Stock Code: 8422

Cleanaway Company Limited and Subsidiaries

Consolidated Financial Statements and Auditor's Audit Report

2020 and 2019

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

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Declaration of Consolidation of Financial Statements of Affiliates

For 2020 (January 1 to December 31, 2020), affiliated businesses of the Cleanaway that shall be included according to the rules prescribed by the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were the same as those companies that shall be included into the parent and subsidiary Consolidated Financial Statements as prescribed by the International Financial Reporting Standards No. 10 (IFRS 10). All information to be disclosed in the Consolidated Financial Statements of affiliated enterprises have already been disclosed in the Consolidated Financial Statements of the parent company and subsidiaries. Hence, Consolidated Financial Statements of affiliated enterprises were therefore not prepared separately.
It is hereby declared.

Cleanaway Company Limited

Chairman: Ching-hsiang Yang

February 26, 2021

CPA's Audit Report

To Cleanaway Company Limited:

Audit opinions

We have audited the Consolidated Balance Sheets of Cleanaway Company Limited and its subsidiaries as of December 31, 2020 and 2019, and the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including the summarized remarks on significant accounting policies) from January 1 to December 31, 2020 and 2019.

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of Cleanaway Company Limited as of December 31, 2020 and 2019, and its consolidated financial performance and consolidated cash flows for the annual periods ended December 31, 2020 and 2019 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and effected by the Financial Supervisory Commission.

Basis of Audit Opinions

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 (R.O.C. GAAP). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We have stayed independent from Cleanaway Company Limited and its subsidiaries as required by The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Norm. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of our audit opinions.

Key Audit Matters

Key audit matters refer to the matters that, in our professional judgment, were of most significance in our audit of the 2020 Consolidated Financial Statements of Cleanaway and its subsidiaries. Such matters have been dealt with in processing the audit of the Consolidated Financial Statements as a whole, and in forming our audit opinion. As such, we do not express a separate opinion on these matters.

We have identified the key audit matters in the 2020 Consolidated Financial Statements of Cleanaway and its subsidiaries as follows:

Revenue recognition for solidification

For the accounting policies and revenue composition of operating revenue, please refer to Note 4 (14) and 19 to the Consolidated Financial Statements, respectively.

Cleanaway is a Taiwanese company that provides intermediate solidification treatment services for hazardous wastes. The hazardous wastes after solidification process are buried by the subsidiaries of Cleanaway that operate landfill businesses. The aforesaid solidification process of the intermediate treatment is subject to a number of steps. There is a lead time from the receipt of the wastes to the completion of the disposal, which may affect the appropriateness of the time point of the income recognition due to the manual operation. Therefore, the recognition time is considered to be a key audit matter for the year.

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

1. Understand and test the effectiveness of internal controls concerning the accuracy of timing for solidification revenue recognition. The control points of Cleanaway and its subsidiaries include the recognized income forms automatically generated by the system based on the completion of the solidification and inspections and the scheduled completion of entry into the landfill. The records are checked one by one manually to verify whether the trade receivables are consistent with the waste management summary table.
2. 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

For the accounting policies and revenue composition of operating revenue, please refer to Note 4 (14) and 19 to the Consolidated Financial Statements, respectively.

In 2020, Cleanaway's subsidiary company received a license for landfill, with a landfill revenue of NT$1,820,140 thousand, accounting for 68% of the consolidated operating revenue, which is the main source of revenue for Cleanaway and its subsidiaries. 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. Due to the large number of manufacturers who have commissioned the disposal of wastes, and the types of entrusted treatments and their billing methods are different, the calculation of waste disposal revenue may be incorrect and the amount of this has a significant impact on the Consolidated Financial Statements. Therefore, the accountant believes that the accuracy of the landfill revenue is a key audit matter for the year.

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

1. Understand the waste collection and landfill process, and evaluate and test related internal controls, e.g., the landfill revenue (contract unit price and weight field) automatically calculated by the system agree with the terms of the contract; The business departments of Cleanaway and its subsidiaries manually confirm whether the handling weight entrusted by the customers, the weight calculated by the clean-up and transport company, and the weight reported to the external environmental protection authority are consistent with the weight stated in the Cleanaway's landfill daily report.
2. 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 the numbers are consistent with revenue booked.

Other Matters

Cleanaway Company Limited has compiled individual financial statements for 2020 and 2019, for which we have issued an unqualified audit report for reference.

Responsibility of the Management and the Governing Body for the Consolidated Financial Statements

The management's responsibility is to prepare a set Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations, and SIC interpretations endorsed and issued into effect by the Financial Supervisory Committee, and to maintain necessary internal controls in the preparation of the Consolidated Financial Statements, so as to ensure that the Consolidated Financial Statements do not contain significant misstatements, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the ability of Cleanaway Company Limited and Subsidiaries to continue as a going concern, disclosing associated matters and adopting the going concern basis of accounting, unless the management intends either to liquidate Cleanaway Company Limited and Subsidiaries, or cease its operations, or has no realistic alternative but to do so.

The governance bodies of Cleanaway Company Limited and Subsidiaries (including supervisors) are responsible for supervising the preparation of the financial statements.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

The purpose of our audit on the Consolidated Financial Statements is to obtain a reasonable assurance as to whether the Consolidated Financial Statements contain material misstatement due to fraud or error, and to provide an audit report. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted accounting standards (GAAP) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. The misstated amounts are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Financial Statements.

We exercise professional judgment and maintain professional skepticism throughout the audit in accordance with the GAAP. We have also executed the following tasks:

1. Identified and evaluated the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; designed and carried out appropriate countermeasures for the evaluated risks; obtained sufficient and appropriate evidence to provide a basis for our audit 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. Obtained an understanding of 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 Company Limited and Subsidiaries' internal control.
3. Evaluated the appropriateness of accounting policies adopted by the management and the reasonableness of the accounting estimates and relevant disclosures.
4. Concluded, based on the audit evidence obtained, 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 Company Limited and Subsidiaries' ability to continue as a going concern. If we reckon that material uncertainties exist in the events or conditions, we are obliged to include in our audit report a reminder that draws the attention of users of the Consolidated Financial Statements to relevant disclosures contained therein, or to modify our audit opinion when such disclosures are considered inappropriate. Our conclusion is based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause Cleanaway Company Limited and Subsidiaries to cease to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the Consolidated Financial Statements (including relevant notes), and whether it adequately represents the underlying transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within Cleanaway Company Limited and Subsidiaries 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit

We also provide those charged with governance with a statement that we have complied with independence statement as stipulated in The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and communicate with them on all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined the key audit matters of Cleanaway Company Limited and Subsidiaries' Consolidated Financial Statements for 2020. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu Limited

CPA Chin-chuan Shih	CPA Kuan-chung Lai
Securities and Futures Commission Approval No. Tai-Cai-Zheng-Liu No. 0930128050	Securities and Futures Commission Approval No. Tai-Cai-Zheng-6 No. 0920123784

February 26, 2021

Cleanaway Company Limited and Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

		December 31, 2020		December 31, 2019	
Code	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes IV and VI)	$ 1,073,133	15	$ 683,584	10
1136	Financial assets at amortized cost - current (Notes IV, VII and XXVII)	285,874	4	131,755	2
1140	Contract assets - current (Notes IV, and XIX)	138,377	2	289,454	4
1170	Notes and trades receivable (Notes IV, 8 and XIX)	453,687	6	584,113	8
1180	Trade receivables from related parties (Notes IV, XIX, and XXVI)	9,836	-	27,191	-
1210	Other receivables from related parties (Notes IV, XIX, and XXVI)	1,657	-	30,038	-
1220	Current tax assets (Notes IV and XXI)	50,098	1	50,104	1
1330	Inventories (Note IV)	2,003	-	1,746	-
1479	Other current assets (Notes XII and XXVII)	33,323	1	41,785	1
1482	Costs to fulfill a contract - current (Notes IV and XIX)	244	-	3,921	-
11XX	Total Current Assets	2,048,232	29	1,843,691	26
	Non-current assets				
1535	Financial assets at amortized cost - non-current (Notes IV, 7 and XXVII)	500	-	99,628	1
1550	Investments accounted for using the equity method (Notes IV, V and IX)	1,069,708	15	1,060,753	15
1560	Contract assets - non-current (Notes IV and XIX)	-	-	20,789	-
1600	Property, plant and equipment (Notes IV, V, X, XXVI and XXVII)	3,323,906	46	3,459,753	49
1755	Right-of-use assets (Notes IV and XI)	407,622	6	342,809	5
1840	Deferred tax assets (Notes IV and XXI)	24,373	-	30,391	-
1915	Prepaid land and equipment (Notes IV, XII and XXVI)	145,704	2	146,501	2
1920	Refundable deposits (Notes IV and XII)	58,970	1	38,652	1
1990	Other noncurrent assets (Note XII)	59,729	1	52,376	1
15XX	Total non-current assets	5,090,512	71	5,251,652	74
1XXX	Total Assets	$ 7,138,744	100	$ 7,095,343	100
Code	Liabilities and equity				
	Current liabilities				
2170	Trade payables (Note XIV)	$ 4,857	-	$ 5,745	-
2180	Trade payables to related parties (Note XXVI)	12,887	-	4,258	-
2219	Other payables (Note XV)	308,129	5	313,807	4
2220	Other payables from related parties (Note XXVI)	18,347	-	39,108	1
2230	Current tax liabilities (Notes IV and XXI)	267,738	4	121,555	2
2280	Lease liabilities-current (Notes IV, XI and XXVI)	16,673	-	11,312	-
2320	Long-term borrowings due within one year (Notes XIII and XXVII)	14,000	-	22,000	-
2399	Other current liabilities (Notes IV, XV and XIX)	21,415	-	768	-
21XX	Total Current Liabilities	664,046	9	518,553	7
	Non-current liabilities				
2540	Long-term borrowings from banks (Notes XIII and XXVII)	79,000	1	338,000	5
2550	Cost provisions for restoration (Notes IV, V and XVI)	124,106	2	152,140	2
2570	Deferred tax liabilities (Notes IV and XXI)	86,988	1	69,427	1
2580	Lease liabilities-non-current (Notes IV, XI and XXVI)	397,718	6	335,055	5
2640	Net defined benefit liabilities - non-current (Notes IV and XVII)	12,548	-	11,927	-
2645	Deposits received (Note XXVI)	20,175	-	175	-
25XX	Total non-current liabilities	720,535	10	906,724	13
2XXX	Total liabilities	1,384,581	19	1,425,277	20
	Equity attributable to owners of the company (Note XVIII)				
	Share capital				
3110	Common shares	1,088,880	15	1,088,880	15
3200	Capital surplus	1,701,911	24	1,701,911	24
	Retained earnings				
3310	Legal reserve	1,291,588	18	1,173,690	17
3320	Special reserve	2,771	-	1,915	-
3350	Unappropriated earnings	1,633,095	23	1,664,339	23
3300	Total retained earnings	2,927,454	41	2,839,944	40
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations (Note IV)	(2,369)	-	(2,771)	-
3420	Unrealized gains or losses of financial assets at fair value through other comprehensive income (Notes IV and IX)	(394)	-	-	-
3400	Total other equity	(2,763)	-	(2,771)	-
31XX	Total equity of the owners of the Cleanaway	5,715,482	80	5,627,964	79
36XX	Non-controlling interest	38,681	1	42,102	1
3XXX	Total Equity	5,754,163	81	5,670,066	80
	Total Liabilities and Equity	$ 7,138,744	100	$ 7,095,343	100

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Ching-hsiang Yang Manager: Yong-fa Yang Accounting Supervisor: Ping-cheng Hung

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars,
Except Earnings Per Share

Code		2020 Amount	2020 %	2019 Amount	2019 %
4000	Operating revenue (Notes IV, XIX and XXVI)	$ 2,680,539	100	$ 2,706,574	100
5000	Operating costs (Notes IV, XVI, XVII, XX and XXVI)	798,427	30	884,134	32
5900	Gross profit	1,882,112	70	1,822,440	68
	Operating expenses (Notes XVII, XX and XXVI)				
6200	General and administrative expenses	415,683	15	382,862	14
6300	Research and development expenses	20,024	1	16,953	1
6450	Expected credit reversal gains (Notes VIII and XXVI)	(895)	-	(461)	-
6000	Total operating expenses	434,812	16	399,354	15
6900	Net operating profit	1,447,300	54	1,423,086	53
	Non-operating income and expenses				
7060	Share of the profit or loss of affiliates accounted for using the equity method (Notes IV and IX)	30,656	1	27,548	1
7100	Interest income (Note IV)	7,019	1	7,842	-
7190	Other income	6,606	-	1,066	-
7210	Profit from disposal of property, plant and equipment (Note IV)	240	-	803	-
7228	Gains on lease termination	19	-	-	-
7590	Other expenses	-	-	(53)	-
7630	Foreign currency exchange gains and losses (Notes IV and XXV)	2,102	-	(2,288)	-
7510	Interest expenses (Note XXVI)	(6,218)	-	(9,891)	-
7000	Total non-operating income and expenses	40,424	2	25,027	1

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Code		2020 Amount	2020 %	2019 Amount	2019 %
7900	Pretax profit	$ 1,487,724	56	$ 1,448,113	54
7950	Income tax expense (Notes IV and XXI)	313,926	12	271,887	10
8200	Net profit/(loss) for the year	1,173,798	44	1,176,226	44
	Other comprehensive income/(loss)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plan (Notes IV and XVII)	(1,099)	-	5,864	-
8321	Remeasurement of definite benefit plans of affiliates (Notes IV and IX)	56	-	-	-
8326	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income - affiliates (Notes IV and IX)	(394)	-	-	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes IV and XXI)	214	-	(1,100)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations (Notes IV and IX)	402	-	(856)	-
8300	Other comprehensive income/(loss) for the year, net of income tax	(821)	-	3,908	-
8500	Total comprehensive income/(loss) for the year	$ 1,172,977	44	$ 1,180,134	44
	NET PROFIT/(LOSS) ATTRIBUTABLE TO				
8610	Owners of the Cleanaway	$ 1,177,219	44	$ 1,178,988	44
8620	Non-controlling interests	(3,421)	-	(2,762)	-
8600		$ 1,173,798	44	$ 1,176,226	44

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Code		2020 Amount	2020 %	2019 Amount	2019 %
	Total comprehensive income/(loss) attributable to:				
8710	Owners of the Cleanaway	$ 1,176,398	44	$ 1,182,896	44
8720	Non-controlling interests	(3,421)	-	(2,762)	-
8700		$ 1,172,977	44	$ 1,180,134	44
	Earnings per share (Note XXII)				
9710	Basic	$ 10.81		$ 10.83	
9810	Diluted	$ 10.78		$ 10.80	

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Ching-hsiang Yang Manager: Yong-fa Yang Accounting Supervisor: Ping-cheng Hung

