

Stock Code: 8422



Cleanaway Company Limited

ANNUAL REPORT 2021

(若與中文版有差異以中文版為主)

The English report is a translation of the original in Chinese for information purpose only. In case of a discrepancy, the Chinese version will prevail.

Publication Date: March 31, 2022

Report Website: Market Observation Post System (<http://mops.twse.com.tw>)

**Head Office: No. 308, Zhongshan South Road, Gangshan District, Kaohsiung
City Mainline: 07 -6228422**

Company website: <http://www.cleanaway.tw> Fax: 07-6235977

I. Name, job title and contact phone number and email of the Company's spokesperson and acting spokesperson:

(I) Company Spokesperson

Name: Tsung-Tien Chen

Title: Chief Financial Officer

Telephone: (07) 622-8422

Email: chen.jack@cleanaway.tw

(II) Acting Spokesperson

Name: Ping-Cheng Hung

Title: Finance Manager

Telephone: (07) 622-8422

Email: hong.roy@cleanaway.tw

II. Addresses and telephone numbers of the head office, branch offices, and plants:

(I) Head office

Address: 1st Floor, No. 308, Zhongshan South Road, Gangshan District, Kaohsiung City

Telephone: (07) 622-8422

(II) Plant

Address: No. 100, Ln. 1, Shanxi Road, Gangshan District, Kaohsiung City

Telephone: (07) 628-3865

III. Name, address, website, and telephone of the stock transfer handling institution:

Taishin Securities Co., Ltd

Address: B1, No.96, Sec. 1, Jianguo N. Rd., Taipei City

http : //www.tssco.com.tw

Telephone: (02) 2504-8125

IV. Names of certified accountants, address, website, and telephone number of the accounting firm auditing the Company's latest financial report:

CPA Firm: Deloitte Taiwan

Certifying CPAs: Chin-Chuan Shih and Yung-Ming Chiu

Address: 20F, No. 100, Songren Road, Xinyi District, Taipei City

Telephone: (02) 2725-9988

Website: http : //www.deloitte.com.tw

V. Name of any overseas securities trading agency and search name in the said overseas securities trading agency: None

VI. Company website: http : //www.cleanaway.tw/

Cleanaway Company Limited
2021 Annual Report Table of Contents

<i>Chapter 1 Letter to Shareholders</i>	<i>1</i>
I. 2021 Business Report.....	1
II. Overview of 2022 Business Plan	3
III. Future corporate development strategy.....	4
IV. Impact of corporate social responsibility and sustainable operation, external competitive environment, regulatory environment and overall operating environment.....	4
<i>Chapter 2 Company Profile</i>	<i>6</i>
I. Date of founding: May 4, 1999.....	6
II. Company history:	6
<i>Chapter 3 Corporate Governance Report</i>	<i>8</i>
I. Organization.....	8
II. Information on Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branches	10
III. Implementation of corporate governance.....	27
IV. Information on CPA expenses:	71
V. Replacement of CPAs	71
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.....	72
VII. Share transfer by Directors, Supervisors, managerial officers and shareholders holding more than 10% equity and changes to share pledging by them:	72
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.....	74
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.....	77
<i>Chapter 4. Financing Status.....</i>	<i>78</i>
I. Capital and shares	78
II. Issuance of corporate bonds (including overseas corporate bonds): None.....	81
III. Preferred Shares: None.	81
IV. Issuance of overseas depository receipts: None.....	81
V. Employee Stock Options: None	81
VI. Issuance of new restricted employee shares: None.	81
VII. Mergers and Acquisitions, or as Assignee of New Shares Issued by Another Company: None.....	81

VIII. Implementation of Capital Allocation Plans.....	81
<i>Chapter 5. Operational Highlights</i>	82
I. Business activities.....	82
II. Overview of market, production and sales	92
III. Information on employees in the last two years and as of the publication date of the Annual Report (consolidated information)	97
IV. Expenditure on environmental protection.....	97
V. Labor relations	99
VI. Cyber Security Management:.....	101
VII. Important Contracts.....	104
<i>Chapter 6. Financial Overview</i>	105
I. Concise financial data from the last five years.....	105
II. Financial analysis.....	109
III. Supervisors' Review Report on financial statements of the most recent year.....	111
IV. Financial statements of the most recent year	113
V. Parent Company Only Financial Statements audited and attested by a CPA in the most recent year	113
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.	113
<i>Chapter 7 Review and Analysis of the Financial Position and Operating Performance and Risk Assessment</i>	114
I. Financial position.....	114
II. Financial performance	118
III. Cash flows.....	119
IV. Impact of major capital expenditures on corporate finances and business for the most recent year.....	119
V. Investment policy in the past year, the main reasons for profit/loss, improvement plan, and investment plan for the upcoming fiscal year:.....	120
VI. Risk analysis and evaluation	120
VII. Other important items: None.....	123
<i>Chapter 8. Special Notes</i>	124
I. Information on affiliates in the most recent year.....	124
II. Private placement of securities of the past year up to the publication date of this Annual Report: None.....	130
III. Securities acquired, disposed of, or held by subsidiaries in the most recent year up to the date of publication of this report: None.....	130
IV. Other necessary supplementary information: None.....	131
<i>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</i>	

Report: None. 131

Appendix A. Cleanaway Company Limited and Subsidiaries Consolidated Financial Statements and Independent Auditor's Report (2021 and 2020)

Appendix B. Cleanaway Company Limited Parent Company Only Financial Statements and Independent Auditor's Report (2021 and 2020)

Chapter 1 Letter to Shareholders

I. 2021 Business Report

(I) Results of the implementation of the 2021 Business Plan

The combined revenue of the Company and subsidiaries of the Company in 2021 was NT\$3,022,951 thousand, an increase of 12.77% compared with NT\$2,680,539 thousand in 2020. After deducting operating costs and operating expenses, we generated NT\$1,446,267 thousand in operating profit. Compared to 2020, operating profit decreased by NT\$ 1,033 thousand, with a decrease rate of 0.07%. The increase in revenue and decrease in net operating profit were mainly due to the increase in paper industry revenue.

Cleanaway continued to follow the business direction set in recent years 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 Cleanaway's two landfills in active service to more than 10 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 in July 1, 2019, the Company has made information public on the Internet by providing a platform of Chase Sustainability Technology Co., Ltd. (originally a platform of Chase Environmental Co., Ltd.) 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. The platform has been in operation for more than two years and has launched two major services, Waste Management as a Service (WaaS) and Enterprise Sustainability Management Solution (ESMS), accumulating more than 2,000 users and more than 200 waste management alliance companies, opening up a new landscape for the traditional waste removal business.

In recent years, CHASE Sustainability Technology (CHASE), a digital brand of Cleanaway, has become a gold-level partner of Microsoft. It has taken advantage of Microsoft's cloud service to ensure user information security, enabling the CHASE Environmental Platform to quickly obtain ISO27001 certification. In 2021, it also helped the customers with the implementation of ESG programs, promoted the circular economy, and created a win-win situation for economic development and environmental protection through the cloud economy.

(II) Budget execution status of 2021

The Company did not prepare a financial forecast for 2021. Therefore, there is no need to disclose execution information.

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

Item		2020	2021
Financial structure	Liabilities to assets ratio (%)	19.40	21.29
	Long-term capital to fixed assets ratio (%)	194.79	202.19
Solvency	Current ratio (%)	308.45	236.57
	Quick ratio (%)	305.65	228.24
Profitability	Return on assets (%)	16.56	15.58
	Rate of return on stockholders' equity (%)	20.55	19.48
	Net margin (%)	43.79	38.20
	Basic earnings per share (NT\$)	10.81	10.59

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

(IV) Research and development status

During the period from 2017 to 2018, the "Waste Residue Discharge Device" and "Waste Heat Treatment Device" developed by the Company for mercury-contaminated soils were granted three patent certificates issued by the Republic of China. At the same time, the Company's research and development team focused on oil pollution research on soil treatment methods and obtained two patent certificates from the Republic of China, including "Soil Scrubbing Device" and "Soil Oil Flootation Device". The "Volatile Organic Compound Wastewater Treatment System" developed for difficult wastewater treatment in 2019 was granted a patent certificate issued by the Republic of China. In addition, CHASE Sustainability Technology, a subsidiary of the Company, also obtained two patent certificates issued by the Republic of China in 2020, including "Smart Waste Evacuation Method" and "Waste Smart Solvation Method". In 2021, CHASE obtained six patent certificates issued by the Republic of China, including the "Smart Internet of Things (IoT) System for Infectious Waste", "Inventory Management System (Image Recognition)", "Optical Sensing Apparatus and Reserve Management System", "Waste Full-Resume Tracking and Processing System", "Industrial Waste Cleaning Platform and Service Integration Method of the Platform" and "Waste Ecosystem Management System". 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 has also conducted related research on incineration and recycled pellets, in hopes of achieving development in the incineration process sector to expand the Company's diverse processing methods in the waste disposal and provide customers with more comprehensive and economic waste disposal services.

(V) Sustainable environmental management

Cleanaway has put lots of effort into sustainable operations and has accumulated a considerable amount of operational results, all of these were recorded and included in the Company's Corporate Social Responsibility Report. The Company's 2020 Corporate Social Responsibility Report has won the TCSA Corporate Sustainability Report Platinum Award.

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 2022 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 table 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 area has aimed at improving its waste treatment capacity to increase Cleanaway's investment income. The large-scale new production capacity construction of Chung Tai Resource Technology Corp. has completed its test operation in 2021, which is estimated to contribute to the increase of the reinvestment income in 2022. Regarding the Daihatsu Waste Treatment Plant of Cleanaway Suez, the construction of the second-phase incineration facility is in progress and is estimated to be complete and proceed with the test operation in 2022. The newly built incineration facility has included ammonia (NH₃) in the flue continuous monitoring. The maximum emission concentration of air pollution per hour is more stringent compared with that of the first phase and current regulations and standards.

(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 become a transparent environment for matching of waste processing services for customers, clearer and processor. We also expect to provide our customers with one-stop sustainability consulting and cloud-based services to help them achieve zero waste and sustainable transformation by managing key sustainability performance in real time.

(III) Layout a diversified business operation

In the short-term investment 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 addition to continuing to cultivate our own business, we are also actively expanding the scope of our services, including investing in solar power, waste paper recycling industry, and renewable energy business, etc. We are transforming our business through reinvestment and injecting growth momentum into the Group.

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. In response to global trends and national policies, and in order to fulfill our corporate social responsibility, the Company has taken the initiative to introduce self-

inventory of greenhouse gases and carbon footprint inventory of the treatment of industrial waste, and each of the Group's business unit is actively promoting the development of a circular economy as the focus, moving towards the goal of environmental friendliness and corporate sustainability.

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:

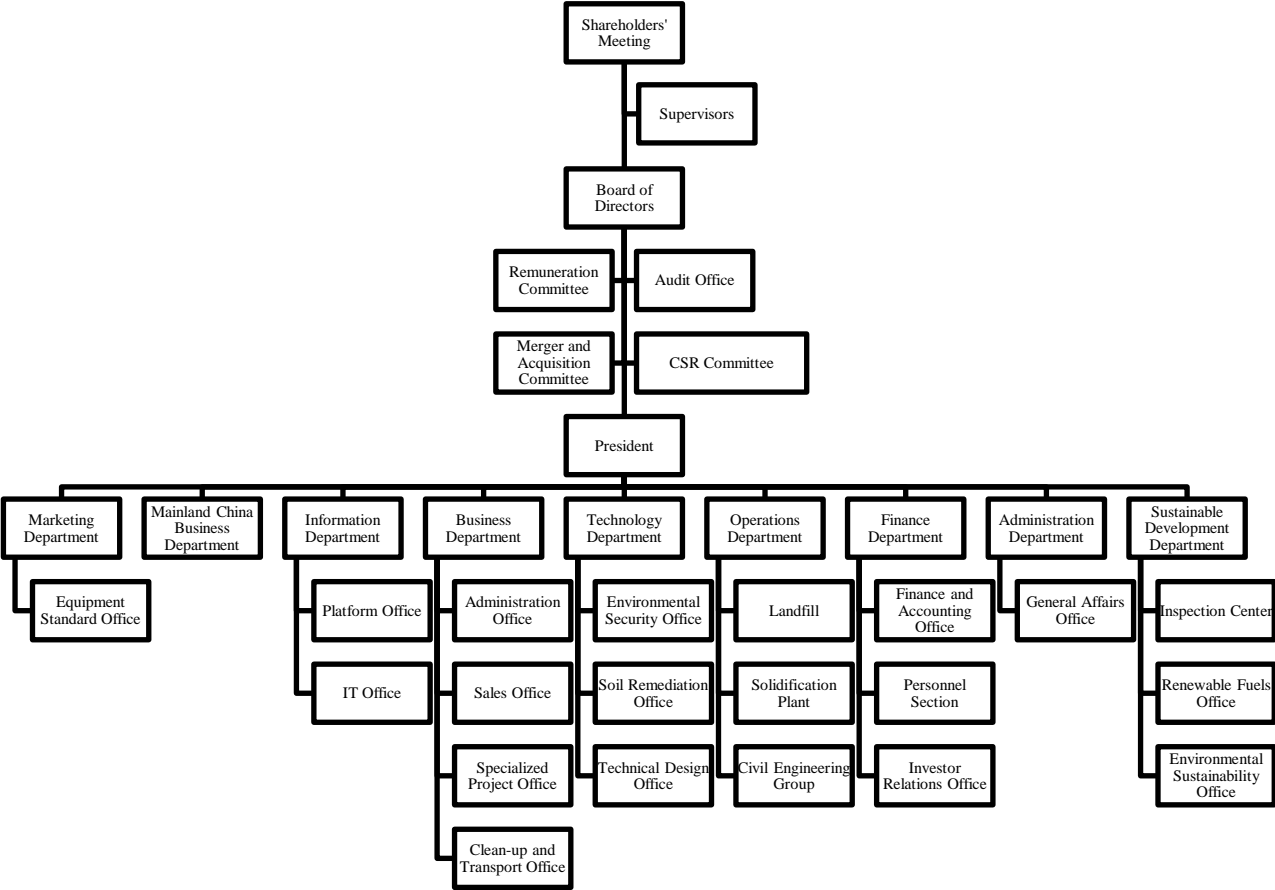
1999	<ul style="list-style-type: none"> ◆The subsidiary of Brambles Heavy Contracting Limited (Australia) and one of the Company's shareholders jointly invested and established the Company. The Company was classified as a Class A intermediate treatment solidification plant authorized by the Environmental 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, Da Tsang Industrial Company Limited, 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 Cleanaway Zoucheng Holding Company Limited
2015	<ul style="list-style-type: none"> ◆The green wall of Chi Wei Company Limited 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 Sustainability Technology Co., Ltd. (originally named 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"> ◆ Sustainability Report won the TCSA Taiwan Corporate Sustainability Report Award, Category II Service Industry Platinum Award ◆ Obtained ISO45001 Certification, CHASE Sustainability Technology's platform obtained ISO27001 Certification
2021	<ul style="list-style-type: none"> ◆ Sustainability Report won the TCSA Taiwan Corporate Sustainability Report Award, Category II Service Industry Platinum Award ◆ Cleanaway Group obtained three carbon labels for hazardous waste solidification service, solidification and stabilization compound landfill service and general industrial waste landfill service ◆ Subsidiary invested and established Da Chao Circular Economy Co., Ltd. ◆ Subsidiary invested and established Top-Comment Resources Company Limited ◆ Subsidiary invested and established Da Chuang Green Energy Co., Ltd. ◆ Subsidiary invested and established Da Cheng Recycling Co. Ltd.

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 sustainability 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, 2022

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 59 years old	July 1, 2019	3	April 22, 1999	12,112,350	11.12%	12,112,350	11.12%	37	0.00%	2,605,311	2.39%	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, Ucheng 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 65 years old	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, and Chi Wei Company Limited Co., Ltd. Director of Cleanaway Investment Company Limited, Da Ning Co. Ltd., Cleanaway Zoucheng Holding Company Limited, Chin Wei Environmental Consultant	-	-	-
Director	British Virgin Islands	Jocris Limited (BVI) (Note 4)	-	July 1, 2019	3	August 10, 2010	5,832,522	5.36%	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	-	-	-
	Singapore	Representative: Chong-Meng Lai (Note 4)	Male	July 1, 2019	3	June 29, 2007	-	-	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	-	-	-
Director	R.O.C.	Kun-Yu Chang	Male 65 years old	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 80 years old	July 1, 2019	3	January 19, 2011	-	-	-	-	54,000	0.05%	-	-	Master from the Graduate Institute of Finance, Chaoyang Yunlin University of Technology Director of National Taxation Bureau of Kaohsiung City, Ministry of Finance	Chairman of Penghu Cable TV Co., Ltd. Independent Director of Southeast Cement Corporation	-	-	-

Title	Nationality or place of registration	Name	Gender Age	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 70 years old	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 Consultant of Taiwan Photovoltaic Industry Association (TPVIA)	-	-	-
Independent Director	R.O.C.	Juu-En Chang	Male 71 years old	July 1, 2019	3	July 1, 2019	-	-	-	-	-	-	-	-	PhD in Civil Engineering, Tohoku University, Japan Minister of Environmental Protection Administration	Professor Emeritus, Department of Environmental Engineering, National Cheng Kung University Independent Director of Green River Holding Co., Ltd., Chen Mei Materials Technology Corp.	-	-	-
Supervisors	R.O.C.	Cheng-Han Hsu	Male 44 years old	July 1, 2019	3	January 19, 2011	-	-	-	-	-	-	-	-	Executive Management Course, EMBA, I-Shou University	Chairman of Fu-Kuo Development Co., Ltd., Director of Baiham Enterprise Co., Ltd., Chan Lien Co., Ltd.	-	-	-
Supervisors	R.O.C.	Kang Hsin Investment, Ltd.	-	July 1, 2019	3	January 19, 2011	1,000,000	0.92%	1,000,000	0.92%	-	-	-	-	-	-	-	-	-
		Representative: Chin-Hui Lin	Female 69 years old	July 1, 2019	3	January 19, 2011	-	-	-	-	46,000	0.04%	-	-	Distribution Management Department, Nanying Vocational High School	Director of 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 until now.

Note 2: The data on the shareholding ratio as of March 28, 2022 (book closure date) is calculated and rounded to the second decimal.

Note 3: Based on an assessment of Independent Director Mr. Wen-Tsai Yang'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: The number of Company's shares transferred by the Institutional Director, Jocris Limited (BVI) has exceeded 1/2 of the number of shares held at the time of such Institutional Director's election and appointment, therefore, its position as an Institutional Director was terminated as of July 26, 2021.

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 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.

