Stock Code: 8422

Cleanaway Company Limited and Subsidiaries

Consolidated Financial Statements and Accountant's Audit Report
2021 and 2020

(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 on Consolidated Financial Statements of Associates

In 2021 (January 1 to December 31, 2021), the company that should be included in the preparation of the Consolidated Financial Statements of Affiliates according to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were the same as those companies that should be included in the preparation of the Consolidated Financial Statements of the Parent Company and Subsidiaries as prescribed by the International Financial Reporting Standards No. 10 (IFRS 10). Relevant information to be disclosed in the Consolidated Financial Statements of Affiliates has already been disclosed in the Consolidated Financial Statements of the Parent Company and Subsidiaries. Hence, the Consolidated Financial Statements of Affiliates were not prepared separately.

It is hereby declared.

Cleanaway Company Limited

Person in charge: Ching-hsiang Yang

Republic of China February 25, 2022

Accountant's Audit Report

Cleanaway Company Limited For your information:

Audit opinions

We have audited the Consolidated Balance Sheets of Cleanaway Company Limited and its subsidiaries as of December 31, 2021 and 2020, 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 summary on significant accounting policies) from January 1 to December 31, 2021 and 2020.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the consolidated financial position of Cleanaway Company Limited as of December 31, 2021 and 2020, and its consolidated financial performance and consolidated cash flows from January 1 to December 31, 2021 and 2020 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 generally accepted auditing standards . Our responsibilities under those standards are further described in the Accountants' Responsibilities for the Audit of the Consolidated Financial Statements section of this report. We, subject to the norm of independence, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters refer to the matters that, in our professional judgment, were of most significance in our audit of the 2021 Consolidated Financial Statements of Cleanaway Company Limited and its subsidiaries. These matters have been addressed in the context of our 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 2021 Consolidated Financial Statements of Cleanaway Company Limited and its subsidiaries as follows:

Recognition of solidification revenue

For the accounting policies and revenue composition of operating revenue, please refer to Notes 4(14) and 21 to the Consolidated Financial Statements, respectively.

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

The key audit procedures conducted by us 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 relevant control points of Cleanaway Company Limited include the recognized revenue forms automatically generated by the system based on the completion of inspection of solidification and the timing of entry into the landfill. The records are checked one by one manually to verify whether the account receivables generated by the system 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 the timing of revenue recognition.

Recognition and measurement of landfill revenue

For the accounting policies and revenue composition of operating revenue, please refer to Notes 4(14) and 21 to the Consolidated Financial Statements, respectively.

In 2021, subsidiaries of Cleanaway Company Limited obtained a license for landfill, with a landfill revenue of NT$1,925,718,000, accounting for 64% of the consolidated operating revenue, which is the main source of operating income for Cleanaway Company Limited 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 entered into or on the weight notes agreed by various vendors. Due to the large number of vendors who have commissioned the disposal of wastes, and the differences in the types of entrusted treatments and their billing methods, the calculation of waste disposal revenue may be incorrect and the amount of this has a significant impact on the Consolidated Financial Statements. Therefore, we believe that the accuracy of the landfill revenue is a key audit matter for the year.

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

1. Understand the waste collection and landfill processes, and evaluate and test related internal controls, e.g., the landfill revenue (contract unit price and weight field) automatically calculated by the system is set according to the terms of the contract; the business departments of Cleanaway Company Limited 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 and other relevant documents are consistent with the weight stated in the Company's landfill daily report one by one.
2. Verify the accuracy of the reports used by the management for revenue calculation, 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 parent company only financial statements for 2021 and 2020 for which we have issued an unqualified audit report for reference.

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

Management is responsible for preparation and fair presentation of 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 for maintenance of necessary internal controls in the preparation of the Consolidated Financial Statements, so as to ensure that the Consolidated Financial Statements are free from material 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 relevant matters and adopting the going concern basis of accounting, unless the management intends either to liquidate Cleanaway Company Limited and Subsidiaries, or cease its/their operations, or has no other realistic alternative but to do so.

The governing 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 as a whole 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 and are considered material. 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.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risks; obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain 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 internal control of Cleanaway Company Limited and Subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude, 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 the ability of Cleanaway Company Limited and Subsidiaries 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 conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Cleanaway Company Limited and Subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements (including relevant notes), and whether it fairly presents the underlying transactions and events.
6. Obtain 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 the governing body 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 identify during our audit).

We also provide the governing body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them 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 the governing body, we determined the key audit matters of Cleanaway Company Limited and Subsidiaries' Consolidated Financial Statements for 2021. We describe these matters in our auditor's 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

Chin-chuan Shih, CPA

Yong-Ming Qiu, CPA

Securities and Futures Commission Approval No.
Tai Cai Zheng Liu Zi No. 0930128050

Financial Supervisory Commission Approval No.
Jin Guan Zheng Shen Zi No. 1100356048

Republic of China February 25, 2022

Cleanaway Company Limited and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: thousand NTD

Code	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,418,050	18	$ 1,073,133	15
1136	Financial assets at amortized cost - current (Notes 4, 7 and 29)	82,926	1	285,874	4
1140	Contract assets - current (Notes 4 and 21)	82,785	1	138,377	2
1170	Notes and accounts receivable (Notes 4, 8 and 21)	574,424	8	453,687	6
1180	Accounts receivable - related parties (Notes 4, 21 and 28)	5,539	-	9,836	-
1210	Other receivables - related parties (Notes 4, 21 and 28)	1,717	-	1,657	-
1220	Income tax assets for the current period (Notes 4 and 23)	34	-	50,098	1
1330	Inventories (Notes 4 and 9)	74,758	1	2,003	-
1479	Other current assets (Notes 14 and 29)	70,606	1	33,323	1
1482	Contract performance costs - current (Note 21)	1,081	-	244	-
11XX	Total current assets	2,311,920	30	2,048,232	29
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4, 10 and 27)	5,000	-	-	-
1535	Financial assets at amortized cost - non-current (Notes 4, 7 and 29)	-	-	500	-
1550	Investments accounted for using the equity method (Notes 4, 5 and 11)	1,090,959	14	1,069,708	15
1560	Contract assets - non-current (Notes 4 and 21)	10,521	-	-	-
1600	Property, plant and equipment (Notes 4, 5, 12 and 29)	3,349,026	43	3,323,906	46
1755	Right-of-use assets (Notes 4 and 13)	396,096	5	407,622	6
1840	Deferred tax assets (Notes 4 and 23)	23,939	-	24,373	-
1915	Prepayments for land and equipment (Notes 4, 14, 28 and 30)	382,812	5	145,704	2
1920	Refundable deposits (Notes 4 and 14)	107,157	2	58,970	1
1975	Net defined benefit assets - non-current (Notes 4 and 19)	382	-	-	-
1990	Other non-current assets (Note 14)	70,729	1	59,729	1
15XX	Total non-current assets	5,436,621	70	5,090,512	71
1XXX	Total assets	$ 7,748,541	100	$ 7,138,744	100
Code	**Liabilities and equity**				
	Current liabilities				
2100	Short-term loans (Note 15)	$ 104,482	2	$ -	-
2170	Accounts payable (Note 16)	97,755	1	4,857	-
2180	Accounts payable - related parties (Note 28)	5,452	-	12,887	-
2219	Other payables (Note 17)	403,542	5	308,129	5
2220	Other payables - related parties (Note 28)	23,763	-	18,347	-
2230	Income tax liabilities for the current period (Notes 4 and 23)	307,676	4	267,738	4
2280	Lease liabilities - current (Notes 4, 13 and 28)	19,256	-	16,673	-
2320	Long-term loans due within one year (Notes 15 and 29)	14,000	-	14,000	-
2399	Other current liabilities (Notes 4, 17 and 21)	1,343	-	21,415	-
21XX	Total current liabilities	977,269	12	664,046	9
	Non-current liabilities				
2540	Long-term loans to banks (Notes 15 and 29)	65,000	1	79,000	1
2550	Cost provisions for plant (premise) restoration and maintenance (Notes 4, 5 and 18)	114,488	2	124,106	2
2570	Deferred tax liabilities (Notes 4 and 23)	92,358	1	86,988	1
2580	Lease liabilities - non-current (Notes 4, 13 and 28)	388,230	5	397,718	6
2640	Net defined benefit liabilities - non-current (Notes 4 and 19)	11,990	-	12,548	-
2645	Guarantee deposits received (Note 28)	175	-	20,175	-
25XX	Total non-current liabilities	672,241	9	720,535	10
2XXX	Total liabilities	1,649,510	21	1,384,581	19
	Equity attributable to owners of the Company (Note 20)				
	Share capital				
3110	Ordinary shares	1,088,880	14	1,088,880	15
3200	Capital surplus	1,706,221	22	1,701,911	24
	Retained earnings				
3310	Statutory surplus reserves	1,409,227	18	1,291,588	18
3320	Special surplus reserves	2,780	-	2,771	-
3350	Undistributed earnings	1,576,579	21	1,633,095	23
3300	Total retained earnings	2,988,586	39	2,927,454	41
	Other equity				
3410	Exchange differences on translation of financial statements of foreign operating institutions (Note 4)	(2,529)	-	(2,369)	-
3420	Unrealized profit or loss on valuation of financial assets at fair value through other comprehensive income (Notes 4 and 11)	(542)	-	(394)	-
3400	Total other equity	(3,071)	-	(2,763)	-
31XX	Total equity of the owners of the Company	5,780,616	75	5,715,482	80
36XX	Non-controlling equity	318,415	4	38,681	1
3XXX	Total equity	6,099,031	79	5,754,163	81
	Total liabilities and equity	$ 7,748,541	100	$ 7,138,744	100

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

Chairman: Yang Chinghsiang Manager: Yang Yungfa Accounting Supervisor: Hong Pingcheng

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2021 and 2020

Unit: Thousands NTD
Earnings per share is dollar

Code		2021 Amount	2021 %	2020 Amount	2020 %
4000	Net operating income (Notes 4, 21 and 28)	$ 3,022,951	100	$ 2,680,539	100
5000	Operating cost (Notes 4, 9, 18, 19, 22 and 28)	1,104,399	36	798,427	30
5900	Gross profit	1,918,552	64	1,882,112	70
	Operating expenses (Notes 19, 22 and 28)				
6200	Administrative expenses	435,648	15	415,683	15
6300	Research and development expenses	27,589	1	20,024	1
6450	Expected credit impairment losses (reversal of gains) (Notes 8, 14 and 28)	9,048	-	(895)	-
6000	Total operating expenses	472,285	16	434,812	16
6900	Net operating profit	1,446,267	48	1,447,300	54
	Non-operating income and expenses				
7060	Share of interests of associates recognized under the equity method (Notes 4 and 11)	34,583	1	30,656	1
7100	Interest income (Note 4)	5,379	-	7,019	1
7190	Other income	2,716	-	6,606	-
7228	Gains on lease termination	47	-	19	-
7590	Other expenses	(147)	-	-	-
7610	Profit (loss) from disposal of property, plant and equipment (Note 4)	(12,303)	(1)	240	-
7625	Loss on disposal of investment	(1)	-	-	-
7630	Foreign currency exchange gains and losses (Notes 4 and 27)	(1,149)	-	2,102	-
7510	Interest expenses (Note 28)	(6,522)	-	(6,218)	-
7000	Total non-operating income and expenses	22,603	-	40,424	2
7900	Profit before tax	1,468,870	48	1,487,724	56
7950	Income tax expense (Notes 4 and 23)	314,176	10	313,926	12
8200	Net profit for the current year	1,154,694	38	1,173,798	44

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Code		2021 Amount	2021 %	2020 Amount	2020 %
	Other comprehensive income				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plan (Notes 4 and 19)	$ 405	-	($ 1,099)	-
8321	Remeasurement of definite benefit plans of associates (Notes 4 and 11)	41	-	56	-
8326	Unrealized profit or loss on valuation on investments in equity instruments at fair value through other comprehensive income of associates (Notes 4 and 11)	(164)	-	(394)	-
8349	Income tax relating to items that will not be reclassified (Notes 4 and 23)	35	-	214	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operating institutions (Notes 4 and 11)	(161)	-	402	-
8300	Other comprehensive income for the current year, net of income tax	156	-	(821)	-
8500	Total comprehensive income for the current year	$ 1,154,850	38	$ 1,172,977	44
	Net profit attributable to				
8610	Owners of the Company	$ 1,153,169	38	$ 1,177,219	44
8620	Non-controlling equity	1,525	-	(3,421)	-
8600		$ 1,154,694	38	$ 1,173,798	44
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 1,153,325	38	$ 1,176,398	44
8720	Non-controlling equity	1,525	-	(3,421)	-
8700		$ 1,154,850	38	$ 1,172,977	44
	Earnings per share (Note 24)				
9710	Basic	$ 10.59		$ 10.81	
9810	Diluted	$ 10.57		$ 10.78	

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

Chairman: Yang Chinghsiang Manager: Yang Yungfa Accounting Supervisor: Hong Pingcheng

