hsu Cheng-Han

Kang Xin Investment, Ltd.

Representative: Chin-Hui Ling

February 26, 2021

IV. Financial statements of the most recent year

2020 Consolidated Financial Statement and Independent Auditor's Report: Please refer to Appendix A.

V. Parent Company Only Financial Statements audited and attested by a CPA in the most recent year

2020 Parent Company Only Financial Statement and Independent Auditor's Report: Please refer to Appendix B.

VI. Impact on the Company's financial status due to financial difficulties experienced by the company and its affiliated companies in the most recent year and as of the printing date of this Report: None.

Chapter 7 Review and Analysis of the Financial Position and Operating Performance and Risk Assessment

I. Financial position

1. Analysis of financial position

Financial position analysis comparison table - IFRSs Consolidated Financial Statements

Units: in NT\$1,000

Item	Year	December 31, 2019	December 31, 2020	Difference	
				Amount	Percentage
Current Assets		1,843,691	2,048,232	204,541	11.09%
Property, plant and equipment		3,459,753	3,323,906	(135,847)	-3.93%
Intangible Assets		0	0	0	0.00%
Non-current assets (property, plant and equipment not included)		1,791,899	1,766,606	(25,293)	-1.41%
Total assets		7,095,343	7,138,744	43,401	0.61%
Current Liabilities	Before distribution	518,553	664,046	145,493	28.06%
	After distribution (Note 2)	1,607,433	1,752,926	145,493	9.05%
Noncurrent liabilities		906,724	720,535	(186,189)	-20.53%
Other liabilities		0	0	0	0.00%
Total liabilities	Before distribution	1,425,277	1,384,581	(40,696)	-2.86%
	After distribution (Note 2)	2,514,157	2,473,461	(40,696)	-1.62%
Equity attributable to owners of the parent company		5,627,964	5,715,482	87,518	1.56%
Capital Stock		1,088,880	1,088,880	0	0.00%
Capital surplus		1,701,911	1,701,911	0	0.00%
Retained earnings	Before distribution	2,839,944	2,927,454	87,510	3.08%
	After distribution (Note 2)	1,751,064	1,838,574	87,510	5.00%
Other equity		(2,771)	(2,763)	8	-0.29%
Non-controlling interests		42,102	38,681	(3,421)	-8.13%
Total Equity	Before distribution	5,670,066	5,754,163	84,097	1.48%
	After distribution (Note 2)	4,581,186	4,665,283	84,097	1.84%

1. Interpretation for variation above 20% and higher than NT\$10 million:

- (1) Changes in current liabilities (before distribution) were mainly due to the subsidiary's application for exemption from the 2020 provisional tax, so the current income tax liabilities increased.
 - (2) The changes in non-current liabilities (before distribution) were mainly caused by the settlement of some long-term loans in advance.
2. On February 26, 2021, the Board of Directors resolved the 2020 earnings distribution of NT\$ 10 per share.
3. These changes in did not significantly impact the Company.

Financial position analysis comparison table - IFRSs Parent Company Only Financial Statements

Units: in NT\$1,000

Item	Year	December 31, 2019	December 31, 2020	Difference	
				Amount	Percentage
Current Assets		1,473,633	1,395,702	(77,931)	-5.29%
Property, plant and equipment		1,369,756	1,357,602	(12,154)	-0.89%
Intangible Assets		0	0	0	0.00%
Non-current assets (property, plant and equipment not included)		3,704,541	3,718,807	14,266	0.39%
Total assets		6,547,930	6,472,111	(75,819)	-1.16%
Current Liabilities	Before distribution	393,031	350,445	(42,586)	-10.84%
	After distribution (Note 2)	1,481,911	1,439,325	(42,586)	-2.87%
Noncurrent liabilities		526,935	406,184	(120,751)	-22.92%
Other liabilities		0	0	0	0.00%
Total liabilities	Before distribution	919,966	756,629	(163,337)	-17.75%
	After distribution (Note 2)	2,008,846	1,845,509	(163,337)	-8.13%
Equity attributable to owners of the parent company		5,627,964	5,715,482	87,518	1.56%
Capital Stock		1,088,880	1,088,880	0	0.00%
Capital surplus		1,701,911	1,701,911	0	0.00%
Retained earnings	Before distribution	2,839,944	2,927,454	87,510	3.08%
	After distribution (Note 2)	1,751,064	1,838,574	87,510	5.00%
Other equity		(2,771)	(2,763)	8	-0.29%
Total Equity	Before distribution	5,627,964	5,715,482	87,518	1.56%
	After distribution (Note 2)	4,539,084	4,626,602	87,518	1.93%

1. Interpretation for variation above 20% and higher than NT\$10 million:

(1) The decrease in non-current liabilities were mainly caused by the settlement of long-term loans in advance.

2. On February 26, 2021, the Board of Directors resolved the 2020 earnings distribution of NT\$ 10 per share.

These changes in did not significantly impact the Company.