2. Major shareholders of corporate shareholders

As of March 31, 2022

Name of corporate shareholder	Major shareholders of corporate shareholders
Kang Lan 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%)
Kang Hsin Investment, Ltd.	Chin-Hui Lin (100.00%)

Name of corporate shareholder	Major shareholders of corporate shareholders
Wei Ho Industry Co., Ltd.	Hsiu-Han Yang (99.997%), Yu-Ching Yang (0.003%)

3. Disclosure of Professional Qualifications of Directors and Supervisors and Independence criteria of Independent Directors

Name	Qualifications Professional qualifications and experience	Independence criteria	Number of other public companies the person serves as an independent director
Ching-Hsiang Yang	Professional qualifications and experience: Chairman of the Company Has work experiences needed for the business operation of the Company and has no circumstances under matters set forth in Article 30 of the Company Act.	Not applicable	0
Kang Lan Enterprise Co., Ltd. Cheng-Lun Tao	Professional qualifications and experience: Director and President of the Company Has work experiences needed for the business operation of the Company and has no circumstances under matters set forth in Article 30 of the Company Act.	Not applicable	0
Jocris Ltd. (BVI) Representative: Chong-Meng Lai	(Note 1)	(Note 1)	(Note 1)
Kun-Yu Chang	Professional qualifications and experience: Director of the Company Has work experiences needed for the business operation of the Company and has no circumstances under matters set forth in Article 30 of the Company Act.	Not applicable	0

Wen-Tsai Yang	<p>Professional qualifications and experience: Director-General of National Taxation Bureau of Kaohsiung, MOF, member of Company's Remuneration Committee, and Independent Director</p> <p>Has work experiences needed for the accounting, finances and business operation of the Company and has no circumstances under matters set forth in Article 30 of the Company Act.</p>	<p>Matters under Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" have not occurred with the person, his or her spouse or relative within the second degree of kinship:</p> <ol style="list-style-type: none"> (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. (3) Not natural-person shareholder who holds shares, 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). (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. (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. (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. (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. (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. 	1
---------------	--	---	---

Juu-En Chang	<p>Professional qualifications and experience: Professor of Department of Environmental Engineering, National Cheng Kung University, Minister of the Environmental Protection Administration, Executive Yuan, member of Company's Remuneration Committee, and Independent Director</p> <p>Has work experiences needed for lecturers of related departments in universities and colleges needed for the business operation of the Company and the business operation of the Company, and has no circumstances under matters set forth in Article 30 of the Company Act.</p>	<p>Matters under Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" have not occurred with the person, his or her spouse or relative within the second degree of kinship:</p> <ol style="list-style-type: none"> (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. (3) Not natural-person shareholder who holds shares, 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). (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. (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. (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. (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. (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. 	2
--------------	---	---	---

Kuo-Shuh Fan	<p>Professional qualifications and experience: Vice President of National Kaohsiung University of Science and Technology, CEO of General Waste Recycling and Disposal Fund, member of Company's Remuneration Committee, and Independent Director</p> <p>Has work experiences needed for lecturers of related departments in universities and colleges needed for the business operation of the Company and the business operation of the Company, and has no circumstances under matters set forth in Article 30 of the Company Act.</p>	<p>Matters under Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" have not occurred with the person, his or her spouse or relative within the second degree of kinship:</p> <p>(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. (3) Not natural-person shareholder who holds shares, 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). (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. (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. (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. (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. (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.</p>	0
Cheng-Han Hsu	<p>Professional qualifications and experience: The Company's supervisor</p> <p>Has work experiences needed for the business operation of the Company and has no circumstances under matters set forth in Article 30 of the Company Act.</p>	Not applicable	0

Kang Hsin Investment, Ltd. Representative: Chin-Hui Lin	Professional qualifications and experience: the Company's supervisor Has work experiences needed for the business operation of the Company and has no circumstances under matters set forth in Article 30 of the Company Act.	Not applicable	0
--	--	----------------	---

Note 1: The number of Company's shares transferred by the Institutional Director, Jocris Limited (BVI) has exceeded 1/2 of the number of shares held at the time of such Institutional Director's election and appointment, therefore, its position as an Institutional Director was terminated as of July 26, 2021.

4. Information on Directors and Supervisors' diversity and independence

(I) Board Diversification Policy

In order to strengthen corporate governance and promote the sound development of board composition and structure, Article 20 of the "Corporate Governance Best Practice Principles" issued by the company states that Board members setup shall be diverse, and the corresponding diversity policies shall be formulated in accordance with its own operations, operating patterns and development demands, including but not limited to the following two standards: I. Basic conditions and values: gender, age, nationality and culture, etc. II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

The member setup of the Company take diversity into consideration, and establishes appropriate diversity guidelines according to its operation, types of operation and development needs. 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 backgrounds and experiences 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 six Directors and three directors and three Independent Directors. Members has expertise in areas of finance, management and professional expertise in the Company's industry. Each director and Independent Director 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, Juu-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 who also concurrently work as employees of the Company. Independent Director ratio is 50%, 2 Independent Directors have a term of less than 3 years, 3 directors are over 70 years old, 2 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 6 directors and 2 academic elites (Director Juu-En Chang, Director Kuo-Shu Fan). 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.

(2) Independence of the Board of Directors

The current Board of Directors of the Company consists of 6 directors (including 3 Independent Directors) and 2 supervisors. Independent Directors accounted for 50% of the directors. None of the directors, supervisors or supervisors and directors are related to each other or to each other as spouses or relatives within two degrees of kinship. Matters under Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act have not occurred.

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

As of March 31, 2022

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	2018.11.09	-	-	-	-	3,082,000	2.83%	Master in Brand Management, European Business School London Doctoral Program of Graduate Institute of Environmental Engineering, National Taiwan University	Chairman of Cleanaway Energy Co., Ltd., Da Chao Circular Economy, Top-Comment Resources Company Limited, Da Cheng Recycling Co. Ltd., Chase Sustainability Technology Co., Ltd., George Yang Co., Ltd., Ucheng Holding Company Limited. Director of Da Tsang Industrial Company Limited, Da Ning Co., Ltd., Kang Lien Enterprise Company Limited, Chi Wei Company Limited, Cleanaway Investment, Cleanaway Enterprise Company Limited, Da Chuang Green Energy, Ji Ding, Cleanaway SUEZ, Chung Tai Resource Technology Corp., Wei Ho Industry Co., Ltd., Hao Ta Industry President of Da Tsang Industrial Company Limited, Cleanaway Enterprise, Chi Wei Company Limited, Kang Lien Enterprise Company Limited, Da Ning Co., Ltd., Cleanaway Investment, Da Chao Circular Economy, Da Chuang Green Energy, Da Cheng Recycling Co. Ltd., Ji Ding	-	-	-
Vice President - Marketing & Sales	R.O.C.	Jen-Cheng Tsai	Male	2000.01.01	30,000	0.03%	-	-	-	-	Department of Tourism, Shih-Hsin University Sales Manager, Brambles Heavy Contracting Limited (Australia)	Vice President - Marketing & Sales of Da Tsang Industrial Company Limited, Cleanaway Enterprise, Kang Lien Enterprise Company Limited, Chi Wei Company Limited, Da Ning Co., Ltd.	-	-	-
Vice President - Administration Sustainability Officer	R.O.C.	Chi-Nan Chen	Male	2000.07.01	-	-	-	-	-	-	Department of Industrial Engineering, Songhai University Seton Hall University EMBA Assistant Manager, Fernet Enterprise Co., Ltd.	Chairman of Ji Ding Vice President - Administration of Da Tsang Industrial Company Limited, Cleanaway Enterprise, Kang Lien Enterprise Company Limited, Chi Wei Company Limited, Da Ning Co., Ltd., Cleanaway Investment Company Limited Director of Da Chao Circular Economy, Da Cheng Recycling Co. Ltd.	-	-	-
Vice President - Operations	R.O.C.	Yu-Tsung Tai	Male	1999.10.04	-	-	17,000	0.02%	-	-	Master of Environmental Engineering, Tamkang University Manager - Operations of Fan Tai Environmental Protection Engineering Co., Ltd	Vice President - Operations of Da Tsang Industrial Company Limited, Cleanaway Enterprise, Kang Lien, Chi Wei Company Limited, Da Ning Co., Ltd. Director of Da Tsang Industrial Company Limited, Cleanaway Enterprise, Kang Lien Enterprise Company Limited, Kao Lien Cleanaway Company Ltd., Xiong Wei Co., Ltd., Cleanaway SUEZ Environmental Resources Limited President of Top-Comment Resources Company Limited	-	-	-
Vice President-Technology	R.O.C.	Lwon-Kuo Sung	Male	2002.11.01	-	-	-	-	-	-	PhD in Environmental Engineering, University of Central Florida Manager, Lien Mei Consultancy Co., Ltd.	Vice President-Technology of Da Tsang Industrial Company Limited, Cleanaway Enterprise, Kang Lien, Chi Wei Company Limited, and Da Ning	-	-	-
Chief Financial Officer	R.O.C.	Tsung-Tien Chen	Male	2008.05.21	30,000	0.03%	-	-	-	-	Department of Public Finance, National Chengchi University Spokesperson of Chien Tai Cement Co., Ltd.	Chief Financial Officer of Da Tsang Industrial Company Limited, Cleanaway Enterprise, Kang Lien, Chi Wei Company Limited, Da Ning, Cleanaway Investment Director of Top-Comment Resources Company Limited, Cleanaway Zoucheng Holding Company Limited Supervisor of Cleanaway SUEZ Environmental Resources Limited, Chung Tai Resource Technology Corp., Cleanaway Energy Co., Ltd., Da Chao Circular Economy, Da Chuang Green Energy, Da Cheng Recycling Co. Ltd., Ucheng Holding Company Limited CEO of Top-Comment Resources Company Limited	-	-	-

Chief Auditor	R.O.C.	Mei-Chih Kao	Female	2011.02.14	-	-	-	-	-	-	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.	-	-	-
---------------	--------	--------------	--------	------------	---	---	---	---	---	---	---	---	---	---

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
Accounting Supervisor	R.O.C.	Ping-Cheng Hung	Male	2019.08.09	-	-	-	-	-	-	Master of Financial Management, National Kaohsiung University of Science and Technology	CFO of Top-Comment Resources Company Limited Chief Accountant of Da Tsang Industrial Company Limited, Cleanaway Enterprise Company Limited, Kang Lien Enterprise Company Limited, Cleanaway Investment Company Limited, Chi Wei Company Limited, Da Ning Co., Ltd., Cleanaway Investment Company Limited, Cleanaway Energy Co., Ltd., Da Chao Circular Economy, Da Chuang Green Energy Co., Ltd., Da Cheng Recycling Co. Ltd. Director of Da Chuang Green Energy Supervisor of Chase Sustainability Technology Co., Ltd., Ji Ding	-	-	-

Note 1: The data on the number of shares held is accurate as of March 28, 2022 (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.

Director remuneration range table

Paid to each Director of the Company (Representative of Institutional Director) Remuneration Brackets	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	Ching-Hsiang Yang, Chong-Meng Lai	Ching-Hsiang Yang, Chong-Meng Lai	Ching-Hsiang Yang, Chong-Meng Lai	Ching-Hsiang Yang, Chong-Meng Lai
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Kun-Yu Chang, Wen- Tsai Yang Juu-En Chang, Kuo- Shuh Fan	Kun-Yu Chang, Wen- Tsai Yang Juu-En Chang, Kuo- Shuh Fan	Kun-Yu Chang, Wen- Tsai Yang Juu-En Chang, Kuo- Shuh Fan	Kun-Yu Chang, Wen- Tsai Yang Juu-En Chang, Kuo- Shuh Fan
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	7 people	7 people	7 people	7 people

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 2021 (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 2021.

Note 4: Professional service fees paid to the director (including traveling expense, special allowances, subsidies, dormitory, company cars, in kind payments, etc.). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, 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 2021 (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 or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. 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 2021 (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 2021.

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. (If there is none, please fill in "none").

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 refer to rewards, remunerations (including remuneration for company employees, directors or supervisors) and allowances from professional practice received by the Director from other non-subsiary 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, 2022.

Note 14. The number of Company's shares transferred by the Institutional Director, Jocris Limited (BVI) has exceeded 1/2 of the number of shares held at the time of such Institutional Director's election and appointment, therefore, its position as an Institutional Director was terminated as of July 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 (2021):

Units: in NT\$1,000

Title	Name	Remuneration for Supervisors						The total amount of three items A, B, and C and the ratio of the total amount of three items A, B, and C to the net profit after tax (%) (Note 8)		Remuneration from Invested Companies Other than Subsidiaries 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 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)			
Supervisors	Cheng-Han Hsu									
Supervisors	Kang Hsin Investment, Ltd. representative: Chin-Hui Ling	0	0	1,600	1,600	140	140	1,740 and 0.15%	1,740 and 0.15%	None

Supervisor Remuneration Range Table

Range of remuneration paid to the Supervisors (Representative for institutional supervisor) Remuneration Brackets	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	Cheng-Han Hsu, Chin-Hui Lin, Kang Hsin 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	3 persons	3 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 2021 (include supervisor's salary, supervisors' allowances, severance pay, various bonuses, incentive payments, etc.)

Note 3: The remuneration to directors approved by the Board of Directors in 2021.

Note 4: Business expenses paid out to supervisors in 2021 (including transportation, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, 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 2021.

Note 9: a. This field shall clearly indicate whether the Supervisor of the Company receives remuneration from investees other than subsidiaries of the 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-subsidiary 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 25, 2022.

*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 (2021)

Unit: In Thousands of New Taiwan Dollars

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Bonus and special expense (C) (Note 3)		Employee Compensation (D) (Note 4)				The total amount of four items A, B, C and D and 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 or the Parent Company (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	15,564	17,964	0	0	4,000	15,000	15,000	0	15,000	0	34,564 and 3.00%	47,964 and 4.16%	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)	Jen-Cheng Tsai	Jen-Cheng Tsai
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Chi-Nan Chen, Yu-Tsung Tai, Lwon-Kuo Sung, Tsung-Tien Chen	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 2021.

Note 3: Please specify the bonus, reward, transportation allowance, special allowance, and provision of such tangible objects as dormitory and car, as well as other remunerations, received by the presidents and vice presidents in 2021. 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, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. 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 2021. 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 General Managers and Deputy General Managers 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 2021.

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 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 25, 2022.

*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, 2022 : 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	1.30%
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 2021 was approved by the Board of Directors on February 25, 2022.

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:

Unit: In Thousands of New Taiwan Dollars

Year	2020				2021			
	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	32,640	2.77%	32,640	2.77%	32,680	2.83%	32,680	2.83%
Supervisors	1,750	0.15%	1,750	0.15%	1,740	0.15%	1,740	0.15%
Total remuneration to the President and Vice Presidents	33,760	2.87%	42,760	3.63%	34,564	3.00%	47,964	4.16%

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 2021 to 2020, the remuneration of Directors and Supervisors account for similar percentages of the NIAT. The increase of remuneration for managerial officers was primarily caused by an adjustment in salary of managerial officers.

III. Implementation of corporate governance

(I) Operation of Board of Directors

A total of 7 meetings (A) were held by the Board of Directors in the most recent fiscal year (2021). 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	7	0	100%(7/7)
Director	Kang Lan Enterprise Co., Ltd. Representative: Cheng-Lun Tao	7	0	100%(7/7)
Director	Jocris Ltd. (BVI) representative: Chong-Meng Lai	4	0	100%(4/4) (Note 1)
Director	Kun-Yu Chang	7	0	100%(7/7)
Independent Director	Wen-Tsai Yang	7	0	100%(7/7)
Independent Director	Kuo-Shuh Fan	7	0	100%(7/7)
Independent Director	Juu-En Chang	7	0	100%(7/7)

Note 1: The number of Company's shares transferred by the Institutional Director, Jocris Limited (BVI) has exceeded 1/2 of the number of shares held at the time of such Institutional Director's election and appointment, therefore, its position as an Institutional Director was terminated as of July 26, 2021. Before termination, 4 Board meetings were convened.

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 (2021) 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 (2021) 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 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
Ching-Hsiang Yang, Chong-Meng Lai, Cheng-Lun Tao, Kun-Yu Chang	The Company's distribution of remuneration for all individual Directors for 2021 (board meeting on February 25, 2022)	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 2021 (Board meeting on February 25, 2022)	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	Evaluation Period	Evaluation Scope	Evaluation Method	Content

Implemented once a year	2021	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	2021	All Board of Directors	Self-Evaluation	Include the following items 1. Participation of the 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
Implemented once a year	2021	Remuneration Committer	Self-Evaluation	Include the following items 1. Participation & Involvement for Company's operation 2. Understanding of the Remuneration Committee's roles and responsibilities 3. Upgrading the decision making quality of the Remuneration Committee 4. Composition and member selection of the Remuneration Committee 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 7 (A) times in the most recent year and attendance of the Supervisors was as follows:

Title	Name	Attendance in person (B)	Attendance in person rate (%) (B/A) (Note)	Notes
Supervisors	Cheng-Han Hsu	7	100%(7/7)	
Supervisors	Kang Hsin Investment, Co., Representative: Chin-Hui Lin	7	100%(7/7)	
Other matters that should be recorded:				
1. Composition and responsibilities of Supervisors: The Company has 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:
- (1) The audit reports are delivered to the Independent Directors and Supervisor to review each month.
 - (2) If Independent Director and Supervisors have any questions or instructions after reading the audit report, they may ask the audit manager or issue instructions.
 - (3) The internal audit supervisor also attends meetings of the Board of Directors to report on audits.
 - (4) 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.
 - (5) 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.
 - (6) Summary of past meetings between the Independent Directors, Supervisors and internal audit supervisor

Date	Key communication points	Objections and corrections
January 8, 2021	Report on the internal audits in December 2020.	None
February 3, 2021	Report on the internal audits in January 2021.	None
February 26, 2021 Board of Directors	Report on the implementation and reporting status of the 2020 internal audit plan. Report on the implementation and reporting status of the Internal Control System Statement in 2020. Report on the implementation status of plans of audits from December 2020 to January 2021.	None
March 8, 2021	Report on the internal audits in February 2021.	None
April 9, 2021	Report on the internal audits in March 2021.	None
May 7, 2021 Board of Directors	Report on the internal audits in April 2021. Report on the implementation status of plans of audits from February 2021 to March 2021.	None
May 28, 2021 Board of Directors	Report on the implementation status of plans of audits in April 2021.	None
June 21, 2021	Report on the internal audits in May 2021.	None
July 2, 2021	Report on the implementation status of audits in May 2021.	None

Board of Directors (video)		
July 6, 2021	Report on the internal audits in June 2021.	None
August 4, 2021	Report on the internal audits in July 2021.	None
August 6, 2021 Board of Directors (video)	Report on the implementation status of plans of audits in June 2021.	None
September 6, 2021	Report on the internal audits in August 2021.	None
October 7, 2021	Report on the internal audits in September 2021.	None
November 5, 2021 Board of Directors (video)	Report on the implementation status of plans of audits from July 2021 to September 2021.	None
November 8, 2021	Report on the internal audits in October 2021.	None
December 17, 2021 Board of Directors	Report on the internal audits in November 2021. Audit proposal for the year of 2022.	None

(7) Summary of past meetings between the Independent Directors, Supervisors, and CPAs

Date	Key communication points	Communication results
January 8, 2021	CPAs and independent directors discuss and communicate before the Board of Directors. The communication items are as follows: 2020 Consolidated and Parent Company Only Financial Reports. Distribution of 2020 earnings in cash dividends and related affairs. CPA's attendance to answer questions by Board of Directors.	Submitted to the Board of Directors for approval and reported to competent authority as scheduled.
May 7, 2021	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 2021.	Submitted to the Board of Directors for approval and reported to competent authority as scheduled.
August 6, 2021	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 2021.	Submitted to the Board of Directors for approval and reported to competent authority as scheduled.
November 5, 2021	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 2021.	Submitted to the Board of Directors for approval and reported to competent authority as scheduled.

4. If supervisors stated opinions while attending the board meetings, the date and term of the meeting, the contents of the proposals discussed, the objection of the supervisors, 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 2021.