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

		Equity attributable to owners of the company									
				Retained earnings			Other equity				
Code		Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	Total	Non-controlling interests	Total Equity
A1	Balance as of January 1, 2019	$ 1,088,880	$ 1,701,775	$ 1,041,628	$ 1,057	$ 1,702,387	($ 1,915)	$ -	$ 5,533,812	$ -	$ 5,533,812
	Earnings distribution of 2018										
B1	Provision of legal reserve	-	-	132,062	-	(132,062)	-	-	-	-	-
B3	Provision of special reserve	-	-	-	858	(858)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(1,088,880)	-	-	(1,088,880)	-	(1,088,880)
O1	Non-controlling interests	-	-	-	-	-	-	-	-	45,000	45,000
M7	Changes in ownership interest in subsidiaries (Note 23)	-	136	-	-	-	-	-	136	(136)	-
D1	Net profit in 2019	-	-	-	-	1,178,988	-	-	1,178,988	(2,762)	1,176,226
D3	Other after-tax comprehensive incomes in 2019	-	-	-	-	4,764	(856)	-	3,908	-	3,908
Z1	Balance as of December 31, 2019	1,088,880	1,701,911	1,173,690	1,915	1,664,339	(2,771)	-	5,627,964	42,102	5,670,066
	Earnings distribution of 2019										
B1	Provision of legal reserve	-	-	117,898	-	(117,898)	-	-	-	-	-
B3	Provision of special reserve	-	-	-	856	(856)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(1,088,880)	-	-	(1,088,880)	-	(1,088,880)
D1	Net profit in 2020	-	-	-	-	1,177,219	-	-	1,177,219	(3,421)	1,173,798
D3	Other after-tax comprehensive incomes in 2020	-	-	-	-	(829)	402	(394)	(821)	-	(821)
Z1	Balance at December 31, 2020	$ 1,088,880	$ 1,701,911	$ 1,291,588	$ 2,771	$ 1,633,095	($ 2,369)	($ 394)	$ 5,715,482	$ 38,681	$ 5,754,163

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Ching-hsiang Yang　　Manager: Yong-fa Yang　　Accounting Supervisor: Ping-cheng Hung

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

Code		2020	2019
	Cash flows from operating activities		
A10000	Pretax profit	$ 1,487,724	$ 1,448,113
A20010	Adjustments for		
A20100	Depreciation	176,164	191,324
A20900	Interest expenses	6,218	9,891
A21200	Interest income	(7,019)	(7,842)
A22300	Share of profits of affiliates accounted for using the equity method	(30,656)	(27,548)
A22500	Gains from disposal of property, plant and equipment	(240)	(803)
A29900	Gains on lease termination	(19)	-
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	171,866	(87,381)
A31150	Trade receivables	130,426	49,394
A31160	Trade receivables from related parties	17,355	(26,292)
A31190	Other receivables from related parties	28,381	(30,038)
A31200	Inventories	(257)	(49)
A31240	Other current assets	8,462	6,912
A31280	Costs to fulfill a contract	3,677	29,544
A32150	Trade payables	(888)	(5,683)
A32160	Trade payables to related parties	8,629	4,258
A32180	Other payables	(3,116)	(62,673)
A32190	Other payables to related parties	(20,761)	39,108
A32200	Cost provisions for restoration	(28,034)	83,998
A32230	Other current liabilities	20,647	(63,375)
A32240	Net defined benefit liabilities	(478)	(417)
A33000	Cash generated from/(used in) operations	1,968,081	1,550,441
A33100	Interest received	7,019	7,842
A33300	Interest paid	(6,218)	(10,132)
A33500	Income tax paid	(143,944)	(454,751)
AAAA	Cash inflow from operating activities	1,824,938	1,093,400

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Code		2020	2019
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	($ 54,991)	$ -
B00050	Proceeds from sale of financial assets at amortized cost	-	189,545
B01800	Acquisition of investments accounted for using the equity method	-	(374,400)
B02700	Acquisition of property, plant and equipment	(23,334)	(163,037)
B02800	Proceeds from disposal of property, plant and equipment	240	14,140
B03700	Increase in refundable deposits	(30,792)	(7,770)
B03800	Decreases in refundable deposits	10,474	24,318
B06700	Increase in other noncurrent assets	(7,353)	(33,000)
B07100	Increase in prepayments for land and equipment	(1,783)	(24,906)
B07600	Dividends received	21,343	-
BBBB	Cash outflow from investing activities	(86,196)	(375,110)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	-	650,000
C00200	Repayments of short-term borrowings	-	(800,000)
C01600	Proceeds from long-term borrowings	-	160,000
C01700	Repayments of long-term borrowings	(267,000)	-
C03000	Increase in deposits received	20,000	-
C03100	Decrease in deposits received	-	(52,658)
C04020	Repayment of the principal amount of rentals	(13,545)	(10,717)
C04500	Issuance of cash dividends	(1,088,880)	(1,088,880)
C05800	Non-controlling equity changes	-	45,000
CCCC	Net cash used in financing activities	(1,349,425)	(1,097,255)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	232	(415)
EEEE	Increase (decrease) in cash and cash equivalents	389,549	(379,380)
E00100	Cash and cash equivalents at the beginning of the year	683,584	1,062,964
E00200	Cash and cash equivalents at the end of the year	$ 1,073,133	$ 683,584

The accompanying notes are an integral part of the Consolidated Financial Statements.

Chairman: Ching-hsiang Yang   Manager: Yong-fa Yang   Accounting Supervisor: Ping-cheng Hung

Cleanaway Company Limited and Subsidiaries
Notes to the Consolidated Financial Statements
January 1 to December 31, 2020 and 2019
(In Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

Cleanaway Company Limited (hereinafter referred to as "Cleanaway") was incorporated on May 4, 1999 under the Cleanaway Act of the Republic of China ("R.O.C.") and Statute for Investment by Foreign Nationals. Cleanaway primarily operates as an intermediate treatment solidification plant within the waste disposal process.

Cleanaway 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 validity period and extension of the permit is vested in the local government by the central government. Cleanaway has extended its permit for several times, and the latest validity date of its permit is July 1, 2024.

Cleanaway's shares have been listed on the Taiwan Stock Exchange (TWSE) since October 5, 2011.

The main business activities and operating segments of Cleanaway and its subsidiaries (hereinafter referred to as the Group) are provided in Note 4(4) and Note 31.

The Consolidated Financial Statements are expressed in NTD, Cleanaway's functional currency.

II. Date and Procedures of Authorization of Financial Statements

The Consolidated Financial Statements were approved by the Board of Directors on February 26, 2021.

III. Applicability of Newly Issued and Revised Standards and Interpretations

(I) The first-time adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) interpretations, and Standard Interpretations Committee (SIC) interpretations (collectively, "IFRSs" hereinafter) that are endorsed, issued, and effected by the Financial Supervisory Commission (hereinafter "FSC").

Adopting IFRSs that are endorsed, issued, and effected by the FSC will not cause major changes in the accounting policies of the Group.

(II) FSC-endorsed IFRSs applicable beginning from 2021

New/Revised/Amended Standards and Interpretations	Effective Date Published by IASB
Amendment to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase 2"	Effective for the annual reporting period beginning on January 1, 2021
Amendments to IFRS 16 "Covid-19-Related Rent Concessions"	Effective for the annual reporting period beginning on June 1, 2020

As of the date the Consolidated Financial Statements were authorized for issue, the Group assessed the effects of the revision of the aforementioned standards and interpretations on its financial position and financial performance and found no significant impact.

(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 to IFRSs 2018-2020 Cycle	January 1, 2022 (Note 2)
Amendment to IFRS 3 "Updating a reference to the Conceptual Framework "	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)

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

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4. The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts of which the obligations have not been fulfilled on or after January 1, 2022.

Note 6: The amendments shall be applied prospectively for the annual reporting period beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on January 1, 2023.

As of the date the Consolidated Financial Statements were authorized for issue, the Group is continuously assessing the effects of the amendments to the standards and interpretations on its financial position and financial performance. Any relevant effect will be disclosed when the assessment is completed.

IV. Summarized Remarks on Significant Accounting Policies

(I) Statement of Compliance

The Consolidated Financial Statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs approved and promulgated by the FSC.

(II) Basis of Preparation

The Consolidated Financial Statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which is arrived at by taking the present value of defined benefit obligation minus the fair value of planned assets.

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

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.

(III) Classification of current and non-current 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 of which the settlement cannot be unconditionally deferred till at least 12 months after the balance sheet date.

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

(IV) Basis of Consolidation

1. The basis for the Consolidated Financial Statements

   The Consolidated Financial Statements incorporate the financial statements of Cleanaway and entities controlled by Cleanaway (its subsidiaries). The financial statements of subsidiaries have been adjusted so that their accounting policies agree with those of the Group. In the Consolidated Financial Statements, all transactions, account balances, income and expenses between the entities have been written off. The total comprehensive income of subsidiaries is recognized in equity attributable to owners of the Cleanaway and non-controlling interests, even if non-controlling interests become a loss balance.

   When changes in the ownership interests of the Group in subsidiaries do not cause the Group to lose control, they are recognized as equity transactions. 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 Owners of the Cleanaway.

2. List of subsidiaries in the Consolidated Financial Statements

The entities of the Consolidated Financial Statements are as follows:

Investor	Investee	Main Businesses	% of Ownership December 31, 2020	% of Ownership December 31, 2019	Remarks
Cleanaway Company Limited	Da Tsang Industrial Company Limited (Da Tsang)	Waste management	100%	100%	
	Chi Wei Company Limited (Chi Wei)	Waste management	100%	100%	
	Cleanaway Enterprise Company Limited (Cleanaway Enterprise)	Waste management	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	64%	64%	
	Cleanaway Energy Co., Ltd. (Cleanaway Energy)	Waste management	55%	55%	Note
Da Tsang Industrial	Da Ning Co. Ltd. (Da Ning)	Waste management	100%	100%	
	CCL Investment Holding	General investment	16%	16%	
Cleanaway Investment	CCL Investment Holding	General investment	20%	20%	
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 management	100%	100%	

Note: Cleanaway established Cleanaway Energy Co., Ltd. on January 16, 2019. For changes in the relevant shareholding ratio, please refer to Note XXIII. For other related information, please refer to Table 5 of Note 30.

(V) Foreign currencies

When preparing the individual 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 foreign operations of the Group are translated into New Taiwan Dollars at the rate of exchange prevailing on the balance sheet date. The income and expense items are translated at the average exchange rate of the period. The exchange differences arising are recognized in other comprehensive income (and are attributable to owners of the Cleanaway and non-controlling interest, respectively).

(VI) Inventories

Inventories refer to raw materials. The value of inventory shall be determined based on the cost or 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 the weighted-average method.

(VII) Investment in affiliate enterprises

Affiliate enterprises are companies on which the Group has significant influence, but they are not the Group's subsidiaries.

The Group follows the equity method for investment in affiliate enterprises.

Under the equity method, the investment is initially treated at cost and adjusted thereafter for the post-acquisition change in the investor's interest in profit and loss, shares in other comprehensive income and profit distribution by the affiliates. In addition, equity changes in affiliates attributable to the Group are recognized based on the shareholding ratio.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities of an affiliate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and shall not be amortized. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities over the cost of acquisition is recognized immediately in profit or loss.

When an affiliate enterprise issues new shares and the Group does not subscribe to such shares based on its shareholding ratio and thus causes changes in the Group's shareholding percentage and the net value of shares from investment, such changes shall adjusted to Capital surplus - changes in net value of shares in affiliates and joint ventures accounted for using equity method and Investment accounted for using equity method. However, if the Group fails to subscribe to or acquire new shares based on its shareholding ratio and causes its ownership interest in the affiliate enterprise to decrease, the amounts related to the affiliate enterprise recognized in other comprehensive income (loss) shall be decreased proportionally and reclassified on the accounting basis as would be required if the affiliate had directly disposed of the related assets or liabilities. The aforementioned adjustment is required to be credited to capital surplus, but the capital surplus derived from investment accounted for using equity method is not sufficient, the difference shall be temporarily credited to retained earnings.

When the Group's share of losses of an affiliate enterprise equals or exceeds its interest in that affiliate enterprise (including any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the affiliate enterprise), the Group shall cease recognition of further losses. The Group shall only recognize additional losses and liabilities within the scope of occurred legal obligations, constructive obligations, or payments made on behalf of the affiliate enterprise.

To assess impairment, the Group must consider the overall carrying amount (including goodwill) of the investment as a single asset to compare the recoverable and carrying amounts for the impairment test. The recognized impairment shall not be allocated to any asset, including goodwill, that constitutes part of the carrying amount of the investment. Any reversal of the impairment loss is recognized only to the extent of the subsequent increases in the recoverable amount of investment.

The Group shall suspend the use of the equity method on the day that its investment is no longer an affiliate enterprise and shall measure its retained equity in the original affiliate enterprise through fair value. The difference between the fair value, the disposal proceeds, and the carrying amount of the investment on the day the equity method ceases to apply shall be listed into the profit or loss of the current period. In addition, the basis accounting policies for amounts of the affiliate enterprise shown in other comprehensive profit or loss accounts shall follow the same basis applicable to the Group for direct disposal of related assets or liabilities of affiliate enterprises. For investment in affiliate enterprises that turns them into joint ventures or investment in joint ventures that turns them into affiliate enterprises, the Group shall continue to use the equity method and shall not reassess retained equity.

Profit or loss arising from up- and downstream transactions between the Group and the affiliates or side-stream transactions between affiliates needs to be recognized in the Consolidated Financial Statements to the extent that such recognition shall not affect the interests of the Group in the affiliate.

(VIII) Property, plant and equipment

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

PP&E under construction are recognized at cost less accumulated impairment loss. The cost shall include professional service expenses and the borrowing costs eligible for capitalization. Such assets shall be classified into appropriate PP&E categories upon completion and reaching the expected use status, and then be depreciated.

The Group shall adopt the straight-line basis or the units of production method for the depreciation of each property, plant and equipment in its useful life based on the nature of such property. Straight-line method allocates the cost of an asset, net of residual value, evenly over its estimated useful life. Units of production 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 profit or loss.

(IX) Contract cost-related assets

If costs of waste disposal and clean-up and transport services or costs directly related to contractual terms with consumers will enhance future resources used to fulfill contractual obligations, the amounts within the recoverable scope shall be recognized as costs to fulfill a contract (mainly the solidification processing costs and labor costs of clean-up and transport services), and transferred to operating costs when the contractual obligations are fulfilled.

(X) Impairment of Property, plant, and equipment, Right-of-use assets, and Contract cost-related assets

On each balance sheet date, the Group evaluates whether there is any indication that an impairment has occurred in its property, plant and equipment and right-of-use assets. 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 of an individual asset, the Group must determine the recoverable amount for 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.

The impairment of the inventory, property, plant and equipment, and intangible assets recognized in the customer's contract are recognized based on the inventory impairment regulations and the aforementioned regulations. Then, the carrying amount of the contract cost-related assets that exceed the expected remaining consideration receivable for the provision of related products or labor services shall be deducted by directly related costs and listed as an impairment loss. The carrying amount of the contract cost-related assets is subsequently added to the cash-generating unit for the impairment assessment of cash-generating units.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount (net of amortization and depreciation) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. The reversal of impairment loss shall be recognized in profit or loss.

(XI) Financial instruments

Financial assets and liabilities will be recognized on the consolidated balance sheets when the Group becomes a party to the contract of a financial instrument.

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

The categories of financial assets held by the Group consist entirely of financial assets at amortized cost.

