Stock Code: 8422

Cleanaway Company Limited and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2017 and 2016 and Independent Auditors' Report

(若與中文版有差異以中文版為主)
The English financial statement is a translation of the original in Chinese for information purpose only. In case of a discrepancy, the Chinese version will prevail.

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Declaration of Consolidation of Financial Statements of Affiliates

For fiscal year 2017 (January 1, 2017–December 31, 2017), the affiliated companies of this Company that shall be included in the consolidated financial statements of affiliated companies as per the rules of the Criteria Governing Preparation of Affiliation Reports, the Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prescribed by the International Financial Reporting Standards No. 10. Also, all the information to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements. Hence, the consolidated financial statements of affiliated companies are not prepared separately.

As hereby declared

Cleanaway Company Limited

Chairman: Ching-Hsiang Yang

March 31, 2018

Independent Auditors' Report

To Cleanaway Company Limited

Audit Opinion

We have audited the consolidated balance sheets of Cleanaway Company Limited and subsidiaries (Hereinafter referred to as Cleanaway Group") as of December 31, 2017 and 2016, the related consolidated statements of comprehensive income, consolidated statements of cash flows, and notes to consolidated financial statements (including summary on significant accounting policies) for the years then ended.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial status of Cleanaway Group as of December 31, 2017 and 2016, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission with effective dates.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our CPA will further explain the responsibilities auditors shall execute during the audit of consolidated financial statements under the above principles below. We are independent of Cleanaway Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities under the Norm. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Key audit matters

In our professional judgment, key audit matters are ones that were of most significance in our audit of the consolidated financial statements of Cleanaway Group for the year ended December 31,

2017. These items have been covered in the verification process of the overall consolidated financial statements and the audit opinion; hence, the CPA shall not express a separate opinion on these items.

Key audit matters of the consolidated financial statements of Cleanaway Group for the year ended December 31, 2017 are stated as follows:

Revenue recognition for solidification

Please refer to Notes 4(12) and 17 in notes to consolidated financial statements for accounting policies concerning operating revenue and revenue composition.

Cleanaway Company Limited is a company providing waste disposal service in Taiwan. The solidification process within the intermediate treatment requires many steps. As lead time exists between receiving of wastes to completing the process so that waste can be disposed through landfill, the appropriateness of timing for revenue recognition may be affected by such a process.

The key audit procedures conducted in regard to the aforementioned matter are as follow:

1. To understand and test the effectiveness of internal controls concerning the accuracy of timing for solidification revenue recognition. Associated control points of the Cleanaway Group include the auto-generated statements of revenue recognition upon the completion of solidification acceptance and the dates on which trucks entering the landfill sites. Each transaction is reviewed manually to ensure the accounts receivables generated by the system are consistent with the waste control report.
2. To review Cleanaway Group's revenue policy of solidification and compare it with the International Accounting Standards (IAS) to ensure its compliance.
3. Perform the cut-off test on revenue recognized before and after the end of year and check the acceptance reports on waste disposal and documents from external environmental agencies to ensure the appropriateness of revenue recognition.

Recognition and measurement of landfill revenue

Please refer to Notes 4(12) and 17 in notes to consolidated financial statements for accounting policies concerning operating revenue and revenue composition.

The subsidiaries of Cleanaway Company Limited had landfill licenses. The landfill revenue amounted to NT$2,111,012 thousand and accounted for 76% of consolidated operating revenue for the year ended December 31, 2017. This was a major source of revenue for the Cleanaway Group. Landfill revenue is recognized when the landfill process is completed. The prices and quantities used for the calculation of landfill revenue are stipulated in the contracts or on the weight notes agreed by parties involved. As there are numerous clients with waste disposal of different types and calculation methods, the revenue from waste disposal can easily be miscalculated. Since the amount has a significant impact on the consolidated financial statements, we think the accuracy of landfill revenue is the key audit matter for the audit.

The key audit procedures conducted in regard to the aforementioned matter are as follow:

1. To assess the reasonableness of revenue recognition policies and procedures based on our understanding of the operations and the industry, and ensure their conformity to the appropriate financial reporting framework.
2. To understand the collection and landfill process of waste, and assess and test relevant internal controls, including the settings of system-calculated landfill revenue (contract unit price and weight fields) which are configured per contract terms. Marketing and sales personnel of the Cleanaway Group would verify every record of the weights to be processed and the clean-up and transport, and whether the weights filed with the external environmental institutions are consistent with the ones documented on the Company's daily landfill reports.
3. To verify the accuracy of reports used by the management for revenue calculation. Actions taken include taking random inspections on items and weighting details in the reports, verifying them against respective contracts and associated weight notes, checking the accuracy of calculation and confirming that numbers are consistent with revenue booked.

<u>Property, plant and equipment depreciated using the units-of-output method</u>

Please refer to Notes 4(7), 5(2) and 10 in notes to consolidated financial statements for accounting policies, estimates and judgment concerning units-of-output method and the carrying amounts of associated property, plant and equipment.

The main property, plant and equipment of the Company's subsidiaries (e.g. landfill sites and facilities) are depreciated using the units-of-output method. Depreciation is recognized based on the burial capacity decreases (used capacities) of landfill sites. However, the capacity estimates depend on material assumptions made by the management and measurements from external experts. The key assumption being the "average specific gravity" (tons/cubic meter), which is influenced by landfill techniques, climate and the nature of landfill waste. It consequently affects the estimates on number of tons (weight) available for landfill, which is translated from the remaining capacity; and further impacts on the carrying amount of property, plant and equipment depreciated using the units-of-output method.

The carrying amount of property, plant and equipment depreciated using the units-of-output method is significant to the overall consolidated financial statements and it involves material estimates. Thus, it is deemed as a key audit matter.

The key audit procedures conducted in regard to the aforementioned matter are as follow:

1. To assess the professional capability, competence and objectivity of the independent appraisers engaged by the management and verify their eligibility. We also discuss the appraisers' work scope with the management and review their appointment conditions to confirm whether there are any issues affecting their objectivity or restricting their work scope.

2. To assess the methods and outcomes of work conducted by independent external experts on the residual value of landfill sites in use, including the appropriateness of the measurement method adopted by the independent experts.
3. To compare the "average specific gravity" of each period on a semi-annul basis. Values deviated significantly from the mean shall be investigated and assessed for reasonableness.
4. To apply the "average specific gravity" of closed landfill sites as the basis in adjusting the comparisons with the 2017 "average specific gravity" in order to identify any significant difference. In addition, the impact of a 10% increase/decrease in "average specific gravity" on the balance sheet as of December 31, 2017 is assessed.

Other Matters

Cleanaway Company Limited has also prepared parent company only financial statements for 2017 and 2016, which we had audited and issued an unqualified opinion.

Responsibilities of management and governance bodies for the consolidated financial statements

The responsibilities of management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission with effective dates, and maintain necessary internal controls associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of Cleanaway Group in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Cleanaway Group or cease the operations, or has no realistic alternative but to do so.

The governance bodies of Cleanaway Group (including supervisors) are responsible for supervising the financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If those amounts of misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of financial statements users, they are considered material.

We have utilized our professional judgment and maintained professional doubt when exercising auditing work according to the auditing standards generally accepted in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cleanaway Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, to conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on Cleanaway Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in the notes to those statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Cleanaway Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within Cleanaway Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on the Group.

Matters communicated between us and the governance bodies include the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide governance bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with governance bodies, we determine the key audit matters within the audit of Cleanaway Group's consolidated financial statements for the year ended December 31, 2017. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touché

CPA Te-Chen Cheng	CPA Chin-Chuan Shih
Financial Supervisory Commission Approval No. Jin-Guan-Zheng-Shen No. 1000028068	Securities and Futures Commission Approval No. Tai-Cai-Zheng-Liu No. 0930128050

March 31, 2018

Cleanaway Company Limited and Subsidiaries

Consolidated Balance Sheets

For the Years Ended December 31, 2017 and 2016

In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2017 Amount	%	December 31, 2016 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,020,325	17	$ 1,369,367	23
1147	Debt investments with no active market - current (Notes 4, 7 and 25)	1,294,838	21	1,346,162	23
1170	Notes and accounts receivable (Notes 4, 8 and 23)	555,980	9	745,811	12
1330	Inventories (Notes 4 and 9)	4,913	-	2,282	-
1479	Other current assets (Notes 11 and 25)	43,183	1	18,269	-
11XX	Total Current Assets	2,919,239	48	3,481,891	58
	Noncurrent Assets				
1546	Debt investments with no active market - noncurrent (Notes 4, 7 and 25)	230,844	4	32,826	1
1600	Property, plant and equipment (Notes 4, 5, 10, 24 and 26)	2,682,718	44	1,692,530	28
1840	Deferred income tax assets (Notes 4 and 19)	21,451	-	10,243	-
1915	Prepayments for land and equipment (Notes 4, 11 and 24)	160,000	3	747,351	13
1920	Refundable deposits (Notes 4, 11 and 21)	42,352	1	11,896	-
1990	Other noncurrent assets (Note 11)	5,075	-	1,550	-
15XX	Total Noncurrent Assets	3,142,440	52	2,496,396	42
1XXX	Total Assets	$ 6,061,679	100	$ 5,978,287	100
Code	**Liabilities and Equity**				
	Current Liabilities				
2170	Accounts payable (Note 12)	$ 14,177	-	$ 9,971	-
2219	Other payables (Note 13)	282,281	5	309,337	5
2230	Current income tax liabilities (Notes 4 and 19)	143,453	2	175,742	3
2399	Other current liabilities (Note 13)	5,281	-	14,674	-
21XX	Total Current Liabilities	445,192	7	509,724	8
	Noncurrent liabilities				
2550	Cost provisions for restoration (Notes 4, 5 and 14)	84,160	2	55,106	1
2570	Deferred income tax liabilities (Notes 4 and 19)	32,911	1	28,949	1
2640	Net defined benefit liabilities - noncurrent (Notes 4 and 15)	19,232	-	19,249	-
2645	Guarantee deposits received	69,010	1	65,417	1
25XX	Total Noncurrent Liabilities	205,313	4	168,721	3
2XXX	Total Liabilities	650,505	11	678,445	11
	Equity attributable to shareholders of the Company (Note 16)				
	Capital stock				
3110	Common stock	1,088,880	18	1,088,880	18
3200	Capital Surplus	1,701,775	28	1,701,775	29
	Retained Earnings				
3310	Legal reserve	905,278	15	761,173	13
3320	Special reserve	1,053	-	-	-
3350	Unappropriated earnings	1,715,245	28	1,749,067	29
3300	Total retained earnings	2,621,576	43	2,510,240	42
	Other equity				
3410	Exchange differences on translation of foreign operations (Note 4)	(1,057)	-	(1,053)	-
3XXX	Total Equity	5,411,174	89	5,299,842	89
	Total Liabilities and Equity	$ 6,061,679	100	$ 5,978,287	100

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Ching-Hsiang Yang President: Cheng-Lun Tao Accounting Manager: Tsung-Tien Chen

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2017 and 2016

In Thousands of New Taiwan Dollars, Except Earnings per Share

Code		2017 Amount	2017 %	2016 Amount	2016 %
4000	Operating revenues (Notes 4 and 17)	$ 2,785,266	100	$ 3,122,533	100
5000	Operating costs (Notes 4, 9, 14, 15 and 18)	800,450	29	1,129,469	36
5900	Gross profit	1,984,816	71	1,993,064	64
	Operating expenses (Notes 15, 18 and 24)				
6200	Administrative expenses	391,037	14	313,696	10
6300	Research and development expenses	15,084	-	9,369	-
6000	Total operating expenses	406,121	14	323,065	10
6900	Operating Income	1,578,695	57	1,669,999	54
	Nonoperating income and expenses				
7100	Interest income (Notes 4 and 18)	22,427	1	24,088	1
7190	Other income (Note 18)	2,248	-	2,505	-
7210	Gain on disposal of property, plant and equipment (Notes 4 and 18)	293	-	42	-
7215	Gain on disposal of investment property (Notes 4, 18 and 24)	-	-	4,545	-
7590	Other expenses	(19)	-	-	-
7630	Foreign exchange loss (Notes 4 and 23)	(2,426)	-	(18,529)	(1)
7000	Total nonoperating income and expenses	22,523	1	12,651	-

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Code		2017 Amount	2017 %	2016 Amount	2016 %
7900	Income before income tax	$ 1,601,218	58	$ 1,682,650	54
7950	Income tax expense (Notes 4 and 19)	237,720	9	242,595	8
8200	Net income	1,363,498	49	1,440,055	46
	Other comprehensive income (loss)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plan (Notes 4 and 15)	(393)	-	(2,103)	-
8349	Income tax benefit associated with items that will not be reclassified to profit or loss (Notes 4 and 19)	443	-	271	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations (Note 4)	(4)	-	(2,146)	-
8300	Total other comprehensive income for the year (net of tax)	46	-	(3,978)	-
8500	Total comprehensive income for the year	$ 1,363,544	49	$ 1,436,077	46
	Net income attributable to:				
8610	Shareholders of the Company	$ 1,363,498	49	$ 1,441,053	46
8620	Non-controlling interest	-	-	(998)	-
8600		$ 1,363,498	49	$ 1,440,055	46
	Total comprehensive income attributable to:				
8710	Shareholders of the Company	$ 1,363,544	49	$ 1,437,166	46
8720	Non-controlling interest	-	-	(1,089)	-
8700		$ 1,363,544	49	$ 1,436,077	46
	Earnings per share (Note 20)				
9710	Basic	$ 12.52		$ 13.23	
9810	Diluted	$ 12.49		$ 13.20	

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Ching-Hsiang Yang President: Cheng-Lun Tao Accounting Manager: Tsung-Tien Chen