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2021 and 2020

Unit: thousand NTD

Code		Equity attributable to owners of the Company								Non-controlling equity	Total equity
				Retained earnings			Other equity				
		Ordinary shares	Capital surplus	Statutory surplus reserves	Special surplus reserves	Undistributed earnings	Foreign operating institutions Financial Statement Conversion Exchange difference	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	Total		
A1	Balance as of January 1, 2020	$ 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 in 2019										
B1	Provision of statutory surplus reserve	-	-	117,898	-	(117,898)	-	-	-	-	-
B3	Provision of special surplus 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 as of 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
	Earnings distribution in 2020										
B1	Provision of statutory surplus reserve	-	-	117,639	-	(117,639)	-	-	-	-	-
B3	Provision of special surplus reserve	-	-	-	9	(9)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(1,088,880)	-	-	(1,088,880)	-	(1,088,880)
C7	Changes in associates recognized using the equity method	-	4,310	-	-	-	-	-	4,310	-	4,310
D1	Net profit in 2021	-	-	-	-	1,153,169	-	-	1,153,169	1,525	1,154,694
D3	Other after-tax comprehensive incomes in 2021	-	-	-	-	481	(161)	(164)	156	-	156
M5	Difference between the price and book value of equity acquired from subsidiaries (Note 25)	-	-	-	-	(3,209)	-	-	(3,209)	(16,791)	(20,000)
M7	Changes in ownership interests in subsidiaries	-	-	-	-	(413)	-	-	(413)	-	(413)
O1	Non-controlling equity	-	-	-	-	-	-	-	-	295,000	295,000
T1	Changes in associates not recognized based on shareholding ratio	-	-	-	-	(16)	1	16	1	-	1
Z1	Balance as of December 31, 2021	$ 1,088,880	$ 1,706,221	$ 1,409,227	$ 2,780	$ 1,576,579	($ 2,529)	($ 542)	$ 5,780,616	$ 318,415	$ 6,099,031

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

Chairman: Yang Chinghsiang　　Manager: Yang Yungfa　　Accounting Supervisor: Hong Pingcheng

Cleanaway Company Limited and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2021 and 2020

Unit: thousand NTD

Code		2021	2020
	Cash flows from operating activities		
A10000	Profit before tax	$ 1,468,870	$ 1,487,724
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expenses	187,297	176,164
A20900	Interest expenses	6,522	6,218
A21200	Interest income	(5,379)	(7,019)
A22300	Share of interests of associates accounted for using the equity method	(34,583)	(30,656)
A22500	Loss (profit) on disposal of property, plant and equipment	12,303	(240)
A23100	Loss on disposal of investment	1	-
A29900	Gains on lease termination	(47)	(19)
A30000	Net changes in assets and liabilities related to business activities		
A31125	Contract assets	45,071	171,866
A31150	Notes and accounts receivable	(120,737)	130,426
A31160	Accounts receivable - related parties	4,297	17,355
A31190	Other receivables - related parties	(60)	28,381
A31200	Inventories	(72,755)	(257)
A31240	Other current assets	(37,283)	8,462
A31280	Contract performance costs	(837)	3,677
A32150	Accounts payable	92,898	(888)
A32160	Accounts payable - related parties	(7,435)	8,629
A32180	Other payables	85,900	(3,116)
A32190	Other payables - related parties	5,416	(20,761)
A32200	Cost provisions for plant (premise) restoration and maintenance	(9,618)	(28,034)
A32230	Other current liabilities	(20,072)	20,647
A32240	Net defined benefit liabilities	(535)	(478)
A33000	Cash inflow from operations	1,599,234	1,968,081
A33100	Interest received	5,379	7,019
A33300	Interest paid	(6,520)	(6,218)
A33500	Income tax paid	(218,335)	(143,944)
AAAA	Net cash inflow from operating activities	1,379,758	1,824,938

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Code		2021	2020
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	($ 5,000)	$ -
B00040	Acquisition of financial assets at amortized cost	-	(54,991)
B00050	Disposal of financial assets at amortized cost	203,448	-
B02700	Acquisition of properties, plants and equipments	(193,078)	(23,334)
B02800	Disposal of properties, plants and equipments	1,061	240
B03700	Increase in refundable deposits	(51,907)	(30,792)
B03800	Decreases in refundable deposits	3,720	10,474
B06700	Increase in other non-current assets	(11,000)	(7,353)
B07100	Increase in prepayments for land and equipment	(237,991)	(1,783)
B07600	Dividends received	17,100	21,343
BBBB	Cash outflow from investing activities	(273,647)	(86,196)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	104,482	-
C01700	Repayment of long-term borrowings	(14,000)	(267,000)
C03000	Increase in guarantee deposits received	-	20,000
C03100	Decrease in guarantee deposits received	(20,000)	-
C04020	Repayment of the principal amount of rentals	(17,697)	(13,545)
C04500	Issuance of cash dividends	(1,088,880)	(1,088,880)
C05800	Changes in non-controlling equity	275,000	-
CCCC	Net cash outflow from financing activities	(761,095)	(1,349,425)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(99)	232
EEEE	Net increase in cash and cash equivalents	344,917	389,549
E00100	Balance of cash and cash equivalents at the beginning of the year	1,073,133	683,584
E00200	Balance of cash and cash equivalents at the end of the year	$ 1,418,050	$ 1,073,133

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

Chairman: Yang Chinghsiang Manager: Yang Yungfa Accounting Supervisor: Hong Pingcheng

Cleanaway Company Limited and Subsidiaries

Notes to Consolidated Financial Statements

Between January 1 to December 31 of 2020 and 2021

(Unless additionally stated, the currency is based on one thousand NTD.)

I. Corporate History

Cleanaway Company Limited (hereinafter referred to as "Cleanaway") was incorporated on May 4, 1999 under the Company 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 33.

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

II. Date and Procedures of Passing of Financial Statements

The Consolidated Financial Statements were approved by the Board of Directors on February 25, 2022.

III. Applicability of Newly Issued and Revised Standards and Interpretations

(1) For the first time, IFRS, IAS, IFRIC and SIC, hereinafter referred to as “IFRSs”, have been approved and issued by the Financial Supervisory Commission, hereinafter referred to as “FSC”.

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

(2) IFRSs endorsed by the FSC for application in 2022

Newly Issued/Amended/Revised Guidelines and Explanations	Effective Date Published by IASB
"Annual Improvements to IFRSs between 2018 to 2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: Amendments to IFRS 9 apply to swaps or changes in terms of financial liabilities that occur during the annual reporting period beginning on or after January 1, 2022; IAS 41, Agriculture, applies to fair value measurements during the annual reporting period beginning on or after January 1, 2022; and IFRS 1, First-time Adoption of IFRSs, applies retroactively during the annual reporting period beginning on or after January 1, 2022.

Note 2: This amendment applies to business combinations for which the acquisition date falls within the annual reporting period beginning on or after January 1, 2022.

Note 3: This amendment applies to plant, property and equipment that are in the location and condition necessary to achieve the management's intended mode of operation on or after January 1, 2021.

Note 4: This amendment applies to contracts for which all obligations have not been fulfilled as of January 1, 2022.

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.

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

Newly Issued/Amended/Revised Guidelines and Explanations	Effective Date of IASB Issuance (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	TBD
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17" and IFRS 9 "Comparative information”	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretations shall take effect during the annual reporting period commencing after each such date.

Note 2: This amendment applies to deferral during the annual reporting period beginning on or after January 1, 2023.

Note 3: This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for the recognition of deferred tax on temporary differences in leases and ex-service obligations on January 1, 2022, this amendment applies to transactions occurring on or after January 1, 2022.

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. Summary statements of significant accounting policies

(1) Statements 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.

(2) 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 plan assets.

Fair value measurements are classified into Levels 1 to 3 according to the observability and significance of the relevant inputs:

1. Level 1 Inputs: refers to the quoted prices (unadjusted) for identical assets or liabilities available in the active market on the measurement date.
2. Level 2 Inputs: refers to inputs other than the quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. the prices) or indirectly (i.e. derived from the prices).
3. Tier 3 Input Value refers to the non-observable input value of an asset or liability.

(3) 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 trading purposes;
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.

Those that are not included in the above current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Basis for 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. At the time of preparation of the consolidated financial statements, all transactions between the entities, account balances, income and expenses have been fully eliminated. 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 Cleanaway.

2. List of subsidiaries in the Consolidated Financial Statements

The entities of the Consolidated Financial Statements are as follows:

Investment Company	Subsidiary	Main Businesses	% of Ownership 2021 Dec 31	% of Ownership 2020 Dec 31	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%	

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Investment Company	Subsidiary	Main Businesses	% of Ownership 2021 Dec 31	% of Ownership 2020 Dec 31	Remarks
	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 Company Limited (Cleanaway Energy)	Waste management	75%	55%	Note 1
Da Tsang	Da Ning Company Limited (Da Ning)	Waste management	100%	100%	
	CCL Investment Holding	General investment	16%	16%	
	Da Chao Circular Economy Company Limited (Da Chao Circular Economy)	Agro-pastoral and circular economy-related businesses	100%	-	Note 3
	Da Cheng Recycling Company Limited (Da Cheng Recycling)	Waste management	100%	-	Note 3
Cleanaway Investment	CCL Investment Holding	General investment	20%	20%	
Cleanaway Enterprise	Da Chuang Green Energy Company Limited (Da Chuang Green Energy)	Solar Energy Industry	100%	-	Note 4
Cleanaway Energy	Top-Comment Resources Company Limited (Top-Comment Resources)	Manufacture and sale of pipe paper	70%	-	Note 5
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%	

Investment Company	Subsidiary	Main Businesses	% of Ownership 2021 Dec 31	2020 Dec 31	Remarks
	Cleanaway Zhejiang Holding Company Limited (Cleanaway Zhejiang Holding)	General investment	100%	100%	
Cleanaway Shanghai Management Holding	Cleanaway (Shanghai) Company Limited (Cleanaway Shanghai)	Enterprise Management Consulting	-	100%	Note 2
Cleanaway Zoucheng Holding	Cleanaway Zoucheng Co., Ltd. (Cleanaway Zoucheng)	Waste management	-	100%	Note 2

Note 1: To maintain the Group's right of management, the Board of Directors resolved to acquire all of Huan Xing Technology Co., Ltd's shares of Cleanaway Energy for a total of 2,000 thousand shares. Please refer to Note 25 for information on the relevant equity transactions.

Note 2: To adjust the Group's business operations in mainland China, the Board of Directors resolved to liquidate Cleanaway Shanghai and Cleanaway Zoucheng on May 7, 2021. The liquidation of Cleanaway Zoucheng was completed on July 13, 2021. As of the date the Consolidated Financial Statements were authorized for issue, Cleanaway Zoucheng had completed cancellation of registration with the tax bureau and industry and commerce authorities, but was still undergoing cancellation procedures with the bank.

Note 3: Da Tsang invested in the establishment of Da Chao Circular Economy and Da Cheng Recycling respectively on July 19, 2021 and September 27, 2021.

Note 4: Cleanaway Enterprise invested in the establishment of Da Chuang Green Energy on July 23, 2021.

Note 5: Cleanaway Energy invested in the establishment of Top-Comment Resources on July 21, 2021. Top-Comment Resources subsequently carried out the second cash increase in September 2021. Because Cleanaway Energy did not subscribe to all shares, the shareholding ratio was reduced from 100% to 70%.

For other relevant information, please refer to Table 4 and Table 8 of Note 32.

(5) Foreign Currency

When each entity prepares its financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currency based on the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currencies are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from the settlement of monetary items or on translating monetary items shall be recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value in foreign currencies are translated at the exchange rate prevailing on the date when the fair value is determined, and the resulting exchange differences are included in profit or loss for the current period, except for changes in fair value that are recognized in other comprehensive income, in which case the resulting exchange differences are included in the other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the exchange rate prevailing on the transaction date and will not be re-translated.

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).

(6) Inventory

The inventory shall include raw materials, supplies and finished goods. 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. Net realizable value is the balance of the estimated selling price under normal circumstances less the estimated cost to complete the required investment and the estimated cost to complete the sale. Inventory cost is calculated using the weighted average method.

(7) 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, investments in the associates are originally recognized at cost, and the carrying amount after the acquisition increases or decreases along with the Group's share of the associate's profits or losses and other comprehensive income and the distributed profits. 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.

(8) Property, Plant and Equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

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.

(9) 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.

(10) 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 indication of impairment, the recoverable amount of the asset is estimated. 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. The reversal of an impairment loss is recognized in profit or loss.

(11) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Consolidated Company becomes a party to the contractual provisions of the instrument.

When financial assets and financial liabilities are initially recognized, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus the transaction cost directly attributable to the acquisition or issue of the financial assets or financial liabilities. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Conventional transactions in financial assets are recognized and derecognized using trade date accounting.

(1) Measurement type

The types of financial assets held by the Group are financial assets measured at amortized cost, and also are the equity instrument investments measured at fair value through other comprehensive income.