The Group's investment in financial assets shall be classified as financial assets measured at amortized cost if both conditions below are met;

A. Where the financial asset is held under a certain business model with the purpose of holding financial assets to collect contractual cash flow; and

B. The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets initially measured at amortized cost (including cash and cash equivalents, notes and trade receivables measured at amortized cost, trade receivables from related parties, other receivables from related parties, bank time deposits with an original maturity date due in more than 3 months, and paid guaranteed deposits) shall be subsequently measured at the amortized cost of the total carrying amount minus any impairment loss by using the effective interest rate method. All foreign currency exchange gains and losses shall be recognized in profit or loss.

Except for the two following conditions, income from interest shall be calculated based on the effective interest rate multiplied by the total carrying amount of financial assets:

A. For purchased or originated credit-impaired financial assets, interest income is calculated at the credit-adjusted effective interest rate times the financial assets at amortized cost.

B. For financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Credit-impaired financial assets are those for which the issuer or borrower has experienced major financial difficulties or defaults, the borrower is likely to claim bankruptcy or other financial reorganization, or the active market for financial assets disappears due to financial difficulties.

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

(2) Impairment of financial assets and contract assets

On each balance sheet date, the Group assesses the impairment loss of financial assets measured at amortized cost (including notes receivable and trade receivables) and contract assets based on expected credit losses.

Allowances shall be appropriated for notes and trade receivables and contract assets for expected credit impairment for the duration of their existence. Other financial assets are first assessed based on whether the credit risk has increased significantly since the original recognition. If there is no significant increase in risks, an allowance shall be recognized at the amount equal to 12-month expected credit losses. If the risks have increased significantly, an allowance shall be recognized at the amount equal to lifetime expected credit losses.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses from possible defaults of the financial instrument within 12 months after the reporting date. The lifetime expected credit losses represent the expected credit losses from all possible defaults over the life of the financial instrument.

For the purpose of internal credit risk management, the Group judges the following circumstances a default on financial assets, without considering the collateral held:

A. There are internal or external information showing that the debtor is no longer able to pay off the debt.

B. A debt has been overdue for more than 120 days, unless there is reasonable and verifiable information showing that a delayed default basis is more appropriate.

The carrying amount of all financial assets is adjusted for impairment loss through the allowance account. However, the allowance for the investment in the debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income, without reducing its carrying amount.

(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.

When derecognizing a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2. Equity instruments

Equity instruments issued by the Group shall be recognized at the amount equal to the consideration received less the direct flotation costs.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(XII) Prepayments for land

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

(XIII) Cost provisions for restoration

The environmental impact of waste after filling a landfill site or being processed through intermediate treatment solidification plants would decline as time passes based on the physical characteristics of waste. The pollution levels will not reoccur within a specific period of time. Based on the maintenance time, area, and characteristics of each landfill or intermediate treatment solidification plant, the Group shall estimate the total restoration cost and recognize it as cost provisions.

(XIV) Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it shall allocate the transaction price to each performance obligation in the contract and recognize revenue upon satisfaction of performance obligations.

1. Revenue from waste disposal, clean-up and transport

   Revenue from waste disposal, clean-up and transport is derived from the integrated one-stop services for waste disposal, clean-up and transport, solidification, and burial provided by the Group. Revenue for each service is recognized upon satisfaction of performance obligations which are explained as follows:

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

   (2) Landfill revenue is recognized after the waste is delivered to the landfill site and burial of waste is completed.

   (3) Revenue for clean-up and transport is recognized when the waste is transported to the intermediate treatment solidification plant or upon the completion of transportation to landfill sites.

2. Revenue from contaminated and illegal dump sites cleanup

   Contaminated and illegal dump sites in cleanup contracts are sites controlled by customers. The Group benefits as the customer's contaminated plants or sites are improved in the cleanup process and revenue is thus recognized based on the completion percentage of the contracts. As the cost of investment for the cleanup project is directly related to the completion levels of the contract performance obligations, the Group uses the percentage of actual contract cost incurred over total contract cost to assess the completion progress of the contracts. The Group gradually recognizes contract assets in the duration of the cleanup project and transfers them to trade receivable when invoices are issued. If the payments collected for cleanup projects exceed the recognized revenue amount, the difference shall be recognized as contract liabilities. The purpose of the construction retention bond withheld by the customer in accordance with contractual terms is to ensure that the Group completes all contractual obligations and it shall be listed as a contract asset before the Group completes the performance obligations of the contract.

(XV) Leases

The Group as lesee

The Group assesses whether a contract is (or contains) a lease on the execution date of the contract.

A right-of-use asset and a lease liability are recognized for all leases at the inception date of such leases, except for leases qualified for recognition exemption, e.g. leases with low-value underlying assets and short-term leases, for which an expense is recognized on a straight-line basis over the lease term.

A right of use asset is initially measured at cost (including the initial measured amount of lease liability, the amount of lease payments made to the lessors less lease incentives received prior to the inception of the lease, initial direct costs and the estimated costs of restored underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment, adjusted for any remeasurements of the lease liability. Right-of-use assets are expressed separately on the Consolidated Balance Sheets.

Right-of-use assets are depreciated on a straight-line basis from the inception of the lease to the end of the useful life or the expiration of the lease term, whichever is earlier.

Lease liabilities are originally measured at the present value of lease payments (including fixed payments and fluctuant lease payments depending on the index or rate). If the interest rate implicit in a lease is easy to determine, the lease payment is discounted through that interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate of interest shall be used.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. In case of changes in the future lease payment caused by the variations in the lease period or the index or rate used to determine the lease payment, the Group will re-measure the lease liabilities and adjust the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. Lease liabilities are expressed separately on the Consolidated Balance Sheets.

(XVI) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

   Pensions under the defined contribution plan are pensions contributable over the period for which employees render their services, and are recognized as expense.

The defined benefit costs (including service cost, net interest, and remeasurement) under the defined benefit pension plan is an actuarial calculation using 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.

Net defined benefit liabilities (assets) are the shortfall (excess) of the contribution made according to the defined benefit pension plan. The net defined benefit asset shall not exceed the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan

(XVII) Income taxes

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

1. Current income tax

The Group determines the current income (loss) in accordance with the laws and regulations established by each income tax jurisdiction, and calculates the income tax payable (recoverable) based on it.

The additional tax levied on undistributed earnings that is calculated as required by the Income Tax Act is recognized in the year in which such tax is resolved by the Shareholders' Meeting.

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

2. Deferred income tax

Deferred income tax is calculated at the temporary differences between the carrying amount of assets and liabilities and the tax base used to determine the taxable income. Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets are recognized when it is probable that taxable profit will be available against which the deductible temporary difference could be utilized.

The taxable temporary differences in relation to an investment in subsidiaries are recognized as deferred tax liabilities, except for the case when the reversal timing of such temporary differences is controlled by the Group and it is probable that such temporary differences are not expected to be reversed in the foreseeable future. For deductible temporary differences, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred tax asset is recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred 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 tax assets are reexamined 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 tax assets and liabilities are measured by using the tax rates applicable to the period when the asset is expected to be realized or the liability is expected to be settled. Such tax rates are derived from the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred 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 period

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.

V. Significant Accounting Judgments, Estimates and Key Sources of Uncertainty over Assumptions

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.

(I) Judgment of significant influence on affiliates

The Group judges that it does not control but only has significant influence on a significant investee based on the fact that the Group holds less than fifty percent (50%) of its shares but is its single largest shareholder.

As mentioned in Note 9, the Group holds 20.02% of the voting rights of Chung Tai Resource Technology Corp. (Chung Tai) and is its single largest shareholder. It is judged that the Group has no control on Chung Tai, given that the Group controls less than half of seats of the board of directors of Chung Tai and lacks the substantive ability to dominate its essential activities, Management of the Group believes it true that the Group only has significant influence on Chung Tai and thus presents it as an affiliate.

(II) Estimates of cost provisions for restorations

The Group recognizes cost provisions for restorations based on previous experience. The measurement and recognition are described in Note 4(13) and the Group regularly reviews the reasonableness of those estimates. However, the maintenance time and characteristics of landfills and solidification plants (sites) may require additional provisions in the future due to changes in the environmental laws and regulations and plant environment. Please refer to Note 16 for the carrying amount of cost provisions for restorations.

(III) Estimates of 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 production 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 basis for units of production 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.

VI. Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand	$ 260	$ 263
Checking accounts and demand deposits	388,002	398,411
Cash equivalents		
Bank time deposit with original maturity date within 3 months	414,871	154,910
Bonds with repurchase agreement	270,000	130,000
	$ 1,073,133	$ 683,584

The annual interest rate ranges of bank time deposit with original maturity date within 3 months and bonds with repurchase agreement on the balance sheet date were as follows:

	December 31, 2020	December 31, 2019
Bank time deposit with original maturity date within 3 months	0.33%～2.10%	0.58%～2.55%
Bonds with repurchase agreement	0.27%	0.42%

VII. Management of Credit Risks of Investments in Debt Instruments

All debt instruments invested by the Group are financial assets measured at amortized cost.

	December 31, 2020	December 31, 2019
Bank time deposit with original maturity date over 3 months	$ 286,374	$ 231,383
Current	$ 285,874	$ 131,755
Noncurrent	500	99,628
	$ 286,374	$ 231,383

The allowance for losses for financial assets measured at amortized cost as of December 31, 2020 and 2019 was both NT$0. The amortized cost and the carrying amount are consistent.

The debt instrument investment policy adopted by the Group serves only to sign debt instruments with low credit risks with reputable financial institutions in the form of certificate of deposits. The Group pays regular attention to the credit ratings of partner financial institutions and related financial news to evaluate whether there is a significant increase in credit risks of investments in debt instruments after their original recognition.

The financial institutions that conduct business transactions with the Group have normal credit ratings and exhibit no signs of irregularities or defaults. As the financial institutions that conduct business transactions with the Group have low credit risks and have sufficient capacity to repay contractual cash flows, they are subject to the 12-month expected credit loss method and the expected credit loss rate was 0%. Their credit ratings in both 2020 and 2019 have remained unchanged.

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, 2020	December 31, 2019
Bank time deposit with original maturity date over 3 months	0.32%～1.96%	0.30%～2.60%

Refer to Note 27 for information on pledged debt investments.

VIII. Notes and trade receivable

	December 31, 2020	December 31, 2019
Notes receivable	$ -	$ 1,818
Trade receivables	458,007	587,048
	458,007	588,866
Minus: Allowance for losses	(4,320)	(4,753)
	$ 453,687	$ 584,113

The average credit period of the Group for services rendered is 30 to 120 days. To lower the credit risk, the Group's management appoints a dedicated 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 such, the Group's management concludes that the credit risk of the Group is significantly reduced.

The Group adopted simplified methods in IFRS 9 to recognize the allowance for losses for notes and trade receivable based on the lifetime expected credit losses. Lifetime expected credit losses are calculated based on the bad debt provision matrix which accounts for the customer's past default records, current financial status, economic conditions in the industry, and outlook of the industry. Customers of the Group can be classified into government institutions and general companies and their credit risks are explained as follows:

(I) In principle, government institutions do not have credit quality issues. If difficulties in collection arise, assessment would be performed separately.

(II) With regard to the credit quality of notes and trade 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. Based on the Group's experience of credit impairment, the types of losses incurred by general companies in different industries are not significantly different and the provision matrix therefore does not distinguish between customer groups but only establishes expected credit loss rates based on the number of overdue days of notes and trade receivable.

If there is evidence showing that a transaction counterparty faces severe financial difficulties and the Group cannot reasonably expect to recover the amount, e.g., where the transaction counterparty is being liquidated or where the debts are overdue for more than 365 days, the Group shall recognize 100% of the allowance for losses and continue to pursue repayment.

The Group's allowances for losses for notes and trade receivable based on the provision matrix are as follows:

<u>December 31, 2020</u>

		General companies					
	Government institutions	Not past due	1～210 days overdue	211～240 days overdue	241～365 days overdue	More than 365 days overdue	Total
Overdue credit loss rate	0%	0% - 1%	1% - 2%	10%	20%	100%	
Total carrying amount	$ 187,563	$ 268,812	$ -	$ -	$ -	$ 1,632	$ 458,007
Allowance for losses (lifetime expected credit losses)	-	(2,688)	-	-	-	(1,632)	(4,320)
Amortized cost	$ 187,563	$ 266,124	$ -	$ -	$ -	$ -	$ 453,687

<u>December 31, 2019</u>

		General companies					
	Government institutions	Not past due	1～210 days overdue	211～240 days overdue	241～365 days overdue	More than 365 days overdue	Total
Overdue credit loss rate	0%	0% - 1%	1% - 2%	10%	20%	100%	
Total carrying amount	$ 292,468	$ 293,755	$ -	$ -	$ 1,011	$ 1,632	$ 588,866
Allowance for losses (lifetime expected credit losses)	-	(2,919)	-	-	(202)	(1,632)	(4,753)
Amortized cost	$ 292,468	$ 290,836	$ -	$ -	$ 809	$ -	$ 584,113

Information regarding changes in the allowance for losses of notes and trade receivable is as follows:

	2020	2019
Balance, beginning of year	$ 4,753	$ 5,897
Less: Reversed impairment loss in the current period	(433)	(1,039)
Less: Amounts actual written off in the current period	-	(105)
Balance, end of year	$ 4,320	$ 4,753

IX. Investments accounted for using the equity method

	December 31, 2020		December 31, 2019	
Investee company name	Amount	Ratio of Shareholding (%)	Amount	Ratio of Shareholding (%)
Material affiliate enterprises				
Cleanaway SUEZ Environmental Resources Limited (Cleanaway SUEZ)	$ 667,009	29.00	$ 655,904	29.00
Chung Tai Resource Technology Corp. (Chung Tai)	383,613	20.02	387,519	20.02
Chase Environmental Co., Ltd. (Chase)	19,086	25.00	17,330	25.00
	$ 1,069,708		$ 1,060,753	

Please refer to Table 5 "Information on Investees, Locations, etc." in Note 30 for information on the nature of business, its area of operations, and country of company registry of the above affiliates.

Cleanaway SUEZ

The Group, SUEZ NWS (Taiwan) Environmental Services Limited (formerly, Taiwan Sheng Ta International Waste Processing Co., Ltd.), and RSEA Engineering Corporation were authorized by the competent authority to jointly establish Cleanaway SUEZ on July 31, 2018. Cleanaway SUEZ obtained business operations in the Dafa Plant of RSEA Engineering Corporation on the baseline date of November 1, 2018. The Group obtained 29% of the total outstanding shares of Cleanaway SUEZ totaling 21,750 thousand shares with a total investment amount of NT$650,000 thousand. The Group shall use this reinvestment to increase the categories of intermediate processing of hazardous industrial waste to provide customers with comprehensive solutions for waste disposal.