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2017 and 2016

In Thousands of New Taiwan Dollars

		Equity Attributable to Shareholders of the Company							
				Retained Earnings			Exchange Differences on Translation of		
Code		Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Foreign Operations	Non-controlling Interest	Total Equity
A1	Balance as of January 1, 2016	$ 1,088,880	$ 1,701,775	$ 637,960	$ -	$ 1,521,939	$ 1,002	$ 1,262	$ 4,952,818
	Appropriations of 2015 earnings								
B1	Appropriation of legal reserve	-	-	123,213	-	(123,213)	-	-	-
B5	Cash dividends	-	-	-	-	(1,088,880)	-	-	(1,088,880)
D1	Net income for the year ended December 31, 2016	-	-	-	-	1,441,053	-	(998)	1,440,055
D3	Other comprehensive income (loss) for the year ended December 31, 2016, net of income tax	-	-	-	-	(1,832)	(2,055)	(91)	(3,978)
O1	Decrease in non-controlling interest	-	-	-	-	-	-	(173)	(173)
Z1	Balance as of December 31, 2016	1,088,880	1,701,775	761,173	-	1,749,067	(1,053)	-	5,299,842
	Appropriations of 2016 earnings								
B1	Appropriation of legal reserve	-	-	144,105	-	(144,105)	-	-	-
B3	Special surplus reserve	-	-	-	1,053	(1,053)	-	-	-
B5	Cash dividends	-	-	-	-	(1,252,212)	-	-	(1,252,212)
D1	Net income in 2017	-	-	-	-	1,363,498	-	-	1,363,498
D3	2017 Other Comprehensive Income (Loss) after Tax	-	-	-	-	50	(4)	-	46
Z1	Balance, December 31, 2017	$ 1,088,880	$ 1,701,775	$ 905,278	$ 1,053	$ 1,715,245	($ 1,057)	$ -	$ 5,411,174

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Ching-Hsiang Yang President: Cheng-Lun Tao Accounting Manager: Tsung-Tien Chen

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2017 and 2016

In Thousands of New Taiwan Dollars

Code		2017	2016
	Cash Flows from Operating Activities		
A10000	Income before income tax for the year	$ 1,601,218	$ 1,682,650
A20010	Income and expense items		
A20100	Depreciation	238,048	187,671
A21200	Interest income	(22,427)	(24,088)
A22500	Gain on disposal of property, plant and equipment	(293)	(42)
A22600	Prepayments for land and equipment reclassified to expenses	56	1,375
A22700	Gain on disposal of investment property	-	(4,545)
A29900	Other noncurrent assets reclassified to expenses	775	-
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	189,831	53,924
A31200	Inventories	(2,631)	545
A31240	Other current assets	(25,387)	(3,997)
A32150	Accounts payable	4,206	(478)
A32180	Other payables	(26,175)	(115,048)
A32200	Cost provisions for restoration	29,054	8,564
A32230	Other current liabilities	(9,393)	10,653
A32240	Net defined benefit liabilities	(410)	(402)
A33000	Cash generated from operations	1,976,472	1,796,782
A33100	Interest received	22,427	24,088
A33500	Income tax paid	(276,339)	(191,002)
AAAA	Net cash provided by operating activities	1,722,560	1,629,868
	Cash Flows from Investing Activities		
B00600	Acquisition of debt investments with no active market	(146,694)	-
B00800	Proceeds from debt investments with no active market upon maturity	-	273,520
B02700	Acquisition of property, plant and equipment	(615,841)	(258,438)
B02800	Disposal of property, plant and equipment	676	1,407
B02900	Increase in unearned proceeds from sale of land	-	48,367
B03700	Increase in refundable deposits	(38,300)	(10,226)
B03800	Decreases in refundable deposits	7,844	106,207

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Code		2017	2016
B06700	Increase in other noncurrent assets	$ -	($ 1,550)
B07100	Increase in prepayments for land and equipment	(30,825)	(10,474)
BBBB	Net cash inflow (outflow) of investing activities	(823,140)	148,813
	Cash Flows from Financing Activities		
C03000	Increase in guarantee deposits received	3,804	11,347
C03100	Decrease in guarantee deposits received	(211)	(5,104)
C04500	Cash dividends	(1,252,212)	(1,088,880)
CCCC	Net cash used in financing activities	(1,248,619)	(1,082,637)
DDDD	Impacts on cash and cash equivalents from changes in exchange rates	157	(1,096)
EEEE	(Decrease) increase in cash and cash equivalents	(349,042)	694,948
E00100	Cash and cash equivalents at beginning of year	1,369,367	674,419
E00200	Cash and cash equivalents at end of year	$ 1,020,325	$ 1,369,367

The accompanying notes are an integral part of the consolidated financial statements.

Chairman: Ching-Hsiang Yang President: Cheng-Lun Tao Accounting Manager: Tsung-Tien Chen

Cleanaway Company Limited and Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2017 and 2016

(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Cleanaway Company Limited (the “Company”) was incorporated on May 4, 1999 under the Company Law of the Republic of China (“ROC”) and Statute for Investment by Foreign Nationals. The Company primarily operates as an intermediate treatment solidification plant within the waste disposal process.

The Company has obtained a Waste Disposal Permit ("permit") issued by the Kaohsiung County Government on February 12, 2000 with effective period ending July 1, 2001. The said permit is granted at the sole discretion of the local ROC government authority with effective periods that may vary. The Company has extended the permit multiple times and the latest valid date has been extended to July 1, 2019.

The Company's shares have been listed on the Taiwan Stock Exchange ("TSE") since October 5, 2011.

Please refer to Notes 4(4)2 and 28 for main operations and operating segments of the Company and its subsidiaries (hereinafter, the "Group").

The consolidated financial statements were expressed in New Taiwan Dollars, which is the Company's functional currency.

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 31, 2018.

3. Applicability of Newly Issued and Revised Standards and Interpretations

(I) The amended Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (hereinafter "IFRSs") endorsed by the Financial Supervisory Commission (hereinafter "FSC") for application starting 2018.

The amended Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed by FSC for application starting 2017 did not have any material impact on the Group's accounting policies.

(II) The Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed by FSC for application starting 2018

New/Revised/Amended Standards and Interpretations	Effective Date Published by IASB (Note 1)
"Annual Improvements 2014-2016 cycle"	Note 2
Amendments to IFRS 2 "Classification and Measurement of Stock-based Compensation"	January 1, 2018
Amendments to IFRS 4 "Application of IFRS 9 "Financial Instruments" under IFRS 4 "Insurance Contracts""	January 1, 2018
IFRS 9 "Financial instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date and Transition Disclosures"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications of IFRS 15"	January 1, 2018
Amendments to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Income Tax Asset for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

Note 1: Unless otherwise specified, the aforementioned New/Revised/Amended Standards and Interpretations shall be effective for the fiscal year after the specified dates.

Note 2: The amendments to IFRS 12 shall be applicable retroactively to fiscal years starting after January 1, 2017; the amendments to IAS 28 shall be applicable retroactively to the fiscal years starting after January 1, 2018.

IFRS 15 "Revenue from Contracts with Customers" and related amendments

IFRS 15 stipulates the principle of recognition of revenue from customer contracts. The guideline will replace IAS 18 "Income" and IAS 11 "Construction Contract" and related interpretations.

When applying IFRS 15, the Group recognizes revenue based on the following steps:

1. Identify the contract with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in contracts; and
5. Recognize revenue upon satisfaction of performance obligations.

The net result of revenue recognized and amounts received and receivable would be recognized as contract assets (liabilities). Prior to the application of IFRS 15, contracts under IAS 18 recognize the decrease in receivables or advance receipts upon revenue recognition.

The Group will apply IFRS 15 retrospectively and restate the statements for the year ended December 31, 2017. In addition, the Group will choose to disclose the impact of first-time adoption of IFRS 15 on the financial statements for the year ended December 31, 2017 only.

The retrospective application of IFRS 15 has no impact on the Group's consolidated statements of comprehensive income for the year ended December 31, 2017 and the retained earnings as of December 31 and January 1, 2017. Only the presentation in the consolidated balance sheet is reclassified. The expected impact is as follows:

Effects on Assets, Liabilities and Equity	Carrying Amount	Adjustment for First-time Adoption	After adjustment Carrying Amount
December 31, 2017			
Current Assets			
Notes and accounts receivable	$ 555,980	($ 42,862)	$ 513,118
Contract assets	-	42,862	42,862
Current Liabilities			
Other current liabilities	5,281	(4,327)	954
Contract liability	-	4,327	4,327
January 1, 2017			
Current Assets			
Notes and accounts receivable	745,811	(243,192)	502,619
Contract assets	-	243,192	243,192
Current Liabilities			
Other current liabilities	14,674	(8,667)	6,007
Contract liability	-	8,667	8,667

Except for the aforementioned impact, as of the authorization date of the consolidated financial statements, the adoption of amendments to other standards and interpretations, which are effective starting 2018, will not have a significant impact on the Group's consolidated financial position and performance upon assessment.

(III) IFRSs issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Published by IASB (Note 1)
"Annual Improvements cycle 2015-2017"	January 1, 2019
Amendments to IFRS 9 "Prepayment Features with Negative Compensation"	January 1, 2019 (Note 2)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 16 "Leases"	January 1, 2019 (Note 3)
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019 (Note 4)
Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019

Note 1: Unless otherwise specified, the aforementioned New/Revised/Amended Standards and Interpretations shall be effective for the fiscal year after the specified dates.

Note 2: FSC allows the Group to elect an earlier application of such amendments beginning on or after January 1, 2018.

Note 2: FSC announced on December 19, 2017 that domestic companies shall adopt IFRS 16 starting from January 1, 2019.

Note 4: Plan amendments, curtailment or settlement occurring after January 1, 2019 shall be subject to this amendment.

IFRS 16 "Leases"

IFRS 16 stipulates accounting treatments for leases and will supersede IAS 17 “Leases” and related interpretations.

Upon the application of IFRS 16, if the Company is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the parent company only balance sheets except for leases of low-value underlying assets and short-term leases, which can adopt methods similar to the accounting for operating lease under IAS 17. On the consolidated statements of comprehensive income, the depreciation expense on right-of-use asset and interest expense computed by using effective interest method on the lease liability shall be presented separately. On the consolidated statements of cash flows, the repayment of principal of the lease liability is classified as financing activities and interest payments are classified as operating activities.

IFRS 16 is expected to have no significant impact on the accounting treatment for the Group being a lessor.

When IFRS 16 becomes effective, the Group can choose to either apply it retrospectively up to the comparative period or recognize the cumulative effects of initial application at the date of initial application.

Except for the aforementioned impact, as of the authorization date of the consolidated financial statements, the Group continues to assess the effects of amendments to other standards and interpretations on the financial position and performance. Relevant effects will be disclosed upon completion of the assessment.

4. Summarized Remarks on Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements were formulated in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements were prepared on a historical cost basis, except for financial instruments measured at fair value.

The fair value measurement is classified into 3 levels based on the observability and importance of related input:

1. Level 1 inputs: Quoted (unadjusted) prices of identical assets or liabilities obtainable in active markets on the measurement date
2. Level 2 inputs: Inputs, other than quoted market prices within level 1, that are observable directly (i.e. the price) or indirectly (deduced from the price) for the assets or liabilities.
3. Level 3 inputs: Unobservable inputs for the assets or liabilities.

(3) Classification of current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash or a cash equivalent (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities to be settled within 12 months after the balance sheet date; and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred till at least 12 months after the balance sheet date.

The Company shall classify all other assets or liabilities that are not specified above as noncurrent.

(4) Basis of Consolidation

1. Principles of consolidation

The consolidated financial statements included the financial statements of the Company and entities (subsidiaries) controlled by the Company. The financial statements of subsidiaries have been adjusted to ensure consistency between their accounting policies and the Group's accounting policies. When compiling the consolidated financial statements, all transactions, account balances, income and expenses between the entities were eliminated. A subsidiary's total comprehensive income is attributed to the shareholders of the

Company and non-controlling interests, even if non-controlling interests become deficit balance in the process.

When a change in the Group's ownership interests in a subsidiary does not cause it to lose control of the subsidiary, it shall be treated as equity transaction. The carrying amounts of the Group and non-controlling interests have been adjusted to reflect relative changes in their interests in subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of consideration paid or collected shall be directly recognized in equity attributable to the shareholders of the Company.

2. Subsidiaries included in the consolidated financial statements were as follows:

The consolidated entities were as follows:

			% of Ownership		
Investor	Investee	Main Businesses	2017 December 31	2016 December 31	Remark
Cleanaway Company Limited	Da Tsang Industrial Company Limited (Da Tsang)	Waste Disposal	100%	100%	
	Chi Wei Company Limited (Chi Wei)	Waste Disposal	100%	100%	
	Cleanaway Enterprise Company Limited (Cleanaway Enterprise)	Waste Disposal	100%	100%	
	Kang Lien Enterprise Company Limited (Kang Lien Enterprise)	Waste clean-up	100%	100%	
	Cleanaway Investment Company Limited (Cleanaway Investment)	General investment	100%	100%	
	CCL Investment Holding Company Limited (CCL investment Holding)	General investment	55%	49%	
Da Tsang	Da Ning Co. Ltd. (Da Ning)	Waste Disposal	100%	100%	
	CCL Investment Holding	General investment	21%	24%	
Cleanaway Investment	CCL Investment Holding	General investment	24%	27%	
CCL Investment Holding	Cleanaway Shanghai Management Holding Company Limited (Cleanaway Shanghai Management Holding)	General investment	100%	100%	
	Cleanaway Zoucheng Holding Company Limited (Cleanaway Zoucheng Holding)	General investment	100%	100%	
	Cleanaway Zhejiang Holding Company Limited (Cleanaway Zhejiang Holding)	General investment	100%	100%	
Cleanaway Shanghai Management Holding	Cleanaway (Shanghai) Company Limited (Cleanaway Shanghai)	Enterprise management consultation	100%	100%	
Cleanaway Zoucheng Holding	Cleanaway Zoucheng Co., Ltd. (Cleanaway Zoucheng)	Waste Disposal	100%	100%	

(5) Foreign currency

When preparing the financial statements, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are converted into functional currency at the rates of exchange prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When preparing the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan Dollars at the rate of exchange prevailing on the balance sheet dates. The income and expense items are translated at the average rate of the year. The exchange differences arising are recognized in other comprehensive income (and are attributable to shareholders of the Company and non-controlling interest, respectively).