A. 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;

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

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 accounts receivables measured at amortized cost, accounts 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:

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.

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.

B. Investments in equity instruments at fair value through other comprehensive income

At initial recognition, the Group has the irrevocable option to designate investments in equity instruments that are not held for trading and for which there is no contingent consideration recognized by the acquirer of the business combination, to be measured at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends on investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payments is established, unless it is clear that the dividend represents a partial recovery of the cost of the investment.

(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 accounts receivables) and contract assets based on expected credit losses.

Allowances shall be appropriated for notes and accounts 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.

Expected credit losses are the weighted average credit losses with the risk of default as the weight. 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 is internal or external information showing that the debtor is no longer able to pay off its debts.

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 financial assets are derecognized in their entirety at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income or loss are derecognized in their entirety, the cumulative gains or losses are transferred directly to retained earnings and are not reclassified to 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 measurements

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

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

(12) Prepayments for land

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

(13) Cost provisions for restorations

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.

(14) 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 accounts 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.

3. Product sales revenue

Revenue from product sales is derived from the sale of paper products such as kraft paper, electronic carrier paper, pipe paper, etc. Revenue is recognized when the control of product ownership has been transferred from the Group to customers.

(15) Lease

The Group as lessee

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 presented separately on the consolidated balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the leases to the end of their useful lives or the end of the lease terms, 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). Lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the rate is not readily determinable, the lessee's incremental borrowing rate will be used.

Subsequently, the lease liabilities are measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned 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.

(16) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

The retirement pension of a defined contribution retirement plan is the amount of contribution payable during the employee's period of service, and is recognized as an 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 liability (asset) is the shortfall (surplus) in the contributions to the defined benefit retirement plans. Net defined benefit assets may not exceed the present value of refunds of contributions from the plan or reductions in future contributions to the plan.

(17) Income tax

Income tax expense is the sum of current income tax and deferred 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.

Income tax on undistributed earnings calculated in accordance with the Income Tax Act of the Republic of China is recognized in the year when the Shareholders' Meeting is held.

Adjustments to income tax payable in the prior years are included in the income tax of the current year.

2. Deferred income tax

Deferred tax is calculated from the temporary difference between the carrying amounts of assets and liabilities and the tax base on which taxable income is calculated. 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.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable profits will be available to allow the temporary differences to be realized and to the extent that reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that there will be sufficient taxable profits to allow all or part of the asset to be recovered. Those initially not recognized as deferred tax assets are also reviewed at each balance sheet date and the carrying amount will be increased if it is probable that future taxable profits will be available to recover all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the manner in which the Group expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred tax

Current and deferred taxes are recognized in profit or loss, except for current and deferred taxes related to items recognized in other comprehensive income or directly in equity, which are 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 estimates.

(1) Judgment of significant influence on affiliates

Holds a shareholding ratio in the investee company of less than 20%, but has a significant influence

As described in Note 11, the Group holds 19.23% of the voting right of Chung Tai Company. The Group's management also has a significant influence on Chung Tai Company by way of controlling two of the seven seats of the Board of Directors of Chung Tai Company.

(2) 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 18 for the carrying amount of cost provisions for restorations.

(3) 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 adopt 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 12 for the carrying amount of the landfill sites and facilities.

VI. Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 495	$ 260
Checking accounts and demand deposits	1,220,243	388,002
Cash equivalents		
Bank time deposit with original maturity date within 3 months	197,312	414,871
Bonds with repurchase agreement	-	270,000
	$ 1,418,050	$ 1,073,133

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, 2021	December 31, 2020
Bank time deposit with original maturity date within 3 months	0.38%～2.20%	0.33%～2.10%
Bonds with repurchase agreement	-	0.27%

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, 2021	December 31, 2020
Bank time deposit with original maturity date over 3 months	$ 82,926	$ 286,374
Current	$ 82,926	$ 285,874
Non-current	-	500
	$ 82,926	$ 286,374

The allowance for losses for financial assets measured at amortized cost as of December 31, 2021 and 2020 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 2021 and 2020 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, 2021	December 31, 2020
Bank time deposit with original maturity date over 3 months	0.35%～2.20%	0.32%～1.96%

Refer to Note 27 for information on pledged debt investments.

VIII. Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 85,094	$ -
Accounts receivable	496,060	458,007
	581,154	458,007
Less: Loss allowance	(6,730)	(4,320)
	$ 574,424	$ 453,687

The average credit period of the Group for services and product sales 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, on the balance sheet date, the Consolidated Company reviews the recoverable amount of the receivables on a case-by-case basis to ensure that appropriate impairment losses have been recorded 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 accounts 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:

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

(2) With regard to the credit quality of notes and accounts receivables of general business ventures, except for contracts with overall amounts less than NT$1,000 thousand that are exempted from credit investigations and reviews, before engaging a new customer, the Group would conduct finance and credit investigations (past transaction data, records of bounced check and breach of trust, etc.) The credit lines and ratings of customers shall be reviewed regularly. 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 accounts 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 accounts receivable based on the provision matrix are as follows:

December 31, 2021

		General companies					
	Government institutions	Not overdue	overdue 1～210 days	overdue 211～240 days	overdue 241～365 days	overdue 365 days	Total
Expected credit loss rate	0%	0%～1%	1%～2%	10%	20%	100%	
Total carrying amount	$ 53,926	$ 525,756	$ -	$ -	$ 50	$ 1,422	$ 581,154
Loss allowance (individual assessment)	-	-	-	-	(50)	-	(50)
Loss allowance (lifetime expected credit losses)	-	(5,258)	-	-	-	(1,422)	(6,680)
Amortized cost	$ 53,926	$ 520,498	$ -	$ -	$ -	$ -	$ 574,424

December 31, 2020

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

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

	2021	2020
Balance at the beginning of the year	$ 4,320	$ 4,753
Add (subtract): Provisions (reversals) for impairment losses in the current period	2,410	(433)
Balance at the end of the year	$ 6,730	$ 4,320

IX. Inventory

	December 31, 2021	December 31, 2020
Finished goods	$ 49,836	$ -
Raw materials	19,984	2,003
Raw materials in transit	4,938	-
	$ 74,758	$ 2,003

The operating costs related to inventories were $NT 295,238 thousand in 2021 and $NT 32,337 thousand in 2020, respectively. The operating costs related to inventories, including the loss on valuation of net realized value of inventories, was NTD 0 thousand in 2021 and 2020.

X. Financial assets at fair value through other comprehensive income

	December 31, 2021	December 31, 2020
Investments in equity instruments at fair value through other comprehensive income		
Unlisted (over-the-counter) company shares	$ 5,000	$ -
Non-current	$ 5,000	$ -

The Group subscribed for the ordinary shares of Aquis Sport Culture Co., Ltd. in July 2021 and acquired 10% of the voting shares. The shares were designated as other comprehensive income for medium- and long-term strategic purposes and were measured at fair value through profit or loss.

XI. Investment accounted for using equity method

	December 31, 2021		December 31, 2020	
Investee company name	Amount	Shareholding ratio (%)	Amount	Shareholding ratio (%)
Material affiliate enterprises				
Cleanaway SUEZ Environmental Resources Limited (Cleanaway SUEZ)	$ 684,050	29.00	$ 667,009	29.00
Chung Tai Resource Technology Corp. (Chung Tai)	388,772	19.23	383,613	20.02
Chase Sustainability Technology Co., Ltd. (Chase) (Note)	18,137	21.43	19,086	25.00
	$ 1,090,959		$ 1,069,708	

Note: Chase Environmental Co., Ltd. changed its name to Chase Sustainability Technology Co., Ltd. on January 13, 2022.

Please refer to Table 8 "Information on Investees, Locations, etc." in Note 32 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, 2021	December 31, 2020
Current assets	$ 156,013	$ 173,663
Non-current assets	1,467,344	1,140,179
Current liabilities	(354,218)	(274,478)
Non-current liabilities	(401,725)	(230,713)
Equity	$ 867,414	$ 808,651
Group shareholding ratio	29%	29%
Equity attributable to the Group	$ 251,550	$ 234,509
Goodwill	432,500	432,500
Carrying amount of investment	$ 684,050	$ 667,009

	2021	2020
Operating income	$ 420,399	$ 369,477
Net profit for the period	$ 58,762	$ 38,293
Other comprehensive income (loss)	-	-
Total comprehensive income	$ 58,762	$ 38,293

Chung Tai

Cleanaway invested in Chung Tai in February 2019 to expand environmental protection businesses. The Group 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. Subsequently, Chung Tai carried out a cash capital increase in August 2021. Out of consideration that the capital increase was intended to introduce strategic investors and at the request of Chung Tai, the Group waived its equity in the capital increase. After the capital increase, the Group's shareholding ratio in Chung Tai was reduced to 19.23%, and the increase in net equity value of 4,373 thousand due to the change in shareholding ratio was adjusted to increase the capital reserve. 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, 2021	December 31, 2020
Current assets	$ 321,632	$ 302,085
Non-current assets	3,037,748	2,566,363
Current liabilities	(272,868)	(297,592)
Non-current liabilities	(1,575,977)	(1,178,388)
Equity	$ 1,510,535	$ 1,392,468
Group shareholding ratio	19.23%	20.02%
Equity attributable to the Group	$ 290,476	$ 278,772
Goodwill	50,849	50,849
Concessions	47,447	53,992
Carrying amount of investment	$ 388,772	$ 383,613

	2021	2020
Operating income	$ 519,570	$ 455,936
Net profit for the period	$ 119,113	$ 115,760
Other comprehensive income (loss)	(671)	(1,201)
Total comprehensive income	$ 118,442	$ 114,559

The Group holds 19.23% of the shares of Chung Tai. Because the Group controls only two of the seven directors of the Board of Directors of Chung Tai, Chung Tai is classified as an affiliate enterprise accounted for using the equity method.

Chase

In order to expand its business, the Group invested in Chase in December 2018. The original investment cost was NT$15,000 thousand, and the shareholding ratio was 25%. Chase subsequently carried out the cash increase in December 2021. Because the Group did not participate in the subscription, the shareholding ratio decreased to 21.43%. The decrease in net equity value of 413 thousand due to the change in shareholding ratio was adjusted to increase the capital reserve. The main focus of Chase is the integration and innovation of ecological environmental protection and technology, through which AIoT (The Artificial Intelligence of Things) and Environmental Protection Industry Alliance are integrated to provide intelligent and environmentally-friendly one-stop business waste clean-up and removal solutions for corporate customers.

The financial information of Chase is summarized as follows:

	December 31, 2021	December 31, 2020
Current assets	$ 297,644	$ 234,159
Non-current assets	27,912	49,285
Current liabilities	(243,971)	(209,716)
Non-current liabilities	-	-
Equity	$ 81,585	$ 73,728
Group shareholding ratio	21.43%	25%
Equity attributable to the Group	$ 17,483	$ 18,432
Goodwill	654	654
Carrying amount of investment	$ 18,137	$ 19,086

	2021	2020
Operating income	$ 114,603	$ 102,526
Net profit for the period	$ 4,169	$ 13,025
Other comprehensive income (loss)	-	-
Total comprehensive income	$ 4,169	$ 13,025

The Group's share of profit or loss and share of other comprehensive income in affiliate enterprises recognized using the equity method in 2021 and 2020 amounted to NT$34,583 thousand and NT$(129) thousand, and NT$30,656 thousand and NT$(338) 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$17,100 thousand and NT$21,343 thousand for 2021 and 2020, respectively. As of December 31, 2021 and 2020, the Group recognized an accumulated exchange differences on translating the financial statements of foreign operations in the amount of NT$(26) thousand and NT$(20) thousand for affiliates, respectively.

XII. Property, Plant and Equipment

	Land	Houses and buildings	Machinery and equipment	Laboratory equipment	Landfill sites and facilities	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost										
Balance as at January 1, 2021	$ 862,576	$ 1,093,812	$ 673,239	$ 24,576	$2,170,391	$ 178,239	$ 61,964	$ 246,455	$ 13,797	$5,325,049
Additions	-	35,130	77,903	4,529	-	8,542	1,552	6,651	68,282	202,589
Disposals	-	-	(5,000)	-	-	(12,435)	(1,258)	(12)	(11,157)	(29,862)
Amount transferred from prepayments for land and equipment	-	-	-	-	-	-	468	415	-	883
Net exchange differences	-	-	-	-	-	(64)	(17)	-	(54)	(135)
Balance as of December 31, 2021	$ 862,576	$ 1,128,942	$ 746,142	$ 29,105	$ 2,170,391	$ 174,282	$ 62,709	$ 253,509	$ 70,868	$5,498,524
Accumulated depreciation										
Balance as at January 1, 2021	$ -	$ 173,492	$ 444,783	$ 15,445	$1,154,996	$ 155,526	$ 18,208	$ 38,693	$ -	$2,001,143
Depreciation expenses	-	25,682	23,797	6,195	78,400	8,350	6,400	16,108	-	164,932
Disposals	-	-	(3,125)	-	-	(12,167)	(1,195)	(11)	-	(16,498)
Reclassification	-	-	-	-	-	-	(28)	28	-	-
Net exchange differences	-	-	-	-	-	(62)	(17)	-	-	(79)
Balance as of December 31, 2021	$ -	$ 199,174	$ 465,455	$ 21,640	$ 1,233,396	$ 151,647	$ 23,368	$ 54,818	$ -	$2,149,498
Net amount as at December 31, 2021	$ 862,576	$ 929,768	$ 280,687	$ 7,465	$ 936,995	$ 22,635	$ 39,341	$ 198,691	$ 70,868	$3,349,026
Cost										
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 as of 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 expenses	-	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 as of December 31, 2020	$ -	$ 173,492	$ 444,783	$ 15,445	$1,154,996	$ 155,526	$ 18,208	$ 38,693	$ -	$2,001,143
Net amount as of December 31, 2020	$ 862,576	$ 920,320	$ 228,456	$ 9,131	$1,015,395	$ 22,713	$ 43,756	$ 207,762	$ 13,797	$3,323,906

(1) No impairment loss was recognized or reversed in 2021 and 2020.