The financial information of Cleanaway SUEZ is summarized as follows:

	December 31, 2020	December 31, 2019
Current assets	$ 173,663	$ 115,121
Non-current assets	1,140,179	1,012,695
Current liabilities	(274,478)	(172,330)
Non-current liabilities	(230,713)	(185,127)
Equity	$ 808,651	$ 770,359
Group shareholding ratio	29%	29%
Equity attributable to the Group	$ 234,509	$ 223,404
Goodwill	432,500	432,500
Investment carrying amount	$ 667,009	$ 655,904

	2020	2019
Operating revenue	$ 369,477	$ 314,668
Net profit of this period	$ 38,293	$ 40,328
Other comprehensive income/(loss)	-	-
Total comprehensive income	$ 38,293	$ 40,328

Chung Tai

Cleanaway invested in Chung Tai Resource Technology Corp. (Chung Tai) in February 2019 to expand environmental protection businesses. Cleanaway acquired 20.02% of total outstanding shares of Chung Tai, totaling 15,600 thousand shares with a total investment of NT$374,400 thousand. The equity registration of the aforesaid investment was approved by the competent authority in April 2019. Chung Tai's main business operations include waste resource recycling and industrial waste disposal services.

The financial information of Chung Tai is summarized as follows:

	December 31, 2020	December 31, 2019
Current assets	$ 302,085	$ 331,227
Non-current assets	2,566,363	1,832,561
Current liabilities	(297,592)	(196,018)
Non-current liabilities	(1,178,388)	(590,449)
Equity	$ 1,392,468	$ 1,377,321
Group shareholding ratio	20.02%	20.02%
Equity attributable to the Group	$ 278,772	$ 275,740
Goodwill	50,849	51,244
Concession	53,992	60,535
Investment carrying amount	$ 383,613	$ 387,519

	2020	2019
Operating revenue	$ 455,936	$ 592,418
Net profit of this period	$ 115,760	$ 110,372
Other comprehensive income/(loss)	(1,201)	-
Total comprehensive income	$ 114,559	$ 110,372

The Group's shareholding ratio in Chung Tai is 20.02%, enabling the Group to be its single largest shareholder and to have a significant influence on it. However, given that the Group controls less than half of seats of the board of directors of Chung Tai and does not have the substantive ability to dominate its essential activities, the Group judges itself as having no control on Chung Tai, and thus presents Chung Tai as an affiliate accounted for using the equity method.

Chase

The Group invested in Chase in December 2018 to expand business operations. The original investment cost was NT$15,000 thousand and the shareholdings ratio was 25%. Chase mainly focuses on protection of the ecology and environment and technology integration and innovation. It also integrates AIoT and the environmental protection industry alliance to provide corporate customers with a smart one-stop environmental protection solution for industrial waste clean-up and transport.

The financial information of Chase is summarized as follows:

	December 31, 2020	December 31, 2019
Current assets	$ 234,159	$ 354,606
Non-current assets	49,285	24,256
Current liabilities	(209,716)	(311,159)
Non-current liabilities	-	(1,000)
Equity	$ 73,728	$ 66,703
Group shareholding ratio	25%	25%
Equity attributable to the Group	$ 18,432	$ 16,676
Goodwill	654	654
Investment carrying amount	$ 19,086	$ 17,330

	2020	2019
Operating revenue	$ 102,526	$ 67,565
Net profit of this period	$ 13,025	$ 10,891
Other comprehensive income/(loss)	-	-
Total comprehensive income	$ 13,025	$ 10,891

The Group's share of profit or loss and share of other comprehensive income in affiliate enterprises recognized using the equity method in 2020 and 2019 amounted to NT$30,656 thousand and NT$(338) thousand, and NT$27,548 thousand and NT$0 thousand, respectively. The amounts are recognized based on the affiliate enterprises' audited financial statements for the same periods.

The cash dividends received by the Group from the affiliates were NT$21,343 thousand and NT$0 thousand for 2020 and 2019, respectively. As of December 31, 2020 and 2019, the Group recognized an accumulated exchange differences on translating the financial statements of foreign operations in the amount of NT$(20) thousand and NT$0 thousand for affiliates, respectively.

X. Property, plants and equipment

	Land	Houses and buildings	Machinery and equipment	Laboratory equipment	Landfill sites and facilities	Transportation facilities	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Costs										
Balance as of January 1, 2020	$ 862,576	$1,081,956	$ 672,253	$ 24,576	$2,170,286	$ 177,284	$ 57,712	$ 244,988	$ 13,929	$5,305,560
Additions	-	8,876	1,741	-	105	1,685	1,731	1,387	5,247	20,772
Disposals	-	-	(3,338)	-	-	(819)	-	-	-	(4,157)
Amount transferred from prepayments for land and equipment	-	2,980	2,583	-	-	-	2,500	80	(5,563)	2,580
Net exchange differences	-	-	-	-	-	89	21	-	184	294
Balance at December 31, 2020	$ 862,576	$1,093,812	$ 673,239	$ 24,576	$2,170,391	$ 178,239	$ 61,964	$ 246,455	$ 13,797	$5,325,049
Accumulated Depreciation										
Balance as of January 1, 2020	$ -	$ 146,716	$ 427,603	$ 9,910	$1,079,119	$ 147,220	$ 12,247	$ 22,992	$ -	$1,845,807
Depreciation	-	26,776	20,518	5,535	75,877	9,041	5,941	15,701	-	159,389
Disposals	-	-	(3,338)	-	-	(819)	-	-	-	(4,157)
Net exchange differences	-	-	-	-	-	84	20	-	-	104
Balance at December 31, 2020	$ -	$ 173,492	$ 444,783	$ 15,445	$1,154,996	$ 155,526	$ 18,208	$ 38,693	$ -	$2,001,143
Balance at December 31, 2020, net	$ 862,576	$ 920,320	$ 228,456	$ 9,131	$1,015,395	$ 22,713	$ 43,756	$ 207,762	$ 13,797	$3,323,906
Costs										
Balance as of January 1, 2019	$ 862,576	$ 985,114	$ 670,058	$ 20,909	$2,168,058	$ 173,662	$ 45,917	$ 40,180	$ 200,302	$5,166,776
Additions	-	3,836	535	1,490	2,228	4,578	2,687	975	117,779	134,108
Disposals	-	-	(140)	(683)	-	(6,265)	-	-	(13,000)	(20,088)
Amount transferred from prepayments for land and equipment	-	93,006	1,800	2,860	-	5,514	9,157	203,833	(290,724)	25,446
Net exchange differences	-	-	-	-	-	(205)	(49)	-	(428)	(682)
Balance as of December 31, 2019	$ 862,576	$1,081,956	$ 672,253	$ 24,576	$2,170,286	$ 177,284	$ 57,712	$ 244,988	$ 13,929	$5,305,560
Accumulated Depreciation										
Balance as of January 1, 2019	$ -	$ 121,408	$ 403,398	$ 5,440	$ 983,190	$ 143,839	$ 7,714	$ 10,761	$ -	$1,675,750
Depreciation	-	25,308	24,345	5,153	95,929	9,504	4,579	12,231	-	177,049
Disposals	-	-	(140)	(683)	-	(5,928)	-	-	-	(6,751)
Net exchange differences	-	-	-	-	-	(195)	(46)	-	-	(241)
Balance as of December 31, 2019	$ -	$ 146,716	$ 427,603	$ 9,910	$1,079,119	$ 147,220	$ 12,247	$ 22,992	$ -	$1,845,807
Balance at December 31, 2019, net	$ 862,576	$ 935,240	$ 244,650	$ 14,666	$1,091,167	$ 30,064	$ 45,465	$ 221,996	$ 13,929	$3,459,753

(I) As there was no indication of impairment, the Group did not conduct impairment assessment for the years ended December 31, 2020 and 2019.

(II) 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 and landfill sites and facilities adopts the units of production 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:

Houses and buildings	
Main building of intermediate treatment solidification plant	20 years
Ancillary facilities of plants	7 to 15 years
Operation headquarters main building and ancillary facilities	50 years
Others	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 facilities	
Acquisition of brand new transportation vehicles	5 to 8 years
Acquisition of used transportation vehicles	2 to 3 years

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Office equipment	
Office furniture	5 to 10 years
Information communication equipment	3 to 6 years
Information communication equipment - extra-low-voltage systems engineering	50 years
Other equipment	
Monitoring and drainage facilities	10 to 11 years
Generators	15 years
Lease improvement and others	3 to 9.75 years

(III) For the amount of property, plant, and equipment designated by the Group as collateral against its secured borrowings, please refer to Note 27.

XI. Lease Agreements

(I) Right-of-use assets

	December 31, 2020	December 31, 2019
Carrying amount of right-of-use assets		
Land	$ 360,873	$ 305,547
Building	20,227	22,421
Transportation facilities	26,522	14,841
	$ 407,622	$ 342,809

	2020	2019
Increase in right-of-use assets	$ 84,996	$ 15,218
Depreciation expense of right-of-use assets		
Land	$ 6,501	$ 6,501
Building	2,480	2,377
Transportation facilities	7,794	5,397
	$ 16,775	$ 14,275

Other than the above increase in right-of-use assets and recognition of depreciation expenses, the Group's right-of-use assets did not undergo significant sublease or impairment for the years ended December 31, 2020 and 2019.

(II) Lease liabilities

	December 31, 2020	December 31, 2019
Carrying amount of lease liabilities		
Current	$ 16,673	$ 11,312
Noncurrent	$ 397,718	$ 335,055

The discount rate ranges for lease liabilities are as follows:

	December 31, 2020	December 31, 2019
Land	1.25%	1.25%
Building	1.25%	1.25%
Transportation facilities	0.8% - 3.5%	0.8% - 3.5%

(III) Important lease activities and terms

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 Ho Tsang Co., Ltd. on May 31, 2013 (Please refer to Note 28 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 exceed 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 renewed 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 Ho Tsang Co., Ltd. without any compensation. If Ho Tsang Co., Ltd. terminates the lease agreement before the end of lease term for 55 years, it shall compensate the Group with the net book value of the building.

(IV) Other lease information

	2020	2019
Short-term lease expense	$ 2,948	$ 3,958
Total cash (outflow) amount of lease	($ 20,977)	($ 19,007)

The Group chooses to apply the recognition exemption to lease of buildings and transportation equipment that qualify for a short-term lease, and does not recognize the relevant right-of-use assets and lease liabilities for such a lease.

XII. Other assets

	December 31, 2020	December 31, 2019
Prepayment for land and equipment	$ 145,704	$ 146,501
Refundable deposits	58,970	38,652
Tax overpaid retained	9,769	13,434
Restricted bank deposits (Note 27)	-	6
Others	83,283	80,721
	$ 297,726	$ 279,314
Current	$ 33,323	$ 41,785
Noncurrent	264,403	237,529
	$ 297,726	$ 279,314

(I) Prepayments for land and equipment are mainly used to pay for the land of the landfill sites currently in preparation. Please refer to the description provided in Note XXVI(II)11. The changes in 2020 and 2019 were as follows:

	2020	2019
Balance, beginning of year	$ 146,501	$ 147,041
Additions	1,783	24,906
Reclassified to property, plant and equipment	(2,580)	(25,446)
Balance, end of year	$ 145,704	$ 146,501

(II) Guaranteed deposits paid are mainly bid bonds, performance bonds and rental deposits paid in cash.

XIII. Loans

Long-term loans

	December 31, 2020	December 31, 2019
Secured loans		
Bank loans	$ 93,000	$ 360,000
Less: Portion due within one year	(14,000)	(22,000)
Long-term bank loans (Note 13)	$ 79,000	$ 338,000

Cleanaway and CTBC Bank signed a loan contract with land owned by Cleanaway as collateral (refer to Note XXVII for more information). The loan maturity date is September 14, 2023 and the loan amount totaled NT$200,000 thousand. The annual interest rate is the Taipei Interbank Offered Rate plus 0.59%.

According to the contract, repayment of the principal is provided with a grace period of 2 years starting from the drawdown. The Company shall repay NT$7,500 thousand in each quarter starting from the month of the expiry of the grace period (September 30, 2020) and the balance shall be repaid in one payment upon maturity. The drawdown amount shall be used to purchase land registered in Guantan Section, Guanyin District, Taoyuan City. The aforementioned loans were fully repaid in advance in March 2020.

Cleanaway and CTBC Bank signed another loan contract endorsed by Cleanaway (refer to Note 30, Table II) in July, 2019. The loan maturity date is July 1, 2024 and the loan amount totaled NT$160,000 thousand. The annual interest rate is 1.15%. According to the contract, repayment of the principal is provided with a grace period of 1 year starting from the drawdown. The Company shall repay NT$3,500 thousand in each quarter starting from the month of the expiry of the grace period (July 1, 2020) and the balance shall be repaid in one payment upon maturity. As of December 31, 2020, Cleanaway Company Limited has repaid NT$67,000 thousand.

XIV. Trade payables

	December 31, 2020	December 31, 2019
Trade payables	$ 4,857	$ 5,745

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.

XV. Other liabilities

	December 31, 2020	December 31, 2019
Other payables		
Accrued employee compensation/bonus	$ 115,498	$ 117,189
Accrued excavation cost	75,925	67,870
Accrued remuneration to directors and supervisors	34,000	35,000
Business tax payable	22,741	15,239
Accrued maintenance cost	18,957	31,273
Payables on equipment	312	2,874
Other accrued expenses	40,696	44,362
	$ 308,129	$ 313,807

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

	December 31, 2020	December 31, 2019
Other current liabilities		
Contract liabilities (Note 19)	$ 20,305	$ -
Withheld taxes, etc.	1,110	768
	$ 21,415	$ 768

XVI. Cost provisions for restorations

	2020	2019
Balance, beginning of year	$ 152,140	$ 68,142
Add: Cost provisions for restoration	3,719	94,898
Less: Actual cost for restoration	(31,753)	(10,900)
Balance, end of year	$ 124,106	$ 152,140

The cost provisions for restoration and actual cost for restoration for the periods were as follows:

	2020	2019
Cost for restoration (recognized under operating costs)	$ 3,719	$ 94,898
Actual cost for restoration	$ 31,753	$ 10,900

XVII. Post-Employment Benefits

(I) Defined Contribution Plan

The pension system of the Labor Pension Act applicable to Cleanaway, 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.

The Group recognized total amount of expenses to be paid in accordance with the appropriation ratio set forth in the defined contribution plans and NT$5,862 thousand and NT$6,187 thousand have been listed in the expenses in the Consolidated Statements of Comprehensive Income of 2020 and 2019.

(II) Defined Benefit Plans

The pension system of the Group's Cleanaway and Kang Lien Enterprise Company Limited under the "Labor Standards Law" is a defined benefit pension plan managed by the government. Pension is based on the employee's years of service rendered and the average wages over the six months prior to retirement. The Group's Cleanaway and Kang Lien Enterprise Company Limited contribute 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 to 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, administers the account and Cleanaway and Kang Lien of the Group have no right over its investment and administration strategies.