(6) Inventories

Inventories consist of raw materials, work-in-process and services inventories of waste clean-up and transport. The cost of services inventories of waste clean-up and transport consists primarily of cost associated with rendering the service. It does not include expected margins or overheads which cannot be attributed directly. The value of inventory shall be determined based on the cost and net realizable value (NRV), whichever is lower. With the exception of inventory of the same category, individual items shall be assessed when comparing the cost and NRV. The NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Cost of inventory is calculated using weighted-average method.

(7) Property, plant and equipment (PP&E)

PP&E are stated at cost and subsequently measured at cost less accumulated depreciation and impairment.

PP&E under construction are recognized at cost less accumulated impairment. The cost shall include professional service expenses and the cost of loans eligible for capitalization. Such assets shall be classified into appropriate PP&E categories upon completion and reaching the expected use status and the depreciation shall begin.

Based on their nature, property, plant and equipment are depreciated using the straight-line method or units-of-output method over their useful lives. Each major component shall be depreciated separately. Straight-line method allocates the cost of an asset, net of residual value, evenly over its estimated useful life. Units-of-output method uses the percentage of landfill volume of the period over the total estimated landfill volume. The Group shall conduct at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods or those two methods. The effects of changes in accounting estimates shall be applied prospectively.

When derecognizing PP&E, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

(8) Impairment of tangible assets

The Group shall assess whether there are any indications of the possible impairment of tangible assets on each balance sheet date. If there is any sign of impairment, an estimate shall be provided for the recoverable amount of the asset. If it is not possible to determine the recoverable amount for an individual asset, the Group shall determine the recoverable amount of the asset's cash generating unit. Corporate assets are allocated to each cash generating unit on a reasonable and consistent basis.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash generating unit is lower than its carrying amount, the carrying amount of the asset or the cash generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the cash generating unit shall be increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (minus amortization or depreciation) of the asset or cash generating unit that was not impaired in the previous years. The reversal of impairment loss shall be recognized in profit or loss.

(9) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Group becomes a party of the financial instrument contract. Financial assets and financial liabilities not at fair value through profit or loss are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss shall be immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Measurement types

Financial assets held by the Group are loans and accounts receivable. Loans and receivables (including cash and cash equivalent, debt investments with no active market, notes and accounts receivable and refundable deposits) are measured at amortized cost less impairment loss using the effective interest method, unless the recognition of interest on short-term notes and accounts receivables is not significant.

Cash equivalents include time deposits with maximum maturity of 3 months, which are highly liquid, can be converted into a fixed amount of cash at any time and have relatively low risk in price changes, and bonds with repurchase agreement. They are used for satisfying short-term cash commitments.

(2) Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset other than the ones at fair value through profit or loss is impaired. A financial asset is deemed to be impaired if there is objective evidence of impairment as a result of single or multiple events that has occurred after the initial recognition of the asset and that event has a negative impact on the estimated future cash flows of the financial asset.

For financial assets measured at amortized cost, such as notes and accounts receivable, if there is no objective evidence of impairment exists for an individually assessed financial asset, they shall be collectively assessed for impairment. The objective evidence of impairment of receivables may include the collection experience of the Group, the collective increase of delayed payments over the average collection period by 365 days, and the observable changes in national or regional economic situation related to arrears of accounts receivable.

The amount of impairment loss of financial assets measured at amortized cost is measured as the difference between the carrying amount of asset and the present value of estimated future cash flows discounted at the original effective interest rate of the financial asset.

If, in a subsequent period, the amount of impairment loss of financial assets measured at amortized cost decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed directly or through adjustments of the allowance account to the extent that the carrying amount of the financial asset does not exceed its amortized cost that would have been at the date of reversal if the impairment loss not been recognized previously.

All impairment losses of financial assets are directly deducted from the carrying amount of financial assets. However, carrying amount of accounts receivable is reduced through the use of an allowance account. When it is determined a receivable is uncollectible, it is written off via the allowance account. The amount that has been written off but subsequently recovered shall be credited to the allowance account. Except for written-off because the receivable is uncollectible, changes in the carrying amount of the allowance account shall be recognized in profit or loss.

(3) Derecognition of financial assets

The Group derecognizes financial assets when the contractual rights to the cash inflow from the asset expire or when the Group transfers the financial assets with substantially all the risks and rewards of ownership to other enterprises.

On derecognition of an entire financial asset, the difference between the carrying amount and the consideration received, including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

2. Financial liabilities

Financial liabilities are measured at amortized cost by the effective interest method.

When derecognizing financial liabilities, the difference between its carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

(10) Prepayments for land

Amounts paid for land acquired for operational uses before obtaining the ownership of the land are recognized under prepayments for land.

(11) Cost provisions for restoration

The environmental impact of waste processed through landfill or intermediate treatment solidification plants would decline as time passes based on the physical characteristics of waste. Pollution will not arise for a certain period of time. The total cost provisions for restoration are estimated based on the maintenance periods, areas and characteristics of each landfill site or solidification plant, and experience. The unit cost is then calculated using the processing capacity in number of tons. The cost provisions for restoration are recognized based on the number of tons processed and the unit cost.

(12) Revenue recognition

Revenue from solidification is recognized when Toxicity Characteristic Leaching Procedures (“TCLP”) are completed, compression laboratory compliance reports on intermediate treatment of hazardous wastes are issued, and the stabilized hazardous wastes can be transported to landfill sites.

Revenue from waste clean-up and transport is recognized when the waste is delivered to the intermediate treatment solidification plant or the landfill sites.

Revenue from waste landfill is recognized when the Group delivered, treated and buried the waste in the landfill sites.

Revenue concerning construction projects of contaminated and illegal dump site cleanup is recognized based on the completion percentage of the contracts. The completion percentage of contracts is measured by the percentage of actual cost incurred over total contract cost.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is recognized in accordance with the applicable interest rate adopted for the outstanding principal on accrual basis.

(13) Cost recognition

Operating costs mainly comprise costs associated with solidification, such as the depreciation of landfill sites, facilities and equipment, cost of staff at the intermediate treatment solidification plant and landfill sites, cement and solidifying agents; costs of waste clean-up and transport, including cost of staff for clean-up and transport and the repair and depreciation of associated equipment; and costs of waste disposal, such as the costs of contaminated and illegal dump sites cleanup.

At the end of each month, costs of waste solidification which were not underwent the TCLP procedure nor complete the compression laboratory compliance reports would be deferred to inventories. Once the TCLP and the compression laboratory compliance reports were completed, such costs would then be reclassified to operating costs in conformity with the revenue recognized.

(14) Leases

Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

1. Leases where the Group is the lessor are classified as operating leases. Under operating leases, the rents received shall be recognized as income on a straight-line basis over the lease term and contingent rents are recognized as income when they arise.
2. Leases where the Group is the lessee are classified as operating leases. Under operating leases, the lease payments shall be recognized as an expense on a straight-line basis over the lease term. Under operating leases, contingent rentals are recognized as expenses in the period they arise.

(15) Benefits after retirement

1. Short-term employee benefits

Related liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Benefits after retirement

Pension cost under the defined contribution retirement plan are recognized as expenses according to the amount of pension contribution during the employee's service period.

The defined cost of benefits under the defined benefit retirement plan (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. The service cost (including the service cost of the current period) and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefit expenses as they occur. The remeasurement amount (including actuarial gains and losses and the return on plan assets after deducting interest) is recognized in other comprehensive income and presented in retained earnings when it occurs. It shall not be reclassified to profit or loss in subsequent periods.

The net defined benefit liabilities (assets) are the shortfall (surplus) of the defined benefit retirement plan. The net defined benefit assets may not exceed the present value of refund from the plan or reductions in future contributions.

(16) Income Taxes

Income tax expenses are the sum of current income tax and deferred income tax.

1. Current income tax

An additional 10% tax is levied on the unappropriated earnings pursuant to the Income Tax Act and is recorded as income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to income tax payable from previous years are recognized in the income tax of current year.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income. Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized when there are likely to be taxable income for the deductible temporary differences.

The carrying amount of the deferred income tax assets is re-examined at each balance sheet date and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. Assets that have not been recognized as deferred income tax assets are re-examined at each balance sheet date and the carrying amount is increased for assets that are likely to generate sufficient taxable income to recover all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred income tax liabilities and assets reflects the tax consequences generated by the expected manner of recovery or repayment of the carrying amount of the assets and liabilities on the balance sheet date.

3. Current and deferred income tax of the current year

Current and deferred income tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. Significant accounting judgments and assumptions, and major sources of estimation uncertainty

When the Group adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from original estimates.

The management shall continue to review the estimates and basic assumptions. If an amendment of estimates only affects the current period, it shall be recognized in the current period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the current year and future periods.

(1) Estimates of cost provisions for restoration

The Group recognizes cost provisions for restoration based on the number of tons of waste processed every month. The associated measurement and recognition are described in Note 4(11) and the Group regularly reviews the reasonableness of those estimates. However, the maintenance time and characteristics of landfill sites and intermediate treatment solidification plants may require additional provisions in the future due to changes in the environmental laws and regulations and plant environment. Please refer to Note 14 for the carrying amount of cost provisions for restoration.

(2) Estimated total burial volume of a landfill site

Among the property, plant and equipment of the Group, depreciation for pollution control equipment under machinery and equipment, landfill sites and facilities adopts the units-of-output method, in which depreciation is computed on the rate of burial volume of the period over the estimated total burial volume. The Group estimates the total burial volume based on the capacity of the landfill sites and characteristics of future waste upon the application and initiation of landfill sites. Those data are used as the bases for units-of-output depreciation method. As the landfill techniques, climate and landfill waste vary between periods, the Group would engage an external independent company to measure the remaining capacities on a semi-annual basis in order to assess the appropriateness of depreciation for landfill sites and facilities. Please refer to Note 10 for the carrying amount of the landfill sites and facilities.

6. Cash and cash equivalents

	December 31, 2017	December 31, 2016
Cash on hand	$ 238	$ 233
Checking accounts and demand deposits	180,244	126,511
Cash equivalents		
Bank time deposit with original maturity date within 3 months	752,843	1,032,623
Bonds with repurchase agreement	87,000	210,000
	$ 1,020,325	$ 1,369,367

The annual interest rate ranges of cash equivalents on the balance sheet date were as follows:

	December 31, 2017	December 31, 2016
Bank time deposit with original maturity date within 3 months	0.42% - 0.66%	0.4% - 3.1%
Bonds with repurchase agreement	0.35%	0.315%

7. Debt investments with no active market

	December 31, 2017	December 31, 2016

Bank time deposit with original maturity date over 3 months	$ 1,525,682	$ 1,378,988
Current	$ 1,294,838	$ 1,346,162
Noncurrent	230,844	32,826
	$ 1,525,682	$ 1,378,988

(1) The annual interest rate ranges of bank time deposits with original maturity dates over 3 months on the balance sheet date were as follows:

	December 31, 2017	December 31, 2016
Bank time deposit with original maturity date over 3 months	0.30% - 3.90%	0.52% - 3.35%

(2) Please refer to Note 25 for pledged debt investments with no active market.

8. Notes and accounts receivable

	December 31, 2017	December 31, 2016
Notes receivable	$ 27,889	$ 18,143
Accounts receivable	534,572	736,389
	562,461	754,532
Less: Allowance for doubtful accounts	(6,481)	(8,721)
	$ 555,980	$ 745,811
Classified based on the nature of retention money		
Notes receivable - non-retention money	$ 27,889	$ 18,143
Accounts receivable - non-retention money	534,572	599,469
Accounts receivable - retention money	-	136,920
	$ 562,461	$ 754,532

(1) The average credit period of the Group for services rendered is 90 to 120 days. The Group 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 Group recognizes 100% of those amounts in the allowance for doubtful accounts. For notes and accounts receivable ageing 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.

Customers of the Company can be classified into government institutions and general business ventures. In principle, government institutions do not have credit quality issues. If difficulties in collection arise, assessment would be performed separately. With regard to the credit quality of notes and accounts receivables of general business ventures, except for contracts with overall amounts less than NT$1,000 thousand that are exempted from credit investigations and reviews, before engaging a new customer, the Group would conduct finance and credit investigations (past transaction data, records of bounced check and breach of trust, etc.) The credit lines and ratings of customers shall be reviewed regularly.

(2) Receivables from material customers

Single customers with amounts of notes and accounts receivable exceeding 10% of the Company's overall notes and accounts receivable balance as of December 31, 2017 and 2016 were summarized below:

	December 31, 2017	December 31, 2016
Customer A - non-retention money	$ -	$224,724
Customer A - retention money	-	136,920
Customer B - non-retention money	121,940	-
	$121,940	$361,644

Receivables contribute over 10% of notes and accounts receivable balance of the Group are mostly generated from large projects (including retention money stipulated in contract clauses). Except for material customers disclosed above, no other customer contribute more than 10% of the notes and accounts receivable balance. Please refer to Note 23 for relevant risk assessments.

