

CHAPTER 1



CH1. Promoting Sustainable Management

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1.1 About Gamania

1.1.1 Business overview GRI 2-6

Introduction of Gamania

The company was founded in 1995 and renamed Gamania in 1999. Since 2014, the company has been adopting ambitious plans to expand from games into e-commerce, payment, media, mobile platform, and digital commercial solutions. Gamania keeps exploring new business models, and actively integrates and diversifies related services. Gamania Group continuously moves towards an Eco-Internet Enterprise to provide comprehensive services to consumers, and bringing Taiwan's creativity to the world. In the future, in addition to deeply cultivating our various businesses, our operation focus will be on beanfun! Action Life Platform, and we will invest resources to develop our own IP. Through the interconnection and integration of various business groups, we will comprehensively develop life applications, change users' experience, create the Group's innovative energy, leverage the Group's synergy, build an Eco-Internet Enterprise, and lay the foundation for sustainable growth.



Annual Report
QR code

Gamania's Profile



Group CEO

Liu, Po-Yuan



Capital

NTD 1.755 billion



TPEX listing date

May 2002



Date established

June 1995



Number of
employees worldwide

1,112



Headquarter
location

**No. 111, Ruihu Street,
Neihu District, Taipei City**




Main operating
locations

**Taiwan, Hong Kong,
Korea, Japan, Singapore**

Gamania Group's Services

Category	Business entity	Enterprise Introduction and Operation Highlights
Game		Gamania continues working with well-known major international gaming service providers to introduce games that have been yearned for. Through the robust localized cultural operation capability, we precisely keep track of the needs of players in order to enhance their loyalty and stickiness, which not only successfully leads our gaming products to become legendary, but also develop new games on our own to enhance the unique entertainment experience. The games provided by the Group include online games "MapleStory (New)," "Lineage Remastered," "Elsword," "Mabinogi (New)," "Counter-Strike Online" and "Dragon Nest," and mobile games "Lineage M," "Summons Boards" and "World Flipper."
E-commerce		It connects social and shopping platforms with comprehensive logistics support and provides brand marketing, data management, customer management, warehousing and logistics work required for e-commerce, covering multiple fields of cooperation partners. It was rated a five-star e-commerce provider by Tmall, becoming the first and only Taiwanese enterprise to receive such an honor consecutively.
		The first of its kind to focus on Anime, Comics, Games and Novels (ACGN) and is devoted to creating an entertaining e-commerce platform. Gaming and socializing upgrade the shopping fun. AI data are applied to improve the operational performance of partner stores and to make trading more convenient and shopping more fun. JollyBuy assists retailers and individuals in opening stores, provides more retailers with preferential solutions for digital transformation, and creates business opportunities in the integration of online and offline operations. With Taiwan's first online mystery box marketing model adopted, it has enabled users to enjoy different buying experience as well as providing a diversified product distribution solution for merchants. In 2023, it continued focusing on the products loved by the ACGN community as the key category, and exclusively promoted virtual and physical consumption through innovative services, driving new customer traffic.
Payment		It combines the Group and the cross-disciplinary partners, and extends from online digital content-based transactions to physical daily consumption (Online to Offline). The scope of service covers food, clothing, housing, transportation, education, and entertainment to build convenient and safe payment applications that better meet the spending needs of the digital generation. Young and gaming populations are prioritized, and the channel operators therefor are offered the best solution to cash flows and membership management. In 2023, it continued to develop the ACGN industry chain, facilitate the Group's featured channels, and strengthen the cooperation and connections with banks. The growth rate of members reached 8.4%, and the growth rate of the Group's featured channels reached 7.6%. Due to the active promotion of account transactions and the increase in the handling fee profit, the growth rate of account transactions reached 9.7%.
		"GASH"point service not only enables players to make payments, but also provides comprehensive digital entertainment contents. The quality and powerful features make it possible for digital players around the world to travel freely in the infinitely wide range of digital entertainment world through the GASH platform. In 2023, GASH officially launched the "fun Market - Virtual Goods Collectible Card Trading Platform" to provide ACGN players with a platform to purchase, trade, exchange, and gift digital collectible cards.