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

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$ 23,779	$ 23,268
Fair value of plan assets	(11,231)	(11,341)
Net defined benefit liabilities	$ 12,548	$ 11,927

Changes in net defined benefit liabilities were as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
January 1, 2019	$ 28,489	($ 10,281)	$ 18,208
Interest expense (income)	258	(94)	164
Recognized in profit or loss	258	(94)	164
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	(385)	(385)
Actuarial losses - Changes in financial assumptions	452	-	452
Actuarial gains- Adjustments based on history	(5,931)	-	(5,931)
Recognized in other comprehensive income	(5,479)	(385)	(5,864)
Employer contribution	-	(581)	(581)
December 31, 2019	23,268	(11,341)	11,927

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Interest expense (income)	163	(79)	84
Recognized in profit or loss	163	(79)	84
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	(380)	(380)
Actuarial losses - Changes in financial assumptions	801	-	801
Actuarial gains- Adjustments based on history	678	-	678
Recognized in other comprehensive income	1,479	(380)	(1,099)
Benefits payment	(1,131)	1,131	-
Employer contribution	-	(562)	(562)
December 31, 2020	$ 23,779	($ 11,231)	$ 12,548

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

	2020	2019
Operating cost	$ 43	$ 86
General and administrative expenses	41	78
	$ 84	$ 164

Cleanaway and Kang Lien of the Group are exposed to the following risks owing to the implementation of the pension system of the Labor Standards Act:

1. Investment risk: The Bureau of Labor Funds of the Ministry of Labor invests the labor pension fund in equity and debt securities, and bank deposits in domestic (foreign) banks, either on its own or through entrust companies. However, the rate of return on the plan assets of Cleanaway and Kang Lien of the Group shall not be less than the average interest rate on a two-year time deposit published by the local banks.
2. Interest rate risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation. However, the return on the debt investments of the plan assets will also increase. Those two will partially offset each other.
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 obligation of Cleanaway and Kang Lien was carried out by qualified actuaries. Material assumptions on the measurement date are stated as follows:

	December 31, 2020	December 31, 2019
Discount rate	0.3%～0.4%	0.70%
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, 2020	December 31, 2019
Discount rate		
Increase by 0.25%	($ 516)	($ 543)
Decrease by 0.25%	$ 532	$ 561
Expected growth rate of salaries		
Increase by 0.25%	$ 458	$ 489
Decrease by 0.25%	($ 447)	($ 477)

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, 2020	December 31, 2019
Expected appropriation amount within 1 year	$ 565	$ 566
Average maturity period of defined benefit obligations	9 to 11 years	10 to 12 years

XVIII. Equity

(I) Share capital

Common shares

	December 31, 2020	December 31, 2019
Authorized shares (in thousands)	200,000	200,000
Authorized capital	$ 2,000,000	$ 2,000,000
Number of shares issued and fully paid (in thousands)	108,888	108,888
Issued share capital	$ 1,088,880	$ 1,088,880

For the purpose of operation, on June 6, 2019, the Shareholders' Meeting resolved to revise the capital amount as stated on the Articles of Incorporation, from NT$1,500,000 thousand to NT$2,000,000 thousand.

Common shares are issued with par value of NT$10 per share and each common share is entitled to one unit of voting right and dividends.

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

(II) Capital surplus

	December 31, 2020	December 31, 2019
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Share premiums	$ 1,701,775	$ 1,701,775
May be used to offset a deficit only		
Changes in ownership interests in subsidiaries (2)	136	136
	$ 1,701,911	$ 1,701,911

1. This type of capital surplus may be used to offset deficits, or, when there is no deficit, to issue cash dividends or increase share capital, provided, however, that the increase in share capital is restricted to a certain ratio of paid-in capital every year.
2. Such capital surplus are effects of equity transaction recognized due to expected changes in ownership interests in a subsidiary before Cleanaway actually acquires or disposes of the shares of a subsidiary; such capital surplus can also mean the adjustment of capital surplus of a Cleanaway subsidiary accounted for using the equity method.

(III) Retained earnings and dividend policy

According to the regulations on earnings distribution in the Articles of Incorporation of Cleanaway, in the event of surplus earnings after closing of annual accounts, due taxes shall be paid first and losses incurred in previous years shall be compensated. 10% of the remainder surplus shall be then allocated as legal reserve. However, in the event that the accumulated legal reserve is equivalent to or exceeds Cleanaway's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there are remaining earnings, the Board of Directors shall draft an earnings distribution proposal regarding the remainder of the earnings as well as accumulated undistributed earnings for approval at the shareholders' meeting, at which the allocation of shareholders' bonuses shall be decided. Please refer to Note 20(3) Employee Compensation and Remuneration for Directors and Supervisors for distribution policies as stipulated on Cleanaway's Articles of Incorporation.

Cleanaway 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. Cleanaway 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, the balance of dividends and capital demands.

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

Cleanaway appropriates and reverses special reserve in accordance with the regulations in Jin-Guan-Zheng-Fa's Letter No. 1010012865 from the FSC and Q&A on the Applicability of the Appropriation of Special Reserve after the Adoption of the International Financial Reporting Standards (IFRSs).

Cleanaway held regular shareholders' meetings on June 12, 2020 and June 6, 2019, and resolved to appropriate earnings for 2019 and 2018, stated as follows:

	2019	2018
Legal reserve	$ 117,898	$ 132,062
Special reserve (Note)	$ 856	$ 858
Cash dividends	$ 1,088,880	$ 1,088,880
Cash dividend for each share (NT$)	$ 10.00	$ 10.00

Note: In accordance with the Jin-Guan-Zheng-Fa Letter No. 1010012865 , Cleanaway appropriates amounts equivalent to the special reserve from the net deduction to other equities (i.e., exchange differences on translating the financial statements of foreign operations) in the final accounts of the year. If the deduction to other equities is subsequently reversed, a part of the appropriated earnings may be reversed.

The 2020 appropriation of earnings proposed by the Board of Directors' meeting on February 26, 2021 were as follows:

	2020
Legal reserve	$ 117,722
Special reserve	($ 8)
Cash dividends	$ 1,088,880
Cash dividend for each share (NT$)	$ 10.00

The above-mentioned cash dividends have been appropriated as per the resolution of the board of directors; the rest appropriation of earnings is yet to be resolved at the regular shareholders meeting to be held in 2021.

The Boards of Directors of Da Tsang, Chi Wei, Kang Lien Enterprise, and Da Ning can act on behalf of the shareholders' meetings pursuant to the rules and appropriate the earnings after the legal reserve is appropriated. According to law, the earnings of Cleanaway Energy is distributed after the legal reserve is appropriated. The proposal was proposed by the Board of Directors and resolved by the shareholders' meeting. Earnings of Cleanaway Enterprise, 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.

XIX. Income

	2020	2019
Revenue from contracts with customers		
Revenue from waste disposal, clean-up and transport		
Landfill revenue	$ 1,820,140	$ 1,936,722
Solidification revenue	490,703	377,446
Clean-up and transport revenue	101,844	81,543
	2,412,687	2,395,711
Revenue from contaminated and illegal dump sites cleanup	239,281	290,674
Other income	28,571	20,189
	$ 2,680,539	$ 2,706,574

Please refer to Note 31 for explanation of revenue from main labor services. Please refer to explanation in Note 4(14) for the timing at which material contractual performance obligations are satisfied. Except for contracts for contaminated and illegal dump sites cleanup for which payment can only be requested once the customer completes stages of acceptance inspections, payment requests for other waste processing and removal are processed based on agreed payment cycles upon the completion of clean-up and transport services.

The various contractual obligations shall be fulfilled by the Group's entities which render their own type of services as stipulated on their licenses and recognize that type of revenue base on their separate selling price.

(I) Contract balance

	December 31, 2020	December 31, 2019
Notes and trade receivable (Note 8)	$458,007	$588,866
Trade receivables from related parties (Note 26)	9,935	27,466
Other receivables from related parties (Note 26)	1,674	30,341
	$469,616	$646,673
Contract assets - current		
Contaminated and illegal dump site cleanup	$129,343	$262,012
Waste management	9,034	27,442
	$138,377	$289,454
Contract assets - non-current		
Contaminated and illegal dump site cleanup	$ -	$ 15,998
Waste management	-	4,791
	$ -	$ 20,789
Contract liabilities		
Waste disposal and cleanup	$ 20,305	$ -

Changes in contract assets and liabilities are mainly derived from the difference between the timing of the completion of performance obligations of contaminated and illegal dump site cleanup contracts and waste disposal contracts, and the timing at which customers make payments.

(II) Contract cost-related assets

	December 31, 2020	December 31, 2019
Costs to fulfill a contract		
Prepaid excavation costs	$ -	$ 3,700
Waste clean-up and transport cost	244	221
	$ 244	$ 3,921

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.

Related costs of contracts for which investments have been implemented but contract performance obligations have not been completed are deferred to assets - contract performance costs at the end of each month. They are reclassified under operating costs in line with revenue recognition after services are completed in the following month.

(III) Contracts with customers that have not been fully completed

As of December 31, 2020, the transaction price allocated to contract performance obligations that have not been completed totaled NT$231,136 thousand. The Group shall recognize income based on the progress of contaminated and illegal dump sites cleanup projects. The contracts for contaminated and illegal dump sites cleanup projects will be completed from 2021 to 2023.

XX. Net profit

Net profit for the period consists of the following items:

(I) Depreciation

	2020	2019
Property, plant and equipment	$159,389	$177,049
Right-of-use assets	16,775	14,275
	$176,164	$191,324
Depreciation summarized by functions		
Operating cost	$128,475	$149,784
Operating expenses	47,689	41,540
	$176,164	$191,324

(II) Employee benefit expenses

	2020	2019
Benefits after retirement (Note 17)		
Defined contribution plan	$ 5,862	$ 6,187
Defined benefit plans	84	164
	5,946	6,351
Salary expenses	192,807	202,740
Employee insurance premiums	$ 12,458	$ 13,086
Other employee benefits	9,431	9,526
Total employee benefit expenses	$220,642	$231,703
Summarized by functions		
Operating cost	$ 98,931	$103,255
Operating expenses	121,711	128,448
	$220,642	$231,703

(III) Employee Compensation and Remuneration for Directors and Supervisors

Cleanaway appropriates the income before income tax to employees' compensation and remuneration for Directors and Supervisors for the current year based on the Articles of Incorporation. It appropriates no less than 1% as compensation for employees and no more than 5% as remuneration for Directors and Supervisors. Employee compensation and remuneration for Directors and Supervisors for 2020 and 2019 were resolved by the Board of Directors meeting on February 26, 2021 and March 20, 2020, respectively, as follows:

Estimated ratio

	2020	2019
Employee compensation	2.96%	3.00%
Remuneration for Directors and Supervisors	2.61%	2.70%

Amount

	2020		2019	
	Cash	Stock	Cash	Stock
Employee compensation	$ 38,621	$ -	$ 38,954	$ -
Remuneration for Directors and Supervisors	34,000	-	35,000	-

If there is a change in the amounts after the annual Consolidated Financial Statements are authorized for issue, the differences should be recorded as a change in the accounting estimate in the following year.

The actual employee' compensation and remuneration for directors and supervisors in 2019 and 2018 were consistent with the amounts recognized in the Consolidated Financial Statements for the years ended December 31, 2019 and 2018.

Information about Cleanaway's employee compensation and remuneration for Directors and Supervisors as approved by the Board of Directors is available at the Taiwan Stock Exchange Market Observation Post System website.

XXI. Income tax

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

	2020	2019
Current income tax		
Accrued in the current year	$ 290,948	$ 259,770
Surtax on unappropriated retained earnings	-	142
Adjustments for prior years	(815)	407
	290,133	260,319
Deferred income tax		
Accrued in the current year	23,165	11,561
Adjustments for prior years	628	7
	23,793	11,568
Income tax expenses recognized in profit or loss	$ 313,926	$ 271,887

Reconciliation between the accounting income and the income tax expense is stated as follows:

	2020	2019
Pretax profit	$ 1,487,724	$ 1,448,113
Income tax calculated by applying the statutory rate to pretax profit	$ 290,960	$ 283,441
Non-deductible expenses	13,438	10,593
Unrecognized operating loss carryforward and deductible temporary differences	9,715	(22,703)
Surtax on unappropriated retained earnings	-	142
Adjustments for income tax of prior periods	(815)	407
Adjustments for deferred income tax expense of prior periods	628	7
Income tax expenses recognized in profit or loss	$ 313,926	$ 271,887

In July 2019 the President put into effect the modified Statute for Industrial Innovation, stipulating that from 2018 onwards, any undistributed earnings, if taken for building or purchasing specific assets, can be listed as a deduction to the calculation of undistributed earnings. The Group arrived at the surtax on unappropriated earnings simply by deducting the accrued capital expenditure.

(II) Income tax expenses recognized in other comprehensive income

	2020	2019
Deferred income tax benefits (expenses)		
Recognized in other comprehensive income		
- Remeasurements of defined benefit plans	$ 214	($ 1,100)

(III) Current income tax assets and liabilities

	December 31, 2020	December 31, 2019
Tax refund receivable	$ 50,098	$ 50,104
Income tax payable	$ 267,738	$ 121,555

(IV) Deferred income tax assets and liabilities

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

2020

	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Balance, end of year
Deferred income tax assets				
Temporary differences				
Cost provisions for restoration	$ 26,650	($ 5,355)	$ -	$ 21,295
Defined benefit plans	2,328	(85)	214	2,457
Unrealized valuation on foreign currencies	158	(151)	-	7
Leave benefit payable	582	(130)	-	452
Allowance for loss	27	127	-	154
Property, plant and equipment	2	(2)	-	-
Financial difference in employee benefits	16	(8)	-	8
Right-of-use assets	628	(628)	-	-
	$ 30,391	($ 6,232)	$ 214	$ 24,373
Deferred income tax liabilities				
Temporary differences				
Property, plant and equipment	$ 69,427	$ 17,561	$ -	$ 86,988

2019

Deferred income tax assets	Balance, beginning of year	Recognized in profit or loss	Recognized in other comprehensive income	Balance, end of year
Temporary differences				
Cost provisions for restoration	$ 13,245	$ 13,405	$ -	$ 26,650
Defined benefit plans	3,498	(70)	(1,100)	2,328
Unrealized valuation on foreign currencies	2,072	(1,914)	-	158
Leave benefit payable	580	2	-	582
Allowance for loss	165	(138)	-	27
Property, plant and equipment	31	(29)	-	2
Financial difference in employee benefits	24	(8)	-	16
Right-of-use assets	-	628	-	628
	$ 19,615	$ 11,876	($ 1,100)	$ 30,391
Deferred income tax liabilities				
Temporary differences				
Property, plant and equipment	$ 45,983	$ 23,444	$ -	$ 69,427

(V) Deductible temporary differences and unused loss deductions that are not recognized as deferred tax assets in the consolidated balance sheets

	December 31, 2020	December 31, 2019
Operating loss carryforward		
Due in 2023	$ 652	$ 1,660
Due in 2024	516	516
Due in 2025	1,157	9,085
Due in 2026	10,198	10,636
Due in 2027	109,725	109,725
Due in 2029	6,435	9,775
Due in 2030	7,442	-
	$ 136,125	$ 141,397
Deductible temporary difference		
Amortization of depreciation of land for landfill sites	$ 436,277	$ 387,682
Investment in subsidiary companies and affiliate enterprises	162,072	155,369
Unrealized restoration provision	17,626	18,890
Unrealized valuation on foreign currencies	10,783	13,172
Financial difference in employee benefits	320	480
	$ 627,078	$ 575,593

(VI) Income Tax Approval

The enterprise business income tax returns of Cleanaway, Da Tsang, Chi Wei, Cleanaway Enterprise, Cleanaway Investment, Kang Lien, and Da Ning through 2018 have been approved by the tax authorities. Cleanaway Energy was established on January 16, 2019, and thus has no record of tax approval.