2. Reasons for any changes in financial ratios up to 20% in the past two years:

Financial ratio variation analysis table - IFRSs Consolidated Financial Statements

Analysis item		Increase (decrease) (%)	Remarks
Financial structure	Liability to asset ratio	-3.4%	Analysis is not required as the change is less than 20%
	Long-term capital to property, plant and equipment ratio	2.5%	
Solvency	Current ratio	-13.2%	
	Quick ratio	-12.8%	
	Interest coverage ratio (times)	63.0%	Mainly caused by a decrease in long-term loans.
Operating performance	Receivables turnover rate (times)	16.2%	Analysis is not required as the change is less than 20%
	Average collection days	-13.9%	
	Inventory turnover rate (times)	-17.1%	
	Payables turnover rate (times)	-30.3%	Mainly caused by an increase in incineration fee payable
	Average inventory turnover days	20.6%	Decrease in operating cost
	Property, plant and equipment turnover rate (times)	1.5%	Analysis is not required as the change is less than 20%
	Total asset turnover (times)	-3.2%	
Profitability	Return on assets (%)	-2.7%	Analysis is not required as the change is less than 20%
	Return on equity (%)	-2.1%	
	Pre-tax profit to paid-in capital ratio (%)	2.7%	
	Net margin (%)	0.8%	
	Earnings per share (NT\$)	-0.2%	
Cash flow	Cash flow ratio (%)	30.3%	Increase in net operating cash inflow
	Cash flow adequacy ratio (%) (Note 2)	1.3%	Analysis is not required as the change is less than 20%
	Cash reinvestment ratio (%)	16082.2%	Increase in net operating cash inflow
Leverage	Operating leverage	-1.1%	Analysis is not required as the change is less than 20%
	Financial leverage	-0.3%	

These changes in did not significantly impact the Company.

Financial ratio variation analysis table - IFRSs Parent Company Only Financial Statements

Analysis item		Increase (decrease) (%)	Remarks
Financial structure	Liability to asset ratio	-16.8%	Analysis is not required as the change is less than 20%
	Long-term capital to property, plant and equipment ratio	0.4%	
Solvency	Current ratio	6.2%	
	Quick ratio	6.8%	
	Interest coverage ratio (times)	91.8%	
Operating performance	Receivables turnover rate (times)	39.2%	Mainly caused by a decrease in account receivable
	Average collection days	-28.2%	
	Inventory turnover rate (times)	-7.1%	
	Payables turnover rate (times)	17.5%	
	Average inventory turnover days	7.7%	
	Property, plant and equipment turnover rate (times)	3.1%	
	Total asset turnover (times)	7.8%	
Profitability	Return on assets (%)	1.8%	Analysis is not required as the change is less than 20%
	Return on equity (%)	-1.7%	
	Pre-tax profit to paid-in capital ratio (%)	0.6%	
	Net margin (%)	-5.3%	
	Earnings per share (NT\$)	-0.2%	
Cash flow	Cash flow ratio (%)	470.5%	Increase in net operating cash inflow
	Cash flow adequacy ratio (%) (Note 2)	-13.4%	Analysis is not required as the change is less than 20%
	Cash reinvestment ratio (%)	-44.0%	Increase in net operating cash inflow
Leverage	Operating leverage	-1.0%	Analysis is not required as the change is less than 20%
	Financial leverage	-2.3%	

These changes in did not significantly impact the Company.

Domestic financial reporting standards (parent company only financial information) analysis:
The Company adopted IFRS on January 1, 2013. Therefore, we do not have financial information for 2019 and 2020 of the entire year that is audited by the CPA and available for comparison and analysis.

II. Financial performance

Comparative analysis of consolidated operational performance - IFRSs

Units: in NT\$1,000

Item	Year	2019	2020	Difference	
				Amount	Percentage
Operating revenue		2,706,574	2,680,539	(26,035)	-0.96%
Gross Profit		1,822,440	1,882,112	59,672	3.27%
Operating profit (loss)		1,423,086	1,447,300	24,214	1.70%
Nonoperating income and expenses		25,027	40,424	15,397	61.52%
Income before tax		1,448,113	1,487,724	39,611	2.74%
Net profit of this period		1,176,226	1,173,798	(2,428)	-0.21%
Other comprehensive income (net income after-tax)		3,908	(821)	(4,729)	-121.01%
Total comprehensive income in the current period		1,180,134	1,172,977	(7,157)	-0.61%
Net profit attributable to owners of the parent company		1,178,988	1,177,219	(1,769)	-0.15%
Net Income Attributable to Non-controlling Interests		(2,762)	(3,421)	(659)	23.86%
Comprehensive income (loss) attributable to owners of parent company		1,182,896	1,176,398	(6,498)	-0.55%
Comprehensive income (loss) attributable to non-controlling interests		(2,762)	(3,421)	(659)	23.86%
Earnings per share (NT\$)		10.83	10.81	(0.02)	-0.15%

1. Interpretation for variation above 20% and higher than NT\$10 million:

- (1) Non-operating revenue and expense were mainly caused by the increase in non-operating income from insurance claims, the increase in profit on foreign exchange and the decrease in loan interest expenses.
- (2) These changes in did not significantly impact the Company.