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

1. Depreciation for pollution control equipment under machinery and equipment 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. Houses and buildings, machinery and equipment (excluding pollution control equipment and landfill sites), laboratory equipment, transportation equipment, office equipment and other equipment were depreciated on a straight-line basis over the following useful economic lives:

Houses and buildings	
Main building of solidification plant and paper factory	20 years
Ancillary facilities of plants	7-15 years
Operation headquarters main building and ancillary facilities	50 years
Other facilities	3-5 years
Machinery and equipment	
Solidification production equipment	10 years
Thermal desorption equipment	3-5 years
Instrumentations	3-5 years
Paper manufacturing equipment	5-9 years
Electrical equipment	5-10 years
Laboratory equipment	3-5 years
Transportation equipment	
Acquisition of brand new transportation vehicles	5-8 years
Acquisition of used transportation vehicles	2-3 years
Office equipment	
Office furniture	5-10 years
Information communication equipment	3-6 years
Information communication equipment - extra-low-voltage systems engineering	50 years
Other equipment	
Monitoring and drainage facilities	10-11 years
Generators	15 years
Lease improvement and others	3-9.75 years

(3) For the amount of property, plant, and equipment designated by the Group as collateral against its secured borrowings, please refer to Note 29.

XIII. Lease agreement

(1) Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amount of right-of-use assets		
Land	$ 348,719	$ 360,873
Buildings	17,710	20,227
Transportation equipment	19,593	26,522
Machinery and equipment	10,074	-
	$ 396,096	$ 407,622

	2021	2020
Addition of right-of-use assets	$ 21,406	$ 84,996
Depreciation expense of right-of-use assets		
Land	$ 7,854	$ 6,501
Buildings	2,517	2,480
Transportation equipment	11,078	7,794
Machinery and equipment	916	-
	$ 22,365	$ 16,775

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 in 2021 and 2020.

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amount of lease liabilities		
Current	$ 19,256	$ 16,673
Non-current	$ 388,230	$ 397,718

The discount rate range for lease liabilities is as follows:

	December 31, 2021	December 31, 2020
Land	1.25%～1.30%	1.25%
Buildings	1.25%	1.25%
Transportation equipment	0.8%～3.5%	0.8%～3.5%
Machinery and equipment	1.5%	-

(3) 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. 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.

(4) Other lease information

	2021	2020
Short-term lease expense	$ 4,052	$ 2,948
Total cash (outflow) amount of lease	($ 27,141)	($ 20,977)

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.

XIV. Other assets

	December 31, 2021	December 31, 2020
Prepayment for land and equipment	$ 382,812	$ 145,704
Refundable deposits	107,157	58,970
Other receivables, net	33,547	-
Tax overpaid retained	11,695	9,769
Restricted bank deposits (Note 29)	147	-
Others	95,946	83,283
	$ 631,304	$ 297,726
Current	$ 70,606	$ 33,323
Non-current	560,698	264,403
	$ 631,304	$ 297,726

(1) Prepayments for land and equipment are mainly used to pay for the land of landfill sites currently in preparation. Please refer to the description provided in Note 28(2)10. and Note 30. The changes in 2021 and 2020 were as follows:

	2021	2020
Balance at the beginning of the year	$ 145,704	$ 146,501
Additions	237,991	1,783
Reclassified to property, plant and equipment	(883)	(2,580)
Balance at the end of the year	$ 382,812	$ 145,704

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

(3) Other receivables, net refers to the prepayments contractually agreed upon between the Group and equipment supplier in regards to the fuel expenses required for the operation of facilities and equipment, water and electricity expenses, and waste disposal expenses totaling NT$40,228 thousand. Following the assessment the recoverability, the Group made a provision for a loss totaling NT$6,681 thousand in 2021.

XV. Loans

(1) Short-term loans

	December 31, 2021	December 31, 2020
Unsecured loans		
Credit line loans	$ 104,482	$ -

The interest rate of the bank's revolving loans was 0.83% ~1.27% on December 31, 2021.

(2) Long-term loans

	December 31, 2021	December 31, 2020
Secured loans		
Bank loans	$ 79,000	$ 93,000
Subtract: Listed as part due within 1 year	(14,000)	(14,000)
Long-term bank loans	$ 65,000	$ 79,000

Cleanaway and CTBC Bank signed a loan contract with land owned by Cleanaway as collateral (refer to Note 29 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. Cleanaway 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. As of December 31, 2021, Cleanaway has not written off the land use rights.

Cleanaway Enterprise and CTBC Bank signed a loan contract endorsed by Cleanaway (refer to Note 32, Table 2) 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, 2021, Cleanaway Enterprise has repaid NT$81,000 thousand.

XVI. Accounts payables

	December 31, 2021	December 31, 2020
Accounts payables	$ 97,755	$ 4,857

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.

XVII. Other liabilities

	December 31, 2021	December 31, 2020
Other payables		
Accrued employee compensation/bonus	$ 117,089	$ 115,498
Accrued excavation cost	87,582	75,925
Accrued remuneration to directors and supervisors	34,000	34,000
Steam expenses payable	33,547	-
Business tax payable	22,285	22,741
Accrued maintenance cost	23,111	18,957
Salaries and wages payable	17,111	10,028
Payables on equipment	9,823	312
Other accrued expenses	58,994	30,668
	$ 403,542	$ 308,129

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

	December 31, 2021	December 31, 2020
Other current liabilities		
Contract liabilities (Note 21)	$ 4	$ 20,305
Withheld taxes, etc.	1,339	1,110
	$ 1,343	$ 21,415

XVIII. Cost provisions for restorations

	2021	2020
Balance at the beginning of the year	$ 124,106	$ 152,140
Add: provision for restoration and maintenance costs	3,559	3,719
Actual cost for restoration	(13,177)	(31,753)
Balance at the end of the year	$ 114,488	$ 124,106

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

	2021	2020
Cost for restoration (recognized under operating costs)	$ 3,559	$ 3,719
Actual cost for restoration	$ 13,177	$ 31,753

XIX. Post-employment benefit plans

(1) Defined contribution plans

The pension system of the Labor Pension Act applicable to Cleanaway, Cleanaway Enterprise, Da Tsang, Kang Lien Enterprise, Chi Wei, Da Ning, Cleanaway Energy, Cleanaway Investment, Da Chao Circular Economy, Da Chuang Green Energy, Da Cheng Circular, and Top-Comment Resources is a defined contribution plan under government administration. The companies contribute 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$7,276 thousand and NT$5,862 thousand have been listed in the expenses in the Consolidated Statements of Comprehensive Income of 2021 and 2020.

(2) Defined benefit plans

The pension system of the Group's Cleanaway and Kang Lien Enterprise 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 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 amount of the defined benefit plan included in the consolidated balance sheet is as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 22,920	$ 23,779
Fair value of plan assets	(11,312)	(11,231)
Net defined benefit (asset) liabilities	11,608	12,548
Net defined benefit assets - non-current	382	-
Net defined benefit liabilities - non-current	$ 11,990	$ 12,548

Changes in net defined benefit liabilities were as follows:

	Defined benefits Present value of obligations	Plan assets Fair value	Net defined benefits Liabilities
January 1, 2020	$ 23,268	($ 11,341)	$ 11,927
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 losses - Adjustments based on history	678	-	678
Recognized in other comprehensive income	1,479	(380)	1,099
Benefit payments	(1,131)	1,131	-
Employer's contribution	-	(562)	(562)
December 31, 2020	23,779	(11,231)	12,548
Interest expense (income)	73	(35)	38
Recognized in profit or loss	73	(35)	38
Remeasurement			
Return on plan assets (excluding amounts that are included in net interest)	-	(169)	(169)
Actuarial losses - Changes in demographic assumptions	17	-	17
Actuarial gains - Changes in financial assumptions	(759)	-	(759)
Actuarial losses - Adjustments based on history	506	-	506
Recognized in other comprehensive income	(236)	(169)	(405)
Benefit payments	(696)	696	-
Employer's contribution	-	(573)	(573)
December 31, 2021	$ 22,920	($ 11,312)	$ 11,608

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

	2021	2020
Operating cost	$ 20	$ 43
Administrative expenses	18	41
	$ 38	$ 84

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 risks: 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 risks: A fall in government bond interest rates will result in increase in the present value of defined benefit obligations, with a corresponding increase in the return on debt investment in plan assets, both of which have a partially offsetting effect on the net defined benefit obligation.
3. Salary risks: The present value of the defined benefit obligations is calculated by referring to the future salaries of members of the plan. Hence, an increase in the member's salary will result in an increase in the present value of defined benefit obligations.

The actuarial valuations of the present value of the defined benefit obligation of Cleanaway and Kang Lien were carried out by qualified actuaries. Material assumptions on the measurement date are stated as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.7%	0.3%～0.4%
Expected growth rate of salaries	3%	3%

In the event of a reasonably possible change in each of the significant actuarial assumptions, with all other assumptions remaining constant, the amount by which the present value of defined benefit obligations is increased (decreased) would be as follows:

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.25%	($ 453)	($ 516)
Decrease by 0.25%	$ 466	$ 532
Expected growth rate of salaries		
Increase by 0.25%	$ 398	$ 458
Decrease by 0.25%	($ 389)	($ 447)

As the actuarial assumptions may be correlated with each other and it is not probable that only a single assumption will change, the above sensitivity analysis may not reflect actual changes in the present value of the defined benefit obligations.

	December 31, 2021	December 31, 2020
Amount of contribution expected within 1 year	$ 559	$ 565
Average maturity period of defined benefit obligations	8-13 years	9-11 years

XX. Equity

(1) share capital

Ordinary Shares

	December 31, 2021	December 31, 2020
Number of authorized shares ('000 shares)	200,000	200,000
Authorized share capital	$ 2,000,000	$ 2,000,000
Number of shares issued and fully paid ('000 shares)	108,888	108,888
Issued share capital	$ 1,088,880	$ 1,088,880

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.

(2) Capital surplus

	December 31, 2021	December 31, 2020
May be used to cover losses, distribute cash or enlarge share capital (1)		
Premium on issuance of shares	$ 1,701,775	$ 1,701,775
May be used to offset a deficit only		
Changes in ownership interests in subsidiaries (2)	136	136
Changes in the net equity of affiliate enterprises accounted for using the equity method	4,310	-
	$ 1,706,221	$ 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.

(3) Retained earnings and dividend policy

According to the surplus distribution policy of the Articles of Association of Cleanaway, if there is any surplus in the annual general accounts, the tax shall be paid first, the accumulated loss shall be compensated, and the next 10% shall be the statutory surplus reserve. However, when the statutory surplus has reached the paid-in capital of Cleanaway, no further provision shall be made, and the remaining surplus shall be appropriated or transferred to the special surplus reserve in accordance with the provisions of laws and regulations. If there is any surplus, and the accumulated undistributed surplus is also accumulated, the board of directors shall propose a surplus distribution plan and request the shareholders' meeting to resolve on the distribution of shareholders' dividends. Please refer to Note 22(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.

In accordance with the provisions of Articles 240 and 241 of the Company Law, Cleanaway authorizes the Board of Directors to issue cash dividends, bonuses, and cash distributions of capital or statutory surplus reserves in accordance with the provisions of the Company Law with the quorum of two-thirds of the directors and a majority resolution of the directors present. Such motions shall be reported to the Board of Shareholders.

The legal reserve shall be supplemented until the balance equals the Cleanaway's total paid-in capital. Legal surplus reserves are used to cover losses. When Cleanaway is not in deficit, the portion of the statutory surplus reserve exceeding 25% of the total paid-in share capital can be distributed as cash in addition to being used as share capital.

The amendment to the Articles of Association proposed by the Board of Directors of Cleanaway on August 6, 2021 states that when the net decrease in other equities accumulated in the previous period and the increase in real estate investments at fair value accumulated in the previous period are appropriated for using the special reserve, in the case that the undistributed earnings in the previous period are insufficient, items other than net profit after tax shall be included in the undistributed earnings for the current period. Prior to the amendment of the Articles of Association, Cleanaway was required by law to make a provision for undistributed earnings from the previous period.