Category	Business entity	Enterprise Introduction and Operation Highlights
Media		<p>With an independent editorial team, it analyzes news viewpoints and masters trends with the features of being "fast" - fast enough and timely, "steady" - pursuing facts and continuous tracking, and "deep" - deeply analyzing and digging inside news, to produce daily soft and hard contents covering politics, finance, entertainment, novelty, life, etc. The contents of video programs have been gradually transformed into a video news website in cooperation with various platforms, while combining the resources of the group to understand readers' preferences and recommend personalized news through data analysis. Recently, it has won the "Journalist Impact Award" for three consecutive years due to its continuous attention to the rights and interests of seniors.</p>
		<p>It deeply cultivates a solid foundation of native digital technology, deeply taps into the needs of network users, and leverages the strong organizational strength and digital resources of the Group to continuously expand advertising and marketing services, quickly connect network resources, continuously undertake the overall advertising role for NOWnews, and deeply cultivate performer agency services and digital audiovisual content development, in order to become a marketing A Team that connects media resources to provide partners with comprehensive integrated marketing services, and resonate with the digital generation of consumers and communicate with the younger generation through more diverse digital content to expand market awareness, create synergy, and strive to become an important partner for business owners to connect with the younger generation, so as to successfully assist multiple online products and services such as games, entertainment and e-commerce to enter the Taiwan market smoothly.</p>
		<p>It has deployed an advanced AI customer service system, integrating telephone, email, instant messaging and message boards with AI technology for multi-channel management, while incorporating marketing interactions and intelligent text-based customer service robots, in order to enhance user experience and optimize operational efficiency. By collecting, applying and analyzing first-party data through the AI customer service system, it accurately proposes customer solutions. The system has dual redundancy of switches and Amazing Thor intelligent and secure office solutions to enable decentralized business operation and ensure uninterrupted 24/7 service throughout the year. At the same time, it also provides CRM integration services, reaching audiences through social media, advertising and offline activities, and achieving channel integration and accurate hashtagging based on data analysis to help brands maintain user loyalty, strengthen user driving power, and realize the goal of traffic monetization.</p>
Mobile platform		<p>It is a comprehensive mobile living platform that combines games, points, payment, e-commerce, and IM in one and also consumption coupons. Simple personalized interfaces further enrich life. One can shop in a group through chatting, adding more fun to communication and allowing a simple yet enriched web-based life. In 2023, it launched a new social interaction service "SHOW Together" to provide you with an exclusive ultra-large online exhibition space. You may upload and display your precious photos, creative images, digital collectibles, or game props anytime and anywhere, and show your creativity and ideas to the fullest!</p>
Digital e-commerce solution		<p>It is an expert in cloud information security that combines cloud data centers, information security services and mobile safety. With years of technical experience, it offers domestic and international customers with tailored services and solutions for information security, system integration and IDC/NOC/SOC. In addition to serving the increasing demand for cloud planning in recent years, with our mobile information security service being recognized by the Common Criteria EAL2 international information security certification in Q1 2023, we have entered the Southeast Asian market with the specification certified by the highest IT product security standards.</p>

1.1.2 Financial performance

GRI 201-1

Financial performance

Gamania Group's 2023 consolidated operating revenue was NTD 9.79 billion, operating gross profit was NTD 3.79 billion, and operating profit was NTD 640 million; under review, the annual revenue and profit scale decreased, mainly due to small sales and no new product introductions. However, through offline special events and localized operations, we have driven a significant increase in active players. Additionally, under continuous cultivation of the digital entertainment landscape, our diversified business revenue has steadily grown. The Company's net profit after tax reached NTD 580 million, and EPS was NTD 3.28.

Tax Management

In response to the international trend, increasingly complex transnational business, and tax environment, the Board of Directors of Gamania Group approved the revised "Group's tax policy" in 2023. The focus is to comply with local tax regulations and disclosure requirements, enhance shareholder value, implement effective risk management, and fulfill our corporate responsibility.