Comparative analysis of parent company only operational performance - IFRSs

Units: in NT\$1,000

Item	Year	2019	2020	Difference	
				Amount	Percentage
Operating revenue		1,026,128	1,082,227	56,099	5.47%
Gross Profit		313,519	361,551	48,032	15.32%
Operating profit (loss)		209,076	239,054	29,978	14.34%
Nonoperating income and expenses		1,015,589	993,365	(22,224)	-2.19%
Income before tax		1,224,665	1,232,419	7,754	0.63%
Net profit of this period		1,178,988	1,177,219	(1,769)	-0.15%
Other comprehensive income (net income after-tax)		3,908	(821)	(4,729)	-121.01%
Total comprehensive income in the current period		1,182,896	1,176,398	(6,498)	-0.55%
Earnings per share (NT\$)		10.83	10.81	(0.02)	-0.15%

1. Interpretation for variation above 20% and higher than NT\$10 million: None.

- (2) These changes in did not significantly impact the Company.

III. Cash flows

1. Cash liquidity analysis of the most recent two years (consolidated financial information)

Units: in NT\$1,000

Item	2019	2020	Variation
Net cash inflow (outflow) from operating activities	1,093,400	1,824,938	731,538
Net cash inflow (outflow) from investing activities	(375,110)	(86,196)	288,914
Net cash inflow (outflow) from financing activities	(1,097,255)	(1,349,425)	(252,170)

Source: Consolidated financial statements reviewed and certified by a CPA.

- (1) The change in net cash flow from operating activities was mainly caused by the decrease in income tax payment due to the successive acceptance request of the renovation project and the reduction of the income tax payment due to the subsidiary's application for exemption from provisional tax in 2020.
- (2) The changes in net cash flow from investing activities were mainly attributed to the fact that there was no new investment in 2020, and the investment in Chung Tai Resource Technology Corp. in 2019.
- (3) Changes in the net cash flow from financing activities were mainly due to the repayment of long-term loans in advance.

2. Improvement plans for liquidity shortage: Not applicable.

3. Cash liquidity analysis for the next year (consolidated financial information)

Units: in NT\$1,000

Cash balance at beginning of the period A	Estimated annual net cash flow from operating activities B	Estimated annual cash flow C	Estimated cash surplus (shortage) amount A+B-C	Estimated remedial measures for cash inadequacy	
				Investment plan	Financing plan
1,073,133	1,178,240	1,636,080	615,293	-	-

Explanation/analysis:
Operating activities generate net cash inflow and investment in domestic environmental protection lead to investing activities that cause net cash outflow. Distribution of cash dividends and repayment of bank loans lead to financing activities that cause net cash outflow. The Company maintained abundant operating funds throughout the year and did not experience cash deficit.

IV. Impact of major capital expenditures on corporate finances and business for the most recent year

(I) The use and funding sources of major capital expenditures:

None.

(II) Anticipated potential benefits

(1) Anticipated potential benefits: None.

(2) Other explanation of benefits: None.

V. Investment policy in the past year, the main reasons for profit/loss, improvement plan, and investment plan for the upcoming fiscal year:

Item	Investment amount (NT\$1,000)	Policy	Main reasons for profit or loss	Improvement plan	Investment plan for the next year
Cleanaway Enterprise Company Limited	159,507	Investments in other businesses	Closed landfill	None	None
Da Tsang Industrial Company Limited	300,977	Investments in other businesses	Good business performance	None	None
Kang Lien Enterprise Company Limited	58,222	Investments in other businesses	Good business performance	None	None
Chi Wei Company Limited	410,000	Investments in other businesses	Good business performance	None	None
Cleanaway SUEZ Environmental Resources Limited	650,000	Investments in other businesses	Good business performance	None	Under evaluation
Chung Tai Resource Technology Corp.	374,400	Investments in other businesses	Good business performance	None	Under evaluation
Cleanaway Energy Co., Ltd.	55,000	Investments in other businesses	Start-up stage	None	Under evaluation
Cleanaway Investment Company Limited	80,000	Investments in other businesses	Facilities in Mainland China remains under construction	None	Under evaluation
CCL Investment Holding Company Limited	US\$ 3,500	Investments in other businesses	Facilities in Mainland China remains under construction	None	Under evaluation

Note: The recognized investment income (loss) in this year (2020) was as follows: NT\$11,821 thousand for Cleanaway Enterprise Company Limited, NT\$358,226 thousand for Da Tsang Industrial Company Limited, NT\$10,381 thousand for Kang Lien Enterprise Company Limited, NT\$585,464 thousand for Chi Wei Company Limited, NT\$3,087 thousand for Cleanaway Investment Company Limited, -NT\$4,255 thousand for Cleanaway Investment Holding Company Limited, NT\$11,105 thousand for Cleanaway SUEZ Environmental Resources Limited, -NT\$4,182 thousand for Cleanaway Energy Co., Ltd., and NT\$16,295 thousand for Chung Tai Resource Technology Corp.