(3) Retention money receivable

The retention money concerning waste disposal contracts under accounts receivable were NT$0 thousand and NT$136,920 thousand as of December 31, 2017 and 2016, respectively. The abovementioned retention money does not accrue interest and will be recovered upon the expiry of retention period stipulated in individual contract. If the expected recovery date of such retention money exceeds the balance sheet date by a normal operating cycle (i.e. over one year), the Company would reclassify the money to long-term accounts receivable under noncurrent asset after considering the discounted effect and expected recovery period.

(4) Allowance for doubtful accounts

The aging analysis of notes and accounts receivable is as follows:

	December 31, 2017	December 31, 2016
Not overdue	$556,774	$749,968
1 to 60 days	3,445	2,186
61 to 120 days	45	286
121 to 365 days	105	-
>365 days	2,092	2,092
Total	$562,461	$754,532

The above is an analysis of elapse periods of accounts based on the number of days overdue.

As of December 31, 2017 and 2016, the Group did not have overdue notes and accounts receivable without recognizing associated allowance for doubtful accounts.

Information regarding changes in the allowance for doubtful accounts of notes and accounts receivable was as follows:

	Individually Assessed For Impairment Loss	Collectively Assessed for Impairment Loss	Total
Balance as of January 1, 2016	$ 2,710	$ 7,351	$ 10,061
Reversal of bad debt expenses	-	(722)	(722)
Actual write-off	(618)	-	(618)
Balance as of December 31, 2016	2,092	6,629	8,721
Reversal of bad debt expenses	-	(2,240)	(2,240)
Balance, December 31, 2017	$ 2,092	$ 4,389	$ 6,481

As of December 31, 2017 and 2016, the individually impaired accounts receivable as a result of significant financial difficulties under allowance for doubtful accounts were NT$2,092 thousand. The impairment loss recognized was the difference between the accounts receivable's carrying amount and the present value of expected recoverable amount upon liquidation. The Group did not hold any collaterals for the aforementioned accounts receivable.

9. Inventories

	December 31, 2017	December 31, 2016
Work in process - Solidified blocks	$ 2,212	$ 621
Raw material	2,186	1,247
Services inventories of waste clean-up and transport	515	414
	$ 4,913	$ 2,282

The operating costs associated with inventory-raw materials and supplies were NT$67,585 thousand and NT$77,284 thousand for the years ended December 31, 2017 and 2016, respectively.

The write-downs of inventories under operating costs amounted to NT$0 thousand for the same periods.

10. Property, plant and equipment

	Land	Buildings and Structures	Machinery and Equipment	Laboratory Equipment	Landfill Sites and Facilities	Transportation Equipment	Furniture and Fixtures	Other Equipment	Construction in Progress and Equipment Awaiting Examination	Total
Costs										
Balance as of January 1, 2017	$ 139,770	$ 122,063	$ 466,833	$ 3,470	$1,163,710	$ 156,021	$ 7,082	$ 38,100	$ 693,113	$2,790,162
Additions	-	8,931	5,000	1,814	23,615	982	2,603	424	571,591	614,960
Disposals	-	-	(817)	-	(652)	(2,710)	(3,183)	(3,670)	-	(11,032)
Reclassification	-	658,518	186,316	-	878,175	-	25,451	3,978	(1,134,318)	618,120
Reclassified to other noncurrent assets	-	-	-	-	-	-	-	(4,300)	-	(4,300)
Net exchange differences	-	-	-	-	-	(64)	(15)	(3)	(133)	(215)
Balance, December 31, 2017	$ 139,770	$ 789,512	$ 657,332	$ 5,284	$2,064,848	$ 154,229	$ 31,938	$ 34,529	$ 130,253	$4,007,695
Accumulated Depreciation										
Balance as of January 1, 2017	$ -	$ 81,094	$ 296,936	$ 3,043	$ 579,735	$ 118,061	$ 6,390	$ 12,373	$ -	$1,097,632
Depreciation	-	18,786	50,026	395	146,312	18,494	1,993	2,042	-	238,048
Disposals	-	-	(800)	-	(652)	(2,605)	(2,994)	(3,598)	-	(10,649)
Net exchange differences	-	-	-	-	-	(41)	(12)	(1)	-	(54)
Balance, December 31, 2017	$ -	$ 99,880	$ 346,162	$ 3,438	$ 725,395	$ 133,909	$ 5,377	$ 10,816	$ -	$1,324,977
Carrying amount as of December 31, 2017	$ 139,770	$ 689,632	$ 311,170	$ 1,846	$1,339,453	$ 20,320	$ 26,561	$ 23,713	$ 130,253	$2,682,718
Costs										
Balance as of January 1, 2016	$ 139,770	$ 119,751	$ 464,101	$ 3,653	$1,161,637	$ 152,222	$ 7,639	$ 38,126	$ 441,617	$2,528,516
Additions	-	2,480	2,732	-	2,073	6,660	-	-	252,464	266,409
Disposals	-	(168)	-	(183)	-	(2,302)	(450)	-	-	(3,103)
Net exchange differences	-	-	-	-	-	(559)	(107)	(26)	(968)	(1,660)
Balance as of December 31, 2016	$ 139,770	$ 122,063	$ 466,833	$ 3,470	$1,163,710	$ 156,021	$ 7,082	$ 38,100	$ 693,113	$2,790,162
Accumulated Depreciation										
Balance as of January 1, 2016	$ -	$ 73,245	$ 255,216	$ 2,666	$ 467,117	$ 97,311	$ 6,264	$ 10,317	$ -	$ 912,136
Depreciation	-	8,008	41,720	549	112,618	22,045	659	2,072	-	187,671
Disposals	-	(159)	-	(172)	-	(957)	(450)	-	-	(1,738)
Net exchange differences	-	-	-	-	-	(338)	(83)	(16)	-	(437)
Balance as of December 31, 2016	$ -	$ 81,094	$ 296,936	$ 3,043	$ 579,735	$ 118,061	$ 6,390	$ 12,373	$ -	$1,097,632
Carrying amount as of December 31, 2016	$ 139,770	$ 40,969	$ 169,897	$ 427	$ 583,975	$ 37,960	$ 692	$ 25,727	$ 693,113	$1,692,530

(1) As there was no indication of impairment, the Group did not conduct impairment assessment for the years ended December 31, 2017 and 2016.

(2) The Group adopted the following depreciation methods based on the types of property, plant and equipment:

1. Depreciation for pollution control equipment under machinery and equipment, landfill sites and facilities adopts the units-of-output method, in which depreciation is computed on the rate of burial volume of the period over the estimated total burial volume.

2. Buildings and structures, solidification and instrumentations under machinery and equipment, laboratory equipment, transportation equipment, furniture and fixtures and other equipment were depreciated on a straight-line basis over the following useful economic lives:

Buildings and structures	
Main building of intermediate treatment solidification plant	20 years
Ancillary facilities of plants	7 to 15 years
Main building and ancillary facilities of the operation headquarters	50 years
Other facilities	3 to 5 years
Machinery and equipment	
Solidification production equipment	10 years
Thermal desorption equipment	3 to 5 years
Instrumentations	3 to 5 years
Laboratory equipment	3 to 5 years
Transportation equipment	
Acquisition of brand new transportation cars	5 to 8 years
Acquisition of used transportation cars	2 to 3 years
Furniture and fixtures	
Office furniture	5 to 10 years
Information communication equipment	3 to 6 years
Information communication equipment - Weak power system engineering	50 years
Other equipment	
Monitoring and drainage facilities	10 to 11 years
Generators	15 years
Lease improvement and others	3 to 4 years

11. Other assets

	December 31, 2017	December 31, 2016
Prepayments on purchase of land and equipment	$160,000	$747,351
Refundable deposit	42,352	11,896
Tax overpaid retained	25,491	8,702
Restricted bank deposits (Note 25)	6	6
Others	22,761	11,111
	$250,610	$779,066
Current	$ 43,183	$ 18,269
Noncurrent	207,427	760,797
	$250,610	$779,066

(1) Prepayments for land and equipment were mainly payments for landfill sites land in preparation. Please refer to Note 24(2)3 and 5 for details. Movements in the years ended December 31, 2017 and 2016 were as follows:

	2017	2016
Balance, Beginning of Year	$747,351	$738,252
Additions	30,825	10,474
Reclassified to property, plant and equipment	(618,120)	-
Reclassified to operating expenses	(56)	(1,375)
Balance, End of Year	$160,000	$747,351

(2) Refundable deposits are mainly bid bonds, performance bonds and rental deposits paid in cash.

12. Accounts payable

	December 31, 2017	December 31, 2016
Accounts payable	$ 14,177	$ 9,971

Accounts payable of the Group are mainly payments for purchases to vendors. The average payment period is 60 to 90 days. The Group has financial risk management policy in place to ensure all payables are paid within the agreed credit periods.

13. Other liabilities

	December 31, 2017	December 31, 2016
Other payables		
Accrued employee compensation/bonus	$109,622	$ 94,688
Accrued excavation cost	31,547	74,635
Accrued remuneration to directors and supervisors	35,000	35,000
Accrued maintenance	25,019	42,412
Business tax payable	18,990	15,163
Accrued waste clean-up and transport expense	14,418	7,572
Payables on equipment	10,342	11,223
Accrued salaries	8,240	6,931
Accrued entertainment expenses	6,246	3,692
Accrued leave benefits	4,694	4,135
Accrued professional fees	2,877	2,619
Other accrued expenses	15,286	11,267
	$282,281	$309,337

Accrued excavation cost consists of cleanup fees for contaminated and illegal dump sites.

	December 31, 2017	December 31, 2016
Other current liabilities		
Unearned receipts	$ 4,327	$ 8,667
Receipts under custody, etc.	954	6,007
	$ 5,281	$ 14,674

14. Cost provisions for restoration

	December 31, 2017	December 31, 2016
Cost provisions for restoration	$ 84,160	$ 55,106

	2017	2016
Balance, beginning of year	$ 55,106	$ 46,542
Cost provisions for restoration appropriated	30,553	10,064
Actual cost for restoration	(1,499)	(1,500)
Balance, end of year	$ 84,160	$ 55,106

The cost provisions for restoration recognized under operating costs based on the number of tons for solidification and landfill for the years ended December 31, 2017 and 2016 were NT$30,553 thousand and NT$10,064 thousand, respectively. The actual costs for restoration were NT$1,499 thousand and NT$1,500 thousand for the years ended December 31, 2017 and 2016, respectively. They were mainly payments for restoring landfill sites of the Group.

15. Benefit plan after retirement

(1) Defined contribution plans

The pension system of the "Labor Pension Act" applicable to the Company, Cleanaway Enterprise, Da Tsang , Kang Lien Enterprise, Chi Wei, Da Ning and Cleanaway Investment is a defined contribution plan under government administration. The Company contributes 6% of employees' monthly salaries to their personal accounts at the Bureau of Labor Insurance.

Employees of the Group's subsidiaries in China are participants of the pension plan operated by the People's Republic of China. Such subsidiaries shall contribute a certain percentage of salaries to the pension plan as its funding. Obligations of the Group towards the government-operated pension plan are limited to its contributions of specific amounts.

For CCL investment Holding, Cleanaway Shanghai Management Holding, Cleanaway Zoucheng Holding and Cleanaway Zhejiang Holding, as they do not have any employees, pension plans for employees are not established. Moreover, the pension plans are not mandatory according to local laws and regulations.

Contributions made in accordance with the specific percentage stipulated in the defined contribution plan amounted to NT$5,391 thousand and NT$5,137 thousand for the years ended December 31, 2017 and 2016, respectively, and were recognized as expenses in the consolidated statements of comprehensive income.

(2) Defined benefit plans

The pension system of the Group's Cleanaway Company Limited and Kang Lien Enterprise Company Limited under the “Labor Standards Law” is a defined benefit pension plan managed by the government. The payment of employee pension is based on the employee's years of service and the average wages in the one month prior to the authorized retirement date. The Group contributes 2% of the total monthly wages of employees to the Supervisory Committee of Labor Retirement Reserve's dedicated account in the Bank of Taiwan as pension reserve funds. Before the end of each year, if the balance in the account is inadequate to pay pensions of laborers who are expected to reach retirement conditions in the following year, the Group shall make up the difference in one appropriation before the end of March in the following year. The Bureau of Labor Funds, Ministry of Labor is assigned to administer the account. The Group retains no rights that may influence its investment and administration strategies.

The funds for defined benefit plans included in the consolidated balance sheet were as follows:

	December 31, 2017	December 31, 2016
Present value of defined benefit obligations	$ 29,920	$ 29,128
Fair value of plan assets	(10,688)	(9,879)
Net pension benefit liabilities	$ 19,232	$ 19,249

Changes in net defined benefit liabilities were as follows:

	(merge) Present value of obligations	Plan assets Fair Value	Net defined benefit Liabilities
January 1, 2016	$ 26,617	($ 9,069)	$ 17,548
Current service cost	27	-	27
Interest expense (income)	453	(154)	299
Recognized in profit or loss	480	(154)	326
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	72	72
Actuarial losses - Changes in financial assumptions	752	-	752
Actuarial losses - Adjustments based on history	1,279	-	1,279
Recognized in other comprehensive income	2,031	72	2,103
Employer contribution	-	(728)	(728)
December 31, 2016	29,128	(9,879)	19,249

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	Present value of obligations	Plan assets Fair Value	Net defined benefit Liabilities
Current service cost	$ 27	$ -	$ 27
Interest expense (income)	412	(140)	272
Recognized in profit or loss	439	(140)	299
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	40	40
Actuarial losses - Changes in financial assumptions	815	-	815
Actuarial gains- Adjustments based on history	(462)	-	(462)
Recognized in other comprehensive income	353	40	393
Employer contribution	-	(709)	(709)
December 31, 2017	$ 29,920	($ 10,688)	$ 19,232

The amount of defined benefit plan recognized in profit or loss was summarized by functions as follows:

	2017	2016
Operating costs	$ 160	$ 176
Administrative expenses	139	150
	$ 299	$ 326

The Group is exposed to the following risks due to the pension system of the "Labor Standards Act":

1. Investment risks: The Bureau of Labor Funds of the Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the distributed amount from the plan assets received by the Group shall not be lower than interest on a two-year time deposit at a local bank.
2. Interest rate risk: A decrease in interest rates of government bonds will increase the present value of defined benefit obligations but it will also increase the return on investment of debts for the assets of the plan. The two items partially cancel each other out with regard to their influence to net defined benefit liabilities.