The Principle of Tax Governance

- 1 All operations follow the spirit as well as the letter of the tax laws and regulations of the location of the group's operations, and taxes are paid in accordance with the law.
- 2 Evaluate all transactions between related parties, determine the rationality and consistency of regular profit allocations, and prevent deliberate transfer value created to low tax jurisdictions.
- 3 Tax information should be transparent and follow the financial reporting standards and annual report disclosure regulations.
- 4 Properly manage tax risks when making and implementing tax decisions.
- 5 To avoid double taxation, reduce tax costs reasonably and legally by ex-ante tax assessment to create shareholder value.
- 6 Establish a mutually respectful relationship with tax authorities based on mutual trust and information transparency.
- 7 The related-party transactions undertaken by the Group follows arm's length principle in accordance with the transfer pricing guidelines issued by the Organization for Economic Cooperation and Development ("OECD").
- 8 Do not engage in planning solely for the purpose of tax avoidance, such as transferring profits to low-tax or tax-free havens, or using multiple tax structures lacking commercial substance.

Unit: NTD millions

	2021	2022	2023
Operating income	11,372	11,388	9,791
Operating gross profit	4,757	4,682	3,795
Net profit of current term	1,106	1,280	575
EPS (NTD)	6.30	7.29	3.28
Debt ratio (%)	38.22%	39.45%	41.08%

Unit: NTD millions

Direct economic value generated and distributed by the organization		2023
Direct economic value generated (A)	a. Net sales	9,791
	b. Financial investments	48
	c. Revenue from sale of assets	0
Economic value distributed (B)	a. Operating costs	5,996
	b. Employee wages and benefits	1,320
	c. Dividend distribution	576
	d. Payment of interest	6
	e. Payments to government	403
	f. Community investments	36
Economic value retained (C)		1,502

The Group's tax information

Unit: NTD thousand

	2022	2023
Net profit before tax	1,708,448	687,621
Reported Taxes	430,341	127,389
Effective tax rate (%)	25.19%	18.53%
Cash tax paid	447,641	402,704
Cash tax rate (%)	26.20%	58.56%

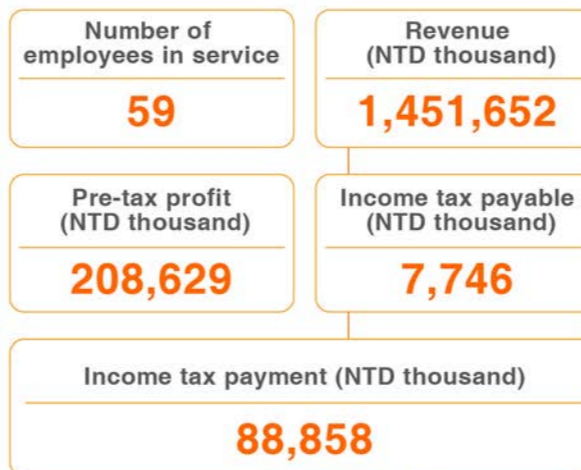


Tax reporting by each tax jurisdiction

According to the relevant domestic regulations for profit-seeking enterprise income tax, Gamania Group is exempt from country-by-country reporting. The income tax paid in the main operating regions this year is as follows:

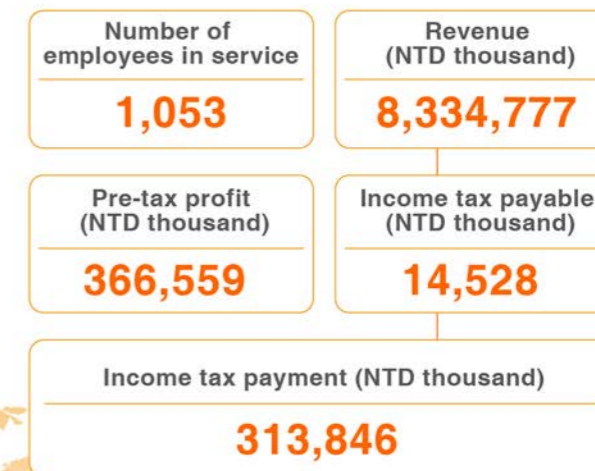
Hong Kong, Singapore, Japan, Korea

Game operations, information software service and distribution, sales of game points



Taiwan

Game operations, sales of game points, electronic payment, information software service and distribution, e-commerce platform, customer service, TV program production, and advertising services.