(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? (III) Has the Company established and enforced risk control and firewall systems with its affiliated businesses? (IV) 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 and stock transfer agency 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. There should be no restrictions on gender, age and nationality. In addition to possessing the knowledge, skills and qualities necessary to perform their duties, to achieve the goal of corporate governance, the	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>Board of Directors as a whole should possess the following capabilities: 1. Business judgements. 2. accounting and financial analysis. 3. business management. 4. crisis management. 5. knowledge of the industry. 6. international market perspectives. 7. leadership skills. 8. Diversified professional backgrounds such as decision-making ability. 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 backgrounds and experiences 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. There are six members on the Board of Directors in the Company currently, including three Directors and three Independent Directors. There are no female Directors. There is no Director who also concurrently work as an employee. The goal of the academic elite with industry knowledge is at least one. The board members shall have the eight abilities in the company's governance code respectively. This is the ideal goal of director diversification. Currently there are six directors and two academic elites (Director Chang Tsu-En, Director Fan Kuo-Shu). Every Director has their own area of expertise, and three Directors have 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; in addition, The three Independent Directors, Wen-Tsai Yang, Juu-En Chang and Kuo-Shu Fan, specialize in finance and taxation, environmental engineering and waste disposal respectively, that is beneficial to the Company. Independent Director ratio is 50%, 2 independent directors have a term of less than 3 years, 1 independent director has a term of 9 years, 3 directors are over 70 years old, 2 are between 60 and 69 years old, and 1 is under 60 years old. 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</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			
(IV) Does the Company regularly implement assessments on the independence of the CPA?	V			

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>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 was convened before conducting relevant merger/consolidation and acquisition, and there is no implementation plan in 2021 so the Committee is not convened.</p> <p>3. The Company has established the Board Performance Assessment Methodology and completed the assessment of the Board of Directors and Directors in December 2021. The results were reported in the meeting of the Board of Directors on February 25, 2022. The assessment is based on the actual operations of the Board of Directors and Directors' participation in 2021. For details of the evaluation items and results, please refer to "The Implementation of Evaluation by the Board of Directors."</p> <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 25, 2022 for review and passage. The Company has assessed and concluded that the CPAs Chin-Chuan Shih and Yung-Ming Chiu 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> <p>(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.</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	
			<p>(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 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 fixed sum 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 Chin-Chuan Shih of Deloitte, Taiwan will have provided services to the Company for two years while the CPA Yung-Ming Chiu have provided services to the Company for less than one year. Neither the CPA Chin-Chuan Shih or CPA Yung-Ming Chiu 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</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	
			<p>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>	
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	V		<ol style="list-style-type: none"> 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. The Company maintains open and smooth communication channels with 	No particular deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?			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.	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? (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)? (III) 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 V 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. 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. 3. The Company's announcement of the financial report schedule is declared in accordance with the time limit prescribed by the law: a. Annual financial report: Declaration shall be completed within two months after the end of the year. b. Quarterly financial report: Declaration and announcement shall be completed before the deadline for declaration. 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	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	
			period.	
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 Labor Pension Act , starting from July 1, 2005, the amount of labor pension borne by the employer shall not be less than six percent of the worker's monthly wage. The labor pension shall be calculated based on the principal and accrued dividends from an employee's individual account of labor pension and paid on a monthly or lump-sum basis. 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</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>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, 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</p> <p>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,</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																														
			<p>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 9th-term Directors and Supervisors</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> <th>Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Chairman</td> <td rowspan="2">Ching-Hsiang Yang</td> <td>May 7, 2021</td> <td>Securities & Futures Institute</td> <td>ESG New Economy and New Policy of Sustainable Finance</td> <td>3</td> <td rowspan="2">6</td> </tr> <tr> <td>November 5, 2021</td> <td>Securities & Futures Institute</td> <td>The 2021 Major Trends of CSR and Sustainable Governance</td> <td>3</td> </tr> <tr> <td rowspan="2">Representative of Institutional Director</td> <td rowspan="2">Cheng-Lun Tao</td> <td>May 7, 2021</td> <td>Securities & Futures Institute</td> <td>ESG New Economy and New Policy of Sustainable Finance</td> <td>3</td> <td rowspan="2">6</td> </tr> <tr> <td>November 5, 2021</td> <td>Securities & Futures Institute</td> <td>The 2021 Major Trends of CSR and</td> <td>3</td> </tr> </tbody> </table>	Title	Name	Date of course	Organizer	Course title	Duration of the course	Hours	Chairman	Ching-Hsiang Yang	May 7, 2021	Securities & Futures Institute	ESG New Economy and New Policy of Sustainable Finance	3	6	November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and Sustainable Governance	3	Representative of Institutional Director	Cheng-Lun Tao	May 7, 2021	Securities & Futures Institute	ESG New Economy and New Policy of Sustainable Finance	3	6	November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and	3	
Title	Name	Date of course	Organizer	Course title	Duration of the course	Hours																											
Chairman	Ching-Hsiang Yang	May 7, 2021	Securities & Futures Institute	ESG New Economy and New Policy of Sustainable Finance	3	6																											
		November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and Sustainable Governance	3																												
Representative of Institutional Director	Cheng-Lun Tao	May 7, 2021	Securities & Futures Institute	ESG New Economy and New Policy of Sustainable Finance	3	6																											
		November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and	3																												

Item	State of operations						Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation		
	Yes	No	Summary						
			Director	Kun-Yu Chang	May 7, 2021	Securities & Futures Institute	Sustainable Governance ESG New Economy and New Policy of Sustainable Finance	3	6
					November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and Sustainable Governance	3	
			Independent Director	Kuo-Shuh Fan	May 7, 2021	Securities & Futures Institute	ESG New Economy and New Policy of Sustainable Finance	3	6
					November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and Sustainable Governance	3	
			Independent Director	Wen-Tsai Yang	May 7, 2021	Securities & Futures Institute	ESG New Economy and New Policy of Sustainable Finance	3	6
					November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and Sustainable Governance	3	
			Independent Director	Juu-En Chang	May 7, 2021	Securities & Futures Institute	ESG New Economy and New	3	6

Item	State of operations						Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation	
	Yes	No	Summary					
						Policy of Sustainable Finance		
					November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and Sustainable Governance 3	
			Supervisors	Cheng-Han Hsu	May 7, 2021	Securities & Futures Institute	ESG New Economy and New Policy of Sustainable Finance 3	
					November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and Sustainable Governance 3	6
			Representative of Institutional Supervisor	Chin-Hui Lin	May 7, 2021	Securities & Futures Institute	ESG New Economy and New Policy of Sustainable Finance 3	
					November 5, 2021	Securities & Futures Institute	The 2021 Major Trends of CSR and Sustainable Governance 3	6
			<p>Note: The number of shares transferred by the Institutional Director, Jocris Limited (BVI), to Cleanaway on July 2021 has exceeded 1/2 of the number held by Jocris Limited at the time of its election and appointment as the Institutional Director, therefore, its position as an Institutional Director was terminated as of July 26, 2021.</p> <p>(2) The Company has purchased liability insurance for Directors, Supervisors, and managerial officers to strengthen the protection of investors' interests.</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																																			
			<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>December 23, 2021 December 24, 2021</td> <td>Accounting Research and Development Foundation</td> <td>Continuing Education Course for Accounting Manager</td> <td>12</td> </tr> <tr> <td>Deputy Manager of Finance</td> <td>Shu-Ju Li</td> <td>November 18, 2021 November 19, 2021</td> <td>National Cheng Kung University</td> <td>Continuing Education Course for Accounting Managers</td> <td>12</td> </tr> <tr> <td rowspan="2">Chief Auditor</td> <td rowspan="2">Mei-Chih Kao</td> <td>October 8, 2021</td> <td rowspan="2">The Institute of Internal Auditors-Chinese</td> <td>Types and case studies of frequently-seen internal control deficiencies under types of operating cycles</td> <td rowspan="2">12</td> </tr> <tr> <td>October 19, 2021</td> <td>Risk-based internal audit methodology and practice</td> </tr> <tr> <td rowspan="2">Audit Agent</td> <td rowspan="2">Yin-Yu Ke</td> <td>October 14, 2021</td> <td rowspan="2">The Institute of Internal Auditors-Chinese</td> <td>How Internal Auditors Implement Audits on Regulatory Compliance</td> <td rowspan="2">12</td> </tr> <tr> <td>November 22, 2021</td> <td>Self-Assessment Practice</td> </tr> </tbody> </table>	Title	Name	Date of course	Organizer	Course title	Duration of the course	Finance Manager	Ping-Cheng Hung	December 23, 2021 December 24, 2021	Accounting Research and Development Foundation	Continuing Education Course for Accounting Manager	12	Deputy Manager of Finance	Shu-Ju Li	November 18, 2021 November 19, 2021	National Cheng Kung University	Continuing Education Course for Accounting Managers	12	Chief Auditor	Mei-Chih Kao	October 8, 2021	The Institute of Internal Auditors-Chinese	Types and case studies of frequently-seen internal control deficiencies under types of operating cycles	12	October 19, 2021	Risk-based internal audit methodology and practice	Audit Agent	Yin-Yu Ke	October 14, 2021	The Institute of Internal Auditors-Chinese	How Internal Auditors Implement Audits on Regulatory Compliance	12	November 22, 2021	Self-Assessment Practice	
Title	Name	Date of course	Organizer	Course title	Duration of the course																																	
Finance Manager	Ping-Cheng Hung	December 23, 2021 December 24, 2021	Accounting Research and Development Foundation	Continuing Education Course for Accounting Manager	12																																	
Deputy Manager of Finance	Shu-Ju Li	November 18, 2021 November 19, 2021	National Cheng Kung University	Continuing Education Course for Accounting Managers	12																																	
Chief Auditor	Mei-Chih Kao	October 8, 2021	The Institute of Internal Auditors-Chinese	Types and case studies of frequently-seen internal control deficiencies under types of operating cycles	12																																	
		October 19, 2021		Risk-based internal audit methodology and practice																																		
Audit Agent	Yin-Yu Ke	October 14, 2021	The Institute of Internal Auditors-Chinese	How Internal Auditors Implement Audits on Regulatory Compliance	12																																	
		November 22, 2021		Self-Assessment Practice																																		
<p>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:</p> <ol style="list-style-type: none"> The Company was rated as a company between 6% to 20% in the evaluation in 2020. 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 2021, the Company does not need to improve and put forward priority to strengthen improvement measures. The Company voluntarily prepared the Sustainability Report in 2021, and the guidelines in accordance with the internationally recognized report. It prepared and uploaded 																																						

Item	State of operations			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
the Sustainability Report on the Market Observation Post System and the Company's website before the end of September, and won the "2021 TCSA Taiwan Corporate Sustainability Award" Corporate Sustainability Category Platinum Award. The evaluation items of the Sustainability Report in the corporate governance evaluation all meet the evaluation standards.				

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 Name	Professional qualifications and experience	Independence criteria	Number of other public companies in which the member also serves as a member of their remuneration committee
Independent Director	Wen-Tsai Yang	Please refer to the "Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors" on page 12-14.	Please refer to the "Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors" on page 12-14.	1
Independent Director	Kuo-Shuh Fan	Please refer to the "Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors" on page 12-14.	Please refer to the "Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors" on page 12-14.	0
Independent Director	Juu-En Chang	Please refer to the "Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors" on page 12-14.	Please refer to the "Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors" on page 12-14.	2

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 2021, 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 2021, 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
February 26, 2021	1. Review the Company's distribution of remuneration for Directors and Supervisors' and employees' compensation for 2020. 2. The Company's distribution of remuneration to 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 Wen-Tsai Yang 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
December 17, 2021	1. The distribution case of the Company's managerial officers 2021 year-end performance bonus. 2. Remuneration for the representative of the institutional director Yu-Tsung, Tai 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 25, 2022	1. Review the Company's distribution of remuneration for Directors and Supervisors' and employees' compensation for 2021. 2. The Company's distribution of remuneration for the Independent Directors Chang Juu-En, Fan Kuo-Shuh and all individual directors for 2021. 3. The Company's distribution of remuneration for the Independent Director Wen-Tsai Yang and all individual supervisors for 2021. 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. Proposals regarding the remuneration of supervisors are submitted to the Board of Directors for discussion, to the extent that the remuneration of supervisors is authorized by the Articles of Incorporation, or handled by the Board of Directors as authorized by the resolution of shareholders' meeting:

- (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 Sustainable Development and Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Promotion Item	Implementation status			Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary	
I. Has the company established a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit for promoting sustainable development? Is the unit empowered by the Board of Directors to implement sustainable development activities at the senior management level? How does Board of Directors supervise?	V		<ol style="list-style-type: none"> 1. The Company's Board of Directors approved the establishment of the corporate social responsibility committee on November 6, 2020, and the addition of the "Sustainable Development Department" to the Company's organization as a dedicated unit to implement the Company's corporate social responsibility and sustainable management development. 2. Under the corporate social responsibility committee, the Company has set up seven promotion teams (CSR Implementation Unit) - Corporate Governance Unit, Employee Care Unit, Customer Relationship Unit, Environmental Protection Unit, Innovation Technology Unit, Social Engagement Unit, and Information Security Unit. Each unit operates separately on issues of concern to different stakeholders and integrates the efforts of relevant departments of the company to facilitate the execution of relevant business operations; the implementation status of the Company's corporate social responsibility committee has been submitted and reported to the Board on November 5, 2021. 3. "Looking to the future for a sustainable environment" is the unchanging believe and initial intention of the Chairman. In addition to hoping for Cleanaway's sustainable operation, the green environment and human development can also achieve the best balance through our efforts. The Chairman takes the above idea as the core concept, and as the head, the 	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No		
			Company's management policy, investment strategy and other related proposals, provision of advice are all based on the premise of sustainable management and environmental sustainability, also to supervise the Company to go forward steadily to perform better and beyond the requirements of laws.	
II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? (Note 1)	V		<ol style="list-style-type: none"> 1. The Company has established a complete internal control system and effectively implemented it and conducted periodic reviews based on Regulations Governing Establishment of Internal Control Systems by Public Companies, as a response to the changes to the Company's internal and external environments, and to ensure the design and implementation of such system continue to be effective. Risk management policies and organization: Since identifying risk events is a responsible action that should be taken by a company to strengthen its operations, the Company strictly implements various risk controls to reduce business risks and crises, with a view to achieving the goal of sustainable management. 2. In addition to the Company, the 2021 risk assessment also includes Taiwan subsidiaries of 100% holding (Da Ning Co., Ltd., Chi Wei Company Limited, Kang Enterprises) 3. The Company reports its operations to the Board of Directors once a year. The main operations for the year 2021 were reported to the Board of Directors on November 5, 2021, and the related risk management policies and their operations are detailed in the corporate governance information on the Company's website. 	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No		
<p>III. Environmental Issues</p> <p>(I) Has the Company established a suitable environmental management system based on the nature of its industry?</p>	V		<p>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 testing centers 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.</p> <p>2. The Company has established a management system for environmental safety and health, and has obtained ISO 14001 and ISO 45001 certifications, which are valid from December 29, 2021 to December 29, 2024.</p>	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
<p>(II) Is the Company committed to improving the efficient use of resources and utilize renewable resources to reduce environmental impact?</p>	V		<p>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. The Company enhances the use of renewable energy as follows:</p> <p>1. Install solar power generation facilities on the Company's building rooftops and idle land to reduce pollution and lower carbon emissions.</p> <p>2. Promote the collection of biogas on landfill sites to generate electricity, where the use of renewable energy can reduce the concentration of greenhouse gases</p>	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation																		
	Yes	No																				
			(GHG). 3. Purchase renewable energy to increase renewable energy utilization rate. 4. In line with the national energy transformation plan, we have invested in the renewable energy generation business and are committed to converting waste into green electricity and reducing domestic reliance on fossil fuels.																			
(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		<p>With reference to the Climate Related Financial Disclosures (TCFD) issued by the International Financial Stability Board (FSB), the Company analyzed the risks and opportunities based on the disclosure frameworks of "Governance", "Strategy", "Risk Management", and "Indicators and Targets", and developed the corresponding measures as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Risk</th> <th colspan="2">Opportunities</th> </tr> <tr> <th>Category</th> <th>Risk Identification</th> <th>Response Strategy</th> <th>Possible impact of practices and actions on the Company's finances</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Legal regulations</td> <td>Set up or increase the use of renewable energy according to government requirements</td> <td>Promote green energy</td> <td>1. Install solar power generation facilities on the Company's building rooftops and idle land to reduce pollution and lower carbon emissions. 2. Promote the collection of biogas on landfill sites to generate electricity, where the use of renewable energy can reduce the concentration of greenhouse gases (GHG). 3. Purchase renewable energy to increase renewable energy utilization rate.</td> </tr> <tr> <td>Reduce GHG based on government requirements</td> <td>Assess and reduce the energy consumption of equipment</td> <td>1. Assess the operating efficiency of equipment and upgrade or replace equipment with poor efficiency to help reduce carbon emissions. 2. Avoid using fossil fuel and choose greener facilities and equipment. 3. Establish an energy use monitoring mechanism to effectively assess and manage energy consumption.</td> </tr> <tr> <td>Carbon emission reporting, carbon tax,</td> <td>Establish a carbon emission monitoring</td> <td>✓. Incorporate total carbon emission control and establish a GHG inventory platform to collect and monitor emissions regularly. ✓. Establish carbon footprint monitoring to</td> </tr> </tbody> </table>	Risk		Opportunities		Category	Risk Identification	Response Strategy	Possible impact of practices and actions on the Company's finances	Legal regulations	Set up or increase the use of renewable energy according to government requirements	Promote green energy	1. Install solar power generation facilities on the Company's building rooftops and idle land to reduce pollution and lower carbon emissions. 2. Promote the collection of biogas on landfill sites to generate electricity, where the use of renewable energy can reduce the concentration of greenhouse gases (GHG). 3. Purchase renewable energy to increase renewable energy utilization rate.	Reduce GHG based on government requirements	Assess and reduce the energy consumption of equipment	1. Assess the operating efficiency of equipment and upgrade or replace equipment with poor efficiency to help reduce carbon emissions. 2. Avoid using fossil fuel and choose greener facilities and equipment. 3. Establish an energy use monitoring mechanism to effectively assess and manage energy consumption.	Carbon emission reporting, carbon tax,	Establish a carbon emission monitoring	✓. Incorporate total carbon emission control and establish a GHG inventory platform to collect and monitor emissions regularly. ✓. Establish carbon footprint monitoring to	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
Risk		Opportunities																				
Category	Risk Identification	Response Strategy	Possible impact of practices and actions on the Company's finances																			
Legal regulations	Set up or increase the use of renewable energy according to government requirements	Promote green energy	1. Install solar power generation facilities on the Company's building rooftops and idle land to reduce pollution and lower carbon emissions. 2. Promote the collection of biogas on landfill sites to generate electricity, where the use of renewable energy can reduce the concentration of greenhouse gases (GHG). 3. Purchase renewable energy to increase renewable energy utilization rate.																			
	Reduce GHG based on government requirements	Assess and reduce the energy consumption of equipment	1. Assess the operating efficiency of equipment and upgrade or replace equipment with poor efficiency to help reduce carbon emissions. 2. Avoid using fossil fuel and choose greener facilities and equipment. 3. Establish an energy use monitoring mechanism to effectively assess and manage energy consumption.																			
	Carbon emission reporting, carbon tax,	Establish a carbon emission monitoring	✓. Incorporate total carbon emission control and establish a GHG inventory platform to collect and monitor emissions regularly. ✓. Establish carbon footprint monitoring to																			

Promotion Item	Implementation status				Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No	Summary		
				<p>and energy tax</p> <p>system</p> <p>measure the impact of product manufacturing processes on the environment. ✓. Formulate energy conservation and carbon reduction targets to continuously save energy and reduce carbon emissions.</p>	
			<p>Economy</p> <p>Demand from green supply chain</p> <p>Strengthen green business</p>	<p>1. Help and require suppliers to build GHG inventories and reduce carbon emissions, and use these inventories as an important basis for rating the Company's procurement strategies.</p> <p>2. Observe and learn from benchmark companies to learn about and search for the most suitable energy-saving improvement practices for each factory area.</p>	
			<p>Society</p> <p>Energy Saving and Carbon Reduction</p> <p>Strengthen the promotion of energy conservation and carbon reduction and personnel training</p>	<p>1. Enhance employees' understanding of energy conservation to implement energy management in factories.</p> <p>2. Promote environmental education to the public, with the aim of raising environmental awareness among employees, suppliers, community members, and other stakeholders.</p> <p>3. Integrate and strengthen collaboration with the education community in relation to research on climate change adaptation.</p>	
			<p>The rise of environmental awareness</p> <p>Implement green consumption</p>	<p>1. Choose green products that are more eco-friendly when purchasing daily supplies in factory areas, such as printers, air-conditioners, computers, and light bulbs.</p> <p>2. Upgrade or replace gasoline-powered motor vehicles and heavy machinery with electric vehicles and heavy machinery to reduce carbon footprint.</p> <p>3. Implement greening of buildings and factory areas to beautify them and reduce the concentration of carbon dioxide.</p>	
			<p>Disease control</p> <p>Respond to changes in the pandemic situation to prevent operational</p> <p>Reduce the risk of disease spread and strengthen health</p>	<p>1. Refer to announcements from the Central Epidemic Command Center.</p> <p>2. Implement access control at all entrances and exits of the Company's headquarters, separate the office area of each department, and</p>	

Promotion Item	Implementation status				Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation	
	Yes	No	Summary			
			disruption.	management among employees at the Company's headquarters and factories, external suppliers, and related parties.	require employees to put on a face mask at all times during working hours. 3. Keep abreast of changes in the disease situation and disease prevention measures, preparation of disease prevention supplies, and monitoring of employees' health on a daily basis.	
			Natural environment Water rationing, production cut or suspension of production due to extreme climate	Increase market demand for production capacity of low-carbon factories	1. Assess floods and droughts caused by climate change and strengthen the resilience of public facilities to climate risks. 2. Strive to save water, improve process water and rainwater recycling rates, and establish emergency responses to water shortages. 3. Purchase natural disaster-related insurance to prevent an increase in business risks due to abnormal climate.	
				Unstable power supply from power plants puts the stability of factory operations at risk, thereby increasing operating costs	Learn about electricity usage in the area and arrange for staggered peak production based on the actual situation to carry out production in the area during non-peak electricity hours.	
(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	V		For the Company's greenhouse gas emissions, water consumption and total weight of waste in the past two years have been verified by an unbiased third Party, the British Standards Institute (BSI), in accordance with ISO 14064 under reasonable level of assurance for direct emissions and indirect emissions and		No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.	