Cleanaway's distribution of earnings in the years 2020 and 2019 are as follows:

	2020	2019
Legal surplus reserve	$ 117,639	$ 117,898
Special reserve (Note)	$ 9	$ 856
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 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 above cash dividends were distributed according to the resolution of the Board of Directors on February 26, 2021 and March 20, 2020, respectively. The distribution of the remaining earnings were also resolved by the shareholders' meeting on August 6, 2021 and June 12, 2020, respectively.

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 and Top-Comment Resources are distributed after the legal reserve is appropriated. The proposal was proposed by the Board of Directors and resolved by the shareholders' meeting. Cleanaway Enterprise, Cleanaway Investment, Da Chao Circular Economy, Da Chuang Green Energy and Da Cheng Recycling shall not distribute profits before making up the losses of the previous year. In addition, profits shall be distributed after the statutory surplus reserve is appropriated in accordance with laws and regulations. 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.

XXI. Revenue

	2021	2020
Revenue from contracts with customers		
Revenue from waste disposal, clean-up and transport		
Landfill revenue	$ 1,925,718	$ 1,820,140
Solidification revenue	430,493	490,703
Clean-up and transport revenue	103,768	101,844
	2,459,979	2,412,687
Revenue from contaminated and illegal dump sites cleanup	229,310	239,281
Product sales revenue	305,367	-
Other revenue	28,295	28,571
	$ 3,022,951	$ 2,680,539

Please refer to Note 33 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, and the transfer of ownership of product sales 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.

(1) Contract balance

	December 31, 2021	December 31, 2020
Notes and accounts receivable (Note 8)	$ 581,154	$ 458,007
Accounts receivables from related parties (Note 28)	5,595	9,935
Other receivables from related parties (Note 28)	1,734	1,674
	$ 588,483	$ 469,616
Contract assets - current		
Contaminated and illegal dump site cleanup	$ 73,751	$ 129,343
Waste management	9,034	9,034
	$ 82,785	$ 138,377
Contract assets - non-current		
Contaminated and illegal dump site cleanup	$ 10,521	$ -
Contractual liabilities		
Waste disposal and cleanup	$ 4	$ 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.

Contract assets are transferred to accounts receivable at the time of invoicing, and their credit risk characteristics are the same as those of accounts receivable arising from similar contracts. Therefore, the Group uses the expected credit loss rate of the accounts receivable to recognize the loss on provision for contract assets based on the expected credit loss during the continuous period. The primary customers of the Group's contract assets are government institutions.

(2) Contract cost-related assets

	December 31, 2021	December 31, 2020
Contract performance costs		
Waste clean-up and transport cost	$ 1,081	$ 244

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.

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

As of December 31, 2021, the transaction price allocated to contract performance obligations that have not been completed totaled NT$3,004,212 thousand. The Group shall recognize revenue 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 2022 to 2023.

XXII. Net profit

Net profit for the period consists of the following items:

(1) Depreciation

	2021	2020
Property, Plant and Equipment	$ 164,932	$ 159,389
Right-of-use assets	22,365	16,775
	$ 187,297	$ 176,164
Depreciation expense summarized by function		
Operating cost	$ 133,256	$ 128,475
Operating expenses	54,041	47,689
	$ 187,297	$ 176,164

(2) Employee benefits expenses

	2021	2020
Benefits after retirement (Note 19)		
Defined contribution plans	$ 7,276	$ 5,862
Defined benefit plans	38	84
	7,314	5,946
Salary expenses	225,300	192,807

	2021	2020
Employee insurance premiums	$ 16,517	$ 12,458
Other employee benefits	11,540	9,431
Total employee benefits expenses	$ 260,671	$ 220,642
Summary by function		
Operating cost	$ 129,087	$ 98,931
Operating expenses	131,584	121,711
	$ 260,671	$ 220,642

(3) 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 2021 and 2020 were resolved by the Board of Directors on February 25, 2022 and February 26, 2021, respectively, as follows:

Estimated percentage

	2021	2020
Employees remuneration	2.37%	2.96%
Remuneration for Directors and Supervisors	2.71%	2.61%

Amount

	2021		2020	
	Cash	Stock	Cash	Stock
Employees remuneration	$ 29,686	$ -	$ 38,621	$ -
Remuneration for Directors and Supervisors	34,000	-	34,000	-

If the amount changes after the date of issuance of the annual consolidated financial report, it will be treated as a change in accounting estimates and adjusted to account in the following year.

The actual employee' compensation and remuneration for directors and supervisors in 2020 and 2019 were consistent with the amounts recognized in the Consolidated Financial Statements for the years ended December 31, 2020 and 2019.

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.

XXIII. Income tax

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

	2021	2020
Current income tax		
Occurred in the current period	$ 308,016	$ 290,948
Surtax on unappropriated retained earnings	-	-
Adjustments for prior years	321	(815)
	308,337	290,133
Deferred income tax		
Occurred in the current period	5,839	23,165
Adjustments for prior years	-	628
	5,839	23,793
Income tax expenses recognized in profit or loss	$ 314,176	$ 313,926

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

	2021	2020
Net profit before tax	$ 1,468,870	$ 1,487,724
Income tax expense calculated from profit before tax based on statutory tax rate	$ 289,058	$ 290,960
Non-deductible expenses	13,922	13,438
Unrecognized operating loss carryforward and deductible temporary differences	10,875	9,715
Surtax on unappropriated retained earnings	-	-
Adjustments of current income tax expenses in previous years	321	(815)
Adjustments for deferred income tax expense of prior periods	-	628
Income tax expenses recognized in profit or loss	$ 314,176	$ 313,926

(2) Recognized income tax in other comprehensive income

	2021	2020
Deferred income tax benefits (expenses)		
Recognized in other comprehensive income		
- Remeasurements of defined benefit plans	$ 35	$ 214

(3) Income tax assets and liabilities in the current period

	December 31, 2021	December 31, 2020
Tax refund receivable	$ 34	$ 50,098
Income tax payable	$ 307,676	$ 267,738

(4) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2021

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income (loss)	Balance at the end of the year
Deferred tax assets				
Temporary variance				
Cost provisions for restorations	$ 21,295	($ 1,843)	$ -	$ 19,452
Defined benefit plans	2,457	(94)	35	2,398
Unrealized valuation on foreign currencies	7	33	-	40
Leave benefit payable	452	20	-	472
Allowance for loss	154	1,375	-	1,529
Financial difference in employee benefits	8	40	-	48
	$ 24,373	($ 469)	$ 35	$ 23,939
Deferred tax liabilities				
Temporary variance				
Property, Plant and Equipment	$ 86,988	$ 5,369	$ -	$ 92,357
Unrealized valuation on foreign currencies	-	1	-	1
	$ 86,988	$ 5,370	$ -	$ 92,358

2020

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income (loss)	Balance at the end of the year
Deferred tax assets				
Temporary variance				
Cost provisions for restorations	$ 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 tax liabilities				
Temporary variance				
Property, Plant and Equipment	$ 69,427	$ 17,561	$ -	$ 86,988

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

	December 31, 2021	December 31, 2020
Operating loss carryforward		
Due in 2023	$ -	$ 652
Due in 2024	30	516
Due in 2025	1,157	1,157
Due in 2026	1,185	10,198
Due in 2027	109,725	109,725
Due in 2029	6,435	6,435
Due in 2030	7,442	7,442
Due in 2031	8,898	-
	$ 134,872	$ 136,125
Deductible temporary difference		
Amortization of depreciation of land for landfill sites	$ 486,561	$ 436,277
Investment in subsidiary companies and affiliate enterprises	177,936	162,072
Unrealized restoration provision	17,229	17,626
Unrealized valuation on foreign currencies	11,819	10,783
Financial difference in employee benefits	160	320
	$ 693,705	$ 627,078

(6) Income tax assessment

The enterprise business income tax returns of Cleanaway, Da Tsang, Chi Wei, Cleanaway Enterprise, Cleanaway Investment, Kang Lien Enterprise, Da Ning, and Cleanaway Energy through 2019 have been approved by the tax authorities. Da Chao Circular Economy, Da Chuang Green Energy, Top-Comment Resources, and Da Cheng Recycling were all established in 2021, and thus do not have income tax assessments.

XXIV. Earnings per share

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

Net profit for the year

	2021	2020
Net profit used for the calculation of basic EPS	$ 1,153,169	$ 1,177,219
Net profit used for the calculation of diluted EPS	$ 1,153,169	$ 1,177,219

Number of shares

Unit: thousand shares

	2021	2020
Weighted average number of ordinary shares used to calculate basic earnings per share	108,888	108,888
Effect of dilutive potential common shares:		
Employees remuneration	167	307
Weighted average number of common shares used for the calculation of diluted EPS	109,055	109,195

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.

XXV. Equity transactions with non-controlling interests

In May 2021, Cleanaway acquired 20% of the voting shares of Cleanaway Energy, increasing its ownership from 55% to 75%.

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

	2021
Cash consideration paid	($ 20,000)
Carrying amount of the subsidiary's net assets to be transferred out of non-controlling interest based on changes in equity	16,791
Difference in equity transactions	($ 3,209)
Equity Transaction Difference Adjustment Account	
Retained earnings	($ 3,209)

XXVI. 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.

XXVII. Financial instruments

(1) Type of financial instrument

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at amortized cost (Note 1)	$ 2,316,666	$ 2,022,034
Financial assets at fair value through other comprehensive income		
Investment in equity instruments	5,000	-
Financial liabilities		
Measured at amortized cost (Note 2)	714,169	457,395

Note 1: Includes cash and cash equivalents, financial assets measured at amortized cost, contractual assets, notes and accounts receivable (including related parties), other receivables (including related parties) and deposits.

Note 2: Includes the bank's long-term and short-term loans (including maturities within one year), accounts payable (including related parties), other payables (including related parties) and deposited guarantee deposits.

(2) Fair value information - Financial instruments not measured at fair value

The management of the Group considers the carrying amount of financial assets and financial liabilities not measured at fair value to be close to their fair value.

(3) Fair value information - Financial instruments not measured at fair value

1. Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic Unlisted (Over-the-counter) Shares	$ -	$ -	$ 5,000	$ 5,000

From January 1 to December 31, 2021, there was no transfer between level 1 and level 2 fair value inputs.

2. Adjustment of financial instruments measured at Level 3 fair value

January 1 to December 31, 2021

	Through other comprehensive income Financial assets at fair value - Equity instruments
Balance at the beginning of the year	$ -
Recognized in other comprehensive income (unrealized valuation gain or loss on financial assets at fair value through other comprehensive income)	-
Purchase	5,000
Balance at the end of the year	$ 5,000

3. Evaluation technology and input value at Level 3 fair value measurement

The objective of the domestic unlisted (counter) equity investment was established in May 2021. As of December 31, 2021, it belongs to the preparation stage, and therefore its fair value is assessed using cost.

(4) Financial risk management purposes and policies

The Group's main financial instruments include cash and cash equivalents, contract assets, financial assets at amortized cost, notes and accounts receivables, accounts receivables from related parties, other receivables, other receivables from related parties, equity instrument investments, guarantee deposits paid (received), accounts payable, accounts payable from related parties, other payables, other payables from related parties, and long-term and short-term loans (included 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 risk

(1) Exchange rate risk

The Group is exposed to exchange rate fluctuations due to time deposits denominated in RMB (foreign currency) and sales and purchase transactions denominated in 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, 2021

	Foreign currency (in thousands)	Currency exchange rate	Carrying amount (NT$)
Foreign currency assets			
Monetary items			
RMB	$ 23,000	4.344	$ 99,912

December 31, 2020

	Foreign currency (in thousands)	Currency exchange rate	Carrying amount (NT$)
Foreign currency assets			
Monetary items			
RMB	$ 23,000	4.377	$ 100,671

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

	2021	2020
Exchange gain (loss)	($ 1,149)	$ 2,102

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 negative 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	
	2021	2020
Income before income tax	($ 999)	($ 1,007)

(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 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, 2021	December 31, 2020
Fair value interest rate risk		
- Financial assets	$ 190,083	$ 345,344
- Financial liabilities:	183,482	93,000
Cash flow interest rate risk		
- Financial assets	1,417,702	1,072,873
- Financial liabilities:	-	-

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 2021 and 2020 will increase or decrease by NT$14,177 thousand and NT$10,729 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, 2021

	Within 1 year	More than 1 year ~ Less than 2 years	Within 2 years ~ Less than 5 years
Non-interest-bearing liabilities	$ 335,960	$ -	$ -
Lease liabilities	19,256	15,961	26,875
Fixed interest rate instruments	119,344	14,697	51,287
	$ 474,560	$ 30,658	$ 78,162

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

	Less than 1 year	1 - 5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	$ 19,256	$ 42,836	$ 28,229	$ 27,162	$ 32,221	$ 257,782

December 31, 2020

	Within 1 year	More than 1 year ~ Less than 2 years	Within 2 years ~ Less than 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 as follows:

	Less than 1 year	1 - 5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	$ 16,673	$ 40,654	$ 30,355	$ 26,617	$ 31,600	$ 268,492

(2) Financing Limit

	December 31, 2021	December 31, 2020
Unsecured banks loans credit limit		
- Used amount	$ 54,482	$ -
- Unused amount	1,155,518	1,200,000
	$ 1,210,000	$ 1,200,000
Secured bank loan credit limit		
- Used amount	$ 129,000	$ 93,000
- Unused amount	500,000	450,000
	$ 629,000	$ 543,000

(3) Performance limit

	December 31, 2021	December 31, 2020
Unsecured bank performance guarantee limit		
- Used amount	$ 61,806	$ 197,394
- Unused amount	418,194	182,606
	$ 480,000	$ 380,000
Secured bank performance guarantee limit		
- Used amount	$ 242,099	$ 127,912
- Unused amount	1,407,901	462,088
	$ 1,650,000	$ 590,000

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 Enterprise, act as joint guarantors.