1.1.3 Gamania Culture

The Core of the Gamania Group Brand: Dare to Challenge

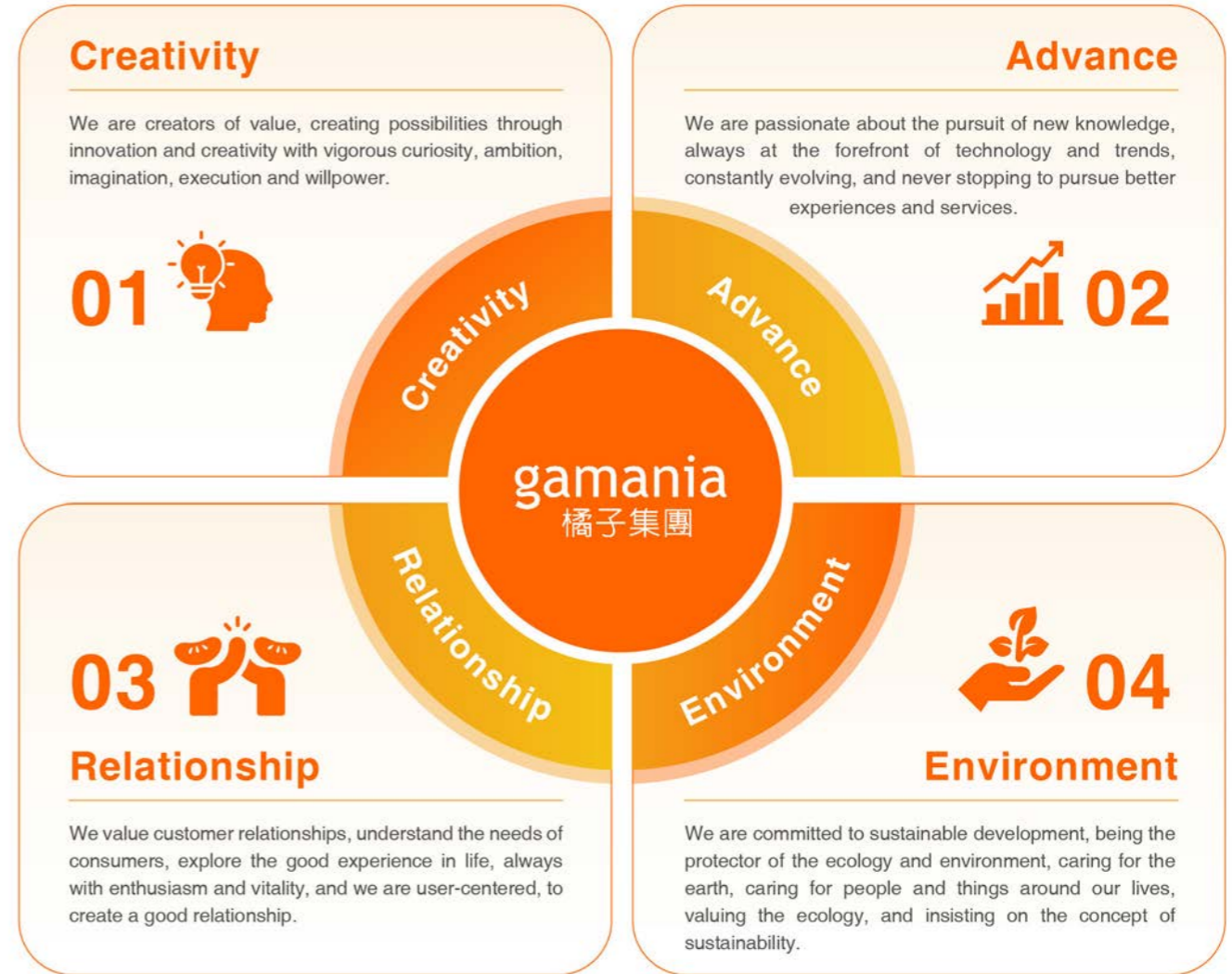
Since its establishment in 1995, Gamania Group has taken "Dare to Challenge" as the core of its brand with the genes of destructive innovation, viewing every challenge as an opportunity to surpass. With the passion to explore the world and create unique Gamania values. In the face of the impact of the new generation, Gamania is ever more proactive, determined and willing to take risks. We not only develop in the digital entertainment business, but also expand our reach to a broader digital life realm, with "have a GOOD TIME!" as the corporate slogan, hoping to build the imagination of a better life for people!

Resolved to Become a Perpetual Company with the Brand Value "C.A.R.E.".