3. Salary risk: The present value of defined benefit obligations is calculated based on the future salaries of members of the plan. Therefore, an increase in salaries of the members of the plan will cause the present value of defined benefit obligations to increase.

The actuarial valuations of the present value of the defined benefit obligations were carried out by qualified actuaries. Major assumptions on the measurement date were as follows:

	December 31, 2017	December 31, 2016
Discount rate	1.10%~1.20%	1.40%~1.60%
Expected growth rate of salaries	3.00%	3.00%

If reasonably possible changes occur in major actuarial assumptions while all other assumptions remain unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	December 31, 2017	December 31, 2016
Discount rate		
Increase by 0.25%	($ 664)	($ 683)
Decrease by 0.25%	$ 686	$ 708
Expected growth rate of salaries		
Increase by 0.25%	$ 600	$ 625
Decrease by 0.25%	($ 584)	($ 607)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	December 31, 2017	December 31, 2016
Expected appropriation amount within 1 year	$ 691	$ 721
Average maturity period of defined benefit obligations	11 to 13 years	12 to 16 years

16. Equity

(1) Capital

Common stock

	December 31, 2017	December 31, 2016
Authorized shares (in thousands)	150,000	150,000
Authorized capital	$ 1,500,000	$ 1,500,000
Number of shares issued and fully paid (in thousands)	108,888	108,888
Issued capital	$ 1,088,880	$ 1,088,880

Common stocks are issued with par value of NT$10 per share and each common stock represents a right to vote and receive dividends.

The authorized capital included 10,000 thousand shares allocated for the exercise of employee stock options.

(2) Capital surplus

	December 31, 2017	December 31, 2016
Additional paid-in capital	$ 1,701,775	$ 1,701,775

Capital surplus of the Company came from additional paid-in capital. Capital surplus related to the income derived from the issuance of new shares at a premium (issuance of common stocks above par value) or income from endowments received by the Company may be used, up to a certain percentage, to offset deficit of the Company. When the Company has no deficit, it may be distributed as cash dividends or transferred to capital stock. The transfer is limited to a certain percentage of the Company's paid-in capital of the year.

(3) Retained earnings and dividend policy

According to the amendment to the Company Act in May 2015, the appropriation of dividends and bonuses is restricted to shareholders; employees are not parties to the appropriation of earnings. The Company has passed the amendments to the earnings appropriation policy in the Articles of Incorporation in the shareholders' meeting on June 17, 2016 and it has established a separate appropriation policy in the Articles of Incorporation for compensation to employees.

The amended earning appropriation policy in the Articles of Incorporation provides that the Company shall use the earnings for year, if any, to pay for all taxes first and offset accumulated losses. Next, it shall allocate 10% of the remaining balance as legal reserve. Special reserve shall then be appropriated or reversed from the balance pursuant to relevant laws and regulations. The Board of Directors shall draft the proposal for appropriation of earnings based on the remaining balance, if any, combined with accumulated unappropriated earnings and submit it to the shareholders' meeting for resolution on bonus to shareholders.

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 type and ratio of earnings appropriation shall be submitted to the shareholders by the Board of Directors after considering the current operating conditions, the shareholders' interests and the balance of dividends and capital demanding.

Legal reserve shall be appropriated until the balance equals the Company's paid-in capital. The legal reserve may be used to make up for losses. When the Company has no loss, the portion of the legal reserve that exceeds 25% of the total paid-in capital may be appropriated in cash in addition to being transferred to capital stock.

When appropriating unappropriated earnings, shareholders may receive shareholder deductible tax amount calculated based on the tax deduction ratio on the dividend appropriation date, except for shareholders who do not reside within the Republic of China.

The Company held general shareholders meetings on June 16, 2017 and June 17, 2016 and approved the 2016 and 2015 appropriation of earnings, respectively. Details were as follows:

	Appropriation of Earnings		Dividends per Share (NTD)	
	2016	2015	2016	2015
Legal reserve	$ 144,105	$ 123,213	$ -	$ -
Special reserve	1,053	-	-	-
Cash dividends	1,252,212	1,088,880	11.50	10.00

Pursuant to Order Jin-Guan-Zheng-Fa No. 1010012865, for other net deductions from shareholders' equity incurred for the year ended December 31, 2016 (i.e. exchange differences on translation of foreign operations), the Company recognizes an equal amount of special capital reserve (i.e. NT$1,053 thousand) from the profit and loss for the same period. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.

The Boards of Directors of Da Tsang, Chi Wei and Kang Lien Enterprise can act on behalf of the shareholders' meetings pursuant to the rules and distribute the earnings after the legal reserve is appropriated. Earnings of Cleanaway Enterprise, Da Ning, Cleanaway Investment, Cleanaway Shanghai and Cleanaway Zoucheng cannot be distributed until deficits of prior years are offset. Also, earnings after tax, if any, shall be used to appropriate legal reserve or reserve funds in accordance with laws and regulations before it can be distributed. A certain portion of earnings of CCL investment Holding, Cleanaway Shanghai Management Holding, Cleanaway Zoucheng Holding and Cleanaway Zhejiang Holding shall be appropriated as reserves in accordance with resolutions of the Boards of Directors before dividends can be distributed.

17. Revenue

	2017	2016
Landfill revenue	$ 2,111,012	$ 1,954,013
Solidification revenue	420,644	508,164
Clean-up and transport revenue	132,127	121,730
Revenue from contaminated and illegal dump sites cleanup	118,965	536,072
Other revenues	2,518	2,554
	$ 2,785,266	$ 3,122,533

Please refer to Note 28 for details on service revenue.

18. Net income

Net income for the period consists the following items:

(1) Other revenues

	2017	2016
Interest income	$ 22,427	$ 24,088
Other revenues		
Rent income from real estate investment	-	125
Others	2,248	2,380
	$ 24,675	$ 26,593

(2) Other gains and losses

	2017	2016
Gain on disposal of investment property	$ -	$ 4,545
Gain on disposal of property, plant and equipment	293	42
	$ 293	$ 4,587

(3) Depreciation and amortization

	2017	2016
Property, plant and equipment	$238,048	$187,671
Depreciation summarized by functions		
Operating costs	$223,570	$184,517
Operating expenses	14,478	3,154
	$238,048	$186,671

(4) Employee benefit expenses

	2017	2016
Benefits after retirement (Note 15)		
Defined contribution plans	$ 5,391	$ 5,137
Defined benefit plans	299	326
	5,690	5,463
Salaries	201,533	198,468
Insurance	11,359	10,083
Other employee benefits	7,758	7,233
Total employee benefit expenses	$226,340	$221,247
Summarized by functions		
Operating costs	$ 95,056	$ 91,680
Operating expenses	131,284	129,567
	$226,340	$221,247

The Group's number of employees was 170 and 157 in 2017 and 2016, respectively.

Employee compensation and remuneration to Directors and Supervisors in 2017 and 2016

According to the amendments to the Company Act in May 2015 and the amendments to the Articles of Incorporation resolved in the shareholders' meeting in June 2016, the Company's employees compensation shall not be lower than 1% and remuneration to Directors and Supervisors shall be capped at 5% of the income before income tax and the deduction of employees compensation and remuneration to directors and supervisors of the year.

Employee compensation and remuneration to Directors and Supervisors in 2017 and 2016 resolved in Board of Directors' meetings on March 31, 2018 and March 24, 2017, respectively, were as follows:

Estimated ratio

	2017	2016
Employee compensation	3.00%	2.50%
Remuneration to Directors and Supervisors	2.38%	2.25%

Amount

	2017		2016	
	Cash	Stock	Cash	Stock
Employee compensation	$ 44,084	$ -	$ 38,870	$ -
Remuneration to Directors and Supervisors	35,000	-	35,000	-

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

The actual employee compensation and remuneration to Directors and Supervisors in 2017 and 2016 were consistent with the amounts recognized in the consolidated financial statements for the years ended December 31, 2017 and 2016.

Please refer to the "Market Observation Post System" of Taiwan Stock Exchange for information on the Company's employee compensation and remuneration to Directors and Supervisors passed in the 2017 and 2016 Board of Directors' meetings.

19. Income tax

(1) Main composition of income tax expenses recognized in profit or loss

	2017	2016
Current income tax		
Generated in the current year	$240,314	$229,842
Surtax on unappropriated earnings	4,185	1,908
Adjustments of previous years	24	1,371
	244,523	233,121

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	2017	2016
Deferred income tax		
Generated in the current year	($ 6,737)	$ 9,474
Adjustments of previous years	(66)	-
	(6,803)	9,474
Income tax expenses recognized in profit or loss	$237,720	$242,595

The reconciliation of accounting profit and income tax expense was as follows:

	2017	2016
Income before income tax of continuing operations	$ 1,601,218	$ 1,682,650
Income tax expense calculated as the product of income before income tax and the statutory tax rate (Note)	$ 270,719	$ 284,748
Non-deductible expenses	13,847	8,759
Tax-exempted income	(84,362)	(97,706)
Additional income tax under the Alternative Minimum Tax Act	16,557	24,758
Unrecognized operating loss carryforward and deductible temporary differences	19,125	17,728
Surtax on unappropriated earnings	4,185	1,908
Land value increment tax	-	1,029
Adjustments on income tax of prior periods	24	1,371
Adjustments on deferred income tax expense of prior periods	(66)	-
Adjustments on the applicable tax rates of deferred income tax assets and liabilities, beginning of period	(2,309)	-
Income tax expenses recognized in profit or loss	$ 237,720	$ 242,595

Note: The Group applied a tax rate of 17% pursuant to the Income Tax Act of ROC. Subsidiaries in China applied a tax rate of 25%. For entities in other jurisdictions, taxes were calculated based on the applicable tax rate for each jurisdiction.

(2) Income tax expenses recognized in other comprehensive income

	2017	2016
Deferred income tax income		
Recognized in other comprehensive income		
- Remeasurements of defined benefit plans	$ 443	$ 271

(3) Income tax assets and liabilities

	December 31, 2017	December 31, 2016
Tax refund receivable	$ 354	$ 827
Income tax payable	$143,453	$175,742

(4) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities were as follows:

2017

	Balance, Beginning of Year	Recognized in profit or loss	Recognized in Other comprehensive income (loss)	Balance, End of Year
Deferred income tax assets				
Temporary differences				
Cost provisions for restoration	$ 6,710	$ 7,219	$ -	$ 13,929
Defined benefits retirement plans	2,153	544	443	3,140
Valuation of foreign-currency time deposits	848	504	-	1,352
Accrued leave benefits	374	174	-	548
Property, plant and equipment	-	254	-	254
Allowance for doubtful accounts	100	53	-	153
The difference of employee welfare between financial and tax amortization	58	(29)	-	29
	10,243	8,719	443	19,405
Operating loss carryforward	-	2,046	-	2,046
	$ 10,243	$ 10,765	$ 443	$ 21,451
Deferred income tax liabilities				
Temporary differences				
Property, plant and equipment	$ 28,949	$ 3,962	$ -	$ 32,911

2016

	Balance, Beginning of Year	Recognized in profit or loss	Recognized in Other comprehensive income (loss)	Balance, End of Year
Deferred income tax assets				
Temporary differences				
Cost provisions for restoration	$ 5,362	$ 1,348	$ -	$ 6,710
Defined benefits retirement plans	2,105	(223)	271	2,153
Valuation of foreign-currency time deposits	-	848	-	848
Accrued leave benefits	313	61	-	374
Allowance for doubtful accounts	107	(7)	-	100
The difference of employee welfare between financial and tax amortization	87	(29)	-	58
	$ 7,974	$ 1,998	$ 271	$ 10,243
Deferred income tax liabilities				
Temporary differences				
Property, plant and equipment	$ 17,304	$ 11,645	$ -	$ 28,949
Valuation of foreign-currency time deposits	173	(173)	-	-
	$ 17,477	$ 11,472	$ -	$ 28,949

The amended Income Tax Act of the Republic of China promulgated by the President in February 2018 adjusted the business income tax rate from 17% to 20%. The amendments will be implemented in 2018. In addition, the applicable tax rate for undistributed earnings will be reduced from 10% to 5% in 2018. Deferred income tax assets and deferred income tax liabilities that have been recognized as at December 31, 2017 are expected to increase by approximately NT$3,785 thousand and NT$5,808 thousand in 2018 respectively due to changes in tax rates.