XXII. Basic earnings per share

Earnings and the number of weighted average shares used for calculation of EPS are stated as follows:

Net profit/(loss) for the year

	2020	2019
Net profit used for the calculation of basic EPS	$ 1,177,219	$ 1,178,988
Net profit used for the calculation of diluted EPS	$ 1,177,219	$ 1,178,988

Number of shares (in thousands)

	2020	2019
Weighted average number of common shares used for the calculation of basic EPS	108,888	108,888
Effect of dilutive potential common shares:		
Employee compensation	307	310
Weighted average number of common shares used for the calculation of diluted EPS	109,195	109,198

If the Cleanaway is allowed to settle employees' compensation by cash or stock, when calculating the diluted earnings per share, the Group shall assume that the entire amount of employees' compensation is settled by stock, and shall accounted for the weighted average number of common shares outstanding when the potential common shares are dilutive. The dilutive effect of such potential common shares shall continue to be considered when calculating the diluted EPS before resolving the number of shares to be distributed as employee compensation in the following year.

XXIII. Equity transactions with non-controlling interests

Cleanaway invested in establishing Cleanaway Energy Co., Ltd. on January 16, 2019, with a 100% shareholding ratio. Cleanaway Energy subsequently issued a total of 8,000 thousand new shares in April 2019, of which Cleanaway subscribed for 3,500 thousand shares. Because Cleanaway didn't fully subscribe the new shares issued, the shareholding ratio was reduced to 55% from 100% but it still has the substantial control over Cleanaway Energy. The change in net equity value of NT$136 thousand is adjusted to increase the capital reserve.

As the abovementioned transaction did not change the control over Cleanaway Energy, the Group treated the transaction as an equity transaction.

	2019
Cash consideration paid	($ 35,000)
Carrying amount of the subsidiary's net assets to be transferred out of non-controlling interest based on changes in equity	35,136
Difference in equity transactions	$ 136

XXIV. 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 from operating activities.

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

XXV. Financial instruments

(I) Information on fair value and categories of financial instruments

All financial instruments of the Group are financial assets (liabilities) measured at amortized cost instead of fair value.

The Group's management believes that the carrying amounts of financial assets (cash and cash equivalents, financial asset at amortized cost, contract assets, notes and trade receivables, trade receivables from related parties, other receivables from related parties and refundable deposits) and financial liabilities (trade payable, trade payable from related parties, other payables, other payables from related parties, long-term bank loans (due within one year), and guarantee deposits received) not measured at fair value approximate their fair values.

(II) Financial risk management objectives and policy

The Group's main financial instruments include cash and cash equivalents, contract assets, financial assets at amortized cost, notes and trade receivables, trade receivables from related parties, other receivables from related parties, guarantee deposits paid (received), trade payable, trade payable from related parties, other payables, other payables from related parties, and long-term bank loans (due within one year). The Group's finance management department provides services to various business units, coordinating their operation to enter the domestic and international financial markets. By analyzing the internal risk exposure report according to the degree and breadth of risks, it supervises and manages the financial risks related to the operation of the Group. 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 mitigate risk exposure.

1. Market risks

(1) Foreign exchange risk

The Group was exposed to foreign currency risk as it had time deposits in RMB (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 with significant influence are as follows:

December 31, 2020

	Foreign Currency (in thousands)	Exchange Rates	Book value (NT$)
Foreign-currency assets			
Monetary items			
RMB	$ 23,000	4.377	$ 100,671

December 31, 2019

	Foreign Currency (in thousands)	Exchange Rates	Book value (NT$)
Foreign-currency assets			
Monetary items			
RMB	$ 22,000	4.305	$ 94,710

The significant realized and unrealized foreign exchange gains (losses) arising from changes in CNY exchange rates were as follows:

	2020	2019
Exchange gain (loss)	$ 2,102	($ 2,288)

Sensitivity Analysis

The following table details the Group's sensitivity to a 1% increase or decrease in New Taiwan Dollars against CNY. 1% was the sensitivity percentage used in the internal reporting of the Group on foreign currency risk to key management. It also represented the reasonable range of changes in exchange rates deemed by the management.

The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and adjusts the translation at the end of the period to a 1% change in the 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 a positive number of the same amount.

	Effects of CNY	
	2020	2019
Income before income tax	($ 1,007)	($ 947)

(2) Interest rate risk

By taking out loans at both the fixed rate and floating rate at the same time, the Group is exposing to interest rate risks. Loans with fixed interest rates exposes the Cleanaway to fair-value interest rate risks. However, parts of the risks are offset by term deposit certificates with fixed interest rates. Loans with floating interest rates exposes the Group to cash flow interest rate risks. However, parts of the risks are offset by cash and cash equivalents held at floating interest rates. The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates on the balance sheet date are as follows:

	December 31, 2020	December 31, 2019
Fair value interest rate risk		
- Financial assets	$ 345,344	$ 270,035
- Financial liabilities:	93,000	160,000
Cash flow interest rate risk		
- Financial assets	1,072,873	683,327
- Financial liabilities:	-	200,000

Sensitivity Analysis

The sensitivity analysis below is based the Group's exposure to interest rate risk on the balance sheet date. For assets and liabilities based on floating interest rates, the analysis method assumes the assets and liabilities in external circulation on the reporting date remain so throughout the year. In addition, assessment is made within the reasonable range of possible changes in interest rates. If the interest rate increases or decreases by 1%, held all other variables constant, the Group's income before income tax for 2020 and 2019 will increase or decrease by NT$10,729 thousand and NT$4,833 thousand, respectively.

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.

Receivables from individual customers that exceed 10% of notes and accounts receivable of the Group were mostly generated from government projects. Excluding the aforesaid government projects, the Group had no receivables from other customers that exceed 10% of notes and accounts receivable of the Group. In principle, government institutions do not have credit quality issues and thus have no significant credit risk.

3. Liquidity risk

The Group supports its business operations and reduces cash flow fluctuation through appropriate management and the maintenance of sufficient cash and cash equivalents. In response to the Group's new investment plans starting from July 2018, the Group's management has supervised bank financing conditions and ensured compliance with loan contracts. Financing and loans from banks are regarded as an important source for maintaining liquidity.

(1) Table of liquidity and interest rate risks of non-derivative financial liabilities

The maturity analysis of remaining contracts of non-derivative financial liabilities is based on the earliest possible date on which the Group may be required to make repayments and the undiscounted cash flows of financial liabilities (including principal and estimated future interest). Therefore, the Group may be requested to immediately return bank loans in the earliest period specified in the table below without considering the probability of bank's immediate execution of such rights. Maturity analysis of other nonderivative financial liabilities shall be prepared in accordance with the agreed repayment date.

December 31, 2020

	Within 1 year	1 - 2 years	2 - 5 years
Non-interest-bearing liabilities	$ 177,510	$ -	$ -
Lease liabilities	16,673	16,543	24,111
Fixed interest rate instruments	15,023	14,860	65,984
	$ 209,206	$ 31,403	$ 90,095

Further information on the maturity analysis of lease liabilities is listed as follows:

	Within 1 year	1~5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 years or above
Lease liabilities	$ 16,673	$ 40,654	$ 30,355	$ 26,617	$ 31,600	$268,492

December 31, 2019

	Within 1 year	1 - 2 years	2 - 5 years
Non-interest-bearing liabilities	$ 181,684	$ -	$ -
Lease liabilities	11,312	11,172	23,529
Floating interest rate instruments	17,493	32,186	157,860
Fixed interest rate instruments	7,000	14,000	139,000
	$ 217,489	$ 57,358	$ 320,389

Further information on the maturity analysis of lease liabilities is listed as follows:

	Within 1 year	1~5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 years or above
Lease liabilities	$ 11,312	$ 34,701	$ 32,272	$ 24,494	$ 27,648	$215,940

(2) Financing Limit

	December 31, 2020	December 31, 2019
Unsecured banks loans credit limit		
－Amount used	$ -	$ -
－Amount unused	1,200,000	300,000
	$ 1,200,000	$ 300,000
Secured bank loan credit limit		
－Amount used	$ 93,000	$ 360,000
－Amount unused	450,000	195,000
	$ 543,000	$ 555,000

(3) Performance limit

	December 31, 2020	December 31, 2019
Unsecured bank performance guarantee limit		
－Amount used	$ 197,394	$ 207,495
－Amount unused	182,606	92,505
	$ 380,000	$ 300,000
Secured bank performance guarantee limit		
－Amount used	$ 127,912	$ 117,278
－Amount unused	462,088	342,722
	$ 590,000	$ 460,000

The utilized amount is used for the performance bond, and Ching-hsiang Yang, Chairman of Cleanaway and Da Ning and Cheng-lun Tao, Chairman of Chi Wei and Kang Lien, act as joint guarantors.

XXVI. Significant Related Party Transactions

All transactions between Cleanaway and its subsidiaries (related parties of Cleanaway), account balances, income and expenses are eliminated upon consolidation and therefore are not disclosed in this Note. Please refer to Table 7 in Note 30 for related written-off amounts. Transactions between the Group and other related parties were listed below.

(I) The names and relationships of the related parties

Related Party	Relationship with the Group
Jocris Ltd. (Jocris)	The Company's corporate director
Ho Tsang Co., Ltd. (Ho Tsang)	The spouse of the Cleanaway's chairman is the chairman of the company
Ching-hsiang Yang	The Company's Chairman
Li Pi-lien Yang	Spouse of the Cleanaway's Chairman
Shu-hui Yang	Second degree of kinship of the Cleanaway's Chairman
Yang Chi Chuan Social Welfare Charity Foundation (Yang Chi Chuan Foundation)	Cleanaway's Chairman is a director of the foundation
Chase Environmental Co., Ltd. (Chase)	Affiliate enterprise
Cleanaway SUEZ Environmental Resources Limited (Cleanaway SUEZ)	Affiliate enterprise
Chung Tai Resource Technology Corp. (Chung Tai)	Affiliate enterprise
Chin Wei Environmental Consultant Co., Ltd. (Chin Wei)	The chairman of a Cleanaway subsidiary is the chairman of the company
Hsiung Wei Company Limited (Hsiung Wei)	Substantive related party
Kao Lien Company Limited (Kao Lien)	Substantive related party
MHS Co., Ltd. (MHS)	Cleanaway's chairman is a second-degree relative of the company's chairman

(II) Significant transactions with related parties

1. Accounts receivable - related parties

	December 31, 2020	December 31, 2019
Chung Tai	$ 5,218	$ 27,466
Cleanaway SUEZ	4,717	-
	9,935	27,466
Minus: Allowance for losses	(99)	(275)
	$ 9,836	$ 27,191

These are the outstanding trade receivable derived from the Group's offer of waste disposal services. The credit periods for services rendered to related parties are 30 ~ 120 days.

Collateral is not provided for receivables from related parties in external circulation.

The Group measures account receivables - allowances for losses from related parties based on the provisional matrix, and the specific information is as follows:

December 31, 2020

	Not past due	1～210 days overdue	211～240 days overdue	241～365 days overdue	More than 365 days overdue	Total
Overdue credit loss rate	0% - 1%	1% - 2%	10%	20%	100%	
Total carrying amount	$ 9,935	$ -	$ -	$ -	$ -	$ 9,935
Allowance for losses (lifetime expected credit losses)	(99)	-	-	-	-	(99)
Amortized cost	$ 9,836	$ -	$ -	$ -	$ -	$ 9,836

December 31, 2019

	Not past due	1～210 days overdue	211～240 days overdue	241～365 days overdue	Overdue for more than 365 days	Total
Overdue credit loss rate	0% - 1%	1% - 2%	10%	20%	100%	
Total carrying amount	$ 22,694	$ 4,772	$ -	$ -	$ -	$ 27,466
Allowance for losses (lifetime expected credit losses)	(228)	(47)	-	-	-	(275)
Amortized cost	$ 22,466	$ 4,725	$ -	$ -	$ -	$ 27,191

Changes in allowance for trade receivables from related parties are as follows:

	2020	2019
Balance, beginning of year	$ 275	$ -
(Minus) plus: provision (reversal) of impairment loss	(176)	275
Balance, end of year	$ 99	$ 275

2. Other receivables from related parties

	December 31, 2020	December 31, 2019
Chase	$ 1,674	$ 30,341
Minus: Allowance for losses	(17)	(303)
	$ 1,657	$ 30,038

Because the Group operates waste disposal business through Chase's intermediary platform, customers make the payment for relevant waste disposal to Chase. Therefore, the amount collected by Chase is accounted for under other receivables-related parties.

Collateral is not provided for other receivables from related parties in external circulation.

The Group's allowances for losses for other receivables from related parties based on the provision matrix are as below:

December 31, 2020

	Not past due	1～210 days overdue	211～240 days overdue	241～365 days overdue	More than 365 days overdue	Total
Overdue credit loss rate	0% - 1%	1% - 2%	10%	20%	100%	
Total carrying amount	$ 1,674	$ -	$ -	$ -	$ -	$ 1,674
Allowance for losses (lifetime expected credit losses)	(17)	-	-	-	-	(17)
Amortized cost	$ 1,657	$ -	$ -	$ -	$ -	$ 1,657

December 31, 2019

	Not past due	1～210 days overdue	211～240 days overdue	241～365 days overdue	More than 365 days overdue	Total
Overdue credit loss rate	0% - 1%	1% - 2%	10%	20%	100%	
Total carrying amount	$ 30,341	$ -	$ -	$ -	$ -	$ 30,341
Allowance for losses (lifetime expected credit losses)	(303)	-	-	-	-	(303)
Amortized cost	$ 30,038	$ -	$ -	$ -	$ -	$ 30,038

Information of changes in allowance for other receivables from related parties is as below:

	2020	2019
Balance, beginning of year	$ 303	$ -
(Minus) plus: provision (reversal) of impairment loss	(286)	303
Balance, end of year	$ 17	$ 303

3. Trade payables to related parties

	December 31, 2020	December 31, 2019
Chase	$ 6,761	$ 4,258
Cleanaway SUEZ	6,126	-
	$ 12,887	$ 4,258

Trade payable -platform licensing fee payable by Chase. Trade payable - Incineration charges payable by Cleanaway SUEZ

4. Other payables to related parties

	December 31, 2020	December 31, 2019
Chase	$ 10,311	$ 31,058
Chin Wei	7,875	7,875
Hsiung Wei	80	87
Kao Lien	81	88
	$ 18,347	$ 39,108

Other trade payable－amount received by Chase on behalf of others. Other trade payable - corporate management consultation service fees payable by Chin Wei. Other trade payable - Service cost payable by Hsiung Wei and Kao Lien.

5. 5. Operating revenue

	2020	2019
Cleanaway SUEZ	$ 48,241	$ 31,459
Chung Tai	39,302	59,514
MHST	218	14
Chase	-	14,296
	$ 87,761	$105,283

The fee is the amount paid by the Group for assigning related parties to dispose of wastes, and the price is based on the quote of non-related parties.

6. Costs of remediation projects for contaminated and illegal dump sites (recognized under operating costs)

	2020	2019
Cleanaway SUEZ	$ 750	$ -
Chase	-	129
	$ 750	$ 129

The fee is the cost paid by the Group for entrusting related parties to remedy contaminated and illegal dump sites, which cost is inferred from the price for non-related parties.