For Gamania, cultural value is the link between diverse talents; corporate value is the power of action that the company relies on. The Gamania Group's "C.A.R.E." is our four brand values for sustainable development: Creativity and Advance are Gamania's expectations of its role in the industry; Relationship is people-oriented, caring for the diverse relationships with employees, users, society and business partners; and Environment is the responsibility for a sustainable environment. In these core values, we demonstrate the uniqueness of Gamania culture.

Brand Vision: "Explore the Unlimited Possibilities of Life"

From games, media, payment, e-commerce, to digital life, Gamania Group's exploration knows no boundaries, and our vision is "Explore the Unlimited Possibilities of Life". We continue to bring new perspectives and emotions to people and insist that anyone, anything, anywhere has the unlimited possibilities of creating a better life.



Annual Corporate Theme: One Synergy

Employee communication and the cohesion of all employees have always been the inclusive culture shaping that Gamania Group attaches great importance to. 2023 is the 29th year of Gamania Group's establishment, and we continue gathering various services to make Gamania people's combat power more concentrated, thus providing users with a simpler and smoother experience and extending the substantive meaning of the 2022 theme of "All for One." For 2023, we aimed to gather all the capacity of Gamania Group by integrating services within the Group, so as to jointly march toward the future. Dynamic actions and continuous advancement are Gamania Group's goal for the constant development of Eco-Internet Enterprise. The 2023 theme was set as "One Synergy," symbolizing the unity of strength with all business units of the Group gathering and starting as "one" unit to further develop the network context where "ten thousands" of nodes converge and constitute new achievements together.

G!VOICE

Gamania has been releasing "G!VOICE" since 2006 to convey the Gamania culture to the public to attract partners that share the same visions and ideals while promoting the mutual understanding of Gamania employees to reach a consensus on the development goals of Gamania, and inject unique creative thinking as well as combine the diverse business content of Gamania Group to create new perspectives belonging to Gamania. Various topics are designed for G!VOICE to introduce and explore contents related to Gamania's culture through "Gamania Perspective," explore various aspects that Gamania people have to know through "Gamania Column," reflect various activities of Gamania people's entertainment culture through "Gamania News," share outstanding awards of Gamania people through "Gamania Honor," and showcase brand products and gifts designed by Gamania through "Gamania Design."