XXVIII. 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 10 in Note 32 for related written-off amounts. Transactions between the Group and other related parties were listed below.

(1) The names and relationships of the related parties

Name of related party	Relationship with the Group
Jocris Ltd. (Jocris)	Cleanaway'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	Cleanaway's chairman
Li Pi-lien Yang	Spouse of Cleanaway's Chairman
Shui-hui Yang	Second degree of kinship of Cleanaway's Chairman
Yang Chi Chuan Social Welfare Charity Foundation (Yang Chi Chuan Foundation)	Cleanaway's Chairman is a director of the foundation
Chase Sustainability Technology 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 Cleanaway Company Limited (Kao Lien)	Substantive related party
MH Gopower Co., Ltd. (MHG)	Cleanaway's chairman is a second-degree relative of the company's chairman

Note: In July 2021, Jocris Limited transferred more than one-half of the shares held by Cleanaway at the time of voting. Therefore, it's corporate director was naturally dismissed as of July 26, 2021 and bears no relationship to the Group.

(2) Significant transactions with related parties

1. Accounts receivable - related parties

	December 31, 2021	December 31, 2020
Chung Tai	$ 1,491	$ 5,218
Cleanaway SUEZ	3,929	4,717
Chase	175	-
	5,595	9,935
Less: Loss allowance	(56)	(99)
	$ 5,539	$ 9,836

Refers to the unrecovered income from the disposal of waste and the income from the provision of manpower for the waste removal, processing, and clean-up at the end of the period. The credit period provided to related parties for labor services is 30 to 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, 2021

	Not overdue	overdue 1～210 days	overdue 211～240 days	overdue 241～365 days	overdue 365 days	Total
Expected credit loss rate	0%～1%	1%～2%	10%	20%	100%	
Total carrying amount	$ 4,230	$ 1,365	$ -	$ -	$ -	$ 5,595
Loss allowance (lifetime expected credit losses)	(42)	(14)	-	-	-	(56)
Amortized cost	$ 4,188	$ 1,351	$ -	$ -	$ -	$ 5,539

December 31, 2020

	Not overdue	overdue 1～210 days	overdue 211～240 days	overdue 241～365 days	overdue 365 days	Total
Expected credit loss rate	0%～1%	1%～2%	10%	20%	100%	
Total carrying amount	$ 9,935	$ -	$ -	$ -	$ -	$ 9,935
Loss allowance (lifetime expected credit losses)	(99)	-	-	-	-	(99)
Amortized cost	$ 9,836	$ -	$ -	$ -	$ -	$ 9,836

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

	2021	2020
Balance at the beginning of the year	$ 99	$ 275
Less: reversal of impairment loss in the current year	(43)	(176)
Balance at the end of the year	$ 56	$ 99

2. Other receivables from related parties

	December 31, 2021	December 31, 2020
Chase	$ 1,734	$ 1,674
Less: Loss allowance	(17)	(17)
	$ 1,717	$ 1,657

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, 2021

	Not overdue	overdue 1～210 days	overdue 211～240 days	overdue 241～365 days	overdue 365 days	Total
Expected credit loss rate	0%～1%	1%～2%	10%	20%	100%	
Total carrying amount	$ 1,734	$ -	$ -	$ -	$ -	$ 1,734
Loss allowance (lifetime expected credit losses)	(17)	-	-	-	-	(17)
Amortized cost	$ 1,717	$ -	$ -	$ -	$ -	$ 1,717

December 31, 2020

	Not overdue	overdue 1～210 days	overdue 211～240 days	overdue 241～365 days	overdue 365 days	Total
Expected credit loss rate	0%～1%	1%～2%	10%	20%	100%	
Total carrying amount	$ 1,674	$ -	$ -	$ -	$ -	$ 1,674
Loss allowance (lifetime expected credit losses)	(17)	-	-	-	-	(17)
Amortized cost	$ 1,657	$ -	$ -	$ -	$ -	$ 1,657

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

	2021	2020
Balance at the beginning of the year	$ 17	$ 303
Less: reversal of impairment loss in the current year	-	(286)
Balance at the end of the year	$ 17	$ 17

3. Accounts payables to related parties

	December 31, 2021	December 31, 2020
Chase	$ 5,452	$ 6,761
Cleanaway SUEZ	-	6,126
	$ 5,452	$ 12,887

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

4. Other payables to related parties

	December 31, 2021	December 31, 2020
Chase	$ 15,090	$ 10,311
Chin Wei	7,875	7,875
Cleanaway SUEZ	615	-
Hsiung Wei	92	80
Kao Lien	91	81
	$ 23,763	$ 18,347

Other payables - Chase and Cleanaway SUEZ are the collection agents. Other payable - corporate management consultation service fees payable by Chin Wei. Other payable - Service cost payable by Hsiung Wei and Kao Lien.

5. Operating income

	2021	2020
Cleanaway SUEZ	$ 30,748	$ 48,241
Chung Tai	21,246	39,302
Chase	1,063	-
MHG	-	218
	$ 53,057	$ 87,761

The income received by the joint venture involving the provision of manpower for the waste processing, removal, and clean-up activities of related parties shall be determined based on the prices of the non-related parties.

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

	2021	2020
Chase	$ 62,186	$ 66,204

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.

7. Donation (recognized under operating expenses)

	2021	2020
Yang Chi Chuan Foundation	$ 10,000	$ 10,000

To fulfill corporate social responsibilities, the Group donated NT$10,000 thousand in both 2021 and 2020 to the Yang Chi Chuan Foundation to sponsor its charity events.

8. Service expense (recognized under operating costs)

	2021	2020
Hsiung Wei	$ 1,159	$ 1,203
Kao Lien	1,162	1,201
	$ 2,321	$ 2,404

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.

9. Technical Service Fee (recognized under Operating Expenses)

	2021	2020
Chin Wei	$ 30,000	$ 30,000
Jocris	5,833	10,000
	$ 35,833	$ 40,000

Expense incurred due to technical 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.

10. Prepayments for land

As of December 31, 2021 and 2020, 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, 2021	December 31, 2020
Li Pi-lien Yang	$ 141,357	$ 141,357
Ching-Hsiang Yang	1,629	1,629
Shui-hui Yang	703	703
	$ 143,689	$ 143,689

11. Guarantee deposits received

	December 31, 2021	December 31, 2020
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.

12. Leasing agreement

Name of related party	Accounting subject	December 31, 2021	December 31, 2020
Ho Tsang	Lease liabilities-current	$ 3,400	$ 3,319
Ho Tsang	Lease liabilities - non-current	$ 354,974	$ 363,557

Name of related party	Accounting subject	2021	2020
Ho Tsang	Interest expenses	$ 4,527	$ 3,834

Regarding leasing transactions with Ho Tsang, please refer to Note 13 (3) Important Lease Activities and Terms.

(3) Remuneration to key management

Remuneration to Directors and key management in 2021 and 2020 were as follows:

	2021	2020
Directors remuneration	$ 32,400	$ 32,400
Short-term employee benefits		
Salary	17,964	14,760
Bonus and compensation	30,000	28,000
Post-employment benefits		
Defined benefits	161	161
Defined contribution	648	648
Transportation expenses	280	240
	$ 81,453	$ 76,209

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

XXIX. 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, 2021	December 31, 2020
Pledged time deposit certificates (recognized under financial assets measured at amortized cost)		
- Current	$ 9,289	$ 4,258
- Non-current	-	500
Restricted bank deposits (Reserve account, Recognized under other current assets)		
- Current	147	-
Land	722,806	722,806

XXX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Unrecognized contract commitments of the Group were as follows:

	December 31, 2021	December 31, 2020
Purchase of property, plant and equipment		
- Land	$ 1,698,698	$ -
- Construction of a solar photovoltaic system	208,430	-
	$ 1,907,128	$ -

1. On August 20, 2021, the Group signed a land contract with Top-comment Technology Enterprise Company Limited for the purchase of the Touqiao and Fuxing Sections, Minxiong Township, Jiayi County. The total contract price of the land was NT$1,550,000 thousand. As of December 31, 2021, the first instalment of NT$155,000 thousand under prepaid land and equipment had been paid. The balance of the payment will be paid when the relevant procedures were completed.

2. On December 17, 2021, the Group signed a contract with a non-related party to purchase the land and its overground buildings in the Chikan section of Daliao District, Kaohsiung City. The total contract price amounted to NT$379,698 thousand. As of December 31, 2021, NT$76,000 thousand had been paid under prepaid land and equipment. The remaining amount is to be paid when the relevant procedures are completed.

(2) As of December 31, 2021 the unused letter of credit opened by the Group due to the purchase of raw materials amounted to NT$13,495 thousand.

XXXI. 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.

XXXII. Notes to Disclosures

(1) 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) (Table 3)
4. Accumulated purchase or disposal of individual marketable securities in excess of NT$300 million or 20% of the paid-in capital (Table 4)
5. Acquisition of real estate at price in excess of NT$300 million or 20% of the paid-in capital (Table 5)
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 6)
8. Amount receivable from related parties in excess of NT$100 million or 20% of its paid-in capital (Table 7)
9. Derivative financial instrument transactions (None)
10. Others: Business relationship and significant transactions between the parent company and subsidiaries and between subsidiaries, and the amounts. (Table 10)
11. Information on investees (Table 8)

(3) Information on investment 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 9)

2. The following significant transactions with the mainland investee directly or indirectly through the third region, and their prices, payment terms, unrealized profit or loss

   (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.

(4) Main shareholder information: Name of shareholder with equity ratio of 5% or more, amount of shareholding and proportion. (Table 11)

XXXIII. Segment Information

(1) Segment revenue and operations

	2021								
	Solidification and Excavation	Landfill	Clean-up and transport	China operations	Investments	Paper manufacturing	Other	Adjustments and elimination	Total
Revenue									
Revenue from external customers									
Landfill revenue	$ -	$ 1,925,718	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,925,718
Solidification revenue	430,493	-	-	-	-	-	-	-	430,493
Clean-up and transport revenue	-	-	103,768	-	-	-	-	-	103,768
Revenue from contaminated and illegal dump sites cleanup	229,310	-	-	-	-	-	-	-	229,310
Product sales revenue	-	-	-	-	-	305,367	-	-	305,367
Other revenue	-	-	-	-	-	-	28,295	-	28,295
Revenue from inter-segment sales	5,483	774,557	35,680	-	-	-	7,580	(823,300)	-
Interest income	2,350	4,780	15	578	-	24	214	(2,582)	5,379
Total revenue	$ 667,636	$2,705,055	$139,463	$ 578	$ -	$305,391	$ 36,089	($ 825,882)	$ 3,028,330
Segments income									
Net income	$ 113,554	$1,008,752	$ 1,244	($ 14,568)	$ 34,583	$ 7,708	$ 3,424	($ 3)	$ 1,154,694

	2020							
	Solidification and Excavation	Landfill	Clean-up and transport	China operations	Investments	Other	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 revenue	-	-	-	-	-	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

(2) Segments assets

	December 31, 2021	December 31, 2020
Solidification and Excavation	$ 2,531,015	$ 3,189,219
Landfill	2,876,524	3,128,148
Clean-up and transport	148,407	147,489
China operations	73,133	85,563
Investments	1,090,959	1,069,708
Paper manufacturing	830,109	-
Others	837,753	296,121
Adjustments and elimination	(639,359)	(777,504)
Consolidated total assets	$ 7,748,541	$ 7,138,744

1. The Group has six reportable segments: the solidification and excavation segment, landfill segment, clean-up and transport segment, China operation segment, investment segment, and paper manufacturing 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.
   (6) Paper Manufacturing Division: The manufacture and sale of paper products such as kraft paper, electronic carrier paper, pipe paper, etc.
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.