VI. Risk analysis and evaluation

(1) Interest rate, exchange rate, and inflation rate changes in the most recent year, up to the printing of this annual report, that can affect the Company's revenue, as well as future response measures:

(1) Effects of changes in interest rates

The Company's operating funds consist mainly of its own funds which are mainly time deposits. The interest rates in 2020 were relatively low and income from interest accounted for only a small percentage. The Company's financial structure is sound and has abundant own funds and low demand for loans from financial institutions. Therefore, changes in interest rates have little effects on the Company. Although the interest rates in the domestic and foreign currency markets have increased marginally in the most recent year, the central banks of various countries have adopted cautious attitudes and refrained from interest rate hikes. Therefore, interest rates were kept at relatively low levels. If the interest rate trend sees material fluctuations in the future and the Company has continuous needs for loans, apart from adopting other capital market financing tools to raise funds, the Company will also observe the interest rate trend and choose to borrow at a fixed rate or a floating rate to avoid the risk of interest rate fluctuations.

(2) Effects of changes in exchange rates

The Company is a domestic environmental protection service provider in a domestic demand industry. Procurement and income on service fees collected in foreign currencies are marginal. Therefore changes in exchange rates have no significant effects on the Company's profitability.

(3) Inflation

Under the government's policies geared toward stable financial market order and stable prices, the Company's operations and income in 2020 did not suffer major impacts caused by inflation. The Company operates mainly environmental protection services and the impact of inflation is limited. In the future, the Company shall take changes in domestic and international commodity prices in order to prevent drastic changes in main operating costs from infringing on the Company's profits.

(4) Responsible unit: The Company's Finance Department.

(II) Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives trading, main reasons for the profits or losses generated thereby, and future response measures to be undertaken

- (1) The Company has always focused on operations in its main business and maintains stable business principles. We also base our finance policy on the principles of stability and conservatism and we do not engage in high-risk high-leverage investments or transactions.
- (2) Please refer to Table 1 in Appendix A "Cleanaway Company Limited and Subsidiaries Consolidated Financial Statements and Independent Auditor's Report" for loans to others in 2020 and in 2021 as of the publication date of the Annual Report. Please refer to Table 2 in Appendix A "Cleanaway Company Limited and Subsidiaries Consolidated Financial Statements and Independent Auditor's Report" for endorsements or guarantees to others. The aforementioned items have been processed in accordance with the Company's "Procedures for Loaning of Funds and Making of Endorsements/Guarantees" and related transaction information has been published in accordance with laws and regulations.
- (3) The Company has not conducted other transactions in derivative products. In the event that transactions in derivative products are required for business development in the future, they shall be carried out in accordance with the Company's "Procedures for Acquisition or Disposal of Assets" and transaction information shall be disclosed in accordance with laws and regulations.
- (4) Responsible unit: The Company's Finance Department.

(III) Future R&D projects and R&D expenditure to be invested

(1) Future R&D projects:

The Company is a professional hazardous industrial waste processing service provider. Based on our commitment to environmental protection expertise and corporate social responsibilities, we dedicated tremendous amounts of resources on the feasibility test of solid metal-containing waste solidification ratio, improvement of the existing solidification technology, and the reduction of solidification ratio. The Company's R&D and inspection laboratory passed the ERA's heavy metal and oil contaminants blind sample International Laboratory Accreditation with a 100% qualification rate in 2015 and 2018, respectively. To prevent the negative impact of inappropriate processing of waste on nearby environment, the Company has established related management measures for pollution prevention and we use effective statistical data to strengthen the Company's capacity or processing waste. The Company shall continue to actively research and develop processing operations for waste containing heavy metals and construction method and inspection of on-site remediation with the aim of reducing domestic environmental pollution caused by waste and manufacturing.

(2) R&D expenditure to be invested:

The Company expects to invest NT\$21,000 thousand in R&D expenditures in 2021.

(IV) Changes to local and overseas policies and laws that impact the Company's financial operations and response measures:

The Company's business operations are carried out in accordance with related domestic and foreign laws and regulations. We also pay close attention to important domestic and foreign policy development trends and changes in laws. We collect related information for the management as reference for decision making and adjustments of the Company's related business strategies. To date, the Company's finances and businesses have not been affected by major changes in policies and laws of domestic or foreign governments.