(5) The unused operating loss carryforward and unused operating loss carryforward for which no deferred income tax assets have been recognized in the consolidated balance sheet

	December 31, 2017		December 31, 2016	
	Non-deductible Amount	Unrecognized deferred income tax assets	Non-deductible Amount	Unrecognized deferred income tax assets
Operating loss carryforward				
Expired in 2022	$ 2,771	$ 2,771	$ 2,771	$ 2,771
Expired in 2023	1,802	1,802	1,802	1,802
Expired in 2024	616	516	616	616
Expired in 2025	16,934	16,934	126,333	126,333
Expired in 2026	10,904	10,636	10,782	10,782
Expired in 2027	121,394	109,725	-	-
	$ 154,421	$ 142,384	$ 142,304	$ 142,304

(6) The deductible temporary difference for which no deferred income tax assets have been recognized in the consolidated balance sheet

	December 31, 2017	December 31, 2016
Deductible temporary difference	$369,485	$279,276

(7) For the years ended December 31, 2017 and 2016, profits of the Group entities' new establishments through investment and expansions through capital increase that are exempted from income tax for a five-year period are as follows:

Company Name	Newly Established Enterprise or Expansion Project	Tax-exempted period
Cleanaway Company Limited	Official Letter Gong-Yong No. 09900127530 from Ministry of Economic Affairs, Industrial Development Bureau approved the expansion investment plans of environmental protection technology services	2012.07.01 - 2017.06.30
Da Tsang	Official Letter Gong-Yong No. 09801082910 from Ministry of Economic Affairs, Industrial Development Bureau approved the expansion investment plans of environmental protection technology services via capital increase	2015.01.01 - 2019.12.31

(8) Information about imputation credit

	December 31, 2017	December 31, 2016
Unappropriated earnings		
Before December 31, 1997	$ -	$ -
After January 1, 1998	-	1,749,067
	$ -	$ 1,749,067
	(Note)	
Balance of imputation credit account	$ -	$ 61,040
	(Note)	

	2017	2016
Creditable ratio for distribution of earning	(Note)	14.76%

Note: The amendments to the Income Tax Law of the Republic of China that came into effect in February 2018 have abolished the imputation system. Relevant information in 2017 is no longer applicable.

(9) Income tax approval status

The income tax returns of Cleanaway Investment, Kang Lien Enterprise and Da Ning have been assessed by the tax authorities through 2016. The income tax returns of the Company, Da Tsang, Chi Wei and Cleanaway Enterprise have been assessed by the tax authorities through 2015.

20. Earnings per share (EPS)

The profits and weighted average number of common stocks used for the calculation of EPS were as follows:

Net income

	2017	2016
Net income attributable to shareholders of the Company	$ 1,363,498	$ 1,441,053

Number of shares (in thousands)

	2017	2016
Weighted average number of common stocks used for the calculation of basic EPS	108,888	108,888
Effect of dilutive potential common stocks:		
Employee compensation	306	273
Weighted average number of common stocks used for the calculation of diluted EPS	109,194	109,161

If the Company can choose between stocks and cash for the appropriation of employee compensation, it shall assume the employee compensation would be appropriated in stocks for the calculation of diluted EPS. The dilutive potential common stocks shall be incorporated in the weighted average number of stocks outstanding when calculating the diluted EPS. The dilutive effect of such potential common stocks shall continue to be considered when calculating the diluted EPS before resolving the number of stocks to be distributed as employee compensation in the following year.

21. Operating lease agreements

Operating leases are mainly for leasing cars for business use and offices for operation. Except for items below, the lease term is 1 to 5 years. The Group does not have the right of first refusal regarding the aforementioned lease object at the end of lease term.

Considering the gradual increase in business scale and employee number, the Group leased 15 lots of land, including parcel number 184 at Dade Section, Gangshan District, Kaohsiung City from Han Tsang Enterprise Company Limited on May 31, 2013 (Please refer to Note 26 for unrecognized contract commitment concerning the construction of operation offices). The monthly rent is originally set at NT$613 thousand which will be adjusted based on the percentage of change in the Consumer Price Index (at all-item level) of the month released by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan every 2 years from the inception of lease. If the changes exceeds 5%, the rent will be adjusted by 5%. The lease term is 20 years, which starts on June 1, 2013 and ends on May 31, 2033. The lease can be renewed with the original conditions at the end of lease term. The agreement regarding building constructed on the leased land would be renew if both parties can reach consensus at the end of lease term. If the Group decides against renewing the agreement, the building would be transferred to Han Tsang Enterprise Company Limited without consideration. If Han Tsang Enterprise Company Limited terminates the lease agreement before the end of lease term during 55 years, it shall compensate the Group of the net book value of the building.

As of December 31, 2017 and 2016, the refundable deposits paid by the Group in accordance with operating lease agreements amounted to NT5,872 thousand and NT$3,298 thousand, respectively. Moreover, as of December 31, 2017 and 2016, the post-dated checks issued for rents payable of every period and delivered to lessors of the operating leases amounted to NT$8,085 thousand and NT$5,085 thousand, respectively.

Future minimum lease gross payments that cannot be cancelled were as follows

	December 31, 2017	December 31, 2016
No more than 1 year	$ 17,396	$ 14,188
More than 1 year but no more than 5 years	39,238	39,518
Over 5 years	76,696	84,059
	$133,330	$137,765

22. Capital risk management

The purpose of capital management policy of the Group is to secure its ability as a going concern entity in order to provide returns to shareholders and benefits to other stakeholders. To achieve the aforementioned objective, the Group regularly review the capital structure and adjust it by paying dividends or issuing new shares after taking into account the overall economy, current interest rates and adequacy of cash for operating activities.

The Group is not subject to any externally imposed capital requirements.

23. Financial instruments

(1) Information on fair value

Most of the financial instruments held by the Group are not measured at fair value.

The Group's management thinks that the carrying amounts of financial assets (cash and cash equivalents, debt investments with no active market, notes and accounts receivable and refundable deposits) and financial liabilities (accounts payable, other payables and guarantee deposits received) not measured at fair value approximate their fair value.

(2) Financial risk management objectives and policy

Major financial instruments of the Group include cash and cash equivalents, debt investments with no active market, notes and accounts receivable, refundable deposits, guarantee deposits received, accounts payable and other payables. The finance management department of the Group provides services to business units and coordinates operations in the domestic and overseas financial markets by supervising internal risk exposure reports and managing financial risks related to the operations of the Group in accordance with the risk level and breadth analyses. Such risks include market risk, credit risk and liquidity risk.

The finance and business departments regularly submit reports to the management of the Group. The management would carry out risk monitoring and policy implementation based on its duties and responsibilities to diminish the risk exposures.

1. Market risks

(1) Foreign exchange risk

The Group was exposed to foreign currency risk as it had time deposits in CNY (foreign currency).

The following information was summarized by foreign currencies of entities within the Group. The exchange rates were ones used to translate the foreign currencies into the functional currency.

Foreign-currency assets and liabilities with significant influence were as follows:

December 31, 2017

	Foreign Currency (in thousands)	Exchange Rates	Carrying Amount (NT$)
Foreign-currency assets			
Monetary items			
CNY	$ 44,700	4.565	$ 204,056

December 31, 2016

	Foreign Currency (in thousands)	Exchange Rates	Carrying Amount (NT$)
Foreign-currency assets			
Monetary items			
CNY	$ 43,247	4.617	$ 199,671

Foreign exchange loss due to fluctuations of CNY exchange rate (realized and unrealized) amounted to NT$2,426 thousand and NT$18,529 thousand for the years ended December 31, 2017 and 2016, respectively.

Sensitivity Analysis

The following table was a sensitivity analysis regarding the impact of 1% change in CNY exchange rate on NTD (the functional currency). 1% was the sensitivity percentage used in the internal reporting of foreign currency risk to key management. It also represented the reasonable range of changes in exchange rates deemed by the management.

The sensitivity analysis only included outstanding monetary items denominated in foreign currencies and adjusted the translation at the end of year to a 1% change in exchange rate. In the table below, a positive number represented a decrease in income before income tax when NTD appreciated by 1% against CNY. When NTD depreciated by 1% against

CNY, the impact on income before income tax would be of the same amount in positive.

	Effects of CNY	
	2017	2016
Income (loss) before income tax	($ 2,041)	($ 1,997)

(2) Interest rate risk

The Group did not have long- nor short-term loans. Thus, finance risk arising due to changes in interest rates was not expected.

2. Credit risk

Credit risks refer to risks that cause financial loss of the Group due to the counterparty's delay in performing contractual obligations.

To lower the credit risk, management of the Group appoints a specific team to handle decisions on credit limits, credit approval and other monitoring procedures to ensure that appropriate actions are taken to recover overdue receivables. In addition, the Group would review the recoverable amount of each receivables on the balance sheet dates to ensure that impairment loss is recognized for unrecoverable receivables. As a result, management of the Group concludes that the credit risk of the Group is significantly reduced.

Credit risk of the Group concentrates on large-project customers (please refer to Note 8(2)). As of December 31, 2017 and 2016, notes and accounts receivable generated from aforementioned customers accounted for 22% and 48% of the overall notes and accounts receivable balance, respectively. The high percentages in 2016 were caused by the long collection periods for some retention money. Considering the progress of construction and good credit ratings of counterparties, there was no significant credit risk.

3. Liquidity risk

The Group has sufficient working capital for operations. There are no liquidity risk arising from immediate future cash requirements to fulfill contractual obligations.

24. Significant Related Party Transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries (i.e. related parties of the Company) were eliminated upon consolidation. Thus, they were not disclosed in this Notes. Please refer to Table 7 in Note 27 for elimination details. Transactions between the Group and other related parties were listed below.

(1) The names and relationships of the related parties

Related Party	Relationship with the Group
Jocris Ltd. (Jocris)	The Company's corporate director
Kang Lien Business Company Limited (Kang Lien Business)	The Company's corporate director
Han Tsang Enterprise Company Limited (Han Tsang)	The spouse of the Company's chairman is the chairman of the company
MHS Technology Co., Ltd. (MHST)	Chairman of the Company is a second-degree relative of the company’s chairman
Yang Ching-Hsiang	The Company’s Chairman
Yang Li Pi Lien	Spouse of the Company’s Chairman
Yang Shu-Hui	Relative of the Company’s Chairman
Chou Liang-Chi	Relative of the Company’s Chairman
Yang Mei-Ling	Relative of the Company’s Chairman
Chou Yang Mei-Zhu	Relative of the Company’s Chairman
Yang Chi Chuan Social Welfare Charity Foundation (Yang Chi Chuan Foundation)	Chairman of the Company is a director of the foundation

(2) Significant transactions with related parties

1. Technical service expense (recognized under operating expenses)

	2017		2016	
	Amount	% to Operating Expenses	Amount	% to Operating Expenses
Jocris	$ 10,000	2	$ 10,000	3

Expense incurred due to technology and management consultation services provided by Jocris to the Group. Such transactions were all processed by the aforementioned related parties, and, therefore, there is no comparative price from third parties.

2. Rental expense (recognized under operating expenses)

	2017		2016	
	Amount	% to Operating Expenses	Amount	% to Operating Expenses
Han Tsang	$ 7,356	2	$ 7,356	2
Chou Yang Mei-Zhu	-	-	840	1
Kang Lien Business	-	-	300	-
Yang Mei-Ling	-	-	120	-
	$ 7,356	2	$ 8,616	3

Please refer to Note 21 for lease transactions with Han Tsang.

3. Prepayments for land

As part of the land for landfill sites had not received the Official Letter approving its change to land for special objective undertakings, the ownership was not transferred. The associated amount was recognized as prepayments for land of NT$143,689 thousand and NT$734,343 thousand as of December 31, 2017 and 2016, respectively. Except for land newly acquired which was still in the process of creating mortgage rights, the mortgage rights of land were set to the Group. Details of the prepayments for land were as follows:

	December 31, 2017	December 31, 2016
Yang Li Pi Lien	$141,357	$583,000
Yang Ching-Hsiang	1,629	5,579
Yang Shu-Hui	703	145,445
Chou Liang-Chi	-	319
	$143,689	$734,343

A part of the land for landfill sites had received the approval to be changed to land for special objective undertakings and the transfer of ownership was completed in August 2017. Thus, it was ready for use and the amount reclassified from prepayments for land to landfill sites and facilities under property, plant and equipment was NT$590,654 thousand.

E. Property transactions

Acquisition of property, plant and equipment

The Group purchased solar equipment of NT$530 thousand from MH GoPower Company Limited (MHGP) and paid NT$104 thousand and NT$424 thousand in 2015 and 2017, respectively. Those amounts were reclassified from prepayments for equipment to property, plant and equipment upon completion of acceptance in

2017. The transaction terms are not significantly different from ones with non-related parties.

Disposal of investment property

The Board of Directors of the Group resolved to sell land to related parties, Yang Ching-Hsiang and Yang Li Pi Lien, on November 7, 2013. The carrying amount was NT$188,924 thousand and the proceeds from sale amounted to NT$193,469 thousand. The transaction price made reference to prior transactions and included capital costs. The contract of the aforementioned transaction was signed on November 26, 2013. Partial proceed was collected pursuant to the payment schedule stipulated in the contract and recognized under unearned proceeds from sale of land. Transfer of ownership was completed in July and September 2016 with NT$4,545 thousand recognized as gain on disposal of investment property under nonoperating income and expenses.

6. Donation (recognized under operating expenses)

	2017		2016	
	Amount	% to Operating Expenses	Amount	% to Operating Expenses
Yang Chi Chuan Foundation	$ 10,000	3	$ 10,000	3

To fulfill the corporate social responsibilities, the Group donated NT$10,000 thousand in cash to the Yang Chi Chuan Foundation in 2017 and 2016 to sponsor its charitable activities.

(3) Remuneration to key management

Remuneration to Directors and key management was as follows:

	2017	2016
Remuneration to Directors	$ 32,400	$ 32,400
Short-term employee benefits		
Salaries	14,760	14,760
Bonus and compensation	40,260	35,250
Benefits after retirement		
Defined contribution	648	621
Defined benefit	257	257
Transportation expense	250	250
	$ 88,575	$ 83,538

The remuneration to directors and other key management is determined by the remuneration committee based on personal performance and market trends.