G!VOICE - to know more about the 2023 theme



G!VOICE - to know more about the themes of past years



G!VOICE



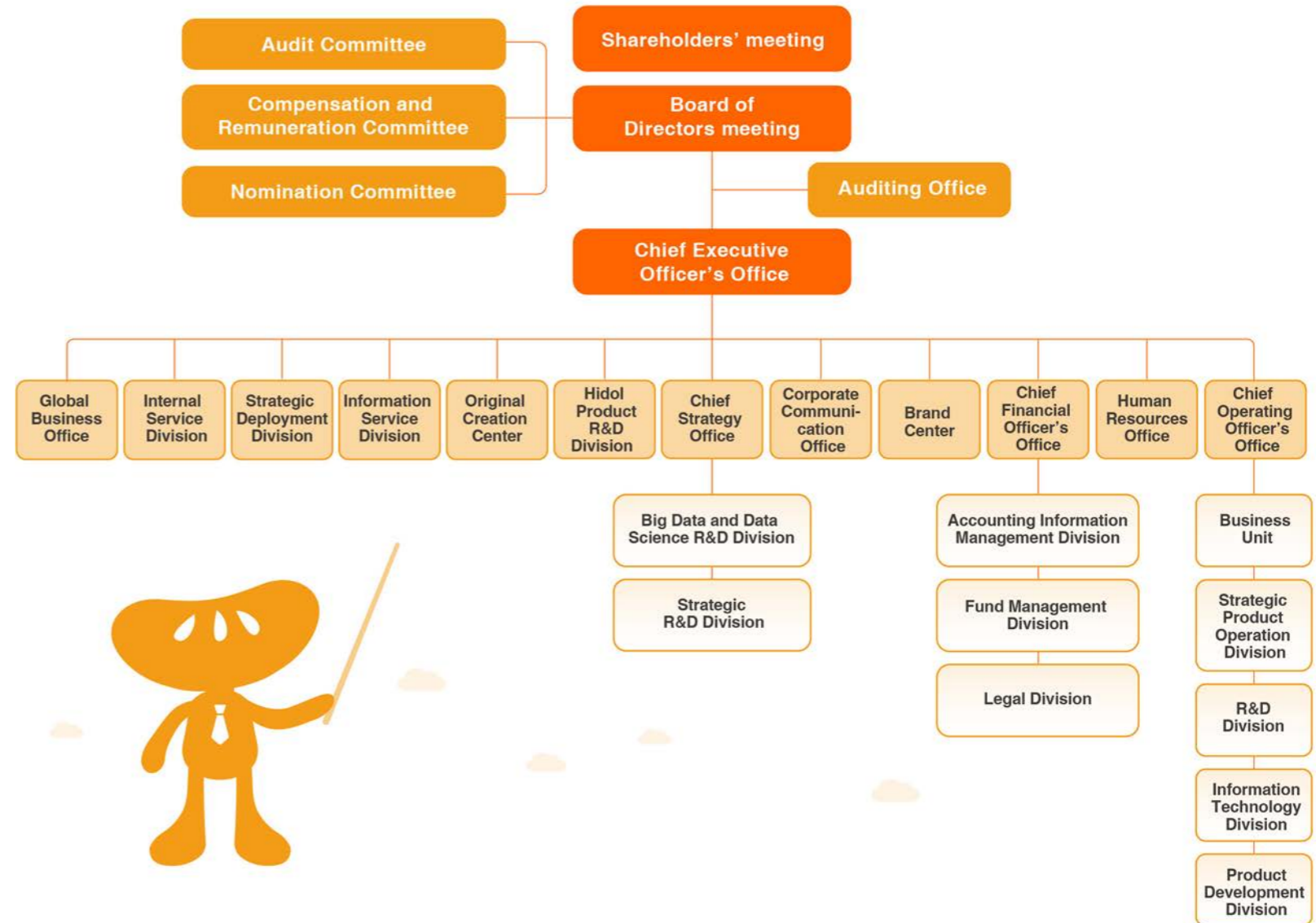
1.2 Corporate governance

1.2.1 Governance organization and structure

GRI 2-9~11 GRI 2-15 GRI 2-17 GRI 2-18

Board of Directors' meeting

Gamania's Board of Directors comprises 7 members including 4 non-independent and 3 independent directors; with 7 years of service on average, they participate in Board meetings, functional committee meetings, and internal meetings. All the communication was good in 2023. Each year, the performance of the Board of Directors and functional committees is evaluated. In 2022, the Taiwan Corporate Governance Association was commissioned to conduct an external performance evaluation of the Board of Directors, and improvements were made based on the evaluation results. In 2023, the Board of Directors approved the establishment of the Risk Management Committee, included incident management and sustainability-related risks into the management items, approved the Group's Net Zero Declaration, and revised sustainability-related regulations. For more information on the Company's management team, important communication matters, and related operations, please refer to the Company's website and P.13-17 of the annual report.



• Note: Hidol Product R&D Division was formerly known as the beanfun! Product R&D Division.

Composition and diversification of the Board

GRI 2-10 GRI 2-11

According to the Articles of Incorporation, the Company shall have five to nine directors to serve a term of three years. In addition, a candidate nomination and selection system has been adopted in accordance with the Company's Procedures for Election of Directors and the Regulations Governing Appointment of Independent Directors and Compliance Matters, in order to ensure the diversity and independence of the Board members, and the professional competence required. The members shall be elected at the shareholders' meeting, and may be re-elected. In compliance with the "Corporate Governance Best-Practice Principles," which require diversity to be taken into account for the composition of the Company's Board of Directors, the current Board has members with different conditions including but not limited to gender, age, nationality, ethnicity, seniority, and culture, etc. The members are outstanding entrepreneurs in various industries, or experienced professionals in finance and operations. Four of them are independent directors, making up about 57% of the Board; their independence is in line with the relevant provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Director's Name	Position	Nationality	Gender	Industry Experience	Professional Competence
Liu, Po-Yuan	Chairman and CEO	R.O.C.	Male	Cultural & Creative, Information Technology	International Business, M&A, Risk Management
Hsiao, Cheng-Hao, Representative of Wanin International	Director	R.O.C.	Male	Cultural & Creative, Information Technology	International Business, M&A, Risk Management
Lin, Hsien-Ming	Director	R.O.C.	Male	Information Technology	Investment, International Business, M&A, Risk Management
Sheng, Bao-Si	Independent Director	R.O.C.	Male	Cultural & Creative, Biotechnology	International Business, R&D, Financial Analysis, Investment, M&A, Risk Management
Lin, Ruei-Yi	Independent Director	R.O.C.	Male	Trade	International Business, Financial Analysis, Investment, Risk Management
Chen, Kuan-Pai	Independent Director	R.O.C.	Male	Finance	International Business, Financial Analysis, Investment, Risk Management
Hou, Chia-Qi	Independent Director	R.O.C.	Female	Cultural & Creative, Finance, Retail sales of department stores	International Business, Financial Analysis, Investment, M&A, Risk Management