(V) Effects of changes in technology and industry on the Company's financial operations, and related response measures:

The Company shall pay close attention to developments and changes in technologies in the industry and focus on evaluating the impact of such changes on the Company's finances and businesses. The Company's finances and businesses have not been negatively affected by changes in technologies or industries.

(VI) The impacts of changes in corporate image on the company's crisis management and the countermeasures:

The Company has not been subject to any change in corporate image that incurred crisis management as of the publication date of this annual report.

(VII) The expected benefits and possible risks to engage in mergers and acquisitions (M&A) and the countermeasures: None.

(VIII) The expected benefits and possible risks to expand the plants and the countermeasures:

None.

(IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to Be Taken in Response

(1) Procurement:

The Company operates intermediate waste solidification services and the main materials required for such operations are cement, solidification agents, and sodium sulfide. We have worked closely with a supplier for many years and the supplier has provided stable and abundant deliveries in the most recent three years from diverse sources. Our purchases from a single supplier are kept under 35% and we maintain close relations with all suppliers. The source of supplies has been stable and smooth and we achieved the goal of dispersing the sources of our supplies while maintaining cooperation opportunities with other suppliers. Therefore, the supplier has shown no material irregularities in terms of materials supply. The raw materials suppliers have generally worked closely with the Company for many years. They have performed well in terms of quality and delivery period and we have multiple suppliers for all raw materials. Therefore, there is no risk of excessively concentrated procurement risks.

(2) Sales:

The Company operates intermediate waste solidification services and we maintain stable cooperation with main customers based on our advantages in technology, quality, and services. The main recipients of services are also renowned domestic manufacturers and our revenue from main customers in recent years has grown. The proportion of sales has changed due to changes in business development as well as the operations and strategic adjustments of individual customers. There were no concentrated sales in 2020. The Company maintains good working relations with existing customers and we also actively develop new technologies and new customers. We work hard to establish working relationships with other customers and gradually disperse the risks of concentrated sales.

(X) Impact and risks resulted from major equity transfer or replacement of Directors, Supervisors, or shareholders holding more than 10 percent of the Company's shares, and related response measures:

In 2020 and 2021 up to the publication date of the Annual Report, the transfers of shares by Directors and major shareholders were based on personal wealth management plans and they have no impact on the Company.

(XI) The impacts and risks arising from the change in management rights and the countermeasures: Not applicable.

(XII) Litigation or non-litigation matters: The Directors, Supervisors, President, actual responsible person, and shareholders holding more than 10% of the company shares,

who are involved in a major lawsuit of a subsidiary company that has either been decided or is still pending whereby the results of the case may have a significant impact on shareholder interests or securities prices, must be specified. The status of the disputed facts, bid amount, litigation commencement date, and the primary parties involved in such litigations up to the publication date of this annual report shall be disclosed: None.

(XIII) Other significant matters and response measures:

Information security risk assessment operation: The Company has established specific management regulations such as information security management regulations and computer information system restoration plans. We implement regular inspections and reviews for information security each year. The frequency and results of information security inspections in 2020 are as follows:

Item	Operation frequency	2020 operation period	Results
ERP system catastrophe recovery test	Implemented once a year	March 2020	No major risks
Computer software legality inspection	Implemented once a year	March 2020	No major risks
ERP system permission configuration inspection	Implemented once a year	September 2020	No major risks
Regular notifications for ERP system personal password reset	Implemented twice a year	March 2020, December 2020	No major risks
Information security training	Implemented from time to time at once a year	March 2020	No major risks
Facilities inspections	Daily	Except for statutory holidays	No major risks
Database backup	Daily (automatic system remote backup)	Except for Sunday	No major risks