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No		
management?			<p>limited level of assurance for other indirect emissions. For total weight of GHG emissions, water consumption and waste in the past two years, please refer to Chapter 4 of Shin Kong Financial Holdings' 2020 Sustainability Report.</p> <p>The Company's policy for greenhouse gas reduction, water reduction or other waste management includes</p> <ol style="list-style-type: none"> 1. Assess and reduce the energy consumption of equipment: Assess the operating efficiency of equipment and upgrade or replace equipment with poor efficiency to help reduce carbon emissions. Avoid using fossil fuel and choose greener facilities and equipment. Establish an energy use monitoring mechanism to effectively assess and manage energy consumption. 2. Incorporate total carbon emission control and establish a GHG inventory platform to collect and monitor emissions regularly. Establish carbon footprint monitoring to measure the impact of product manufacturing processes on the environment. Formulate energy conservation and carbon reduction targets to continuously save energy and reduce carbon emissions. 3. Strengthen the promotion of energy conservation and carbon reduction and personnel training: Enhance employees' understanding of energy conservation to implement energy management in factories. Promote environmental education to the public, with the aim of raising environmental awareness among employees, suppliers, community members, and other stakeholders. Integrate and strengthen collaboration with the education community in relation to research on climate change adaptation. 	
<p>IV. Social Issues</p> <p>(I) Has the company formulated management policies and procedures following relevant regulations and international human rights treaties?</p>	V		<p>In strict compliance with the 1948 United Nations Universal Declaration of Human Rights, Cleanaway has included a corporate social responsibility (CSR) course in orientation training for all new employees, so that new employees can learn about the policies and practices promoted by the Company in relation to CSR and have a clearer understanding of their own rights. Internally, Cleanaway advocates that employees will not be treated unfairly due to factors such as race, religion, skin color, nationality, and gender, with the relevant provisions stipulated in internal documents and regulations included in the "Work Rules</p>	<p>No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No		
			<p>(including Regulations Governing Sexual Harassment Prevention). Cleanaway follows the regulations of the United Nations International Labor Organization, strictly prohibits the employment of child labor under the legal minimum age of employment, and creates a friendly and lawful workplace, as well as recruiting in accordance with the competent authorities' rules and legal regulations.</p> <p>The human rights issues of concern to the Company and the implementation of related operations are as follows:</p> <ol style="list-style-type: none"> 1. Establish international environment management system that is in line with ISO 14001 and ISO 45001. 2. Set up a safety and health management organization and an environmental safety unit in the technology department to coordinate occupational safety and health management and environmental protection and other related matters. 3. Set up access control facilities to ensure the safety of employees. 4. Monthly equipment inspections are planned, and key inspections are conducted and recorded before use. 5. The Company's fire-fighting equipment and emergency response equipment are regularly inspected to keep them in perfect condition and maintain their functions. 6. To provide a safe and healthy working environment for employees and to prevent the occurrence of occupational hazards, we provide free health checkups for employees on a regular basis. 7. To establish a healthy and friendly workplace by providing facilities for the disabled in accordance with the law. 8. Conduct operational environmental monitoring each quarter and send the monitoring results to the Environmental Protection Bureau for review. 9. The Company conducts occupational safety education training for new employees, and plans emergency response courses and occupational safety and health education training every year. 10. To respect the privacy of stakeholders and to protect the collection and legal use of personal information, the Company has established a comprehensive information security management mechanism to control data access and 	

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No		
			protect against data leakage.	
(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?	V		<p>In January 1996, the Company established the Employee Welfare Committee. In addition to providing employees with labor and health insurance as required by law, we also provide monthly welfare payments in accordance with the law, take care of employees' basic needs, and provide them with group life and accident insurance, wedding and funeral benefits, birthday gifts, and scholarships for children's education. In addition, we regularly arrange various activities to promote the physical and mental health of our employees, such as staff dinners, annual health checkups, company trips, etc.</p> <p>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>	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(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?	V		<p>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 also passed ISO45001 certification, which is valid from December 29, 2021 to December 29, 2024, and the scope covered is the Company. In addition, the Company also established the "Safety and Health Work Rules" in accordance with the Occupational Safety and Health Act of the Ministry of Labor. We implement regular safety management and regular employee</p>	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation																																	
	Yes	No																																			
			<p>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> <p>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:</p>	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	
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																																			

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation				
	Yes	No						
			<table border="1"> <thead> <tr> <th>On-the-job training:</th> <th>Personnel work skill training in external institutions</th> </tr> </thead> <tbody> <tr> <td> <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 </td> <td> <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 </td> </tr> </tbody> </table> <p>The company did not have occupational hazard incidents in 2021.</p>	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 	
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 							
(IV) Has the Company established effective career development and training plans for its employees?	V		In addition to training for new employees, our company also has an education and training program that arranges for employees to undergo various education and training programs in environmental safety and health, as well as internal and external training programs for various specialized personnel, and employees can also apply to the company for further education for their required skills. Please refer to "V. Labor relations" in "Chapter 5 Operational Highlights" of the 2021 Annual Report.	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.				
(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		The Company established "communication procedures" as the basis for collecting, processing, and responding to information provided by external entities. Due to the special nature of the industry, the disposal of waste from the industrial unit is governed by a contract that stipulates the rights and obligations of both parties, and in the face of customer complaints or grievances, there are sales staff to deal with them personally. The Company assigns dedicated personnel to process consumer	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.				

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No		
			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		<p>The Company establishes supplier management policies in accordance with the regulations related to supplier management practices listed in the ISO procedures (procurement procedures and communication procedures). Each year, the purchasing staff and the material management personnel will evaluate and record the performance of the qualified suppliers based on five aspects: "product quality", "product delivery", "cooperation", "supply stability", and "supplier behavior standards", etc. Anyone who causes significant impact on the social and environmental aspects will be included in the non-renewal list. In view of the fact that the supplier's evaluation items include records affecting labor rights, environment, health and safety, etc., the contract between the Company and the major supplier stipulates that if environmental pollution is caused, the Company may request the termination of the contract and compensation.</p> <p>In addition, the Company requires qualified suppliers to sign the undertaking letter to commit to the areas of environmental protection, occupational safety and health, and labor and human rights and to cooperate with each company of Cleanaway Group in the maintenance of social welfare (including labor and human rights, personnel health and safety, product safety, business ethics), environmental protection (including compliance with all applicable environmental laws and regulations to ensure the safe discharge of waste, waste gas and sewage, reduce the use of non-renewable resources, efficient use of all resources, and reduce the impact on the environment), as well as to comply with</p>	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No		
			<p>policies and responsibilities as required under legal compliance, also to pursue the goal of sustainable development together based on the principle of common good and cooperation.</p> <p>In 2021, 187 supplier evaluation forms were completed, and 100% of the suppliers were A-level suppliers, with no B- or C-level suppliers. 183 of the qualified suppliers, or 97.86% of such suppliers, had signed the above undertaking letter.</p>	
V. Did the Company, following internationally recognized guidelines, prepare and publish reports such as its sustainability 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		<p>Although the Company is not a company that compulsorily requires a sustainability report by the competent authority, the Company has prepared a Sustainability report for 2020 to disclose various information of the Company in order to strengthen the communication with stakeholders. The structure of the above-mentioned reports follows the core options of the GRI Standards issued by the Global Sustainability Reporting Institute, and complies with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" for the disclosure of information on environmental, social and corporate governance (economic) aspects.</p> <p>The contents of the above report have been verified by the British Standards Institution (BSI), a non-biased third party, in accordance with the spirit of the AccountAbility1000 Assurance Standard for the Moderate Assurance in First category, and received a statement for the assurance of independent from BSI. The report boundaries and scope of the report are based on the head office and the subsidiaries in Taiwan (Da Ning Co., Ltd., Chi Wei Company Limited, and</p>	No particular deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Promotion Item	Implementation status		Summary	Deviations from the "Sustainability Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation
	Yes	No		
			Kang Lien Enterprise Company Limited).The sections of the report that relate to investee companies in which less than 50% of the shares are held are indicated in the respective sections of the report.	
<p>VI. If the Company has established the sustainability best practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation:</p> <p>No particular deviation of the Company's Sustainability Best Practice Principles from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies". The Company has established the "corporate social responsibility best practice principles" and will changed its name in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", and will be proposed for amendment in the Board of Directors in 2022.</p>				
<p>VII. Other important information to facilitate better understanding of the company's Sustainable Development Responsibility practices:</p> <p>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 sustainability report by yourself.</p> <p>The website of the Company's social responsibility network is https://www.cleanaway.tw/responsibility.html</p>				

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 of the Company's ethical corporate management from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and reasons for deviation:
	Yes	No	Summary	
<p>I. Stipulating policies and plans for ethical corporate management</p> <p>(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?</p> <p>(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"?</p> <p>(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?</p>	V		<p>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.</p> <p>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.</p> <p>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.</p>	No material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
<p>II. Implementing ethical corporate management</p> <p>(I) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p>	V		<p>1. The Company provides necessary credit extensions to counterparties in the business activities and conducts integrity assessments regularly on suppliers to ensure that their business activities with the Company are</p>	No material deviation from the Ethical Corporate Management Best Practice Principles for

Evaluation item	State of operations			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:
	Yes	No	Summary	
(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		conducted in a fair and transparent manner and that they do not provide, request, or accept bribery.	TWSE/TPEx Listed Companies
(III) Has the Company established policies to prevent conflicts of interests, provided proper channels of appeal, and enforced these policies and channels accordingly?	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 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.	
(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?	V		3. The Company has established related regulations for ethical conduct in the Work Rules.	
(V) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	V		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.	
			5. The Company regularly invites external professionals to provide related education and training at the Company.	

Evaluation item	State of operations			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:
	Yes	No	Summary	
三、 Operation of whistle-blowing system (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? (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? (III) Does the company take any measures to protect whistleblowers so that they are safe from mishandling?	V		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. 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. 3. The Company has assigned dedicated personnel to take charge of processing reports and protect the identity of the whistleblowers.	No material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
IV. Strengthening information disclosure Does the company disclose the ethical corporate management policies and the results of its implementation on the Company website and MOPS?	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
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 Procedure for 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

February 25, 2022

The Company hereby states the results of the self-evaluation of the internal control system for 2021 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 procedure s 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, 2021, 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 February 25, 2022, and none of the six 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

	<p>3. Proposal for the application of a credit line of NT\$ 200 million from EnTie Commercial Bank.</p> <p>4. Purchase all the equity ownership of the Cleanaway Energy Co., Ltd. held by Sinotech Engineering Services Ltd.</p> <p>5. Re-appoint of another representative of director for Cleanaway SUEZ Environmental Resources Limited.</p>		
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 12th meeting May 28, 2021	Set the record date for the distribution of cash dividends from the Company's earnings in 2020.		
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 13th meeting July 2, 2021	<p>1. Set the date for general shareholders' meeting in 2021 after the company's change of registration.</p> <p>2. Proposal for capital increase from cash for Cleanaway Energy Co., Ltd.</p> <p>3. Proposal for investment in Akueis Sports Co., Ltd.</p> <p>4. Stop capital increase from cash for Chung Tai Resource Technology Corp.</p> <p>5. Subsidiary Da Chao and Fu Jun Enterprise have entered into an agreement for the joint operation of the new agricultural circulation park.</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 14th meeting August 6, 2021	<p>1. Financial statements for the second quarter of 2021.</p> <p>2. Amendment to the Company's Articles of Incorporation.</p> <p>3. Proposal for the application of a loan quota of NT\$ 150 million from Bank SinoPac.</p> <p>4. Proposal for the application of a guarantee credit line of NT\$ 350 million from Hua Nan Commercial Bank.</p> <p>5. Proposal for the application of a credit line of NT\$ 800 million from HSBC Bank.</p> <p>6. Re-appoint another director for subsidiary.</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 15th meeting November 5, 2021	<ol style="list-style-type: none"> 1. Change of the Company's certifying CPA. 2. Financial statements for the third quarter of 2021. 3. Proposal of funds loaning of NT\$ 150 million for Da Tsang Industrial Company Limited. ✓ 4. Proposal for the application of a credit line of NT\$ 50 million from Shanghai Commercial & Savings Bank. 5. Proposal for the application of a loan quota of NT\$ 200 million from Yuanta Bank. 6. Proposal for the application of a credit line of NT\$ 1,060 million from HSBC 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 16th meeting December 17, 2021	<ol style="list-style-type: none"> 1. Reviewed and resolution of the Company's 2022 Business Plan. 2. Establishment of the Company's internal audit plan 2022 3. Proposal of funds loaning of NT\$ 40 million for Da Cheng Recycling Co. Ltd. ✓ 4. Proposal for the investment in Da Tsang Industrial Company Limited. 5. Proposal for the investment in the subsidiary Cleanaway Enterprise. 6. Proposal for the increase in the amount of investment in overseas subsidiaries with RMB6 million. 7. Proposal for the re-application of a credit line from CTBC Bank Mintzu Branch. 8. Proposal for the re-application of a credit line of NT\$ 200 million from Mega International Commercial Bank. 9. Proposal for the re-application of a credit line of NT\$ 200 million from Mega Bills. 10. Proposal for the re-application of a credit line of NT\$ 300 million from E. Sun Bank. 11. The distribution case of the Company's managerial officers 2021 year-end performance bonus. 12. Remuneration for the representative of the institutional director to Cleanaway SUEZ Environmental Resources Limited. 		
	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 17th meeting	1. Proposal for distribution of Directors' and employees' compensation for 2021.		

February 25, 2022	2. 2021 Business Report and Financial Statements.		
	3. Amendment to the Company's Articles of Incorporation.		
	10. Amendment to Method of Election for Directors and Supervisors.		
	5. Amendment to the Procedures for Acquisition or Disposal of Assets.	✓	
	6. Election of directors (the independent directors included)		
	7. Proposal to convene the 2022 general shareholders meeting and related affairs		
	8. Proposal of the Company's "Internal Control System Statement."		
	9. Proposal of funds loaning of NT\$ 50 million for Kang Lien Enterprise Company Limited	✓	
	10. Proposal for the application of a credit line of NT\$ 400 million from Taishin International Bank.		
	11. The Company's distribution of remuneration for all individual Directors for 2021.	✓	
	12. The Company's distribution of remuneration for the three Independent Directors and all individual supervisors for 2021.	✓	
	13. 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.			

2. Important resolutions from the 2021 general shareholders' meeting and implementation status:

Key resolutions	Implementation status
1. Approval of 2020 Business Report and Financial Statements.	Resolution passed.
2. Approval of the 2020 earnings distribution proposal.	Distribution of cash dividends of NT\$10 per share. The Board of Directors established June 28, 2021 as the ex-dividend date and July 20, 2021 as the dividends issuance date and all distributions were completed.
3. Approved the amendment of the Company's "Articles of Incorporation."	Resolution passed, and the content of the revised document was published on August 6, 2021 and 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
Audit	Mei-Chih	Certification of Qualification in the Basic Proficiency Test on Enterprise
or	Kao	Internal Control

IV. Information on CPA expenses:

1. Certifying CPA expenses

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Notes
Deloitte Touche Tohmatsu Limited	Shih Chin-Chuan Kuan-Chung Lai	from first quarter to second quarter of 2021	2,490	802	3,292	Note 1 Note 2
	Shih Chin-Chuan Yung-Ming Chiu	from the third quarter to fourth quarter of 2021				

Note 1: In order to meet the needs of the internal adjustment of Deloitte Touche Tohmatsu Limited, effective from the third quarter of 2021, the CPA of the Company were changed from CPA Chin-Chuan Shih and CPA Kuan-Chung Lai to CPA Chin-Chuan Shih and CPA Yung-Ming Chiu.

Note 2: Our non-audit services include tax visas, business registration, business tax withholding audit visas and foreign company maintenance fees.

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

- (1) 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.
- (2) 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	November 5, 2021
Cause and details of the replacement	The Former CPAs Chin-Chuan Shih and Kuan-Chung Lai are from Deloitte, Taiwan. Due to internal business rotation, CPAs Chin-Chuan Shih and Yung-Ming Chiu of Deloitte, Taiwan resumed the position since the first quarter of 2021.

Any details for the termination or rejection of the commissioner or CPA	Contracting party		CPA	Commissioner
	Status			
	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	Chin-Chuan Shih, Yung-Ming Chiu
Date of commissioning	November 5, 2021
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	2021		As of March 28, 2022	
		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	Ching-Hsiang Yang	0	0	0	0
Director	Kang Lan Enterprise Co., Ltd.	0	0	0	0

Representative of Institutional Director	Cheng-Lun Tao	0	0	0	0
Director	Jocris	(5,832,522)	0	Note 2	Note 2
Representative of Institutional Director	Chong-Meng Lai	0	0	Note 2	Note 2
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	Cheng-Han Hsu	0	0	0	0
Supervisors	Kang Hsin Investment	0	0	0	0
Representative of Institutional Supervisor	Chin-Hui Lin	0	0	0	0
Vice President - Marketing & Sales	Jen-Cheng Tsai	0	0	0	0
Vice President - Administration and Chief Sustainability Officer	Chi-Nan Chen	0	0	0	0
Chief Financial Officer	Tsung-Tien Chen	0	0	0	0
Vice President - Operations	Yu-Tsung Tai	(17,000)	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 28, 2022 (Book close date).

Note 2: The position as the institutional director for Jocris was terminated on July 26, 2021.

2. The relative person relationship of the equity transfer or equity pledge shall disclose the name of the counterpart, the relationship with the company, Directors, Supervisors, shareholding ratio of more than 10% of the shareholders and the number of shares acquired or pledged:

Name	Reason for equity transfer	Trading Date	Trading Trading counterpart	Relationship between trading counterparty and the Company, directors, supervisors, manager and shareholders who hold more than 10% of the Company's shares	Number of shares	Trading Value
Operation Vice President - Yu-Tsung Tai	Bestowal	June 3, 2021	Spouse	None	17,000	-

Note 1: Data collected as of March 28, 2022 (Book close date).