25. Pledged Assets

Assets provided by the Group as collateral to the bank for construction performance guarantee were as follows:

	December 31, 2017	December 31, 2016
Pledged time deposits (recognized under debt investments with no active market)		
- current	$ 53,194	$143,364
- noncurrent	230,844	32,826
Restricted bank deposits (Reserve account, Recognized under other current assets)		
- current	6	6

26. Significant Contingent Liabilities and Unrecognized Contract Commitments

Unrecognized contract commitments of the Group were as follows:

	December 31, 2017	December 31, 2016
Acquisition of property, plant and equipment (for construction of offices for operations)	$ 8,666	$119,856
Construction of landfill sites and facilities	$ -	$421,714

27. Additional Disclosures

Information on (1) Significant Transactions and (2) Investees

A. Financings provided (Table 1)

B. Endorsements/guarantees provided to others (None)

C. Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (None)

D. Accumulated purchase or disposal of individual marketable securities in excess of NT$300 million or 20% of the paid-in capital (None)

E. Acquisition of real estate at price in excess of NT$300 million or 20% of the paid-in capital (Table 2)

F. Disposal of real estate at price in excess of NT$300 million or 20% of the paid-in capital (None)

G. Purchases and sales with related parties in excess of NT$100 million or 20% of the paid-in capital (Table 3)

H. Amount of receivable from related parties in excess of NT$100 million or 20% of its paid-in capital (Table 4)

I. Derivative financial instrument transactions (None)

J. Others: intercompany relationships and significant intercompany transactions (Table 7)

K. Information on investees (Table 5)

(3) Information on Investments in Mainland China:

A. China investees' names, business items, amounts of paid-in capital, investment methods, capital transaction conditions, shareholding ratios, investment gains and losses, the ending investment book value, investment income repatriation and limits of investment in China (Table 6)

B. Significant transactions with China investees, engaged directly or indirectly through a third region, and their prices, terms of payment and unrealized gains and losses: (Table 6)

(1) Purchase amount and percentage, and the ending balance and percentage of payables.

(2) Sales amount and percentage, and the ending balance and percentage of receivables.

(3) Property transaction amount and the resulting gain or loss.

(4) Ending balance of endorsement, guarantee or collateral provided and purposes.

(5) The maximum balance, ending balance, interest rate range and total amount of current interest of financing.

(6) Other transactions having a significant impact on profit or loss or financial status of the period, such as providing or receiving services.

28. Segment information

(1) Services

Segment revenue and operations

	2017						
	Solidification and Excavation	Landfill	Clean-up and Transport	China operations	Others	Reconciliation and Elimination	Total
Revenue							
External customers	$ 539,609	$ 2,111,012	$ 132,127	$ -	$ 2,518	$ -	$ 2,785,266
Intercompany	-	280,400	69,147	-	-	(349,547)	-
Interest income	7,964	15,030	10	1,434	-	(2,011)	22,427
Total revenue	$ 547,573	$ 2,406,442	$ 201,284	$ 1,434	$ 2,518	($ 351,558)	$ 2,807,693
Segments income							
Net income	$ 108,590	$ 1,269,721	$ 2,670	($ 14,079)	$ 669	($ 4,073)	$ 1,363,498

	2016						
	Solidification and Excavation	Landfill	Clean-up and Transport	China operations	Others	Reconciliation and Elimination	Total
Revenue							
External customers	$ 1,044,236	$ 1,954,013	$ 121,730	$ -	$ 2,554	$ -	$ 3,122,533
Intercompany	-	462,471	79,307	-	-	(541,778)	-
Interest income	8,865	14,147	83	1,245	-	(252)	24,088
Total revenue	$ 1,053,101	$ 2,430,631	$ 201,120	$ 1,245	$ 2,554	($ 542,030)	$ 3,146,621
Segments income							
Net income	$ 235,841	$ 1,211,904	$ 8,262	($ 14,389)	$ 733	($ 2,296)	$ 1,440,055

Segments assets

	December 31, 2017	December 31, 2016
Solidification and Excavation	$ 2,120,461	$ 2,264,068
Landfill	4,179,147	3,810,013
Clean-up and transport	95,104	94,472
China operations	95,580	94,305
Others	23,268	24,587
Reconciliation and Elimination	(451,881)	(309,158)
Consolidated total assets	$ 6,061,679	$ 5,978,287

1. The Group has four reportable segments: solidification and excavation, landfill, clean-up and transport, and China operation.

   (1) Solidification and excavation: Hazardous waste treatment intermediate solidification treatment process and contaminated and illegal dump sites cleanup.

   (2) Landfill: Landfill for hazardous waste and industrial waste.

   (3) Clean-up and transport: Class A waste removal.

   (4) China operation: Establish companies in China to develop the environmental market there.

The Group's reportable segments are strategic business units providing different services. Every strategic business unit requires different technology and marketing strategies and so shall be administered separately. Most business units were obtained separately and retain management team at the time. The amounts reported are aligning with report used by the operating decision makers.

3. The accounting policies of the operating segments are the same as significant accounting policies described in Note 4. The net income of operating segments is used as the basis for assessing performance.

(2) Geographic information

	Revenue from external customers		Noncurrent Assets	
	2017	2016	December 31, 2017	December 31, 2016
Taiwan	$ 2,785,266	$ 3,122,533	$ 2,835,713	$ 2,428,253
China	-	-	12,080	13,178
	$ 2,785,266	$ 3,122,533	$ 2,847,793	$ 2,441,431

Revenue by regions was presented based on the collection regions. Noncurrent assets refer to property, plant and equipment, prepayments for land and equipment and other noncurrent assets (excluding financial instruments and deferred income tax assets).

(3) Main customer information

Individual customers accounted for at least 10% of net revenue of the Group were as follows

	2017		2016	
	Amount	% to Operating Revenue	Amount	% to Operating Revenue
Customer A from the solidification and excavation, landfill, and clean-up and transport departments	$ -	-	$ 808,586	26

Cleanaway Company Limited and Subsidiaries

A. Financings provided

January 1, 2017 ~ December 31, 2017

Table 1

In Thousands of New Taiwan Dollars, Unless Otherwise Specified

No.	Lender	Borrower	Accounts	Related Party Status	Maximum Balance	Ending Balance	Actual Drawdown	Interest Rate Range	Nature of Financing	Amount of Business Transaction	Reason for Short-term Financing	Allowance for Doubtful Accounts	Collateral		Limit on Financing Provided to a Single Entity (Note 1)	Total Cap on Financing (Note 1)	Note
													Name	Value			
0	Cleanaway Company Limited	Da Ning Co. Ltd.	Other receivables - related parties	Y	$ 250,000	$ 250,000	$ 250,000	1%	Short-term financing	Not applicable	Operating capital	$ -	-	$ -	$ 2,164,469 (Note 2)	$ 2,164,469 (Note 2)	
1	Da Tsang Industrial Company Limited	Da Ning Co. Ltd.	Other receivables - related parties	Y	250,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	838,903 (Note 3)	838,903 (Note 3)	
1	Da Tsang Industrial Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables - related parties	Y	6,848 (CNY 1,500 thousand)	6,848 (CNY 1,500 thousand)	6,848 (CNY 1,500 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	897,214 (Note 4)	897,214 (Note 4)	
1	Da Tsang Industrial Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables - related parties	Y	6,848 (CNY 1,500 thousand)	6,848 (CNY 1,500 thousand)	6,848 (CNY 1,500 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	897,214 (Note 4)	897,214 (Note 4)	
1	Da Tsang Industrial Company Limited	Cleanaway (Shanghai) Company Limited	Other receivables - related parties	Y	13,695 (CNY 3,000 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	838,903 (Note 5)	838,903 (Note 5)	
1	Da Tsang Industrial Company Limited	Kang Lien Enterprise Company Limited	Other receivables - related parties	Y	25,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	838,903 (Note 5)	838,903 (Note 5)	
2	Cleanaway Enterprise Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables - related parties	Y	6,848 (CNY 1,500 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	92,694 (Note 6)	92,694 (Note 6)	
2	Cleanaway Enterprise Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables - related parties	Y	6,848 (CNY 1,500 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	92,694 (Note 6)	92,694 (Note 6)	
2	Cleanaway Enterprise Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables - related parties	Y	6,848 (CNY 1,500 thousand)	6,848 (CNY 1,500 thousand)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	92,840 (Note 7)	92,840 (Note 7)	
2	Cleanaway Enterprise Company Limited	Kang Lien Enterprise Company Limited	Other receivables - related parties	Y	25,000	25,000	13,000	1%	Short-term financing	Not applicable	Operating capital	-	-	-	92,840 (Note 7)	92,840 (Note 7)	
2	Cleanaway Enterprise Company Limited	Cleanaway (Shanghai) Company Limited	Other receivables - related parties	Y	13,695 (CNY 3,000 thousand)	13,695 (CNY 3,000 thousand)	13,695 (CNY 3,000 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	92,840 (Note 7)	92,840 (Note 7)	

Note 1: In accordance with the "Procedures for Lending Funds to Other Parties and Endorsement and Guarantee" of Cleanaway Company Limited, Da Tsang Industrial Company Limited and Cleanaway Enterprise Company Limited (hereinafter, the "Company"):

(1) The parties to whom the Company may lend its funds to are companies or firms having business relationship with the Company, or ones requiring short-term financing.

(2) Total lending amount of the Company shall not exceed 80 percent of the Company's net worth. The accumulated lending amount to firms or companies having business relationship with the Company shall not exceed 80 percent of the Company's net worth. The accumulated lending amount to firms or companies requiring short-term financing shall not exceed 40 percent of the Company's net worth.

(3) The lending amount to a single firm or company is limited to 40 percent of the Company’s net worth. For firms or companies having business relationship with the Company, the lending amount to a single firm or company is limited to the previous year’s transaction amount between both parties. The transaction amount means the sales or purchasing amount between the parties, whichever is higher. The lending amount to a single enterprise requiring short-term financing shall not exceed 20 percent of the Company’s net worth. For companies where the Company or the parent company held, either directly or indirectly, 50% or more of shares, the lending amount shall not exceed 40 percent of the Company’s net worth. In addition, for lending between the Company and its parent company or subsidiaries or between subsidiaries, the amount authorized for lending to a single company is limited to 10 percent of that company’s net worth in the most recent financial statements.

Note 2: Cleanaway Company Limited is the ultimate parent company of Da Ning Co. Ltd. As the nature of financing is firms or companies requiring short-term financing, the lending amount to a single entity cannot exceed 40 percent of the Company’s net worth. Net worth of the Company is calculated based on its latest audited or reviewed financial statements, i.e. net worth as of December 31, 2017. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of the Company’s net worth.

Note 3: Da Tsang Industrial Company Limited is the parent company of Da Ning Co. Ltd. As the nature of financing is firms or companies requiring short-term financing, the lending amount to a single entity cannot exceed 40 percent of Da Tsang Industrial Company Limited's net worth. Net worth of Da Tsang Industrial Company Limited is calculated based on its latest audited financial statements. As the loan has expired, calculation is done using the net worth as of December 31, 2016. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of Da Tsang Industrial Company Limited's net worth.

Note 4: Cleanaway Zoucheng Co., Ltd. is an affiliate of Da Tsang Industrial Company Limited. Their ultimate parent company is Cleanaway Company Limited. As the nature of financing is firms or companies requiring short-term financing, the lending amount to a single entity cannot exceed 40 percent of Da Tsang Industrial Company Limited's net worth. Net worth of Da Tsang Industrial Company Limited is calculated based on its latest audited financial statements, i.e. net worth as of December 31, 2017. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of Da Tsang Industrial Company Limited's net worth.

Note 5: Cleanaway (Shanghai) Company Limited and Kang Lien Enterprise Company Limited are affiliates of Da Tsang Industrial Company Limited. Their ultimate parent company is Cleanaway Company Limited. As the nature of financing is firms or companies requiring short-term financing, the lending amount to a single entity cannot exceed 40 percent of Da Tsang Industrial Company Limited's net worth. Net worth of Da Tsang Industrial Company Limited is calculated based on its latest audited financial statements. As the loan has expired, calculation is performed on the net worth as of December 31, 2016. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of Da Tsang Industrial Company Limited's net worth.

Note 6: Cleanaway Zoucheng Co., Ltd. is an affiliate of Cleanaway Enterprise Company Limited. Their ultimate parent company is Cleanaway Company Limited. As the nature of financing is firms or companies requiring short-term financing, the lending amount to a single entity cannot exceed 40 percent of Cleanaway Enterprise Company Limited's net worth. Net worth of Cleanaway Enterprise Company Limited is calculated based on its latest audited financial statements. As the loan has expired, calculation is done using the net worth as of December 31, 2016. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of Cleanaway Enterprise Company Limited's net worth.

Note 7: Cleanaway Zoucheng Co., Ltd., Kang Lien Enterprise Company Limited and Cleanaway (Shanghai) Company Limited are affiliates of Cleanaway Enterprise Company Limited. Their ultimate parent company is Cleanaway Company Limited. As the nature of financing is firms or companies requiring short-term financing, the lending amount to a single entity cannot exceed 40 percent of Cleanaway Enterprise Company Limited's net worth. Net worth of Cleanaway Enterprise Company Limited is calculated based on its latest audited financial statements, i.e. net worth as of December 31, 2017. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of Cleanaway Enterprise Company Limited's net worth.