VII. Other important items: None.

Chapter 8 Special Notes

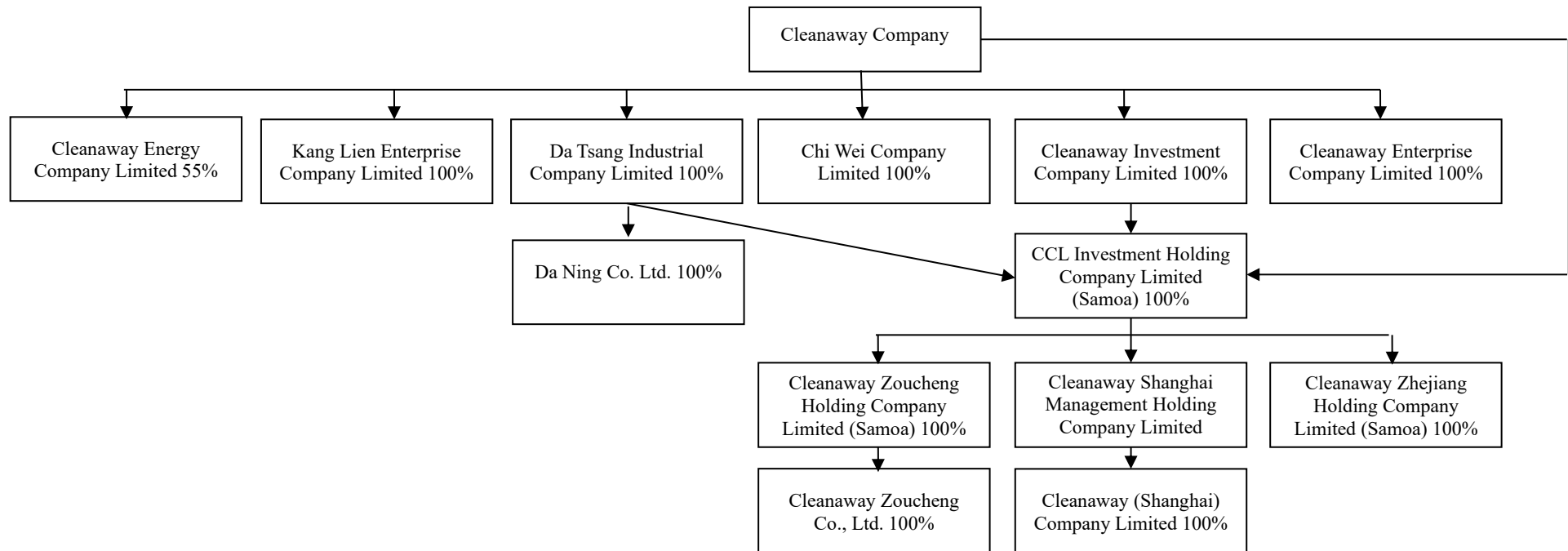
I. Information on affiliates in the most recent year

Cleanaway Company Limited 2020 Consolidated Business Report for affiliates

(I) Overview of affiliates

1. Overview of the organization structure of affiliates

(1) Organizational structure of affiliates



(2) Companies presumed as having control and subordinate relationships in accordance with Article 369-3 of the Company Act: No such circumstances.

(3) Affiliates whose personnel, finance, or business operations are under the Company's control in accordance with Article 369-2 of the Company Act: No such circumstances.

2. Basic information of affiliates

Unit: NT\$1,000; RMB 1,000; US\$1,000

Name of business	Date of establishment	Address	Paid-up capital/investment amount	Principal business or core products
Cleanaway Company Limited	88.05.04	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$ 1,088,880	Waste management
Cleanaway Enterprise Company Limited	93.01.20	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$ 180,000	Waste management
Da Tsang Industrial Company Limited	94.10.21	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$ 270,000	Waste management
Kang Lien Enterprise Company Limited	93.07.23	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$ 60,200	Waste clean-up
Chi Wei Company Limited	99.11.29	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$ 410,000	Waste management
Da Ning Co. Ltd.	103.11.26	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$ 150,000	Waste management
Cleanaway Investment Company Limited	101.08.29	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$ 80,000	General investment
Cleanaway Energy Company Limited	108.01.16	2F., No. 328, Huanke Road, Datan Village, Guanyin District, Taoyuan City	NT\$ 100,000	Waste management
CCL Investment Holding Company Limited	101.08.31		RMB 35,614	General investment
Cleanaway Shanghai Management Holding Company Limited	101.09.03	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	RMB 7,000	General investment
Cleanaway Zoucheng Holding Company Limited	103.01.22		US\$ 3,500	General investment
Cleanaway Zhejiang Holding Company Limited	104.04.10		-	General investment
Cleanaway (Shanghai) Co., Ltd.	101.11.15	Room 866, Building 1-B, No. 977, Shangfeng Road, Tangzhen, Pudong New District, Shanghai, China	RMB 7,000	Enterprise management consultation
Cleanaway Zoucheng Co., Ltd.	103.03.07	No. 1717, Hongjiyuan Road, Shiqiang Town, Zoucheng, Shandong Province, China	US\$ 3,500	Waste management

3. Information of common shareholders who are presumed to have controlling and subordinate relationship: No such circumstances.

4. Overall businesses covered by affiliates and division of labor in transactions:

Industries: Waste management, waste clean-up, investment

Division of labor: The Company solidifies waste and delivers waste to Cleanaway Enterprise Company Limited and Chi Wei Company Limited. Kang Lien Enterprise Company Limited executes clean-up operations on behalf of Cleanaway Company Limited, Da Tsang Industrial Company Limited, Da Ning Co. Ltd., Chi Wei Company Limited, and Cleanaway Enterprise Company Limited. Cleanaway Energy Company Limited is responsible for renewable energy investment operations. Cleanaway Investment Company Limited, CCL Investment Holding Company Limited (Samoa), Cleanaway Shanghai Management Holding Co., Ltd. (Samoa), Cleanaway Zoucheng Holding Company Limited (Samoa), Cleanaway Zhejiang Holding Company Limited (Samoa), Cleanaway (Shanghai) Company Limited, and Cleanaway Zoucheng Co., Ltd. implement investments in China.