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	
Ching-Hsiang Yang	12,112,350	11.12	37	0	2,605,311	2.39	Kang Lan Enterprise Co., Ltd.	Major shareholder	-
							Wei Ho Industry Co., Ltd.	Immediate family to the responsible person	
							George Yang Co., Ltd.	Immediate family to the responsible person	
							Hao Ta Industry Co., Ltd.	Immediate family to the responsible person	
							Ho Tsang Co., Ltd.	Spouse of the responsible person	
Kang Lan Enterprise Co., Ltd.	5,526,223	5.08	-	-	-	-	Ching-Hsiang Yang	Major shareholder	-
							Ho Tsang Co., Ltd.	The responsible person is major shareholder	
Kang Lan Enterprise Co., Ltd. Representative: Cheng-Lun Tao	-	-	-	-	-	-	None	None	-
Fubon Life Insurance Co., Ltd.	5,425,000	4.98	-	-	-	-	None	None	-
Fubon Life Insurance Co., Ltd. (Representative: Ming-Hsing Tsai)	-	-	-	-	-	-	Fubon Life Insurance Co., Ltd.	Chairman	-
Shu-Hui Yang's trust account under the custody of Taishin International Bank	4,532,000	4.16	-	-	-	-	None	None	-
Wei Ho Industry Co., Ltd. Representative: Hsiu-Han Yang	3,290,000	3.02	-	-	-	-	Ching-Hsiang Yang	Responsible person is immediate family	-
							George Yang Co., Ltd.	The responsible persons are relatives within the second degree of kinship	
							Hao Ta Industry Co., Ltd.	The responsible persons are relatives within the second degree of kinship	
							Ho Tsang Co., Ltd.	Responsible person is	

								immediate family	
George Yang Co., Ltd. Representative: Yung-Fa Yang	3,082,000	2.83	-	-	-	-	Ching-Hsiang Yang	Responsible person is immediate family	-
							Wei Ho Industry Co., Ltd.	The responsible persons are relatives within the second degree of kinship	
							Hao Ta Industry Co., Ltd.	The responsible persons are relatives within the second degree of kinship	
							Ho Tsang Co., Ltd.	The representatives are relatives within the first degree of kinship	
Hao Ta Industry Co., Ltd. Representative: Yu-Ching Yang	3,016,000	2.77	-	-	-	-	Ching-Hsiang Yang	Responsible person is immediate family	
							Wei Ho Industry Co., Ltd.	The responsible persons are relatives within the second degree of kinship	
							George Yang Co., Ltd.	The responsible persons are relatives within the second degree of kinship	
							Ho Tsang Co., Ltd.	The representatives are relatives within the first degree of kinship	
Han Tsang Enterprise Company Limited Representative: Li Pi Lien Yang	2,605,311	2.39	-	-	-	-	Ching-Hsiang Yang	The responsible person is the spouse	-
							Kang Lan Enterprise Co., Ltd.	The responsible person is major shareholder	
							George Yang Co., Ltd.	The representatives are relatives within the first degree of kinship	
							Wei Ho Industry Co., Ltd.	The representatives are relatives within the first degree of kinship	
							Hao Ta Industry Co., Ltd.	The representatives are relatives within the first	

								degree of kinship	
Pi-Lien Yang Li's trust account under the custody of Taishin International Bank	2,311,000	2.12	-	-	-	-	None	None	-
UBAM Positive Impact Emerging Equity under the custody of HSBC	1,633,000	1.50	-	-	-	-	None	None	

Note: The data is accurate as of March 28, 2022 (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 1)	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	28,000,000	100.00%	-	-	28,000,000	100.00%
Da Tsang Industrial Company Limited	67,000,000	100.00%	-	-	67,000,000	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 Energy Co., Ltd.	37,500,000	75.00%	-	-	37,500,000	75.00%
Da Chao Circular Economy Co., Ltd.	-	-	5,000,000	100.00%	5,000,000	100.00%
Top-Comment Resources Company Limited	-	-	45,500,000	70.00%	45,500,000	70.00%
Da Chuang Green Energy Co., Ltd.	-	-	4,800,000	100.00%	4,800,000	100.00%
Da Cheng Recycling Co. Ltd.	-	-	42,500,000	100.00%	42,500,000	100.00%
Cleanaway SUEZ Environmental Resources Limited	21,750,000	29.00%	-	-	21,750,000	29.00%
Chase Sustainability Technology Co., Ltd.	-	-	1,500,000	21.43%	1,500,000	21.43%
Chung Tai Resource Technology Corp.	15,600,000	19.23%	-	-	15,600,000	19.23%
CCL Investment Holding Company Limited (Samoa)	-	64.00%	-	36.00%	-	100.00%
Cleanaway Shanghai Management Holding Co., Ltd. (Samoa)	-	-	-	100.00%	-	100.00%
Cleanaway (Shanghai) Co., Ltd.	-	-	-	(Note 2)	-	(Note 2)
Cleanaway Zoucheng Holding Company Limited (Samoa)	-	-	-	100.00%	-	100.00%
Cleanaway Zoucheng Co., Ltd.	-	-	-	(Note 2)	-	(Note 2)
Cleanaway Zhejiang Holding Company Limited (Samoa)	-	-	-	100.00%	-	100.00%

Note: Invested by the Company using the equity method.

Note 2: The Company has passed resolution on the liquidation of the subsidiary in China of subsidiary on May 7, 2021. Cleanaway Zoucheng Co., Ltd. has completed liquidation on July 13, 2021, Cleanaway (Shanghai) Co., Ltd. has revoked the registration in taxation administration and administration for industry and commerce on March 31, 2022, but the cancellation with bank is still in process.

Chapter 4. Financing Status

I. Capital and shares

(I) Sources of capital

As of March 31, 2022

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	Notes

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

As of March 31, 2022;

Unit: Share

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, 2022

Shareholder structure Quantity	Government institutions	Financial institutions	Other corporations	Individuals	Foreign institutions and foreigners	Total
Number of people	1	34	121	18,097	168	18,421
Shares held (shares)	86,000	15,762,748	22,973,581	51,436,667	18,629,004	108,888,000
Shareholding ratio (%)	0.08%	14.48%	21.10%	47.24%	17.11%	100.00%

Note: The data is accurate as of March 28, 2022 (book closure date)

(III) Distribution of equity ownership

1. Ordinary shares

As of March 31, 2022

Shareholding classification	Number of shareholders	Number of shares held (shares)	Shareholding ratio (%)
1 ~ 999	6,688	1,114,011	1.02%
1,000 ~ 5,000	10,311	17,673,839	16.23%
5,001 ~ 10,000	749	5,762,628	5.29%
10,001 ~ 15,000	227	2,895,537	2.66%
15,001 ~ 20,000	108	1,964,276	1.80%

Shareholding classification	Number of shareholders	Number of shares held (shares)	Shareholding ratio (%)
20,001 ~ 30,000	108	2,724,913	2.50%
30,001 ~ 40,000	46	1,656,000	1.52%
40,001 ~ 50,000	29	1,324,831	1.22%
50,001 ~ 100,000	69	4,889,324	4.49%
100,001 ~ 200,000	33	4,554,256	4.18%
200,001 ~ 400,000	24	6,478,895	5.95%
400,001 ~ 600,000	6	2,870,161	2.64%
600,001 ~ 800,000	6	4,220,086	3.88%
800,001 ~ 1,000,000	2	1,994,000	1.83%
More than 1,000,001	15	48,765,243	44.79%
Total	18,421	108,888,000	100.00%

Note: The data is accurate as of March 28, 2022 (book closure date)

2. Preferred shares: None.

(IV) List of major shareholders

Name of major shareholder	As of March 31, 2022	
	Shares held (shares)	Shareholding ratio (%)
Ching-Hsiang Yang	12,112,350	11.12%
Kang Lan Enterprise Co., Ltd.	5,526,223	5.08%
Fubon Life Insurance Co., Ltd.	5,425,000	4.98%
Shu-Hui Yang's trust account under the custody of Taishin International Bank	4,532,000	4.16%
Wei Ho Industry Co., Ltd.	3,290,000	3.02%
George Yang Co., Ltd.	3,082,000	2.83%
Hao Ta Industry Co., Ltd.	3,016,000	2.77%
Ho Tsang Co., Ltd.	2,605,311	2.39%
Pi-Lien Yang Li's trust account under the custody of Taishin International Bank	2,311,000	2.12%
UBAM Positive Impact Emerging Equity under the custody of HSBC	1,633,000	1.50%

Note: The data is accurate as of March 28, 2022 (book closure date)

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

Currency Unit: NT\$

Item	Year		2020	2021	Current year as of March 31, 2022
Market value per share	Highest		172.50	251.50	233.00
	Lowest		126.50	158.00	196.00
	Average		157.22	184.06	209.84
Net value per share	Before distribution		52.49	53.09	53.09
	After distribution		42.49	Note 1	Note 1
Earnings per Share (EPS)	Weighted average shares (thousand shares)		108,888	108,888	108,888
	Earnings per Share (EPS)		10.81	10.59	10.59
Earnings per Share (EPS)	Cash dividends		10	Note 1	Note 1
	Stock dividends	-	-	-	-
		-	-	-	-
Cumulative unpaid dividends		-	-	-	
Return on investment	PE ratio		14.54	17.38	19.81
	Price-dividend ratio		15.72	Note 1	Note 1
	Cash dividend yield		0.064	Note 1	Note 1

Note 1: As of the publication date of the Annual Report, the Company's Board of Directors has not reached a resolution on the proposal on the distribution of the earnings in 2021.

Note 2: The latest quarterly financial statements audited (reviewed) by the CPA consist of information from 2021.

(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:

As of the publication date of the Annual Report, the Company's Board of Directors has not reached a resolution on the proposal on the distribution of the earnings in 2021.

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 25, 2022, the Board of Directors has resolved to distribute the employee compensation of NT\$ 29,686 thousand and Directors remuneration of NT\$ 34,000 thousand, as previously recognized in 2021.

(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\$34,000 thousand and employee remuneration of NT\$38,621 thousand of 2020 in a resolution in the 2021 shareholders' meeting. There is no discrepancy from the recognized amount in the 2020 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: None

VIII. Implementation of Capital Allocation Plans

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 fly 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 2021 (consolidated information)

Unit: In Thousands of New Taiwan Dollars

Business activities	2021 Operating revenue	Proportion of 2021 operating revenue
Waste solidification and excavation	659,803	21.83%
Waste landfill	1,925,718	63.70%
Waste clearing	103,768	3.43%
Sales in the paper industry	305,367	10.10%
Others	28,295	0.94%
Operating Revenues	3,022,951	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
Sales in the paper industry	Using 100% recycled waste paper as raw material, through pulping, screening, grinding and blending, and then through the paper-making process, the waste paper is recycled and made into industrial paper products such as grey board, kraft paper, and electronic paper.

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.

Recently, the Company has been actively engaged in the research and development of waste resources, such as: (1) developing combustible biomass fuels and using them as the main fuel for boiler combustion in renewable energy plants, generating thermal energy after boiler combustion, recovering thermal energy through boilers to produce steam, and driving steam turbines to generate electricity. The use of combustible biomass fuels as a raw material for power generation can reduce waste generation and fossil fuel extraction, and its cost is lower than the mainstream raw materials for power generation today. The effective heat and

electricity generated from the renewable energy plant can be used for the Company's own use, and the surplus can also be sold; (2) Develop biogas for power generation, so that organic waste - industrial waste water, food waste or animal manure, etc. - is treated through an anaerobic digestion system to convert organic compounds into simple, stable compound methane, which contains a large amount of methane and generates heat and electricity through combustion of methane. Biogas power generation can solve the organic waste problem and reduce methane emissions to achieve the benefits of greenhouse gas reduction.

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. The Company is also actively involved in green energy development and intends to invest in solar power plants in southern Taiwan, which will enable the Group to enter the green power market after the conversion of the power plants.

(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 fly 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)				
		2016	2017	2018	2019	2020
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	315	291	147	279	161
A-4901	Sludge generated from waste water disposal in the manufacturing of chrome yellow and chrome orange coatings	42	41	38	32	29

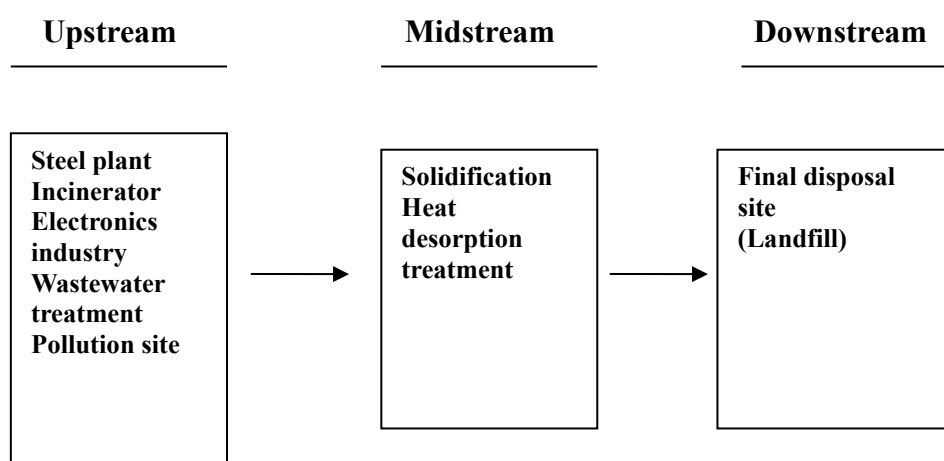
Waste code	Waste code name	Serial form report volume (ton)				
		2016	2017	2018	2019	2020
A-7101	Furnace dust or sludge discharged and controlled in the pollution control process of electric furnaces	224,204	194,149	189,580	177,701	166,064
A-7201	Scrapped acid liquor left from steel industry's steel material processing or soaking	7,058	17,585	45,630	54,207	64,013
A-7301	Furnace dust or sludge discharged and controlled in the process of iron chrome alloys	71	111	186	70	90
A-7501	Furnace dust or sludge discharged and controlled in the 2nd smelting of lead, nickel, mercury, cadmium, and copper	1,404	1,212	1,056	1,176	1,537
A-8101	Residual or sludge with mercury content generated from waste recycling	0	0	0	0	71
A-8201	Solid metal residuals generated from waste recycling	1	1	1	1	0
A-8301	Acid scrapped liquor or sludge generated from waste recycling	300	320	248	398	319
A-8401	Furnace dust generated from crushing, selection, and recycling of waste wires and cables	0	2	1	1	0
A-8501	Waste phosphor generated from waste recycling	24	21	18	8	8
A-8801	Sludge generated from waste water disposal in the electro-plating 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	113,242	119,383	123,350	115,521	121,380
A-8901	Sludge generated from waste water disposal in aluminum's chemical conversion and coating process	1,282	1,184	870	804	466
C-0101	Mercury and its chemical compounds (total mercury)	13	7	19	19	21
C-0102	Lead and its chemical compounds (total lead)	40,231	34,661	32,551	27,659	26,177
C-0103	Cadmium and its chemical compounds (total cadmium)	62	51	80	51	50
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)	21,959	19,357	16,720	5,340	4,464
C-0105	Chromium(VI) compounds	17	10	40	30	38
C-0106	Arsenic and its chemical compounds (total arsenic)	2,185	2,298	2,573	2,255	1,954
C-0109	Selenium and its chemical compounds (total selenium)	13	27	129	84	65
C-0110	Copper and its chemical compounds (total copper) (only limited to scrapped catalyzer, furnace dust, scrapped liquor, sludge, filter materials, incinerator fly ash or bottom residues)	108,796	110,597	111,090	102,780	111,678
C-0111	Barium and its chemical compounds (total barium)	1,738	690	1,338	750	517
C-0119	Other mixture waste containing toxic heavy metals containing toxic substances and exceeding the leaching standard limit	1,327	330	1,042	885	2,569
C-0701	Asbestos and waste from products (definitions based on those specified in the Standards for Defining Hazardous Industrial Waste)	396	1,081	981	437	4,457
Total		524,680	503,412	527,689	490,489	506,130

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 330 illegal dump sites with a total area of 175.535 hectares based on statistics compiled by the Control Yuan in February 2022. The control/remediation plants and dump sites announced by the EPA included 440 sites totaling 80.47 hectares including 341 sites polluted by heavy metals (statistics as of February 2022) totaling 29.28 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
Solidification	Solidification	Polluted soil that contains multiple types of heavy metals, sludge,	1. Bricks 2. Reefs	1. High physical and chemical stability 2. Diverse chemical additives 3. Simple construction and operations	Commercialization	1. URRICHEM 2. Power supply institutes 3. Long Island University, United

Technology Type	Technology name	Applicable targets	Resource products	Features	Technology maturity	Actual applications
		hazardous waste, and contaminated soil		4. Low equipment investment 5. Low processing costs 6. Metal resources cannot be recycled and reused		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 fly 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 fly 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 fly 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 fly 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 21,150 tons and the annual processing volume is 253,800. 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	Chung Tai Resource Technology Corp.	Remondis Taiwan	Sunny Friend Environmental Technology Changpin Plant
Permitted solidification processing volume	15,250 tons/month	500 metric tons/day (hazardous) 1,500 tons/month (general)	1,800 tons/month	3,600 tons/month
Main waste categories processed	containing heavy metals and asbestos Waste Disposal	containing heavy metals and asbestos waste and bottom fly ash	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 2021: NT\$27,589 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 fly 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 fly 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 2021). 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 fly 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

Unit: In Thousands of New Taiwan Dollars

Year	2020		2021	
	Amount	%	Amount	%
Main business Sales territory				
Waste solidification Taiwan	490,703	18.30%	430,493	14.24%
Waste excavation Taiwan	239,281	8.93%	229,310	7.59%
Waste landfill Taiwan	1,820,140	67.90%	1,925,718	63.70%
Waste clearing Taiwan	101,844	3.80%	103,768	3.43%
Sales in the paper industry (Note)	-	-	305,367	10.10%
Others Taiwan	28,571	1.07%	28,295	0.94%
Total operating revenue	2,680,539	100.00%	3,022,951	100.00%

Note: In 2021, the Company sold paper in Taiwan, Vietnam, China, Thailand, Malaysia, Sri Lanka and Korea.

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 fly ash and the solidification quantity in the incineration plants to calculate the Company's market share.

Unit: In Thousands of New Taiwan Dollars

Main waste items processed by the Company	2020			2021		
	Volume (ton)	Revenue	Market share	Volume (ton)	Revenue	Market share
Waste solidification	29,719	490,703	4.12%	25,163	430,493	Note 1
Waste landfill	137,845	1,820,140	3.54%	130,171	1,925,718	Note 1

Note 1: The Environmental Protection Administration has not yet announced the reported waste processing volume for 2021.