Cleanaway Company Limited and Subsidiaries

Acquisition of Real Estate at Cost in Excess of NT$300 Million or 20% of the Paid-in Capital

January 1, 2017 ~ December 31, 2017

Table 2

In Thousands of New Taiwan Dollars, Unless Otherwise Specified

Company Name	Name of Property	Transaction Date	Transaction Amount	Payment Term	Counter-party	Relationship	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition and Status of Use	Other Terms
							Owner	Relationships	Transfer Date	Amount			
Da Ning Co. Ltd.	Landfill site facilities	January 1, 2017 ~ September 30, 2017	$ 468,571	Payment by contract	Hong Ji Construction Co. Ltd.	Non-related parties	—	—	—	—	Agreed by both parties according to market conditions	For business use	—

Cleanaway Company Limited and Subsidiaries

Purchases and Sales with Related Parties Amounting to NT$ 100 Million or More Than 20% of the Paid-in Capital

January 1, 2017 ~ December 31, 2017

(Table 3)

In Thousands of New Taiwan Dollars, Unless Otherwise Specified

Supplier (Buyer) Company	Name of Trading Partner	Relationship	Transaction Details				Circumstance and Reason for Abnormal Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total Purchase (Sale)	Credit period	Unit Price	Credit period	Balance	% to Total Notes and Accounts Receivable (Payable)	
Cleanaway Company Limited	Chi Wei Company Limited	Subsidiary	Landfill and clean-up and transport expense	$ 179,334	30	subject to the contract	-	—	($ 38,138)	(26)	—
Chi Wei Company Limited	Cleanaway Company Limited	Parent company	Landfill revenue	(179,334)	(26)	subject to the contract	-	—	38,138	28	—

Cleanaway Company Limited and Subsidiaries

Amount of Receivable from Related Parties in Excess of NT$100 Million or 20% of Its Paid-in Capital

December 31, 2017

Table 4

In Thousands of New Taiwan Dollars, Unless Otherwise Specified

Company Recognized under Receivable	Name of Trading Partner	Relationship	Balance of Receivables from Related Parties	Turnover Rate	Overdue Receivables from Related Parties		Amounts Received from Related Parties Receivables in Subsequent Periods	Allowance for Doubtful Accounts
					Amount	Action Taken		
Cleanaway Company Limited	Da Ning Co. Ltd.	Second-tier subsidiary	$ 250,212 (Note 1)	- (Note 2)	$ -	—	$ -	$ -

Note 1: Financing provided by Cleanaway Company Limited to Da Ning Co. Ltd. Please refer to Table 1.

Note 2: Those receivables are not generated from operating revenue; thus, turnover ratio is not applicable.

Cleanaway Company Limited and Subsidiaries

Information on Investees, Locations, etc.

January 1, 2017 ~ December 31, 2017

Table 5

In Thousands of New Taiwan Dollars, Unless Otherwise Specified

Investor	Investee	Location	Main Business Items	Initial Investment		Holdings at the End of Period			Net Income (Loss) of Investee	Share of Profits/Losses Recognized in Current Period	Note
				End of the Current Period	End of Previous Year	Number of Shares	Ratio	Carrying Amount			
Cleanaway Company Limited	Da Tsang Industrial Company Limited	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	Waste disposal	$ 800,977	$ 800,977	77,000,000	100	$ 2,243,036	$ 1,001,699	$ 1,001,699	Subsidiary of Cleanaway Company Limited
〃	Cleanaway Enterprise Company Limited	〃	〃	159,507	159,507	18,000,000	100	232,099	364	364	Subsidiary of Cleanaway Company Limited
〃	Chi Wei Company Limited	〃	〃	735,000	735,000	41,000,000	100	1,051,010	264,588	264,588	Subsidiary of Cleanaway Company Limited
〃	Kang Lien Enterprise Company Limited	〃	Waste clean-up	58,222	58,222	6,020,000	100	68,983	2,670	2,781	Subsidiary of Cleanaway Company Limited
〃	Cleanaway Investment Company Limited	〃	General investment	80,000	80,000	8,000,000	100	46,695	(3,483)	(3,483)	Subsidiary of Cleanaway Company Limited
〃	CCL Investment Holding Company Limited	Samoa	General investment	US$2,500 thousand (equivalent of NT$76,369 thousand)	US$2,000 thousand (equivalent of NT$61,299 thousand)	-	55	14,531	(14,178)	(7,524)	Subsidiary of Cleanaway Company Limited
Da Tsang Industrial Company Limited	Da Ning Co. Ltd.	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	Waste disposal	450,000	150,000	15,000,000	100	447,623	(2,104)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	CCL Investment Holding Company Limited	Samoa	General investment	CNY 6,000 thousand (equivalent of NT$30,102 thousand)	CNY 6,000 thousand (equivalent of NT$30,102)	-	21	5,458	(14,178)	(Note 1)	Subsidiary of Cleanaway Company Limited

Cleanaway Investment Company Limited	CCL Investment Holding Company Limited	Samoa	General investment	US$1,124 thousand (equivalent of NT$33,034 thousand)	US$1,124 thousand (equivalent of NT$33,034)	-	24	6,368	(14,178)	(Note 1)	Subsidiary of Cleanaway Company Limited
CCL Investment Holding Company Limited	Cleanaway Shanghai Management Holding Company Limited	Samoa	General investment	US$1,124 thousand (equivalent of NT$33,034)	US$1,124 thousand (equivalent of NT$33,034)	-	100	(26,292)	(560)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	Cleanaway Zoucheng Holding Company Limited	Samoa	General investment	US$2,500 thousand (equivalent of NT$76,369)	US$2,000 thousand (equivalent of NT$61,299)	-	100	22,871	(14,957)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	Cleanaway Zhejiang Holding Company Limited	Samoa	General investment	-	CNY 3,000 thousand (equivalent of NT$ 15,051 thousand)	-	100	1,355	580	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited

Note 1: For "Share of Profits/Losses", only the Company's direct investment in subsidiaries shall be provided. The rest is not required. The profit or loss of each subsidiary already includes the investment gains of its investees required to be recognized by laws.

Note 2: Please refer to Table 6 for information on investees in Mainland China.

Cleanaway Company Limited and Subsidiaries

Information on Investments in Mainland China

January 1, 2017 ~ December 31, 2017

Table 6

In Thousands of New Taiwan Dollars, Unless Otherwise Specified

Name of Investee in China	Main Business Items	Paid-in Capital	Investment Method	Beginning of Year Accumulated Outflow of Investment from Taiwan,	Investment Flows		End of Year Accumulated Outflow of Investment from Taiwan,	Investee Net Income (Loss) of Investee	Shareholding Ratio of the Company's Investment, Directly or Indirectly	Investment Gain/Loss Recognized in Current Period	End of Period Carrying Amount of Investment,	at End of Period Accumulated Inward Remittance of Earnings	Note
					Outflow	Inflow							
Cleanaway (Shanghai) Company Limited	Enterprise management consultation	$ 33,034 (CNY 7,000 thousand)	Note 1	$ 33,034 (CNY 7,000 thousand)	$ -	$ -	$ 33,034 (CNY 7,000 thousand)	($ 560)	100%	($ 560)	($ 26,296)	$ -	
Cleanaway Zoucheng Co., Ltd.	Waste Disposal	76,369 (US$ 2,500 thousand)	Note 2	61,299 (US$ 2,000 thousand)	15,070 (US$ 500 thousand)	-	76,369 (US$ 2,500 thousand)	(14,954)	100%	(14,954)	20,749	-	

Note 1: The subsidiary, Cleanaway Investment Company Limited, invests in the Mainland China company through company established in a third region (Cleanaway Shanghai Management Holding Company Limited).

Note 2: The investment in the Mainland China company is done through company established in a third region (Cleanaway Zoucheng Holding Company Limited).

Note 3: It is recognized based on the audited financial statements of the parent company in Taiwan.

Accumulated Investment in Mainland China from Taiwan as of December 31, 2017	Authorized investment amount by Investment Commission, MOEA Investment Commission, MOEA	Investment amount cap in China according to Investment Commission regulations Investment amount limited in China
Cleanaway Investment Company Limited: NT$33,034 thousand (CNY7,000 thousand)	Cleanaway Investment Company Limited: US$1,124 thousand (Equivalent of NT$33,714 thousand)	The cap was set at 60 percent of Cleanaway Investment Company Limited's net worth. Pursuant to the regulations, the cap was calculated as follows: NT$46,695 thousand * 60% = NT$28,017 thousand
Cleanaway Company Limited: NT$76,369 thousand (US$2,500 thousand)	Cleanaway Company Limited: US$8,000 thousand (Equivalent of NT$240,000 thousand)	The cap was set at 60 percent of Cleanaway Company Limited's net worth. Pursuant to the regulations, the cap was calculated as follows: NT$5,411,174 thousand * 60% = NT$3,246,704 thousand

Note 4: Significant transactions with investees in Mainland China, either directly or indirectly through the third region (including purchase/sales, property transaction and provision and acceptance of services): None.

Note 5: Provision of endorsement, guarantee or collaterals to investees in Mainland China, either directly or indirectly through the third region: None.

Note 6: Financing provided to investees in Mainland China, either directly or indirectly through the third region: Please refer to Table 1. The total interest for the period amounted to NT$0 thousand.

Cleanaway Company Limited and Subsidiaries
Business Relationships, Important Transactions and Amount between the Parent Company and Subsidiaries
January 1, 2017 ~ December 31, 2017

Table 7 In Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Relationship with Counterparty (Note 2)	Transaction Status			
				Accounts	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Cleanaway Company Limited	Da Tsang	1	Other receivables - related parties	$ 6,574	Collection in the following month	-
0	Cleanaway Company Limited	Chi Wei	1	Other receivables - related parties	3,257	Collection in the following month	-
0	Cleanaway Company Limited	Kang Lien Enterprise	1	Other receivables - related parties	1,419	Collection in the following month	-
1	Da Tsang	Kang Lien Enterprise	3	Accounts payable - related parties	5,918	Payment term is subject to the contract	-
2	Chi Wei	Kang Lien Enterprise	3	Accounts payable - related parties	4,361	Payment term is subject to the contract	-
0	Cleanaway Company Limited	Da Tsang	1	Accounts payable - related parties	92,029	Payment term is subject to the contract	2
0	Cleanaway Company Limited	Chi Wei	1	Accounts payable - related parties	38,138	Payment term is subject to the contract	1
0	Cleanaway Company Limited	Kang Lien Enterprise	1	Accounts payable - related parties	3,870	Payment term is subject to the contract	-
3	Da Ning	Da Tsang	3	Accounts payable - related parties	4,997	Payment term is subject to the contract	-
0	Cleanaway Company Limited	Chi Wei	1	Operating costs (landfill expense)	170,794	Based on prices with a third party and adjusted according to estimated burial volume	6
0	Cleanaway Company Limited	Chi Wei	1	Operating costs (clean-up and transport expense)	8,540	Based on prices with a third party and adjusted according to the volume and distance of clean-up and transport	-
3	Da Ning	Da Tsang	3	Operating costs (landfill expense)	4,996	Profit was split by the contribution percentages stipulated in the joint operation contract.	-
1	Da Tsang	Kang Lien Enterprise	3	Operating costs (clean-up and transport expense)	29,541	Based on prices with non-related parties and adjusted according to the volume and distance of clean-up and transport	1

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No. (Note 1)	Company Name	Counterparty	Relationship with Counterparty (Note 2)	Transaction Status			
				Accounts	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
2	Chi Wei	Kang Lien Enterprise	3	Operating costs (clean-up and transport expense)	$ 25,194	Based on prices with a third party and adjusted according to the volume and distance of clean-up and transport	1
0	Cleanaway Company Limited	Kang Lien Enterprise	1	Operating costs (clean-up and transport expense)	14,376	Based on prices with non-related parties and adjusted according to the volume and distance of clean-up and transport	1
3	Da Ning	Kang Lien Enterprise	3	Operating costs (clean-up and transport expense)	147	Based on prices with non-related parties and adjusted according to the volume and distance of clean-up and transport	-
0	Cleanaway Company Limited	Da Tsang	1	Operating costs (landfill expense)	89,506	Based on prices with non-related parties and adjusted according to estimated burial volume	3
0	Cleanaway Company Limited	Da Tsang	1	Operating costs (clean-up and transport expense)	6,564	Based on prices with non-related parties and adjusted according to the volume and distance of clean-up and transport	-
0	Cleanaway Company Limited	Kang Lien Enterprise	1	Inventories	366	Based on prices with non-related parties and adjusted according to the volume and distance of clean-up and transport	-
0	Cleanaway Company Limited	Da Ning	3	Other receivables - related parties	250,212	Short-term financing and interest receivable, repayment within one year, interest at 1% p.a.	4
1	Da Tsang	Cleanaway Zoucheng	3	Other receivables - related parties	13,761	Short-term financing and interest receivable, repayment within one year	-
1	Da Tsang	Cleanaway Shanghai	3	Other receivables - related parties	138	Interest receivable from short-term financing, repayment within one year	-
4	Cleanaway Enterprise	Cleanaway Shanghai	3	Other receivables - related parties	13,695	Short-term financing and interest receivable, repayment within one year	-
4	Cleanaway Enterprise	Kang Lien Enterprise	3	Other receivables - related parties	13,011	Short-term financing and interest receivable, repayment within one year, interest at 1% p.a.	-

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No. (Note 1)	Company Name	Counterparty	Relationship with Counterparty (Note 2)	Transaction Status			
				Accounts	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
5	Cleanaway Investment	Cleanaway Shanghai	3	Other receivables - related parties	$ 135	Interest receivable from short-term financing	-
0	Cleanaway Company Limited	Da Ning	1	Interest income	589	Short-term financing, interest at 1% p.a.	-
1	Da Tsang	Da Ning	3	Interest income	1,395	Short-term financing, interest at 1% p.a.	-
4	Cleanaway Enterprise	Kang Lien Enterprise	3	Interest income	27	Short-term financing, interest at 1% p.a.	-

Note 1: Business operating information between parent company and subsidiary shall be indicated in column number, number filled in as follows:

1. The Parent company is coded "0".
2. The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationships are categorized into the following three types. Please specify the type. (The same transaction shall not be disclosed repetitively.) For example, for transactions between the Parent company and its subsidiaries, if the Parent company discloses the information, the subsidiaries are exempted from doing so. The same applies to transactions between subsidiaries where only one subsidiary needs to disclose the same transaction.

(1) The parent company to subsidiaries.

(2) Subsidiaries to the parent company.

(3) Subsidiaries to subsidiaries

Note 3: Regarding the percentage of transaction amount to consolidated net revenue or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for profit or loss items.