7. Platform licensing fee (recognized under the operating costs)

	2020	2019
Chase	$ 66,204	$ 38,854

The fee is charged by Chase for providing the Group with platform services. Because such a transaction is only made with Chase, there is no comparative price from third parties.

8. Incineration expenses (recognized under operating costs)

	2020	2019
Cleanaway SUEZ	$ 302	$ -

This is the payable to Cleanaway SUEZ for its service of incineration of wastes generated from the Group's project to remedy the contaminated and illegal dump sites, which payable amount is inferred from the price for non-related parties.

9. Service expense (recognized under operating costs)

	2020	2019
Hsiung Wei	$ 1,203	$ 806
Kao Lien	1,201	785
	$ 2,404	$ 1,591

The Hsiung Wei and Kao Lien provided the premise for the Group to construct a solar photovoltaic system and charge the fee based on the percentage of the revenue from power generation. Because such a transaction is only made with Hsiung Wei and Kao Lien, there is no comparative price from third parties.

10. Management consulting fee (recognized under operating expenses)

	2020	2019
Chin Wei	$ 30,000	$ 30,000
Jocris	10,000	10,000
	$ 40,000	$ 40,000

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

11. Prepayments for land

As of December 31, 2020 and 2019, the Group has not yet obtained the approval letter for registration of certain landfill sites for specific industrial use. Therefore, the two parties in the transaction have not registered for ownership transfer. As such, the transactions are recognized as prepayments for land and the amounts are all carried at NT$143,689 thousand. Related owners of the land have set all liens to such lands to the Group and the details on the prepayments for land are as follows:

	December 31, 2020	December 31, 2019
Li Pi-lien Yang	$141,357	$141,357
Ching-hsiang Yang	1,629	1,629
Shu-hui Yang	703	703
	$143,689	$143,689

12. Guarantee deposits received

	December 31, 2020	December 31, 2019
Chase	$ 20,000	$ -

The Group obtains the waste disposal business through Chase's intermediary platform, and Chase has collected payments from customers on behalf of the Group. As such, this is the proceeds from Chase for the Group's performance of obligation.

13. Property transaction

Acquisition of property, plant and equipment

The Group purchased machinery and equipment from Hsiung Wei worth NT$ 322 thousand in July 2019.

14. Leasing agreement

Related Party	Accounting subject	December 31, 2020	December 31, 2019
Ho Tsang	Lease liabilities-current	$ 3,319	$ 3,577
Ho Tsang	Lease liabilities - non-current	$ 363,557	$ 304,994
Ho Tsang	Interest expenses	$ 3,834	$ 3,878

Regarding leasing transactions with Ho Tsang, please refer to Note 11 (3) Important Lease Activities and Terms.

15. Donation (recognized under operating expenses)

	2020	2019
Yang Chi Chuan Foundation	$ 10,000	$ 10,000

To fulfill corporate social responsibilities, the Group donated NT$10,000 thousand in both 2020 and 2019 to the Yang Chi Chuan Foundation to sponsor its charity events.

16. Administrative and selling expenses allocated among affiliated companies (recognized under operating expenses deduction)

	2020	2019
Chase	$ -	$ 3,893

Such transactions are shared office expenses between the Group and affiliated companies.

(III) Remuneration to key management

Remuneration to Directors and key management in 2020 and 2019 were as follows:

	2020	2019
Remuneration to Directors	$ 32,400	$ 32,400
Short-term employee benefits		
Salaries	14,760	14,760
Bonus and compensation	28,000	28,000
Benefits after retirement		
Defined benefits	$ 161	$ 161
Defined contribution	648	612
Transportation expenses	240	290
	$ 76,209	$ 76,223

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

XXVII. Pledged Assets

Assets provided by the Group as collateral to the bank against its secured loans and construction performance guarantee were as follows:

	December 31, 2020	December 31, 2019
Pledged time deposit certificates (recognized under financial assets measured at amortized cost)		
- Current	$ 4,258	$ 25,693
- Non-current	500	98,655
Restricted bank deposits (Reserve account, Recognized under other current assets)		
- Current	-	6
Land	722,806	722,806

XXVIII. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Unrecognized contract commitments of the Group were as follows:

	December 31, 2020	December 31, 2019
Acquisition of property, plant and equipment (for construction of offices for operations)	$ -	$ 900

XXIX. Others

Management of the Group has determined, after assessment, that global pandemic of COVID-19 has not had significant impact on the Group's asset impairment, financing, and ability to continue as a going concern.

XXX. Additional Disclosures

Information on (I) Significant Transactions and (II) Investees:

1. Lending to others (Table 1)
2. Endorsements/guarantees provided for others (Table 2)
3. Marketable securities held at the end of the period (excluding equity in subsidiaries, associates and joint ventures) (None)
4. Accumulated purchase or disposal of individual marketable securities in excess of NT$300 million or 20% of the paid-in capital (None)
5. Acquisition of real estate at price in excess of NT$300 million or 20% of the paid-in capital (None)
6. Disposal of real estate at price in excess of NT$300 million or 20% of the paid-in capital (None)
7. Purchases and sales with related parties in excess of NT$100 million or 20% of the paid-in capital (Table 3)
8. Amount receivable from related parties in excess of NT$100 million or 20% of its paid-in capital (Table 4)
9. Derivative financial instrument transactions (None)
10. Others: Business relationships, important transactions and amount between the parent company and subsidiaries (Table 7)
11. Information on investees (Table 5)

(III) Information on investments in mainland China:

1. 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)
2. 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.

(IV) Information on major shareholders (names of shareholders with a holding ratio of 5% or more and the amount and proportion of shares held. (Table 8)

XXXI. Segment Information

(I) Services

Segment revenue and operations

	2020							
	Solidification and Excavation	Landfill	Clean-up and Transport	China operations	Investment	Others	Adjustments and elimination	Total
Revenue								
Revenue from external customers								
Landfill revenue	$ -	$ 1,820,140	$ -	$ -	$ -	$ -	$ -	$ 1,820,140
Solidification revenue	490,703	-	-	-	-	-	-	490,703
Clean-up and transport revenue	-	-	101,844	-	-	-	-	101,844
Revenue from contaminated and illegal dump sites cleanup	239,281	-	-	-	-	-	-	239,281
Other income	-	-	-	-	-	28,571	-	28,571
Revenue from inter-segment sales	129	732,067	53,634	-	-	6,589	(792,419)	-
Interest income	5,172	3,810	47	638	-	391	(3,039)	7,019
Total revenue	$ 735,285	$ 2,556,017	$ 155,525	$ 638	$ -	$ 35,551	($ 795,458)	$ 2,687,558
Segments income								
Net income	$ 188,448	$ 943,947	$ 10,472	($ 5,553)	$ 30,656	$ 5,919	($ 91)	$ 1,173,798

	2019							
	Solidification and Excavation	Landfill	Clean-up and Transport	China operations	Investment	Others	Adjustments and elimination	Total
Revenue								
Revenue from external customers								
Landfill revenue	$ -	$ 1,936,722	$ -	$ -	$ -	$ -	$ -	$ 1,936,722
Solidification revenue	377,446	-	-	-	-	-	-	377,446
Clean-up and transport revenue	-	-	81,543	-	-	-	-	81,543
Revenue from contaminated and illegal dump sites cleanup	290,674	-	-	-	-	-	-	290,674
Other income	-	-	-	-	-	20,189	-	20,189
Revenue from inter-segment sales	-	808,178	47,548	-	-	8,221	(863,947)	-
Interest income	2,055	7,213	8	966	-	96	(2,496)	7,842
Total revenue	$ 670,175	$ 2,752,113	$ 129,099	$ 966	$ -	$ 28,506	($ 866,443)	$ 2,714,416
Segments income								
Net income	$ 150,462	$ 1,006,637	($ 3,341)	($ 6,545)	$ 27,548	$ 1,378	$ 87	$ 1,176,226

Segments assets

	December 31, 2020	December 31, 2019
Solidification and Excavation	$ 3,189,219	$ 3,298,768
Landfill	3,128,148	3,364,821
Clean-up and transport	147,489	154,419
China operations	85,563	87,997
Investments	1,069,708	1,060,753
Others	296,121	320,217
Adjustments and elimination	(777,504)	(1,191,632)
Consolidated total assets	$ 7,138,744	$ 7,095,343

1. The Group has five reportable segments: solidification and excavation segment, landfill segment, clean-up and transport segment, China operation segment, and investment segment.
   (1) Solidification and excavation: Intermediate treatment for hazardous industrial waste; 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 protection market in China.
   (5) Investment: Investment in Cleanaway SUEZ, Chung Tai, and Chase.
2. 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 the amount recorded in the report used by the operating decision makers.
3. The accounting policies of the operating segments are the same as the remarks on significant accounting policies described in Note 4. The net income of operating segments is used as the basis for assessing performance.

(II) Geographical Information

	Revenue from external customers		Non-current assets	
	2020	2019	December 31, 2020	December 31, 2019
Taiwan	$ 2,680,539	$ 2,706,574	$ 3,925,416	$ 4,010,872
China	-	-	11,545	11,356
	$ 2,680,539	$ 2,706,574	$ 3,936,961	$ 4,022,228

Revenue by regions was presented based on the collection regions. Non-current assets refer to contract assets-non-current, property, plant, and equipment, right-of-use assets, prepayments for land and equipment, and other non-current assets (excluding financial instruments and deferred tax assets).

(III) Major Customers

Details of major customers accounting for more than 10% of net consolidated operating revenue in 2020 and 2019 are as follows:

	2020		2019	
	Amount	% to Operating Revenue	Amount	% to Operating Revenue
Customer A from the landfill and clean-up and transport department	$ 447,233	17	$ 434,827	16

Cleanaway Company Limited and Subsidiaries

Lending to Others

2020

Table 1

Unit: NT$1,000, Unless Otherwise Specified

No.	Lending company	Borrower	Transaction item	Related Party Status	Maximum Balance	Ending Balance	Actual Drawdown	Interest Rate Range	Nature of loan	Amount of Business Transaction	Reason for Short-term Financing	Listed allowances for losses	Collateral		Limit on loans granted to a single party (Note 1)	Total limit amount of loans (Note 1)	Notes
													Name	Value			
0	Cleanaway Company Limited	Da Tsang Industrial Company Limited	Other receivables from related parties	Yes	$ 60,000	$ 60,000	$ 60,000	1%	Short-term financing	Not applicable	Operating capital	$ -	-	$ -	$ 2,286,192 (Note 2)	$ 2,286,192 (Note 2)	
0	Cleanaway Company Limited	Kang Lien Enterprise Company Limited	Other receivables from related parties	Yes	50,000	50,000	44,000	1%	Short-term financing	Not applicable	Operating capital	-	-	-	2,286,192 (Note 2)	2,286,192 (Note 2)	
0	Cleanaway Company Limited	Da Tsang Industrial Company Limited	Other receivables from related parties	Yes	300,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	2,286,192 (Note 2)	2,286,192 (Note 2)	
1	Da Tsang Industrial Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables from related parties	Yes	6,569 (RMB 1,500 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	415,884 (Note 3)	415,884 (Note 3)	
1	Da Tsang Industrial Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables from related parties	Yes	6,569 (RMB 1,500 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	415,884 (Note 3)	415,884 (Note 3)	
1	Da Tsang Industrial Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables from related parties	Yes	6,566 (RMB 1,500 thousand)	6,566 (RMB 1,500 thousand)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	415,884 (Note 3)	415,884 (Note 3)	
2	Cleanaway Enterprise Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables from related parties	Yes	6,569 (RMB 1,500 thousand)	6,566 (RMB 1,500 thousand)	6,566 (RMB 1,500 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	91,632 (Note 4)	91,632 (Note 4)	
2	Cleanaway Enterprise Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables from related parties	Yes	6,569 (RMB 1,500 thousand)	6,566 (RMB 1,500 thousand)	6,566 (RMB 1,500 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	91,632 (Note 4)	91,632 (Note 4)	
2	Cleanaway Enterprise Company Limited	Cleanaway Company Limited	Other receivables from related parties	Yes	55,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	91,632 (Note 4)	91,632 (Note 4)	
2	Cleanaway Enterprise Company Limited	Da Tsang Industrial Company Limited	Other receivables from related parties	Yes	20,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	91,632 (Note 4)	91,632 (Note 4)	
2	Cleanaway Enterprise Company Limited	Cleanaway (Shanghai) Company Limited	Other receivables from related parties	Yes	13,137 (RMB 3,000 thousand)	13,131 (RMB 3,000 thousand)	13,131 (RMB 3,000 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	91,632 (Note 4)	91,632 (Note 4)	
3	Chi Wei Company Limited	Da Tsang Industrial Company Limited	Other receivables from related parties	Yes	60,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	302,840 (Note 5)	302,840 (Note 5)	
3	Chi Wei Company Limited	Da Tsang Industrial Company Limited	Other receivables from related parties	Yes	150,000	150,000	150,000	1%	Short-term financing	Not applicable	Operating capital	-	-	-	302,840 (Note 5)	302,840 (Note 5)	

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No.	Lending company	Borrower	Transaction item	Related Party Status	Maximum Balance	Ending Balance	Actual Drawdown	Interest Rate Range	Nature of loan	Amount of Business Transaction	Reason for Short-term Financing	Listed allowances for losses	Collateral		Limit on loans granted to a single party (Note 1)	Total limit amount of loans (Note 1)	Notes
													Name	Value			
3	Chi Wei Company Limited	Kang Lien Enterprise Company Limited	Other receivables from related parties	Yes	$ 50,000	$ -	$ -	1%	Short-term financing	Not applicable	Operating capital	$ -	-	$ -	$ 302,840 (Note 5)	$ 302,840 (Note 5)	
4	Cleanaway Investment Company Limited	Cleanaway (Shanghai) Company Limited	Other receivables from related parties	Yes	13,137 (RMB 3,000 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	21,819 (Note 6)	21,819 (Note 6)	

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 Cleanaway may lend its funds to are companies or firms having business relationship with the Cleanaway, or ones requiring short-term financing.

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

(3) The lending amount to a single firm or company is limited to 40 percent of the Cleanaway's net worth. For firms or companies having business relationship with the Cleanaway, 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 Cleanaway's net worth. For companies where the Cleanaway or the parent company held, either directly or indirectly, 50% or more of shares, the lending amount shall not exceed 40 percent of the Cleanaway's net worth. In addition, the lending between the Cleanaway and its parent or subsidiary, or between subsidiary companies shall not exceed 10% of the net value of the company's latest financial statements.

Note 2: Cleanaway Company Limited is the parent company of Da Tsang Company Limited and Kang Lien Enterprise. 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 Cleanaway's net worth. Net worth of the Cleanaway Company Limited is calculated based on its latest audited or reviewed financial statements, i.e. net worth as of December 31, 2020. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of the Cleanaway's net worth.

Note 3: 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. the net worth as of December 31, 2020. 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: Da Tsang Industrial Company Limited, Cleanaway (Shanghai) Company Limited, and Cleanaway Zoucheng Co., Ltd. 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 is calculated based on its latest audited financial statements, i.e. the net worth as of December 31, 2020. 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 5: Da Tsang Industrial Company Limited and Kang Lien Enterprise Company Limited are the affiliates of Chi Wei 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 Chi Wei Company Limited's net worth. Net worth of Chi Wei Company Limited is calculated based on its latest audited financial statements, i.e. the net worth as of December 31, 2020. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of the Chi Wei's net worth.