Note 2: Waste clearing, waste excavation, sales in the paper industry 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 fly 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. fly 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 343,175 tons (EPA statistics from 2021).
- B. Hazardous waste solidification for steel and iron industry ash: Hazardous ash with heavy metal content with an annual production volume of 162,496 tons (EPA statistics from 2021). The current storage volume in various steel plants is 9,222 tons (EPA statistics from 2021).
- C. Hazardous waste solidification for hazardous fly ash from urban incineration plants (fly ash solidification): Hazardous ash with heavy metal content from urban incineration plants with an annual production volume of 288,313 tons (EPA statistics from 2021).
- 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 2,678 tons (EPA statistics from 2021).
- E. Illegal dump sites and soil and groundwater pollution control sites: According to the EPA's statistics in December 2021, there are currently 440 illegal waste dump sites (control/remediation sites) and 80.47 hectares that require cleanup of pollutants. The EPA currently lists 372 control sites and 72 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. For instance, 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

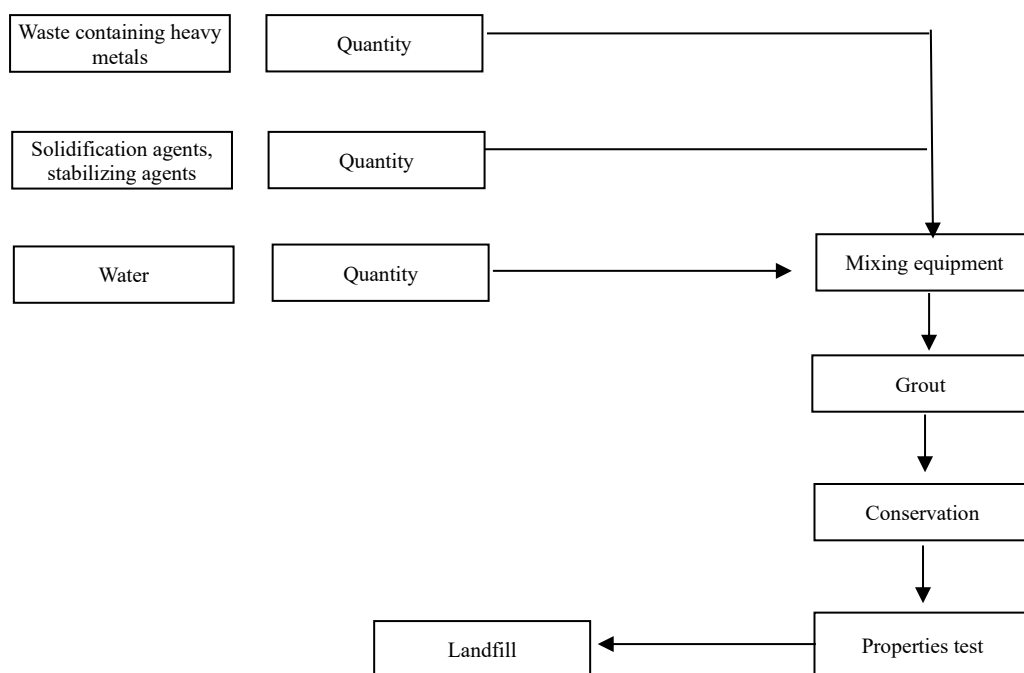
Domestic environmental protection authorities fully advocate the waste recycling policy which will impact the Company's operations. Difficulties in landfill and recycling will lead to the redistribution of the market. In terms of strategy, we have developed both landfill and resource recycling businesses 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
Corrugated boards	Li Chen, Yong Hsin	Good, stable

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

Unit: In Thousands of New Taiwan Dollars

Item	2020				2021			
	Name	Amount	Percentage in Total Net Purchase (%)	Relationship with issuer	Name	Amount	Percentage in Total Net Purchase (%)	Relationship with issuer
1	You Li Chiu	11,296	34.66%	None	Li Chen	26,105	12.64%	None
2	CHC Resources Corporation	8,712	26.73%	None	Yong Hsin	22,371	10.83%	None
3	Hsing Lien Fa	8,134	24.95%	None				
	Others	4,452	13.66%		Others	158,066	76.53%	
	Total	32,594	100.00%		Total	206,542	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: In 2021, the Company had stable transactions with its major suppliers, but the suppliers that reached the disclosure threshold in the second year were different, mainly due to the addition of a new subsidiary, Top-Comment Resources Company Limited, and the industry it is in is the manufacturing industry, resulting in the change of differences.

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

Unit: In Thousands of New Taiwan Dollars

Item	2020				2021			
	Name	Amount	Percentage in Total Net Sales (%)	Relationship with issuer	Name	Amount	Percentage in Total Net Sales (%)	Relationship with issuer
1	A customer	447,233	17%	-	A customer	357,175	12%	-
	Others	2,233,306	83%	-	Others	2,665,776	88%	-
	Net sales	2,680,539	100%		Net sales	3,022,951	100%	

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

Unit: Ton/Thousands of New Taiwan Dollars

Year Production quantity and value	2020		2021	
	Volume (Note 1)	Value	Volume (Note 1)	Value
Primary products				
Waste solidification and excavation	29,719	371,009	25,163	366,859
Waste landfill	137,845	356,959	130,171	382,656
Waste clearing	126,877	70,459	93,647	88,621
Sales in the paper industry	-	-	19,259	266,263
Total	-	798,427	-	1,104,399

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

Reasons for the change: The decline in solidification cost was mainly caused by decrease in treatment. The change in sales in the paper industry was due to the fact that the business was derived from a subsidiary, Top-Comment Resources Company Limited, which was established in 2021.

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

Unit: Ton/Thousands of New Taiwan Dollars

Year Sales volume and value	2020		2021	
	Volume (Note 1)	Value	Volume (Note 1)	Value
Primary products				
Waste solidification and excavation	29,719	729,984	25,163	659,803
Waste landfill	137,845	1,820,140	130,171	1,925,718
Waste clearing	126,877	101,844	93,647	103,768
Sales in the paper industry	-	-	19,259	305,367
Others	-	28,571	-	28,295
Total	-	2,680,539	-	3,022,951

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

Reasons for the change: The decline in solidification revenue was mainly caused by decrease in treatment. The increase in revenue for landfill and clearing was mainly due to adjustment tin price. Changes in the sales in the paper industry was because that business operation was derived from the subsidiary, Top-Comment Resources Company Limited, which was set up in 2021.

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

Year		2020	2021	As of March 31, 2022
Number of employees	Direct	107	119	114
	Indirect	69	59	58
	Total	176	178	172
Average age		43.4	43.90	44.07
Average years of service (years)		10.19	10.41	10.58
Academic distribution ratio (%)	PhD	1.12%	1.68%	1.74%
	Master	16.76%	16.85%	17.45%
	College	40.78%	42.70%	43.02%
	Senior high school	34.64%	33.72%	32.56%
	Below senior high school	6.70%	5.05%	5.23%

IV. Expenditure on environmental protection

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, 2021 to July 17, 2026
Operating license for stationary sources of pollution	2021 Chiayi City Government Huan-Cao-No. Q0373-07	October 22, 2021 to August 15, 2022
Operating permit for stationary sources of pollution and fuel usage	2021 Chiayi City Government Huan-Cao-No. Q0617-08 2021 Chiayi City Government Huan-Ren-No. Q0617-01	October 22, 2021 to April 23, 2025
Operating permit for stationary sources of pollution and fuel usage	2021 Chiayi City Government Huan-Cao-No. Q0764-04 2021 Chiayi City Government Huan-Ren-No. Q0764-01	October 22, 2021 to October 29, 2022

(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
Wei-Yuan Wang	Class A Waste Disposal Technician	(2007) EPA Shun-Zheng No. HA260100
Tzu-Chi Shan	Class A Waste Disposal Technician	(2003) EPA Shun-Zheng No. HA401227
Ying-Tsun Liu	Class A Waste Disposal Technician	(2017) EPA Shun-Zheng No. HA090691

Shun-Kai Yu	Class A Waste Disposal Technician	(2003) EPA Shun-Zheng No. HA400618
Jing-Long Wu	Class A Waste Disposal Technician	(2014) EPA Shun-Zheng No. HA280214
Chih-Shen Chang	Class A Waste Disposal Technician	(2019) EPA Shun-Zheng No. HA040593
Ya-Ping Kuo	Class A Waste Disposal Technician	(2001) EPA Shun-Zheng No. HA101043
Ting-Chang Hsiao	Class B Dedicated Waste Water and Sewage Treatment Specialist	(2018) EPA Shun-Zheng No. GB290221
Ming-Chi Lee	Class A Dedicated Air Pollution Control Specialist	(2000) EPA Shun-Zheng No. GA030442
Hong-Rong Chang	Class A Dedicated Waste Water and Sewage Treatment Specialist	(2015) EPA Shun-Zheng No. GA000321

2. 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):

On the night of April 12, 2021, the dry weather caused the waste to burn in the landfill for regular/industrial waste landfill of the Company's subsidiary, Da Ning Co., Ltd. The odor from burning has spread to Yanchao, Fengshan, Nanzih Districts of Kaohsiung City. After investigation by the Environmental Protection Bureau (EPA) of Kaohsiung City Government, the incident was deemed as a violation to Subparagraph 3, Paragraph 1, Article 32 of the Air Pollution Control Act. This case was subject to the disposition by EPA of Kaohsiung City Government of NT\$5,000,000 and eight hours of environmental seminar on June 4, 2021. <Disposition no.: Kaohsiung City Environmental Protection Bureau Cao-Kong-Chu-Tsu-No.20-110-050017>

In response to the above-mentioned incident, the Company's improvement status and future measures are as follows:

Improvement status: Immediately after the incident, a general inspection of the site's facilities was initiated and a week-long restoration operation was conducted, and operations resumed on April 20, 2021.

Future responding plans:

- (1) Reviewed internal management and conducted a comprehensive review of the incident management practices of its subsidiaries.
- (2) We have conducted an in-depth review of waste management operations, emergency response procedures, and personnel training, and proposed improvements.

3. 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 two 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 2021:

Courses	Number of employees trained	Number of training hours
2021 Education training on desk-top XRF	4	32
AA ICP software operation training	1	8
AAS principle and method overview and basic maintenance practice	1	8
ICPOES principle and method development overview and basic maintenance practice	2	16
Internal audit of the ISO14001:2015 environmental management system	2	28
Acetylene welding operator - training/ retraining	2 / 3	36 / 9
Safety and Health Education Training for Operators of Fixed Cranes with Hoisting Capacity of 3 Tons or More	4	152
Safety and Health Education Training for Operators of Mobile Cranes with Hoisting Capacity of 3 Tons or More	4	12
Class A Employee Health & Safety Affairs Manager	1	42
Safety and health on-the-job education and training	3	18
Fire prevention personnel retraining - training / retraining	1 / 2	12 / 12
Disaster Prevention Officer training program	2	32
General and Industrial Waste Sampling Training Course	3	72
Fixed crane - retraining	1	3
Safety and health on-the-job education and training for roofing supervisors	1	18
First aid personnel - retraining	3	9
Class for heavy machine (excavator) operation license	4	72
AAS principle and method development overview and basic maintenance practice	1	8
Safety and Health On-the-Job Training for Specific Chemical Operations Supervisors	1	18
Oxygen-deficient operations supervisor - training/retraining	1 / 1	18 / 6
Forklift operator - retraining	2	6
Labor safety and health manager - retraining	1	6
Test Laboratory Supervisor Training	1	16
Drone control license tutoring class	1	18
Inductively coupled plasma optical emission spectrometer training	2	48
Training of road dangerous goods delivery personnel	3	56
Safety and health on-the-job training for lead operations supervisors	2	12
Training of ISO/IEC 17025 Laboratory Certification Regulations	1	24
Safety training for radiation operators	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. Cyber Security Management:

(1) Cyber Security Management Strategy and Framework:

1. Cyber security management framework:

The Information Department is responsible for the development and maintenance of the Company's computer network and applications, the maintenance and management of computer hardware, peripherals and information files, and the planning and implementation of information system security.

2. Cyber security policy:

To ensure the security and stability of the Company's network and environment for using information, the Company has set up the "Rules Governing Cyber Security", and the Information Technology Department is responsible for the implementation and execution of the information security operations under these regulations, which cover five categories: network security, computer security, application system management, personnel security and outsourcing.

A brief description of the above five categories is as follows:

- (1) "Network Security" includes network resource management, network security management, and wireless Internet access. The enhancement of network data transmission security, reduction of risk, and minimization of the damage suffered from network attacks are mainly achieved by strengthening the internal network infrastructure and corresponding protection measures for network services.
- (2) "Computer Security" includes the protection of various computer systems and devices (including servers, personal computers and notebooks), anti-virus software, access security, account and password management, etc. It mainly focuses on computer system security measures to improve system stability and continuous availability and reduce the risk of being attacked.
- (3) "Application System Management" includes e-mail, instant messaging software, data backup, and handling abnormalities, etc. It focuses on the security of the usage of application system in daily operation, reducing the damage caused by improper operation, and improving the response and ability to handle when an incident occurs.
- (4) "Personnel Security" includes personnel security management, awareness education and incident notification, etc. The main purpose is to enhance the security awareness of personnel within the Company and their understanding of cyber security hazards, and to help reduce the chance of cyber security incidents caused by insufficient security awareness.
- (5) "Outsourcing" refers to the situation where the Company has outsourced cyber-related matters. The Company should strengthen the management of outsourcing and pay sufficient attention to reduce the chance of cyber security problems caused by outsourcing.

3. Specific management plans

The specific management plans of the Company are as follows:

Category	Measures/methods taken	
Network security	Network Resources Management	<ul style="list-style-type: none"> ✓ Turn off services and features that are not used on the network devices to reduce risk. ✓ Establish a network monitoring system to understand network operation in a timely manner and detect network failure or potential risks at an early stage.
	Network security management	<ul style="list-style-type: none"> ✓ Firewall is installed at the interface between the Company's internal network and external network to prevent unauthorized access to the Company's internal network, and firewall rules are reviewed periodically to confirm that firewall rules are properly

		<p>set.</p> <ul style="list-style-type: none"> ✓ We appoint outside experts or our personnel to evaluate the security of the network system and carry out security patches to improve the security defense capability from time to time. ✓ For the development of information system for external connection, based on the importance of information and system, different levels of security technologies or measures such as information encryption, identification, and electronic signature are adopted to reduce the security risk of information and system invasion, destruction, tampering, deletion, and unauthorized access.
	Wireless Network Security	<ul style="list-style-type: none"> ✓ The use and installation of wireless network must undergo careful security assessment. ✓ Encrypted protocols are used between the wireless LAN card and the wireless base station.
Computer Security	Computer system and physical device protection	<ul style="list-style-type: none"> ✓ The systems of all types of computers should be repaired in a timely and secure manner. ✓ All types of computer software and copyrights are centrally managed by the information unit. ✓ Any computer should be programmed with a screen saver and password protection to prevent unauthorized access to the computer. ✓ Note that when using any computer equipment, the power supply must not exceed the power load capacity. ✓ The vendor should be accompanied by the Company's information unit personnel when maintaining the computer host equipment.
	Anti-virus software	<ul style="list-style-type: none"> ✓ Anti-virus software is installed on all company computer systems, virus databases are implemented and updated automatically, and virus scans are performed regularly.
	Access security	<ul style="list-style-type: none"> ✓ Each person using the computer system should be given a separate access account, and each account shall be authorized the minimum access level as required by business operation. ✓ When a staff member leaves or is transferred to another position, his or her account's authorization must be cancelled or adjusted immediately. ✓ Account and access rights are reviewed regularly to ensure that they fit the current circumstances.
	Password Security Management	<ul style="list-style-type: none"> ✓ All access accounts should be set up with a separate password, and it should be compulsory for users to update their passwords after the first time they activate their accounts, set and enforce the principle that password settings must reach a certain strength, set the requirement that users must update their passwords regularly and that the system will automatically lock out the account if the user makes three or more password input errors. ✓ When inputting password, the computer screen must not display expressly such password. ✓ The file in which the password is stored should be encrypted.
Application System Management	Email security	<ul style="list-style-type: none"> ✓ Employees are explicitly prohibited from using company email for activities outside of work business and are instructed not to open emails from unknown sources. ✓ Employees are explicitly prohibited from using Company email for activities outside of work business and are instructed not to open emails from unknown sources. ✓ Enable email filtering and anti-virus mechanism to filter spam and emails that may contain virus.
	Instant Messaging Software Security	<ul style="list-style-type: none"> ✓ The installation and use of real-time communication software shall be carefully evaluated according to the actual needs of the business and appropriate security control measures shall be implemented.
	Information security and	<ul style="list-style-type: none"> ✓ The server room is equipped with temperature control equipment and fire-fighting equipment, and adopts access control, limiting

	backup	<p>access to specific personnel only. The database is backed up daily, and an off-site backup mechanism is in place.</p> <ul style="list-style-type: none"> ✓ When any data storage media is decommissioned, its contents must be completely destroyed until it cannot be interpreted. ✓ Confidential information in the tangible form, such as paper files and important contracts, should be stored and kept properly.
	Handling of abnormalities and disaster recovery plan	<ul style="list-style-type: none"> ✓ In view of the common information security incidents and abnormalities, the Company will draw up procedures to handle abnormal incidents in order to increase the effectiveness of handling and reduce the damage brought by abnormal incidents. ✓ Evaluate and sort out incidents that are major threats to business operation based on the principle of business continuity, and develop disaster recovery plans accordingly.
Personnel Security	Personnel Security Management	<ul style="list-style-type: none"> ✓ Clearly define the responsibilities of the Company's personnel in information unit. ✓ Personnel responsible for information security-related tasks or handling confidential information are required to sign a confidentiality agreement. ✓ For all kinds of information security work, it is required to have 2 people (or more) to understand in order to cope with the needs of emergency situations.
	Security Awareness Training	<ul style="list-style-type: none"> ✓ Information security incidents should be immediately announced to Company employees. ✓ Provide appropriate awareness or education training to employees on a regular basis.
Outsourcing	Outsourcing management	<ul style="list-style-type: none"> ✓ When outsourcing information, a contract should be signed with the outsourced vendor and include a confidentiality clause in it. ✓ After the outsourcing of information of computer system, the outsourcing vendor should be requested to provide detailed system files and manuals. ✓ In the event that the outsourced vendor's personnel are stationed in the Company, the access to the computer system of the outsourcing vendor's personnel shall be appropriately controlled.

4. Resources invested in cyber security management:

The hardware infrastructure and protection facilities of our information system are managed by the Group's dedicated information team. Such information team has introduced the ISO27001 information management system in 2020, and has periodically receive the ISO27001 certification, which is currently valid from June 22, 2021 to June 17, 2022. Through the introduction of ISO27001 information security management system, we strengthen the ability to deal with information security incidents and protect the assets of our Company and customers.

The information team regularly performs various information security-related testing and evaluation operations every year. The frequency of various information security testing and evaluation operations in 2021 and the results of their execution are as follows:

Item	Operation frequency	2021 operation period	Results
ERP system catastrophe recovery test	Implemented once a year	February/2021	No major risks
Computer software legality inspection	Implemented once a year	March/2021	No major risks
ERP system permission configuration inspection	Implemented once a year	November/2021	No major risks
Regular notifications for ERP system personal password reset	Implemented twice a year	April/2021, September/2021	No major risks
Information security training	From time to time, implemented once a year at least	March/2021, September/2021	No major risks
Server room inspections	Daily	Except for statutory holidays	No major risks

Database backup	Daily (automatic system remote backup)	Except for Sunday	No major risks
-----------------	--	-------------------	----------------

(2) Material Cyber Security Incidents

For the most recent year and as of the printing date of the Annual Report, the losses suffered as a result of material information security incidents, their possible effects and the measures taken in response, if they cannot be reasonably estimated, should state the facts that they cannot be reasonably estimated: None.

VII. Important Contracts

Nature of the contract	Contracting party	Commencement date/expiration date	Main contents	Restrictive terms
Labor contracting	Government institutions	2017.06~2023.12	Soil removal and processing	None
Labor contracting	Government institutions	2021.12~2023.02	Soil and groundwater pollution remediation construction	None

Chapter 6. Financial Overview

I. Concise financial data from the last five years

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

Unit: In Thousands of New Taiwan Dollars

Item	Year	Financial information for the most recent five years (Note 1)				
		December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Current Assets		2,919,239	2,241,946	1,843,691	2,048,232	2,311,920
Property, plant and equipment		2,682,718	3,491,026	3,459,753	3,323,906	3,349,026
Intangible Assets		0	0	0	0	0
Non-current assets (property, plant and equipment not included)		459,722	1,083,373	1,791,899	1,766,606	2,087,595
Total assets		6,061,679	6,816,345	7,095,343	7,138,744	7,748,541
Current Liabilities	Before distribution	445,192	897,367	518,553	664,046	977,269
	After distribution (Note 2)	1,642,960	1,986,247	1,607,433	1,752,926	977,269
Noncurrent liabilities		168,721	385,166	906,724	720,535	672,241
Total liabilities	Before distribution	650,505	1,282,533	1,425,277	1,384,581	1,649,510
	After distribution (Note 2)	1,848,273	2,371,413	2,514,157	2,473,461	1,649,510
Equity attributable to owners of the parent company		5,299,842	5,533,812	5,627,964	5,715,482	5,780,616
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	1,701,911	1,701,911	1,706,221
Retained earnings	Before distribution	2,621,576	2,745,072	2,839,944	2,927,454	2,988,586
	After distribution (Note 2)	1,423,808	1,656,192	1,751,064	1,838,574	2,988,586
Other equity		(1,057)	(1,915)	(2,771)	(2,763)	(3,071)
Non-controlling interests		0	0	42,102	38,681	318,415
Total Equity	Before distribution	5,411,174	5,533,812	5,670,066	5,754,163	6,099,031
	After distribution (Note 2)	4,213,406	4,444,932	4,581,186	4,665,283	6,099,031

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

Note 2: As of the publication date of the Annual Report on March 31, 2022, the Board of Directors has not discussed the 2021 earnings distribution proposal.