5. Information on the directors, supervisors, and presidents of affiliated companies

Name of business	Title	Name or representative	Number of shares held	
			Number of shares/capital contribution	Percentage of ownership/investment
Cleanaway Company Limited	Chairman	Yang Ching-Hsiang	12,112,350 shares	11.12%
	Director	Kang Lan Enterprise Co., Ltd. (representative: Cheng-Lun Tao)	5,526,223 shares	5.08%
	Director	Jocris Ltd. (BVI) (representative: Chong-Meng Lai)	5,832,522 shares	5.36%
	Director	Kun-Yu Chang	150,000 shares	0.14%
	Independent Director	Wen-Tsai Yang	-	-
	Independent Director	Juu-En Chang	-	-
	Independent Director	Kuo-Shuh Fan	11,000 shares	0.01%
	Supervisors	Cheng-Han Hsu	-	-
	Supervisors	Kang Xin Investment, Ltd. (representative: Chin-Hui Ling)	1,000,000 shares	0.92%
	President	Yung-Fa Yang	-	-
Cleanaway Enterprise Company Limited	Chairman	Cleanaway Company Limited (representative: Fu-Sen Hsu)	18,000,000 shares	100%
	Director	Cleanaway Company Limited (representative: Yu-Tsung Tai)		
	Director	Cleanaway Company Limited (representative: Chong-Meng Lai)		
	Supervisors	Cleanaway Company Limited (representative: Pi-Lien Yang Li)		
	President	Yung-Fa Yang	-	-
Da Tsang Industrial Company Limited	Chairman	Cleanaway Company Limited (representative: Cheng-Lun Tao)	27,000,000 shares	100%
	Director	Cleanaway Company Limited (representative: Yu-Tsung Tai)		

Name of business	Title	Name or representative	Number of shares held	
			Number of shares/capital contribution	Percentage of ownership/investment
	Director	Cleanaway Company Limited (representative: Chong-Meng Lai)		
	Supervisors	Cleanaway Company Limited (representative: Pi-Lien Yang Lee)		
	President	Yung-Fa Yang	-	-
Kang Lien Enterprise Company Limited	Chairman	Cleanaway Company Limited (representative: Cheng-Lun Tao)	6,020,000 shares	100%
	Director	Cleanaway Company Limited (representative: Yu-Tsung Tai)		
	Director	Cleanaway Company Limited (representative: Chong-Meng Lai)		
	Supervisors	Cleanaway Company Limited (representative: Pi-Lien Yang Lee)		
	President	Yung-Fa Yang		
Chi Wei Company Limited	Chairman	Cleanaway Company Limited (representative: Cheng-Lun Tao)	41,000,000 shares	100%
	Director	Cleanaway Company Limited (representative: Yu-Tsung Tai)		
	Director	Cleanaway Company Limited (representative: Chong-Meng Lai)		
	Supervisors	Cleanaway Company Limited (representative: Pi-Lien Yang Lee)		
	President	Yung-Fa Yang		
Da Ning Co., Ltd.	Chairman	Da Tsang Industrial Company Limited (representative: Ching-Hsiang Yang)	15,000,000 shares	100%
	Director	Da Tsang Industrial Company Limited (representative: Cheng-Lun Tao)		
	Director	Da Tsang Industrial Company Limited (representative: Chong-Meng Lai)		
	Supervisors	Da Tsang Industrial Company Limited (representative: Pi-Lien Yang Lee)		
	President	Yung-Fa Yang		
Cleanaway Investment Company Limited	Chairman	Cleanaway Company Limited (representative: Chen Yu-Hsien)	8,000,000 shares	100%
	Director	Cleanaway Company Limited (representative: Cheng-Lun Tao)		
	Director	Cleanaway Company Limited (representative: Chong-Meng Lai)		
	Supervisors	Cleanaway Company Limited (representative: Pi-Lien Yang Lee)		
Cleanaway Energy Co., Ltd.	Chairman	Cleanaway Company Limited (representative: Yung-Fa Yang)	5,500,000 shares	55%
	Director	Cleanaway Company Limited (representative: Kuang-Chieh Cheng)	5,500,000 shares	55%
	Director	Sinotech Engineering Services Ltd. (representative: Shih-Chin Sun)	2,000,000 shares	20%
	Director	Jun Investment International Co., Ltd (representative: Cheng-Yu Lien)	500,000 shares	5%
	Supervisors	Li-Hua Kung	-	-
	Supervisors	Tsung-Tien Chen	-	-
CCL Investment Holding Company Limited (Samoa)	Director	Cleanaway Investment Company Limited (representative: Ching-Hsiang Yang)	US\$4,624 thousand and RMB 6,000 thousand	100%
Cleanaway Shanghai Management Holding Company Limited (Samoa)	Director	Cleanaway Investment Holding Company Limited (representative: Ching-Hsiang Yang)	RMB 7,000 thousand	100%
Cleanaway Zoucheng Holding Company Limited (Samoa)	Director	Cleanaway Investment Holding Company Limited (representative: Ching-Hsiang Yang)	US\$3,500 thousand	100%
	Director	Cleanaway Investment Holding Company Limited (representative: Cheng-Lun Tao)		
	Director	Cleanaway Investment Holding Company Limited (representative: Tsung-Tien Chen)		
Cleanaway Zhejiang Holding Company Limited (Samoa)	Director	Cleanaway Investment Holding Company Limited (representative: Ching-Hsiang Yang)	-	100%
		Cleanaway Investment Company Limited (representative: Cheng-Lun Tao)		
Cleanaway (Shanghai) Co., Ltd.	Chairman	Cleanaway Shanghai Management Holding Co., Ltd. (representative: Cheng-Lun Tao)	RMB 7,000 thousand	100%
	Director	Cleanaway Shanghai Management Holding Co., Ltd. (representative: Chong-Meng Lai)		