Note 6: Cleanaway (Shanghai) Company Limited is an affiliate of Cleanaway Investment 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 the net worth of Cleanaway Investment Company Limited. Net worth of Cleanaway Investment Company Limited is calculated based on its latest audited financial statements, i.e. the net worth as of December 31, 2020. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of Cleanaway Investment Company Limited's net worth.

Note 7: In accordance with the regulations governing capital loan of the aforementioned companies who load funds, the limit of the capital loan shall be calculated based on the net value of the latest audited financial statements. The aforementioned loan ceiling for individual companies and the total loan ceiling for others announced by the companies that loaned funds in December 2020 were calculated on the basis of financial statements Q3 2020 rather than financial statements 2020 because the financial statements 2020 have not been audited by CPAs. The actual ceiling may have certain differences with the aforesaid amount.

Cleanaway Company Limited and Subsidiaries

Endorsement/Guarantee Provided for Others

2020

Table 2

Unit: NT$1,000, Unless Otherwise Specified

No. (Note 1)	Endorsement/Guarantee Provider Name	Subject of Endorsements/Guarantees		Limit of Endorsements/ guarantees for a Single Entity (Notes 3 and 5)	Maximum Balance for this Period	Endorsement and Guarantee Closing Balance	Actual Drawdown	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Notes 4 and 5)	Guarantee Provided by the Parent Company	Guarantee Provided by a Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Notes
		Company Name	Relationship (Note 2)											
0	Cleanaway Company Limited	Cleanaway Enterprise Company Limited	2	$ 2,857,741	$ 120,000	$ 93,000	$ 93,000	$ -	2.10	$ 2,857,741	Y	N	N	
0	Cleanaway Company Limited	Cleanaway Enterprise Company Limited	2	2,857,741	160,000	-	-	-	2.80	2,857,741	Y	N	N	

Note 1: explanations are as follows:

(1) The issuer is coded 0.

(2) Investees are numbered consecutively from 1 in the order presented in the table above.

Note 2: The relation between endorsement guarantor and the subject of endorsement or guarantee is as follows:

(1) A company that has business transactions with the Cleanaway.

(2) Companies in which the Cleanaway directly and indirectly holds more than 50 percent of the voting shares.

Note 3: The amount of each company's endorsement/guarantee shall not exceed 50% of its net value as stated in the latest financial statements audited by CPAs.

Note 4: The amount of each company's endorsement/guarantee for a single enterprise shall not exceed 50% of its net value as stated in the latest financial statements audited by CPAs.

Note 5: According to the provisions governing Cleanaway's endorsement/guarantee, the cap of the endorsement shall be calculated based on the net value as stated in the latest financial statements audited by CPAs. As announced by Cleanaway in December 2020, the caps of endorsement/guarantee for a single enterprise and for others in total both are NT$ 2,696,331 thousand. However, because the 2020 annual financial statements have not been audited by CPAs, the calculation based on the financial statements for Q3 2020, so the actual cap may have certain differences with the aforesaid amount.

Cleanaway Company Limited and Subsidiaries

Purchases and Sales with Related Parties in Excess of NT$100 Million or 20% of the Paid-in Capital

2020

Table 3

Unit: NT$1,000, Unless Otherwise Specified

Supplier (Buyer) Company	Name of Trading Partner	Relationship	Transaction Details				Situation and reason of why trading conditions are different from general trading		Notes and Accounts Receivable (Payable)		Notes
			Purchase/Sale	Amount	Ratio to Total Purchase (sell)	Credit period	Unit Price	Credit period	Balance	Ratio to Total Notes and Trade Receivable (payable)	
Cleanaway Company Limited	Chi Wei Company Limited	Subsidiary	Landfill and clean-up and transport expense	$ 267,429	37%	subject to the contract	-	-	($ 37,495)	(83%)	-
Chi Wei Company Limited	Cleanaway Company Limited	Parent company	Landfill and clean-up and transport revenue	(267,429)	(25%)	subject to the contract	-	-	37,495	26%	-
Da Ning Co. Ltd.	Da Tsang Industrial Company Limited	Parent company	Landfill expense	403,306	72%	subject to the contract	-	-	(84,722)	(96%)	-
Da Tsang Industrial Company Limited	Da Ning Co. Ltd.	Subsidiary	Other operating revenue	(403,306)	(100%)	subject to the contract	-	-	84,722	100%	-

Cleanaway Company Limited and Subsidiaries

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

December 31, 2020

Table 4

Unit: NT$1,000,
Unless Otherwise Specified

Company with accounts receivable	Name of Trading Partner	Relationship	Balance of receivables from related parties	Turnover rate	Overdue Receivables from Related Parties		Amounts received in subsequent period	Listed allowances for losses
					Amount	Processing method		
Cleanaway Company Limited	Da Tsang Industrial Company Limited	Subsidiary	$ 230,201 (Note 1)	(Note 5)	$ -	-	$ -	$ -
Cleanaway Company Limited	Chi Wei Company Limited	Subsidiary	162,159 (Note 2)	(Note 5)	-	-	-	-
Da Tsang Industrial Company Limited	Da Ning Co. Ltd.	Fellow companies	21,359 (Note 3)	(Note 5)	-	-	-	-
Da Tsang Industrial Company Limited	Da Ning Co. Ltd.	Fellow companies	84,722	3.46	-	-	-	-
Chi Wei Company Limited	Da Tsang Industrial Company Limited	Fellow companies	150,127 (Note 4)	(Note 5)	-	-	-	-

Note 1: Comprised NT$60,051 thousand of capital loans, NT$3,171 thousand of amortized administrative expenses receivable and NT$166,979 thousand of cash dividends receivable.

Note 2: Comprised NT$5,281 thousand of amortized administrative expenses receivable and NT$156,878 thousand of cash dividends receivable.

Note 3: Referred to cash dividends receivable.

Note 4: Referred to a capital loan.

Note 5: The receivables were not generated from operating revenue; the turnover ratio is therefore not applicable.

Cleanaway Company Limited and Subsidiaries

Information on Investees, Locations, etc.

2020

Table 5

Unit: NT$1,000,
Unless Otherwise Specified

Investor	Investee company name	Location	Main businesses	Initial Investment		Holdings at the End of Period			Net Income (Loss) of Investee	Share of profit/loss of investee	Notes
				End of the Current Period	End of Previous Year	Number of Shares	Ratio	Carrying Amount of Investment,			
Cleanaway Company Limited	Da Tsang Industrial Company Limited	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	Waste disposal	$ 300,977	$ 300,977	27,000,000	100	$ 1,039,712	$ 358,226	$ 358,226	Subsidiary of Cleanaway Company Limited
〃	Cleanaway Enterprise Company Limited	〃	〃	159,507	159,507	18,000,000	100	229,081	11,821	11,821	Subsidiary of Cleanaway Company Limited
〃	Chi Wei Company Limited	〃	〃	410,000	410,000	41,000,000	100	757,100	585,464	585,464	Subsidiary of Cleanaway Company Limited
〃	Kang Lien Enterprise Company Limited	〃	Waste clean-up	58,222	58,222	6,020,000	100	70,139	10,472	10,381	Subsidiary of Cleanaway Company Limited
〃	Cleanaway Investment Company Limited	〃	General investment	80,000	80,000	8,000,000	100	54,549	3,087	3,087	Subsidiary of Cleanaway Company Limited
〃	CCL Investment Holding Company Limited	Samoa	General investment	USD3,500 thousand (Equivalent of NT$ 106,214 thousand)	USD3,500 thousand (Equivalent of NT$ 106,214 thousand)	-	64	16,707	(6,703)	(4,255	Subsidiary of Cleanaway Company Limited
〃	Cleanaway SUEZ Environmental Resources Limited	No. 25-1, Huadong Road, Daliao District, Kaohsiung City	Waste disposal	650,000	650,000	21,750,000	29	667,009	38,293	11,105	Affiliate enterprise of Cleanaway Company Limited
〃	Cleanaway Energy Company Limited	2F., No. 328, Huanke Road, Datan Village, Guanyin District, Taoyuan City	Waste disposal	55,000	55,000	5,500,000	55	47,277	(7,602)	(4,182	Subsidiary of Cleanaway Company Limited
〃	Chung Tai Resource Technology Corp	No. 328, Huanke Road, Datan Village, Guanyin District, Taoyuan City	Waste disposal	374,400	374,400	15,600,000	20.02	383,613	115,760	16,295	Affiliate enterprise 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	450,000	15,000,000	100	553,353	130,890	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	CCL Investment Holding Company Limited	Samoa	General investment	RMB 6,000 thousand (Equivalent of NT$ 30,102 thousand)	RMB6,000 thousand (Equivalent of NT$ 30,102 thousand)	-	16	4,433	(6,703)	(Note 1)	Subsidiary of Cleanaway Company Limited
Cleanaway Investment Company Limited	CCL Investment Holding Company Limited	Samoa	General investment	USD1,124 thousand (Equivalent of NT$ 33,034 thousand)	USD1,124 thousand (Equivalent of NT$ 33,034 thousand)	-	20	5,171	(6,703)	(Note 1)	Subsidiary of Cleanaway Company Limited
〃	Chase Environmental Co., Ltd.	1F, No. 326, Huanke Road, Datan Village, Guanyin District, Taoyuan City	Waste clean-up	15,000	15,000	1,500,000	25	19,086	13,025	(Note 1)	Affiliate enterprise of Cleanaway Company Limited

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Investor	Investee company name	Location	Main businesses	Initial Investment		Holdings at the End of Period			Net Income (Loss) of Investee	Share of profit/loss of investee	Notes
				End of the Current Period	End of Previous Year	Number of Shares	Ratio	Carrying Amount of Investment,			
CCL Investment Holding Company Limited	Cleanaway Shanghai Management Holding Company Limited	Samoa	General investment	USD1,124 thousand (Equivalent of NT$ 33,034 thousand)	USD1,124 thousand (Equivalent of NT$ 33,034 thousand)	-	100	($ 27,731)	$ -	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	Cleanaway Zoucheng Holding Company Limited	Samoa	General investment	USD3,500 thousand (Equivalent of NT$ 106,214 thousand)	USD3,500 thousand (Equivalent of NT$ 106,214 thousand)	-	100	23,157	(7,253)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	Cleanaway Zhejiang Holding Company Limited	Samoa	General investment	-	-	-	100	1,298	(1)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited

Note 1: For "Share of Profits/Losses," only the Cleanaway'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

2020

Table 6

Unit: NT$1,000,
Unless Otherwise Specified

Name of Investee in China	Main businesses	Paid-in Capital	Investment Method	Cumulative Investment Amount Remitted from Taiwan - Beginning of the Period	Wire-in or wire-out amount investment amount		Cumulative Investment Amount Remitted from Taiwan - Ending of the Period	Net Income (Loss) of Investee	Shareholding Ratio of the Cleanaway's Investment, Directly or Indirectly	Investment gains (losses) recognized in the current period	Carrying amount at the end of the period	Ending balance of accumulated inward remittance of earnings	Notes
					Outflow	Inflow							
Cleanaway (Shanghai) Company Limited	Enterprise management consultation	$ 33,034 (RMB 7,000 thousand)	Note 1	$ 33,034 (RMB 7,000 thousand)	$ -	$ -	$ 33,034 (RMB 7,000 thousand)	$ -	100%	$ -	($ 27,735)	$ -	
Cleanaway Zoucheng Co., Ltd.	Waste management	106,214 (USD 3,500 thousand)	Note 2	106,214 (USD 3,500 thousand)	-	-	106,214 (USD 3,500 thousand)	(7,246)	100%	(7,246)	21,143	-	

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 remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Upper limit on investment authorized by MOEAIC
Cleanaway Investment Company Limited: NT$33,034 thousand (CNY7,000 thousand)	Cleanaway Investment Company Limited: USD1,124 thousand (Equivalent of NT$33,714 thousand)	The cap was set at 60% of Cleanaway Investment Company Limited's net worth. Pursuant to the regulations, the cap was calculated as follows: NT$54,549 thousand × 60% = NT$32,729 thousand
Cleanaway Company Limited: NT$106,214 thousand (USD 3,500 thousand)	Cleanaway Company Limited: USD8,000 thousand (Equivalent of NT$240,000 thousand)	The cap was set at 60% of Cleanaway Company Limited's net worth. Pursuant to the regulations, the cap was calculated as follows: NT$5,715,482 thousand × 60% = NT$3,429,289 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

2020

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 (%) to consolidated net revenue or total assets (Note 3)
0	Cleanaway Company Limited	Chi Wei	1	Trade payables to related parties	$ 37,495	Payment term is subject to the contract	1
0	Cleanaway Company Limited	Chi Wei	1	Operating costs (landfill expense)	258,802	Based on prices with non-related parties and adjusted according to estimated burial volume	10
0	Cleanaway Company Limited	Da Ning	1	Operating costs (landfill expense)	60,827	Based on prices with non-related parties and adjusted according to estimated burial volume	2
0	Cleanaway Company Limited	Chi Wei	1	Other receivables from related parties	156,878	Cash dividends receivable, to be collected on the dividend date in cash	2
0	Cleanaway Company Limited	Da Tsang Industrial	1	Other receivables from related parties	166,979	Cash dividends receivable, to be collected on the dividend date in cash	2
0	Cleanaway Company Limited	Kang Lien Enterprise	1	Other receivables from related parties	44,037	Short-term financing and interest receivable, repayment within one year, interest at 1% p.a.	1
0	Cleanaway Company Limited	Da Tsang Industrial	1	Other receivables from related parties	60,051	Short-term financing and interest receivable, repayment within one year, interest at 1% p.a.	1
1	Chi Wei	Kang Lien Enterprise	3	Operating costs (clean-up and transport expense)	41,149	Based on prices with non-related parties and adjusted according to the volume and distance of clean-up and transport	2
1	Chi Wei	Da Tsang Industrial	3	Other receivables from related parties	150,127	Short-term financing and interest receivable, repayment within one year, interest at 1% p.a.	2

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No. (Note 1)	Company Name	Counterparty	Relationship with counterparty (Note 2)	Transaction status			
				Accounts	Amount	Terms	Percentage (%) to consolidated net revenue or total assets (Note 3)
2	Da Tsang Industrial	Da Ning	3	Other operating revenue	$ 403,306	Distribution of profits based on contribution to the joint-operating contract	15
2	Da Tsang Industrial	Da Ning	3	Trade receivables from related parties	84,722	Collection in the following month	1

Note 1: Business operations 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.

Note 4: Significant transaction is determined by the Cleanaway to specify in accordance with the principle of materiality.

Cleanaway Company Limited and Subsidiaries

Major Shareholder Information

December 31, 2020

Table 8

Name of major shareholder	Shares	
	Number of shares held (shares)	Shareholding ratio
Ching-hsiang Yang	12,112,350	11.12%
Fubon Life Insurance Co., Ltd.	6,532,000	5.99%
JOCRIS LIMITED	5,832,522	5.35%
Kang Lien Enterprise Co., Ltd.	5,526,223	5.07%

Note 1: The major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares that have completed delivery without physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Consolidated Financial Statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.