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

Unit: In Thousands of New Taiwan Dollars

Item	Year	Financial information for the most recent five years (Note 1)				
		2017	2018	2019	2020	2021
Operating revenue		2,785,266	3,395,807	2,706,574	2,680,539	3,022,951
Gross Profit		1,984,816	2,147,117	1,822,440	1,882,112	1,918,552
Operating profit (loss)		1,578,695	1,702,834	1,423,086	1,447,300	1,446,267
Nonoperating income and expenses		22,523	12,031	25,027	40,424	22,603
Income before tax		1,601,218	1,714,865	1,448,113	1,487,724	1,468,870
Net profit of this period		1,363,498	1,320,610	1,176,226	1,173,798	1,154,694
Other comprehensive income (net income after-tax)		46	(204)	3,908	(821)	156

Total comprehensive income in the current period	1,363,544	1,320,406	1,180,134	1,172,977	1,154,850
Net profit attributable to owners of the parent company	1,363,498	1,320,610	1,178,988	1,177,219	1,153,169
Net Income Attributable to Non-controlling Interests	0	0	(2,762)	(3,421)	1,525
Comprehensive income (loss) attributable to owners of parent company	1,363,544	1,320,406	1,182,896	1,176,398	1,153,325
Comprehensive Income Attributable to Non-controlling Interests	0	0	(2,762)	(3,421)	1,525
Earnings per share (NT\$)	12.52	12.13	10.83	10.81	10.59

Note 1: The Company adopted IFRSs 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)

Unit: In Thousands of New Taiwan Dollars

Item	Year	Financial information for the most recent five years (Note 1)				
		December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Current Assets		1,422,623	954,311	1,473,633	1,395,702	682,740
Property, plant and equipment		472,314	1,295,748	1,369,756	1,357,602	1,345,940
Intangible Assets		0	0	0	0	0
Non-current assets (property, plant and equipment not included)		3,905,145	4,516,048	3,704,541	3,718,807	4,614,674
Total assets		5,800,082	6,766,107	6,547,930	6,472,111	6,643,354
Current Liabilities	Before distribution	363,884	1,008,031	393,031	350,445	471,394
	After distribution (Note 2)	1,561,652	2,096,911	1,481,911	1,439,325	471,394
Noncurrent liabilities		25,024	224,264	526,935	406,184	391,344
Total liabilities	Before distribution	388,908	1,232,295	919,966	756,629	862,738
	After distribution (Note 2)	1,586,676	2,321,175	2,008,846	1,845,509	862,738
Equity attributable to owners of the parent company		5,411,174	5,533,812	5,627,964	5,715,482	5,780,616
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	1,701,911	1,701,911	1,706,221
Retained earnings	Before distribution	2,621,576	2,745,072	2,839,944	2,927,454	2,988,586
	After distribution (Note 2)	1,423,808	1,656,192	1,751,064	1,838,574	2,988,586
Other equity		(1,057)	(1,915)	(2,771)	(2,763)	(3,071)
Total Equity	Before distribution	5,411,174	5,533,812	5,627,964	5,715,482	5,780,616
	After distribution (Note 2)	4,213,406	4,444,932	4,539,084	4,626,602	5,780,616

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

Note 2: As of the publication date of the Annual Report on March 31, 2022, the Board of Directors has not discussed the 2021 earnings distribution proposal.

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

Unit: In Thousands of New Taiwan Dollars

Item	Year	Financial information for the most recent five years (Note 1)				
		2017	2018	2019	2020	2021
Operating revenue		853,437	1,435,479	1,026,128	1,082,227	912,436
Gross Profit		261,413	393,910	313,519	361,551	293,826
Operating profit (loss)		123,224	264,472	209,076	239,054	152,450
Nonoperating income and expenses		1,267,126	1,122,708	1,015,589	993,365	1,037,677
Income before tax		1,390,350	1,387,180	1,224,665	1,232,419	1,190,127
Net profit of this period		1,363,498	1,320,610	1,178,988	1,177,219	1,153,169
Other comprehensive income (net income after-tax)		46	(204)	3,908	(821)	156
Total comprehensive income in the current period		1,363,544	1,320,406	1,182,896	1,176,398	1,153,325
Earnings per share (NT\$)		12.52	12.13	10.83	10.81	10.59

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

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

The Company adopted IFRSs on January 1, 2013. Therefore, we do not have financial information for 2013 to 2021 formulated based on ROC GAAP and audited by the CPA.

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

The Company adopted IFRSs on January 1, 2013. Therefore, we do not have financial information for 2013 to 2021 formulated based on ROC GAAP and audited by the CPA.

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

The Company adopted IFRSs on January 1, 2013. Therefore, we do not have financial information for 2013 to 2021 formulated based on ROC GAAP and audited by the CPA.

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

The Company adopted IFRSs on January 1, 2013. Therefore, we do not have financial information for 2013 to 2021 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 IFRSs on January 1, 2013. Therefore, we do not have financial information for 2013 to 2021 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
2017	Deloitte Touche Tohmatsu Limited	Te-Chen Cheng and Chin-Chuan Shih	Unqualified opinion
2018	Deloitte Touche Tohmatsu Limited	Te-Chen Cheng and Kuan-Chung Lai	Unqualified opinion
2019	Deloitte Touche Tohmatsu Limited	Te-Chen Cheng and Kuan-Chung Lai	Unqualified opinion
2020	Deloitte Touche Tohmatsu Limited	Chin-Chuan Shih, Kuan-Chung Lai	Unqualified opinion
2021	Deloitte Touche Tohmatsu Limited	Chin-Chuan Shih, Yung-Ming Chiu	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 and the sales of products 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)				
			2017	2018	2019	2020	2021
Financial structure	Liability to asset ratio		10.73%	18.82%	20.09%	19.40%	21.29%
	Long-term funds to property, plant and equipment ratio		209.36%	169.55%	190.09%	194.79%	202.19%
Solvency	Current ratio		655.73%	249.84%	355.55%	308.45%	236.57%
	Liquidity ratio		653.05%	248.07%	350.52%	305.65%	228.24%
	Interest protection multiples		Not applicable	1,214.63	147.41	240.26	226.22
Operating performance	Receivables turnover rate (times)		4.42	5.92	4.45	5.17	5.88
	Average collection days		82.49	61.62	82.02	70.65	62.06
	Inventory turnover rate (times)		358.30	643.16	513.58	425.94	28.78
	Payables turnover rate (times)		66.30	97.53	82.51	57.55	18.26
	Average inventory turnover days		1.02	0.57	0.71	0.86	12.68
	Property, plant and equipment turnover rate (times)		1.27	1.10	0.78	0.79	0.91
	Total asset turnover (times)		0.46	0.53	0.39	0.38	0.41
Profitability	Return on assets (%)		22.65%	20.53%	17.02%	16.56%	15.58%
	Return on equity (%)		25.46%	24.13%	21.00%	20.55%	19.48%
	Pre-tax profit to paid-in capital ratio (%)		147.05%	157.49%	132.99%	136.63%	134.90%
	Net margin (%)		48.95%	38.89%	43.46%	43.79%	38.20%
	Earnings per share (NT\$)		12.52	12.13	10.83	10.81	10.59
Cash flow	Cash flow ratio (%)		386.93%	181.33%	210.86%	274.82%	141.19%
	Cash Flow Adequacy Ratio (%)		100.40%	97.31%	97.71%	98.98%	93.10%
	Cash reinvestment ratio (%)		6.78%	5.65%	0.05%	8.68%	3.26%
Leverage	Degree of operating leverage		1.15	1.21	1.13	1.12	1.13
	Financial leverage		1.00	1.00	1.01	1.00	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.

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. Debt-paying ability

- (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 Sales-Variable Cost and expense) / Income from Operations
- (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)				
		2017	2018	2019	2020	2021
Financial structure	Liability to asset ratio	6.71%	18.21%	14.05%	11.69%	12.99%
	Long-term funds to property, plant and equipment ratio	1150.97%	444.38%	449.34%	450.92%	458.56%
Solvency	Current ratio	390.96%	94.67%	374.94%	398.27%	144.83%
	Liquidity ratio	388.85%	93.56%	369.51%	394.57%	144.12%
	Interest coverage ratio (times)	Not applicable	502.87	140.95	270.38	242.50
Operating performance	Receivables turnover rate (times)	2.57	5.75	3.66	5.10	6.46
	Average collection days	142.24	63.42	99.61	71.56	56.50
	Inventory turnover rate (times)	239.44	536.48	413.95	384.46	338.41
	Payables turnover rate (times)	3.82	9.99	12.26	14.40	10.33
	Average inventory turnover days	1.52	0.68	0.88	0.95	1.08
	Property, plant and equipment turnover rate (times)	1.93	1.62	0.77	0.79	0.67
	Total asset turnover (times)	0.15	0.23	0.15	0.17	0.14
Profitability	Return on assets (%)	23.59%	21.05%	17.82%	18.14%	17.64%
	Return on equity (%)	25.46%	24.13%	21.13%	20.76%	20.06%
	Pre-tax profit to paid-in capital ratio (%)	127.69%	127.40%	112.47%	113.18%	109.30%
	Net margin (%)	159.77%	92.00%	114.90%	108.78%	126.38%
	Earnings per share (NT\$)	12.52	12.13	10.83	10.81	10.59
Cash flow	Cash flow ratio (%)	77.73%	-7.66%	26.92%	153.60%	61.26%
	Cash Flow Adequacy Ratio (%)	25.35%	14.46%	17.29%	14.97%	16.78%
	Cash reinvestment ratio (%)	-17.30%	-21.45%	-15.45%	-8.66%	-12.44%
Leverage	Degree of operating leverage	1.17	1.09	1.19	1.18	1.29
	Financial leverage	1.00	1.01	1.04	1.02	1.03

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 IFRSs on January 1, 2013. The aforementioned financial statements have been reviewed or audited by the CPA.

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

The Company adopted IFRSs 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 corporate financial reporting standards (consolidated financial information)

The Company adopted IFRSs 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 and Consolidated Financial Statements 2021 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:

2022 General Shareholders Meeting of Cleanaway Company Limited

Cleanaway Company Limited

Supervisor: Hsu Cheng-Han

Kang Hsin Investment, Ltd.

Representative: Chin-Hui Lin

February 25, 2022

IV. Financial statements of the most recent year

2021 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

2021 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

Unit: In Thousands of New Taiwan Dollars

Item	Year	December 31, 2020	December 31, 2021	Difference	
				Amount	Percentage
Current Assets		2,048,232	2,311,920	263,688	12.87%
Property, plant and equipment		3,323,906	3,349,026	25,120	0.76%
Intangible Assets		0	0	0	0.00%
Non-current assets (property, plant and equipment not included)		1,766,606	2,087,595	320,989	18.17%
Total assets		7,138,744	7,748,541	609,797	8.54%
Current Liabilities	Before distribution	664,046	977,269	313,223	47.17%
	After distribution (Note 2)	1,752,926	977,269	(775,657)	-44.25%
Noncurrent liabilities		720,535	672,241	(48,294)	-6.70%
Other liabilities		0	0	0	0.00%
Total liabilities	Before distribution	1,384,581	1,649,510	264,929	19.13%
	After distribution (Note 2)	2,473,461	1,649,510	(823,951)	-33.31%
Equity attributable to owners of the parent company		5,715,482	5,780,616	65,134	1.14%
Capital Stock		1,088,880	1,088,880	0	0.00%
Capital surplus		1,701,911	1,706,221	4,310	0.25%
Retained earnings	Before distribution	2,927,454	2,988,586	61,132	2.09%
	After distribution (Note 2)	1,838,574	2,988,586	1,150,012	62.55%
Other equity		(2,763)	(3,071)	(308)	11.15%
Non-controlling interests		38,681	318,415	279,734	723.18%
Total Equity	Before distribution	5,754,163	6,099,031	344,868	5.99%
	After distribution (Note 2)	4,665,283	6,099,031	1,433,748	30.73%

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

- (1) The change in current liabilities (before distribution) was mainly due to the increase in short-term borrowings from bank in 2021 due to the need for capital in operation.
 - (2) The change in non-controlling interests was mainly due to the reinvestment in Top-Comment Resources Company Limited in 2021 and the capital increase by cash for the non-100%-owned subsidiary in 2021.
 - (3) The changes in current liabilities (after distribution), total liabilities (after distribution), retained earnings (after distribution), and total equity (after distribution) were mainly due to the Board of Directors has not resolve the distribution of the 2021 earnings.
2. As of the publication date of the Annual Report on March 31, 2022, the Board of Directors has not discussed the 2021 earnings distribution proposal.
 3. These changes in did not significantly impact the Company.

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

Unit: In Thousands of New Taiwan Dollars

Item	Year	December 31, 2020	December 31, 2021	Difference	
				Amount	Percentage
Current Assets		1,395,702	682,740	(712,962)	-51.08%
Property, plant and equipment		1,357,602	1,345,940	(11,662)	-0.86%
Intangible Assets		0	0	0	0.00%
Non-current assets (property, plant and equipment not included)		3,718,807	4,614,674	895,867	24.09%
Total assets		6,472,111	6,643,354	171,243	2.65%
Current Liabilities	Before distribution	350,445	471,394	120,949	34.51%
	After distribution (Note 2)	1,439,325	471,394	(967,931)	-67.25%
Noncurrent liabilities		406,184	391,344	(14,840)	-3.65%
Other liabilities		0	0	0	0.00%
Total liabilities	Before distribution	756,629	862,738	106,109	14.02%
	After distribution (Note 2)	1,845,509	862,738	(982,771)	-53.25%
Equity attributable to owners of the parent company		5,715,482	5,780,616	65,134	1.14%
Capital Stock		1,088,880	1,088,880	0	0.00%
Capital surplus		1,701,911	1,706,221	4,310	0.25%
Retained earnings	Before distribution	2,927,454	2,988,586	61,132	2.09%
	After distribution (Note 2)	1,838,574	2,988,586	1,150,012	62.55%
Other equity		(2,763)	(3,071)	(308)	11.15%
Total Equity	Before distribution	5,715,482	5,780,616	65,134	1.14%
	After distribution (Note 2)	4,626,602	5,780,616	1,154,014	24.94%

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

- (1) The change in current assets is mainly due to the decrease in cash and cash equivalents and financial assets measured at amortized cost resulting from the reinvestments in the Group's companies developing renewable energy business in 2021.
- (2) The change in non-current assets (excluding property, plant and equipment) was mainly due to the increase in investments using the equity method as a result of the reinvestments in companies in the Group's renewable energy business in 2021.
- (3) The change in current liabilities (before distribution) was mainly due to the increase in short-term borrowings from in 2021 due to need for capital in business operation.
- (4) The changes in current liabilities (after distribution), total liabilities (after distribution), retained earnings (after distribution), and total equity (after distribution) were mainly due to the Board of Directors has not resolve the distribution of the 2021 earnings.

2. As of the publication date of the Annual Report on March 31, 2022, the Board of Directors has not discussed the 2021 earnings distribution proposal.

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	9.8%	Analysis is not required as the change is less than 20%
	Long-term funds to property, plant and equipment ratio	3.8%	
Solvency	Current ratio	-23.3%	This is mainly due to the increase in current liabilities resulting from the addition of a new subsidiary, Top-Comment Resources Company Limited.
	Liquidity ratio	-25.3%	
	Interest coverage ratio (times)	-5.8%	
Operating performance	Receivables turnover rate (times)	13.8%	Analysis is not required as the change is less than 20%
	Average collection days	-12.2%	
	Inventory turnover rate (times)	-93.2%	The increase in inventories was mainly due to the addition of a new subsidiary, Top-Comment Resources Company Limited in 2021.
	Payables turnover rate (times)	-68.3%	The increase in payables was mainly due to the addition of a new subsidiary, Top-Comment Resources Company Limited in 2021.
	Average inventory turnover days	1,380.2%	
	Property, plant and equipment turnover rate (times)	14.6%	
	Total asset turnover (times)	7.8%	
Profitability	Return on assets (%)	-5.9%	Analysis is not required as the change is less than 20%
	Return on equity (%)	-5.2%	
	Pre-tax profit to paid-in capital ratio (%)	-1.3%	
	Net margin (%)	-12.8%	
	Earnings per share (NT\$)	-2.0%	
Cash flow	Cash flow ratio (%)	-48.6%	This is mainly due to the increase in current liabilities resulting from the addition of a new subsidiary, Top-Comment Resources Company Limited.
	Cash flow adequacy ratio (%) (Note 2)	-5.9%	Analysis is not required as the change is less than 20%
	Cash reinvestment ratio (%)	-62.5%	Decrease in net operating cash inflow
Leverage	Degree of operating leverage	0.7%	Analysis is not required as the change is less than 20%
	Financial leverage	0.0%	

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	11.1%	Analysis is not required as the change is less than 20%
	Long-term funds to property, plant and equipment ratio	1.7%	
Solvency	Current ratio	-63.6%	Mainly due to the decrease in cash and cash equivalents
	Liquidity ratio	-63.5%	
	Interest coverage ratio (times)	-10.3%	Analysis is not required as the change is less than 20%
Operating performance	Receivables turnover rate (times)	26.7%	Mainly due to the decrease in account receivable
	Average collection days	-21.0%	
	Inventory turnover rate (times)	-12.0%	Analysis is not required as the change is less than 20%
	Payables turnover rate (times)	-28.3%	Mainly due to the increase in accounts payables
	Average inventory turnover days	13.6%	
	Property, plant and equipment turnover rate (times)	-14.9%	
	Total asset turnover (times)	-16.3%	
Profitability	Return on assets (%)	-2.7%	Analysis is not required as the change is less than 20%
	Return on equity (%)	-3.3%	
	Pre-tax profit to paid-in capital ratio (%)	-3.4%	
	Net margin (%)	16.2%	
	Earnings per share (NT\$)	-2.0%	
Cash flow	Cash flow ratio (%)	-60.1%	Decrease in net operating cash inflow
	Cash flow adequacy ratio (%) (Note 2)	12.1%	Analysis is not required as the change is less than 20%
	Cash reinvestment ratio (%)	43.7%	Decrease in net operating cash inflow
Leverage	Degree of operating leverage	9.0%	Analysis is not required as the change is less than 20%
	Financial leverage	1.4%	

These changes in did not significantly impact the Company.