(3) Geographical information

	Revenue from external customers		Non-current assets	
	2021	2020	December 31, 2021	December 31, 2020
Taiwan	$ 2,976,380	$ 2,680,539	$ 4,209,184	$ 3,925,416
Vietnam	19,777	-	-	-
China	13,894	-	-	11,545
Others	12,900	-	-	-
	$ 3,022,951	$ 2,680,539	$ 4,209,184	$ 3,936,961

The regional income of the consolidated company is calculated on the basis of the receiving area, while the non-current assets are calculated on the basis of the location of the assets. 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).

(4) Primary Customer Information

Details of major customers accounting for more than 10% of net consolidated operating revenue in 2021 and 2020 are as follows:

	2021		2020	
	Amount	% to Operating Revenue	Amount	% to Operating Revenue
Customer A from the landfill and clean-up and transport segment	$ 357,175	12	$ 447,233	17

Cleanaway Company Limited and Subsidiaries

Lending to Others

2021

Table 1

Units: Unless otherwise specified, NT$ thousand

No.	Lending Company	Borrower	Transaction item	Related Party Status	Maximum Balance	Ending Balance	Actual Drawdown	Interest Rate Range	loan Nature of	Amount of Business Transaction	Reason for Short-term Financing	Allowance for provision Loss amount	Collateral		For individual objects Financing limit (Note 1)	loan Total limit (Note 1)	Remarks
													Name of	Value			
0	Cleanaway Company Limited	Kang Lien Enterprise Company Limited	Other receivables from related parties	Yes	$ 50,000	$ -	$ -	1%	Short-term financing	Not applicable	Operating capital	$ -	-	$ -	$ 2,312,246 (Note 2)	$ 2,312,246 (Note 2)	
0	Cleanaway Company Limited	Da Tsang Industrial Company Limited	Other receivables from related parties	Yes	60,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	2,312,246 (Note 2)	2,312,246 (Note 2)	
0	Cleanaway 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	-	-	-	2,312,246 (Note 2)	2,312,246 (Note 2)	
0	Cleanaway Company Limited	Da Cheng Recycling Company Limited	Other receivables from related parties	Yes	40,000	40,000	40,000	1%	Short-term financing	Not applicable	Operating capital	-	-	-	2,312,246 (Note 2)	2,312,246 (Note 2)	
1	Da Tsang Industrial Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables from related parties	Yes	6,576 (RMB 1,500 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	579,569 (Note 3)	579,569 (Note 3)	
1	Da Tsang Industrial Company Limited	Cleanaway Zoucheng Holding Company Limited	Other receivables from related parties	Yes	6,540 (RMB 1,500 thousand)	6,516 (RMB 1,500 thousand)	6,516 (RMB 1,500 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	579,569 (Note 3)	579,569 (Note 3)	
2	Cleanaway Enterprise Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables from related parties	Yes	6,576 (RMB 1,500 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	134,848 (Note 4)	134,848 (Note 4)	
2	Cleanaway Enterprise Company Limited	Cleanaway Zoucheng Co., Ltd.	Other receivables from related parties	Yes	6,576 (RMB 1,500 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	134,848 (Note 4)	134,848 (Note 4)	
2	Cleanaway Enterprise Company Limited	Cleanaway (Shanghai) Company Limited	Other receivables from related parties	Yes	13,152 (RMB 3,000 thousand)	-	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	134,848 (Note 4)	134,848 (Note 4)	

No.	Lending Company	Borrower	Transaction item	Related Party Status	Maximum Balance	Ending Balance	Actual Drawdown	Interest Rate Range	loan Nature of	Amount of Business Transaction	Reason for Short-term Financing	Allowance for provision Loss amount	Collateral		For individual objects Financing limit (Note 1)	loan Total limit (Note 1)	Remarks
													Name of	Value			
2	Cleanaway Enterprise Company Limited	Cleanaway Zoucheng Holding Company Limited	Other receivables from related parties	Yes	6,540 (RMB 1,500 thousand)	6,516 (RMB 1,500 thousand)	6,516 (RMB 1,500 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	134,848 (Note 4)	134,848 (Note 4)	
2	Cleanaway Enterprise Company Limited	Cleanaway Shanghai Management Holding Company Limited	Other receivables from related parties	Yes	13,080 (RMB 3,000 thousand)	13,032 (RMB 3,000 thousand)	13,032 (RMB 3,000 thousand)	-	Short-term financing	Not applicable	Operating capital	-	-	-	134,848 (Note 4)	134,848 (Note 4)	
3	Chi Wei Company Limited	Kang Lien Enterprise Company Limited	Other receivables from related parties	Yes	50,000	50,000	50,000	1%	Short-term financing	Not applicable	Operating capital	-	-	-	298,689 (Note 5)	298,689 (Note 5)	
3	Chi Wei Company Limited	Da Tsang Industrial Company Limited	Other receivables from related parties	Yes	150,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	298,689 (Note 5)	298,689 (Note 5)	
3	Chi Wei Company Limited	Cleanaway Enterprise Company Limited	Other receivables from related parties	Yes	50,000	50,000	40,000	1%	Short-term financing	Not applicable	Operating capital	-	-	-	298,689 (Note 5)	298,689 (Note 5)	
4	Cleanaway Energy Company Limited	Top-Comment Resources Company Limited	Other receivables from related parties	Yes	20,000	-	-	1%	Short-term financing	Not applicable	Operating capital	-	-	-	193,765 (Note 6)	193,765 (Note 6)	

Note 1: According to the stipulations of the "Capital Lending and Endorsement Guarantee Procedures" of Cleanaway Company Limited, Da Tsang Industrial Company Limited, Cleanaway Enterprise Company Limited, Chi Wei Company Limited, and Cleanaway Energy Company Limited (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, Kang Lien Enterprise, and Da Cheng Recycling 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 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, 2021. 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. and Cleanaway Zoucheng Holding Co., Ltd. are affiliates of Da Tsang Industrial Company Limited. Their ultimate parent company is Cleanaway Company Limited. As the nature of financing is firms or companies requiring short-term financing, the lending amount to a single entity cannot exceed 40 percent of Da Tsang Industrial Company Limited's net worth. Net worth of Da Tsang Industrial Company Limited is calculated based on its latest audited financial statements, i.e. the net worth as of December 31, 2021. 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. The liquidation of Cleanaway Zoucheng Co., Ltd. was completed in July 2021 and approved by the Investment Commission of the Ministry of Economy in October 2021.

Note 4: Cleanaway Zoucheng Co., Ltd., Cleanaway (Shanghai) Co., Ltd., Cleanaway Zoucheng Holding Co., Ltd., and Cleanaway Shanghai Management Holding Company Limited are affiliates of Cleanaway Enterprise Company Limited. Their ultimate parent company is Cleanaway Company Limited. As the nature of financing is firms or companies requiring short-term financing, the lending amount to a single entity cannot exceed 40 percent of Cleanaway Enterprise Company Limited's net worth. Net worth of Cleanaway Enterprise is calculated based on its latest audited financial statements, i.e. the net worth as of December 31, 2021. 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, Kang Lien Enterprise Company Limited, and Cleanaway 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, 2021. 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: Top-Comment Resources Company Limited is an affiliate of Cleanaway Energy Company Limited and the 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 Energy Company Limited. Net worth of Cleanaway Energy Company Limited is calculated based on its latest audited financial statements, i.e. the net worth as of December 31, 2021. The total lending amount to firms and companies requiring short-term financing shall not exceed 40 percent of the Cleanaway Energy'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 2021 were calculated on the basis of financial statements Q3 2021 rather than financial statements 2021 because the financial statements 2021 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

2021

Table 2

Units: Unless otherwise specified, NT$ thousand

No. (Note 1)	Endorsement/ Guarantee Provider Name	Subject of Endorsements/Guarantees		Limit of Endorsements/Guarantees for a Single Entry (Notes 3 and 5)	Maximum Balance for this Period	Endorsement and Guarantee for this Period	Actual Drawdown	Amount of Endorsement/ Guarantee Collaterized by Properties	Ratio of Accumulated Endorsement/Guarantee to Net Equity per Latest Financial Statements (%)	Endorsements/ Guarantees Maximum limit (Notes 4 and 5)	Endorsement guarantee by parent company for subsidiary	Endorsement guarantee by subsidiary for parent company	Guarantee provided to subsidiaries in Mainland China	Remarks
		Company Name	Relationship (Note 2)											
0	Cleanaway Company Limited	Cleanaway Enterprise Company Limited	2	$ 2,890,308	$ 120,000	$ 79,000	$ 79,000	$ -	2.08	$ 2,890,308	Y	N	N	

Note 1: The remarks for the serial number column 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 or reviewed 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 or reviewed 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 2021, the caps of endorsement/guarantee for a single enterprise and for others in total both are NT$ 2,772,811 thousand. However, because the 2021 annual financial statements have not been audited by CPAs, the calculation based on the financial statements for Q3 2021, so the actual cap may have certain differences with the aforesaid amount.

Cleanaway Company Limited and Subsidiaries

Marketable Securities Held at the End of the Period

December 31, 2021

Table 3

Units: Unless otherwise specified, NT$ thousand

Securities holder	Type and name of marketable securities (Note 1)	Relationship with issuers of marketable securities (Note 2)	Journal Accounts	End of period				Remarks
				No. of Shares	Carrying amount	%	Fair value	
Cleanaway Company Limited	Ordinary shares of Aquis Sport Culture Company Limited	-	Financial assets at fair value through other comprehensive income - non-current	500,000	$ 5,000	10	$ 5,000	

Note 1: Marketable securities referred to in this Schedule are stocks, bonds, certificates of beneficial interest and marketable securities deriving from the foregoing that fall within the scope of IFRS 9 "Financial Instruments".

Note 2: This column is omitted if the issuer of marketable securities is not a related party.

Cleanaway Company Limited and Subsidiaries

Cumulative acquisition or disposal of the same marketable securities amounted to NTD 300 million or more than 20% of paid-up capital

2021

Table 4

Units: Unless otherwise specified, NT$ thousand

Company purchasing or selling	Marketable securities Type and Name (Note 1)	Journal Accounts	Counterparty (Note 2)	Relationship (Note 2)	Beginning of Period		Purchase		Sale				Other		End of period	
					No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Selling Price	Book cost	Gains (Losses) on Disposal	No. of Shares	Amount	No. of Shares	Amount
Cleanaway Company Limited	Ordinary shares of Cleanaway Energy Company Limited	Investment accounted for using equity method	Huanxing Technology Co., Ltd./Cleanaway Energy Company Limited (Note 3)	Non-related parties/ Subsidiaries	5,500,000	$ 47,277	32,000,000	$ 320,000 (Note 3)	-	$ -	$ -	$ -	-	($ 3,967) (Note 7)	37,500,000	$ 363,310
Cleanaway Energy Company Limited	Ordinary shares of Top-Comment Resources Company Limited	Investment accounted for using equity method	Top-Comment Resources Company Limited (Note 4)	Subsidiaries	-	-	45,500,000	455,000 (Note 4)	-	-	-	-	-	5,395 (Note 8)	45,500,000	460,395
Cleanaway Company Limited	Ordinary shares of Da Tsang Industrial Company Limited	Investment accounted for using equity method	Da Tsang Industrial Company Limited (Note 5)	Subsidiaries	27,000,000	1,039,712	40,000,000	400,000 (Note 5)	-	-	-	-	-	9,211 (Note 9)	67,000,000	1,448,923
Da Tsang Industrial Company Limited	Common shares of Da Cheng Recycling Company Limited	Investment accounted for using equity method	Da Cheng Recycling Company Limited (Note 6)	Subsidiaries	-	-	42,500,000	425,000 (Note 6)	-	-	-	-	-	(193) (Note 10)	42,500,000	424,807

Note 1: Marketable securities referred to in this Schedule are stocks, bonds, certificates of beneficial interest and marketable securities deriving from the foregoing.

Note 2: For investors using the equity method in the marketable securities account, these two columns must be filled in, while the others may omit the same.

Note 3: In May 2021, Cleanaway acquired 2,000 thousand shares in cash of Cleanaway Energy from Huanxing Technology Co., Ltd.; and in September 2021, appropriated 300,000 thousand in cash to subscribe to Cleanaway Energy's capital increase of 30,000 thousand new shares.

Note 4: Cleanaway Energy invested 30,000 thousand in cash to establish Top-Comment Resources in July 2021, and in September 2021, appropriated 425,000 thousand in cash to subscribe to the 42,500 thousand new shares issued by Top-Comment Resources.

Note 5: Cleanaway Company increased the capital of Da Tsang Industrial by 400,000 thousand in cash in December 2021.

Note 6: Da Tsang Industrial invested 25,000 thousand to establish Da Cheng Recycling Company in September 2021, and increased the capital of Da Cheng Recycling Company by 400,000 thousand in cash in December 2021.

Note 7: Losses of subsidiaries accounted for using the equity method amounted to 758 thousand and the decrease in equity transactions amounted to 3,209 thousand.

Note 8: Benefits of subsidiaries accounted for using the equity method.

Note 9: Benefits of subsidiaries accounted for using the equity method amounted to 537,351 thousand, the exchange loss from the translation of the financial statements of foreign institutions amounted to 26 thousand, and the cash dividend distributed was 528,114 thousand.