Name of business	Title	Name or representative	Number of shares held	
			Number of shares/capital contribution	Percentage of ownership/investment
	Director	Cleanaway Shanghai Management Holding Co., Ltd. (representative: Tsung-Tien Chen)		
	Supervisor	Cleanaway Shanghai Management Holding Co., Ltd. (representative: Ping -Cheng Hong)		
Cleanaway Zoucheng Co., Ltd.	Chairman	Cleanaway Zoucheng Holding Company Limited (representative: Cheng-Lun Tao)	US\$3,500 thousand	100%
	Vice Chairman	Cleanaway Zoucheng Holding Company Limited (representative: Hsing-Yu Yuan)		
	Director	Cleanaway Zoucheng Holding Company Limited (representative: Tsung-Tien Chen)		
	Director	Cleanaway Zoucheng Holding Company Limited (representative: Yung-Fa Yang)		
	Supervisor	Cleanaway Zoucheng Holding Company Limited (representative: Hsiao-Yun Hu)		
	Supervisor	Cleanaway Zoucheng Holding Company Limited (representative: Ping-Cheng Hong)		

Note 1: Supervisor Hou Jung-Hsien left the factory on November 4, 2020.

(II) Status of operations of affiliates

Financial status and performance of affiliates:

Overview of business operations of affiliates

NT\$1,000

Name of business	Capital/investment amount	Total assets	Total liabilities	Net value	Operating revenue	Operating income (loss)	Current profit and loss (after tax)	Earnings per share (NT\$) (after tax)
Cleanaway Company Limited	1,088,880	6,472,111	756,629	5,715,482	1,082,227	239,054	1,177,219	10.81
Cleanaway Enterprise Company Limited	180,000	340,054	110,973	229,081	25,304	8,662	11,821	0.66
Da Tsang Industrial Company Limited	270,000	1,531,471	491,759	1,039,712	403,306	294,972	358,226	13.27
Kang Lien Enterprise Company Limited	60,200	147,489	77,249	70,240	82,860	12,167	10,472	1.74
Chi Wei Company Limited	410,000	1,192,420	435,320	757,100	1,054,714	740,772	585,464	14.28
Cleanaway Investment Company Limited	80,000	56,582	2,032	54,550	6,589	1,098	3,087	0.39
Da Ning Co., Ltd.	150,000	801,703	248,350	553,353	817,958	165,850	130,890	8.73
Cleanaway Energy Co., Ltd.	100,000	98,702	12,743	85,959	0	-7,809	-7,602	-0.76
CCL Investment Holding Company Limited (Samoa)	169,350	26,311	0	26,311	0	-2	-6,703	-
Cleanaway Shanghai Management Holding Co., Ltd. (Samoa)	33,034	-27,731	0	-27,731	0	0	0	-
Cleanaway Zoucheng Holding Company Limited (Samoa)	106,214	23,196	39	23,157	0	-6	-7,253	-
Cleanaway Zhejiang Holding Company Limited (Samoa)	-	1,298	0	1,298	0	-3	-1	-
Cleanaway (Shanghai) Co., Ltd.	33,034	652	13,418	-12,766	0	0	0	-
Cleanaway Zoucheng Co., Ltd.	106,214	34,614	13,471	21,143	0	-7,362	-7,246	-

II. Private placement of securities of the past year up to the publication date of this Annual Report: None.

III. Securities acquired, disposed of, or held by subsidiaries in the most recent year up to the date of publication of this report: None.

IV. Other necessary supplementary information: None.

Chapter 9 Corporate events with material impact on Shareholders' equity or stock prices set forth in Subparagraph 2, Paragraph 2, Article 36 of the Securities Exchange Act in the past year and up to the date of the Annual Report: None.

Cleanaway Company Limited
Chairperson: Ching-Hsiang Yang