Domestic corporate financial reporting standards (parent company only financial information) analysis: The Company adopted IFRSs on January 1, 2013. Therefore, we do not have financial information for 2020 and 2021 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

Unit: In Thousands of New Taiwan Dollars

Item	Year	2020	2021	Difference	
				Amount	Percentage
Operating revenue		2,680,539	3,022,951	342,412	12.77%
Gross Profit		1,882,112	1,918,552	36,440	1.94%
Operating profit (loss)		1,447,300	1,446,267	(1,033)	-0.07%
Nonoperating income and expenses		40,424	22,603	(17,821)	-44.09%
Income before tax		1,487,724	1,468,870	(18,854)	-1.27%
Net profit of this period		1,173,798	1,154,694	(19,104)	-1.63%
Other comprehensive income (net income after-tax)		(821)	156	977	-119.00%
Total comprehensive income in the current period		1,172,977	1,154,850	(18,127)	-1.55%
Net profit attributable to owners of the parent company		1,177,219	1,153,169	(24,050)	-2.04%
Net Income Attributable to Non-controlling Interests		(3,421)	1,525	4,946	-144.58%
Comprehensive income (loss) attributable to owners of parent company		1,176,398	1,153,325	(23,073)	-1.96%
Comprehensive income (loss) attributable to non-controlling interests		(3,421)	1,525	4,946	-144.58%
Earnings per share (NT\$)		10.81	10.59	(0.22)	-2.04%

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

(1) Changes in the nonoperating income and expenses was mainly due to the recognition of asset retirement losses of overseas reinvestment companies in 2021.

2. These changes in did not significantly impact the Company.

Comparative analysis of parent company only operational performance - IFRSs

Unit: In Thousands of New Taiwan Dollars

Item	Year	2020	2021	Difference	
				Amount	Percentage
Operating revenue		1,082,227	912,436	(169,791)	-15.69%
Gross Profit		361,551	293,826	(67,725)	-18.73%
Operating profit (loss)		239,054	152,450	(86,604)	-36.23%
Nonoperating income and expenses		993,365	1,037,677	44,312	4.46%
Income before tax		1,232,419	1,190,127	(42,292)	-3.43%
Net profit of this period		1,177,219	1,153,169	(24,050)	-2.04%
Other comprehensive income (net income after-tax)		(821)	156	977	-119.00%
Total comprehensive income in the current period		1,176,398	1,153,325	(23,073)	-1.96%
Earnings per share (NT\$)		10.81	10.59	(0.22)	-2.04%

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

(1) The change in operating profit or loss was mainly due to the decrease in operating profit as a result of the decrease in revenue due to the decrease in processing volume in 2021.

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)

Unit: In Thousands of New Taiwan Dollars

Item	2020	2021	Variation
Net cash inflow (outflow) from operating activities	1,824,938	1,379,758	(445,180)
Net cash inflow (outflow) from investing activities	(86,196)	(273,647)	(187,451)
Net cash inflow (outflow) from financing activities	(1,349,425)	(761,095)	588,330

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

- (1) The change in net cash flow from operating activities was mainly due to the recovery of some payments for renovation project in 2020 and the accounts receivable of the newly reinvested subsidiary have not been received during the credit period.
- (2) The change in net cash flow from investing activities was mainly due to the payment for land for the development of the Group's environmental business in 2021.
- (3) The change in net cash flow from financing activities was mainly due to the early repayment of long-term loans in 2020 and the cash increase in 2021 for the non-100%-owned reinvestment subsidiary.

2. Improvement plans for liquidity shortage: Not applicable.

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

Unit: In Thousands of New Taiwan Dollars

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
1,418,050	937,070	1,553,727	801,393	-	-

Explanation/analysis:
The operating activities are net cash inflow. The net cash from investing activities outflow due to a net cash outflow from investing activities due to the purchase of planned land for environmental business expansion and the expected construction of new plants and green energy equipment. The Company expects to make long-term and short-term borrowings and to pay cash dividends, resulting in a net cash inflow from financing activities.

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:

Plan	Actual or projected source of funds	Estimated Completion Date	Funds Required	Actual or estimated capital expenditure status	
				2021 (Actual)	2022 (Estimated)
Purchase land, plant and other movable properties in Misyong Chiayi.	Private capital, shareholder capital increase and bank financing	2022.12.31	1,723,000	328,000	1,395,000
Purchase land and building in Daliao.	Private capital	2022.03.31	379,698	76,000	303,698

(II) Anticipated potential benefits

The above capital expenditures were made to meet the Group's future needs in expanding its environmental protection business and operating waste paper recycling business, and the acquisition of movable and immovable properties in Chiayi have started to contribute to the Group's paper

revenue in September 2021. The land in Daliao District is used for the development of waste recycling business, and a CLSM plant is planned to be built there.

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

Item	Amount of investment (NT\$1,000)	Policy	Main reasons for profit or loss	Improvement plan	Investment plan for the next year
Cleanaway Enterprise Company Limited	259,507	Investments in other businesses	Closed landfill	None	Under evaluation
Da Tsang Industrial Company Limited	700,977	Investments in other businesses	Good business performance	None	Under evaluation
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.	375,000	Investments in other businesses	Start-up stage	None	Under evaluation
Cleanaway Investment Company Limited	80,000	Investments in other businesses	Facilities in Mainland China remain under construction	None	Under evaluation
CCL Investment Holding Company Limited	US\$ 3,500	Investments in other businesses	Facilities in Mainland China remain under construction	None	Under evaluation

Note: The recognized investment income (loss) in this year (2021) was as follows: NT\$8,041 thousand for Cleanaway Enterprise Company Limited, NT\$537,351 thousand for Da Tsang Industrial Company Limited, NT\$1,241 thousand for Kang Lien Enterprise Company Limited, NT\$470,455 thousand for Chi Wei Company Limited, (NT\$857) thousand for Cleanaway Investment Company Limited, (NT\$10,074) thousand for Cleanaway Investment Holding Company Limited, NT\$17,041 thousand for Cleanaway SUEZ Environmental Resources Limited, (NT\$758) thousand for Cleanaway Energy Co., Ltd., and NT\$16,578 thousand for Chung Tai Resource Technology Corp.

VI. Risk analysis and evaluation

(I) 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 2021 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 2021 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 2021 and in 2022 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\$28,353 thousand in R&D expenditures in 2022.

(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 (including cyber security risks) and industry on the Company's financial operations, and related response measures:

The Company has always established relevant cyber security measures and strives to prevent the misuse, leakage and destruction of information and assets due to human negligence, intentional break-in and natural disasters. 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 grown due to changes in business development as well as the operations and strategic adjustments of individual customers. There were no concentrated sales in 2021. 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: None.

VII. Other important items: None.

Chapter 8. Special Notes

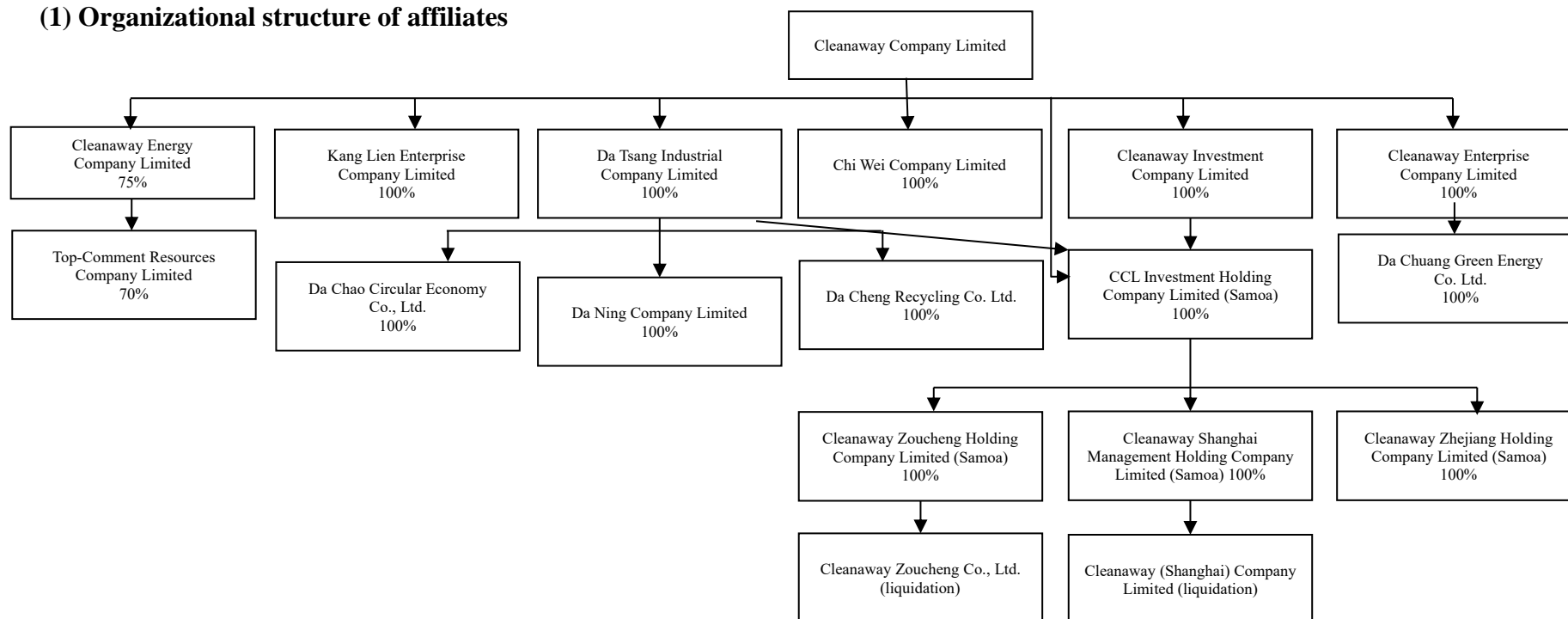
I. Information on affiliates in the most recent year

Cleanaway Company Limited 2021 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	1999.05.04	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$1,088,880	Waste management
Cleanaway Enterprise Company Limited	2004.01.20	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$280,000	Waste management
Da Tsang Industrial Company Limited	2005.10.21	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$670,000	Waste management
Kang Lien Enterprise Company Limited	2004.07.23	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$60,200	Waste clean-up
Chi Wei Company Limited	2010.11.29	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$410,000	Waste management
Da Ning Company Limited	2014.11.26	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$150,000	Waste management
Cleanaway Investment Company Limited	2012.08.29	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$80,000	General investment
Cleanaway Energy Company Limited	2019.01.16	2F., No. 328, Huanke Road, Datan Village, Guanyin District, Taoyuan City	NT\$500,000	Waste management
Da Chao Circular Economy Co., Ltd.	2021.07.19	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$50,000	Operation related to Circular Economy in the Agricultural and Husbandry Industry
Top-Comment Resources Company Limited	2021.07.21	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$650,000	Manufacture and sale of various types of paper for tubes
Da Chuang Green Energy Co., Ltd.	2021.07.23	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$48,000	Solar power generation industry
Da Cheng Recycling Co., Ltd.	2021.09.27	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	NT\$425,000	Waste management

CCL Investment Holding Company Limited	2012.08.31	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	RMB 35,614	General investment
Cleanaway Shanghai Management Holding Company Limited	2012.09.03		RMB 7,000	General investment
Cleanaway Zoucheng Holding Company Limited	2014.01.22		USD3,500	General investment
Cleanaway Zhejiang Holding Company Limited	2015.04.10		-	General investment
Cleanaway (Shanghai) Co., Ltd.	(Note)	(Note)	(Note)	(Note)
Cleanaway Zoucheng Co., Ltd.	(Note)	(Note)	(Note)	(Note)

Note 2: The Company has passed resolution on the liquidation of the subsidiary in China of subsidiary on May 7, 2021. Cleanaway Zoucheng Co., Ltd. has completed liquidation on July 13, 2021, Cleanaway (Shanghai) Co., Ltd. has revoked the registration in taxation administration and administration for industry and commerce on March 31, 2022, but the cancellation with bank is still in process.

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, industrial paper industry, investment

Division of labor: The Company solidifies waste and delivers waste to Cleanaway Enterprise Company Limited (already closed) 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 Company Limited, Chi Wei Company Limited, and Cleanaway Enterprise Company Limited. Cleanaway Energy Company Limited, Da Chao Circular Economy Co., Ltd., Da Chuang Green Energy Co., Ltd. and Da Cheng Recycling Co., Ltd. are responsible for renewable energy investment operations. Top-Comment Resource Company Limited is responsible for recycling of waste paper and make them into industrial paper products. Cleanaway Investment Company Limited, CCL Investment Holding Company Limited (Samoa), Cleanaway Shanghai Management Holding Co., Ltd. (Samoa), Cleanaway Zoucheng Holding Company Limited (Samoa) and Cleanaway Zhejiang Holding Company Limited (Samoa) 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	Ching-Hsiang Yang	12,112,350 shares	11.12%
	Director	Kang Lan Enterprise Co., Ltd. (representative: Cheng-Lun Tao)	5,526,223 shares	5.08%
	Director	Kun-Yu Chang	150,000 shares	0.14%
	Independent	Wen-Tsai Yang	-	-

Name of business	Title	Name or representative	Number of shares held	
			Number of shares/capital contribution	Percentage of ownership/investment
	Director			
	Independent Director	Juu-En Chang	-	-
	Independent Director	Kuo-Shuh Fan	11,000 shares	0.01%
	Supervisors	Cheng-Han Hsu	-	-
	Supervisors	Kang Hsin Investment, Ltd. (representative: Chin-Hui Lin)	1,000,000 shares	0.92%
	President	Yung-Fa Yang	-	-
Cleanaway Enterprise Company Limited	Chairman	Cleanaway Company Limited (representative: Fu-Sen Hsu)	28,000,000 shares	100%
	Director	Cleanaway Company Limited (representative: Yu-Tsung Tai)		
	Director	Cleanaway Company Limited (representative: Yung-Fa Yang)		
	Supervisors	Cleanaway Company Limited (representative: Pi-Lien Yang Lee)		
	President	Yung-Fa Yang		
Da Tsang Industrial Company Limited	Chairman	Cleanaway Company Limited (representative: Cheng-Lun Tao)	67,000,000 shares	100%
	Director	Cleanaway Company Limited (representative: Yu-Tsung Tai)		
	Director	Cleanaway Company Limited (representative: Yung-Fa Yang)		
	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: Yung-Fa Yang)		
	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: Yung-Fa Yang)		
	Supervisors	Cleanaway Company Limited (representative: Pi-Lien Yang Lee)		
	President	Yung-Fa Yang		
Da Ning Company Limited	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: Yung-Fa Yang)		
	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: Yung-Fa Yang)		

Name of business	Title	Name or representative	Number of shares held	
			Number of shares/capital contribution	Percentage of ownership/investment
	Supervisors	Cleanaway Company Limited (representative: Pi-Lien Yang Lee)		
	President	Yung-Fa Yang	-	-
Cleanaway Energy Co., Ltd.	Chairman	Cleanaway Company Limited (representative: Yung-Fa Yang)	37,500,000 shares	75%
	Director	Cleanaway Company Limited (representative: Kuang-Chieh Cheng)	37,500,000 shares	75%
	Director	Jun Investment International Co., Ltd (representative: Cheng-Yu Lien)	2,500,000 shares	5%
	Supervisors	Tsung-Tien Chen	-	-
	President	Shih-Chieh Tsai	-	-
Da Chao Circular Economy Co., Ltd.	Chairman	Da Tsang Industrial Company Limited (representative: Yung-Fa Yang)	5,000,000 shares	100%
	Director	Da Tsang Industrial Company Limited (representative: Yu-Hsien Chen)		
	Director	Da Tsang Industrial Company Limited (representative: Chi-Nan Chen)		
	Supervisors	Da Tsang Industrial Company Limited (representative: Tsung-Tien Chen)		
	President	Yung-Fa Yang	-	-
Top-Comment Resources Company Limited	Chairman	Cleanaway Energy Co., Ltd. (representative: Yung-Fa Yang)	45,500,000 shares	70%
	Director	Cleanaway Energy Co., Ltd. (representative: Tsung-Tien Chen)		
	Director	Top-Comment Technology Enterprise Co., Ltd. (representative: Liu-Ying Yu)	15,300,000 shares	23.54%
	Supervisors	Kuang-Chieh Cheng	-	-
	Supervisors	Kai-Hsiang Hu	-	-
	President	Yu-Tsung Tai	-	-
Da Chuang Green Energy Co., Ltd.	Chairman	Cleanaway Enterprise Company Limited (representative: Yu-Hsien Chen)	4,800,000 shares	100%
	Director	Cleanaway Enterprise Company Limited (representative: Yung-Fa Yang)		
	Director	Cleanaway Enterprise Company Limited (representative: Ping-Chen Hung)		
	Supervisors	Cleanaway Enterprise Company Limited (representative: Tsung-Tien Chen)		
	President	Yung-Fa Yang		
Da Cheng Recycling Co. Ltd.	Chairman	Da Tsang Industrial Company Limited (representative: Yung-Fa Yang)	42,500,000 shares	100%
	Director	Da Tsang Industrial Company Limited (representative: Yu-Hsien Chen)		
	Director	Da Tsang Industrial Company Limited (representative: Chi-Nan Chen)		
	Supervisors	Da Tsang Industrial Company Limited (representative: Tsung-Tien Chen)		
	President	Yung-Fa Yang	-	-
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%

Name of business	Title	Name or representative	Number of shares held	
			Number of shares/capital contribution	Percentage of ownership/investment
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)	USD3,500 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%
	Director	Cleanaway Investment Company Limited (representative: Cheng-Lun Tao)		
Cleanaway (Shanghai) Co., Ltd.	(Note)	(Note)	(Note)	(Note)
Cleanaway Zoucheng Co., Ltd. (Note)	(Note)	(Note)	(Note)	(Note)

Note : The Company has passed resolution on the liquidation of the subsidiary in China of subsidiary on May 7, 2021. Cleanaway Zoucheng Co., Ltd. has completed liquidation on July 13, 2021, Cleanaway (Shanghai) Co., Ltd. has revoked the registration in taxation administration and administration for industry and commerce on March 31, 2022, but the cancellation with bank is still in process.

(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	6,643,354	862,738	5,780,616	912,436	152,450	1,153,169	10.59
Cleanaway Enterprise Company Limited	280,000	473,933	136,811	337,122	24,436	7,955	8,041	0.29
Da Tsang Industrial Company Limited	670,000	1,931,335	482,412	1,448,923	541,541	418,309	537,351	8.02
Kang Lien Enterprise Company Limited	60,200	148,407	80,499	67,908	74,486	2,065	1,244	0.21
Chi Wei Company Limited	410,000	988,606	241,882	746,724	874,327	596,094	470,455	11.47
Cleanaway Investment Company Limited	80,000	56,554	3,305	53,249	7,580	1,263	-857	-0.11
Da Ning Co., Ltd.	150,000	800,503	222,430	578,073	1,106,078	272,733	214,586	14.31
Cleanaway Energy Co., Ltd.	500,000	497,317	12,904	484,413	0	-6,989	-1,546	-0.03
Da Chao Circular Economy Co., Ltd.	50,000	99,105	840	98,265	0	-1,748	-1,735	-0.35
Top-Comment Resources Company Limited	650,000	830,109	172,401	657,708	305,367	9,325	7,708	0.12
Da Chuang Green Energy Co., Ltd.	48,000	52,666	4,796	47,870	-	-132	-130	-0.03
Da Cheng Recycling Co., Ltd.	425,000	466,106	41,299	424,807	0	-179	-193	-0.00
CCL Investment Holding Company Limited (Samoa)	169,350	10,291	0	10,291	0	-930	-15,865	-
Cleanaway Shanghai Management Holding Co., Ltd. (Samoa)	33,034	402	13,292	-12,890	0	0	14,672	-
Cleanaway Zoucheng Holding Company Limited (Samoa)	106,214	6,064	13,133	-7,069	0	-10	-30,134	-
Cleanaway Zhejiang Holding Company Limited (Samoa)	-	1,286	0	1,286	0	-3	-3	-
Cleanaway (Shanghai) Co., Ltd. (Note)	(Note)	423	25	398	0	0	13,103	-
Cleanaway Zoucheng Co., Ltd. (Note)	(Note)	0	0	0	0	-3,933	-16,996	-

Note: Cleanaway Zoucheng Co., Ltd. has already completed liquidation on July 13, 2021. Cleanaway (Shanghai) Company Co., Ltd. has revoked the registration in taxation administration and administration for industry and commerce on December 31, 2021, but the cancellation with bank is still in process.

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
Chairman Ching-Hsiang Yang