Note 10: Losses of subsidiaries recognized using the equity method.

Cleanaway Company Limited and Subsidiaries

Acquisition of real estate at price in excess of NT $300 million or 20% of the paid-in capital

2021

Table 5

Unit: Thousands NTD

Company Acquiring Real Estate	Property	Date of Acquisition	Transaction Amount	Status of Payment	Counterparty	Relationship	Previous transfer of information for transactions with related parties				Price Determination Basis for	Purpose of Acquisition and Usage Situation	Other Agreed Matters
							Everyone	Relationship with Issuer	Date of Transfer	Amount			
Top-Comment Resources Company Limited	Land and buildings on Touqiao Section and Fuxing Section, Minxiong Township, Chiayi County	2021/8/20	$ 1,723,000	Progress payments according to the contract. As of December 31, 2021, $328,000 thousand has been paid.	Top-comment Technology Enterprise Company Limited	Non-related parties	-	-	-	$ -	Mutual agreement between the buyer and seller and the real estate and property appraisal report (Note 1)	Land for the expansion of environmental protection businesses	-
Da Cheng Recycling Company Limited	Land and buildings on Chikan section, Daliao District, Kaohsiung City	2021/12/17	379,698	Progress payments according to the contract. As of December 31, 2021, $76,000 thousand has been paid.	Sun Qizheng	Non-related parties	-	-	-	-	Mutual agreement between buyer and seller and the real estate and property appraisal report (Note 2)	Land for the expansion of environmental protection businesses	-

Note 1: The valuation given by the Dayou International Real Estate Appaisal Office is NT $1,866,950 thousand; the valuation given by the Bo'an Real Estate Appraisal Office is NT $1,843,460 thousand.

Note 2: The valuation given by the Dayou International Real Estate Appaisal Office is NT $381,448 thousand.

Cleanaway Company Limited and Subsidiaries

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

2021

Table 6

Units: Unless otherwise specified, NT$ thousand

Supplier (Buyer) Company	Name of Trading Partner	Relationship	Transaction Details				Transaction conditions are different from general transactions Circumstances and reasons		Notes and Accounts Receivable (Payable)		Remarks
			Purchase/Sale	Amount	Proportion % against total purchase (sales) of goods	Credit period	Unit Price	Credit period	Balance	Proportion % against total notes or accounts receivable (payable)	
Cleanaway Company Limited	Chi Wei Company Limited	Subsidiary	Landfill and clean-up and transport cost	$ 231,155	37%	subject to the contract	-	-	($ 66,494)	(89%)	-
Chi Wei Company Limited	Cleanaway Company Limited	Parent Company	Landfill and clean-up and transport revenue	(231,155)	(26%)	subject to the contract	-	-	66,494	57%	-
Da Ning Co. Ltd.	Da Tsang Industrial Company Limited	Parent Company	burial cost	541,541	74%	subject to the contract	-	-	(44,088)	(93%)	-
Da Tsang Industrial Company Limited	Da Ning Co. Ltd.	Subsidiary	Other operating revenue	(541,541)	(100%)	subject to the contract	-	-	44,088	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, 2021

Table 7

Units: Unless otherwise specified, NT$ thousand

Company with accounts receivable	Name of Trading Partner	Relationship	Receivables balance from related parties	Turnover rate	Overdue Receivables from Related Parties		Balance of receivables from related parties Amount recovered after the period	Allowance for provision Loss amount
					Amount	Processing method		
Cleanaway Company Limited	Da Tsang Industrial Company Limited	Subsidiary	$ 352,194 (Note 1)	(Note 2)	$ -	-	$ 32,084	$ -

Note 1: Comprised NT$150,128 thousand of capital loans, NT$1,956 thousand of amortized administrative expenses receivable and NT$200,110 thousand of cash dividends receivable.

Note 2: 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.

2021

Table 8

Units: Unless otherwise specified, NT$ thousand

Investment Company	Investee company name	Location	Main Business Activities	Initial Investment		Holdings at the End of Period			Net Income (Loss) of Investee	Share of Profits/Losses	Remarks
				End of the Current Period	End of Previous Year	No. of Shares	Ratio	Carrying amount			
Cleanaway Company Limited	Da Tsang Industrial Company Limited	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	Waste disposal	$ 700,977	$ 300,977	67,000,000	100	$ 1,448,923	$ 537,351	$ 537,351	Subsidiary of Cleanaway Company Limited
〃	Cleanaway Enterprise Company Limited	〃	〃	259,507	159,507	28,000,000	100	337,122	8,041	8,041	Subsidiary of Cleanaway Company Limited
〃	Chi Wei Company Limited	〃	〃	410,000	410,000	41,000,000	100	746,724	470,455	470,455	Subsidiary of Cleanaway Company Limited
〃	Kang Lien Enterprise Company Limited	〃	Waste clean-up	58,222	58,222	6,020,000	100	67,805	1,244	1,241	Subsidiary of Cleanaway Company Limited
〃	Cleanaway Investment Company Limited	〃	General investment	80,000	80,000	8,000,000	100	53,249	(857)	(857)	Subsidiary of Cleanaway Company Limited
〃	CCL Investment Holding Company Limited	Samoa	General investment	USD 3,500 thousand (Equivalent to NTD 106,214 thousand)	USD 3,500 thousand (Equivalent to NTD 106,214 thousand)	-	64	6,534	(15,865)	(10,074)	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	684,050	58,762	17,041	Affiliate enterprise of Cleanaway Company Limited
〃	Cleanaway Energy Company Limited	2F., No. 328, Huanke Road, Datan Village, Guanyin District, Taoyuan City	Waste disposal	375,000	55,000	37,500,000	75	363,310	(1,546)	(758)	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	19.23	388,772	119,113	16,578	Affiliate enterprise of Cleanaway Company Limited

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Investment Company	Investee company name	Location	Main Business Activities	Initial Investment		Holdings at the End of Period			Net Income (Loss) of Investee	Share of Profits/Losses	Remarks
				End of the Current Period	End of Previous Year	No. of Shares	Ratio	Carrying amount			
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	578,073	214,586	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	CCL Investment Holding Company Limited	Samoa	General investment	RMB 6,000 thousand (Equivalent to NTD 30,102 thousand)	RMB 6,000 thousand (Equivalent to NTD 30,102 thousand)	-	16	1,734	(15,865)	(Note 1)	Subsidiary of Cleanaway Company Limited
〃	Da Chao Circular Economy Company Limited	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	Agro-pastoral and circular economy-related businesses	100,000	-	5,000,000	100	98,265	(1,735)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	Da Cheng Recycling Company Limited	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	Waste disposal	425,000	-	42,500,000	100	424,807	(193)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
Cleanaway Investment Company Limited	CCL Investment Holding Company Limited	Samoa	General investment	USD 1,124 thousand (Equivalent to NTD 33,034 thousand)	USD 1,124 thousand (Equivalent to NTD 33,034 thousand)	-	20	2,023	(15,865)	(Note 1)	Subsidiary of Cleanaway Company Limited
〃	Chase Sustainability Technology Co., Ltd.	1F, No. 326, Huanke Road, Datan Village, Guanyin District, Taoyuan City	Environmental technology	15,000	15,000	1,500,000	21.43	18,137	4,169	(Note 1)	Affiliate enterprise of Cleanaway Company Limited
Cleanaway Enterprise Company Limited	Da Chuang Green Energy Company Limited	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	Solar Energy Industry	48,000	-	4,800,000	100	47,870	(130)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited

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Investment Company	Investee company name	Location	Main Business Activities	Initial Investment		Holdings at the End of Period			Net Income (Loss) of Investee	Share of Profits/Losses	Remarks
				End of the Current Period	End of Previous Year	Number of Shares	Ratio	Carrying amount			
Cleanaway Energy Company Limited	Top-Comment Resources Company Limited	No.308, Zhongshan S. Rd., Gangshan Dist., Kaohsiung City	Manufacture and sale of pipe paper	$ 455,000	$ -	45,500,000	70	$ 460,395	$ 7,708	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
CCL Investment Holding Company Limited	Cleanaway Shanghai Management Holding Company Limited	Samoa	General investment	USD 1,124 thousand (Equivalent to NTD 33,034 thousand)	USD 1,124 thousand (Equivalent to NTD 33,034 thousand)	-	100	(12,890)	14,672	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	Cleanaway Zoucheng Holding Company Limited	Samoa	General investment	USD 3,500 thousand (Equivalent to NTD 106,214 thousand)	USD 3,500 thousand (Equivalent to NTD 106,214 thousand)	-	100	(7,069)	(30,134)	(Note 1)	Second-tier subsidiary of Cleanaway Company Limited
〃	Cleanaway Zhejiang Holding Company Limited	Samoa	General investment	-	-	-	100	1,286	(3)	(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 9 for information on investee companies in Mainland China.

Cleanaway Company Limited and Subsidiaries

Information on Investments in Mainland China

2021

Table 9

Units: Unless otherwise specified, NT$ thousand

Investee in China: Name of	Main Business Activities	Actual paid-in capital	Investment Method	End of the Current Period Cumulative Investment Amount Remitted from Taiwan	Wire-in or wire-out amount investment amount		End of the Current Period Cumulative Investment Amount Remitted from Taiwan	Investee Profit or loss for the current period	Shareholding Ratio of the Cleanaway's Investment, Directly or Indirectly	Share of Investment Profits/Losses (Note 3)	Investments at the End of Period Carrying amount	As of the end of the current period Recovered investment income	Remarks
					Outflow	Inflow							
Cleanaway (Shanghai) Company Limited	Enterprise Management Consulting	$ 33,034 (RMB 7,000 thousand)	Note 1	$ 33,034 (RMB 7,000 thousand)	$ -	$ -	$ 33,034 (RMB 7,000 thousand)	$ 13,103 (Note 7)	100%	$ 28,000	$ 398	$ -	
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)	(16,996) (Note 8)	100%	(16,996)	-	-	

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 remittance from Taiwan at the end of the current period Investment amount to Mainland China	Investment Review Committee of the Ministry of Economic Affairs Approved investment amount	According to the regulations of the Investment Review Committee of the Ministry of Economic Affairs Investment limit to Mainland China
Cleanaway Investment Company Limited: $33,034 thousand (RMB 7,000 thousand)	Cleanaway Investment Company Limited: USD 1,124 thousand (equivalent to NTD 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: 53,249 thousand × 60% ＝ 31,949 thousand
Cleanaway Company Limited: $106,214 thousand (USD3,500 thousand)	Cleanaway Company Limited: USD 8,000 thousand (equivalent to 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: 5,780,616 thousand x 60% = 3,468,369 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: Significant transactions with China investees, engaged directly or indirectly through a third region: Please refer to Table 1; the total amount of interest for the period is 0 thousand.

Note 7: Primarily income derived from debt forgiveness.

Note 8: Primarily income derived from debt forgiveness and loss on property retired.

Cleanaway Company Limited and Subsidiaries

Business relationship and significant transactions between the parent company and subsidiaries and between subsidiaries, and the amounts

2021

Table 10

Unit: Thousands NTD

No. (Note 1)	Company Name	Transacting counterparty	Relationship with counterparty (Note 2)	Transaction status			
				Accounts	Amount	Terms	Proportion against total consolidated revenues or % of total assets (Note 3)
0	Cleanaway	Chi Wei	1	Operating costs (landfill cost)	223,698	Based on prices with non-related parties and adjusted according to estimated burial volume	7
0	Cleanaway	Da Tsang Industrial	1	Other receivables from related parties	200,110	Cash dividends receivable, to be collected on the dividend date in cash	3
0	Cleanaway	Da Tsang Industrial	1	Other receivables from related parties	150,128	Short-term financing and interest receivable, repayment within one year, interest at 1% p.a.	2
1	Da Tsang Industrial	Da Ning	3	Other operating revenue	541,541	Distribution of profits based on contribution to the joint-operating contract	18

Note 1: The business transactions between the parent company and its first and second-tier subsidiaries shall be indicated in the column of serial numbers, which shall be filled in as follows:

1. For the parent company, please write 0.
2. Subsidiaries are numbered sequentially starting with the Arabic numeral 1.

Note 2: There are three types of trade relationships. It will suffice to indicate the type of relationship (in the case of same transactions between parent and subsidiaries or between subsidiaries, a repeat disclosure will not be necessary). 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. Parent to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

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

Main Shareholder Information

December 31, 2021

Table 11

Name of Main Shareholder	Shares	
	Number of shares held (shares)	%
Ching-Hsiang Yang	12,112,350	11.12%
Fubon Life Insurance Co., Ltd.	6,432,000	5.90%
Kang Lien Enterprise Co., Ltd.	5,526,223	5.07%

Note 1: The main shareholder information in this schedule is calculated by the depository company using the information of the shareholders holding 5% of more of the total number of ordinary shares and special shares of the Company that have completed the script-less registration and delivery on the last business day at the end of the quarter. 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.