In 2023, the management objectives of Gamania's Board of Directors diversification policy and the achievement are as follows:

<p>A majority of independent directors of the Board</p> <p>Achieved ✓</p>	<p>Directors concurrently serving as a managerial officer does not exceed one-third of the board seats</p> <p>Achieved ✓</p>	<p>One female director included</p> <p>Achieved ✓</p>	<p>No independent director has served for more than 3 terms</p> <p>Achieved ✓</p>
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Attendance in Board of Directors meetings

According to the "Rules of Procedure for Meetings of the Board of Directors," the Board of Directors meeting shall be held at least once a quarter. In 2023, a total of 6 Board meetings were held(A); the directors' average ratio of attendance was 78.2%.



Position	Name	Attendance in person (B)	Attendance through proxy	Ratio of attendance in person (%) (B/A)
Chairman	Liu, Po-Yuan	6	0	100
Director	Hsiao, Cheng-Hao, Representative of Wanin International	1	5	16
Director	Lin, Hsien-Ming	6	0	100
Independent Director	Sheng, Bao-Si	5	1	83
Independent Director	Lin, Ruei-Yi	5	1	83
Independent Director	Chen, Kuan-Pai	4	2	66
Independent Director	Hou, Chia-Qi	4	0	100

- Note: Ms. Hou, Chia-Qi took office as the Company's Independent Director in June 2023.

Recusals of directors upon conflicts of interest GRI 2-15

Implemented by Article 15 of the Company's Rules of Procedure for Meetings of the Board of Directors: If a director or a legal person represented by a director is an interested party concerning any agenda item, the director shall state the important aspects of the interested party relationship at the respective board meeting. When the relationship is likely to prejudice the interests of the company, the director shall not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

Date of the Board of Directors' Meeting	Name	Contents of the proposal	Reason for the recusal	Remarks
2023.03.09	Liu, Po-Yuan	Remuneration of directors and managers recommended by the Compensation and Remuneration Committee	Director and Manager	Recusal from discussion and voting
2023.05.10	Liu, Po-Yuan	The distribution of remuneration to directors and managers	Director and Manager	Recusal from discussion and voting

Continuing education and performance evaluation of the Board of Directors

GRI 2-17 GRI 2-18




For the continuing education of the Board members this year, please refer to the Company's website. In line with the Corporate Governance 3.0 - Sustainable Development Roadmap, since 2021, the Board members have been scheduled to take ESG-related courses on the topics of corporate sustainability, corporate governance and risk management, in order to deepen the Company's sustainable governance culture. Each director receives at least 6 hours of continuing education on average. The directors' continuing education status in 2023 is disclosed on the Market Observation Post System and the [Company's website](#).

The Company has established the Rules for Evaluation of Performance of Board of Directors and the evaluation methods; the internal evaluation is regularly performed and reported to the Board of Directors every year, as a reference for remuneration and nomination for renewal. Further, an external professional independent institution or a team of external experts and scholars shall additionally conduct evaluation at least once every three years. The results of the latest third-party evaluation and the improvement plan are disclosed on the [Company's website](#). In 2023, the performance of the Board of Directors and functional committees was evaluated and rated as "excellent." The evaluation included five aspects: involvement in corporate operations, improvement of the Board's decision-making quality, composition and structure of the Board, election and continuing education of directors, and internal control. As for the self-performance evaluation of individual directors, the evaluation aspects included understanding of the goals and mission of the Company, awareness of the duties of a director, involvement in corporate operations, management of internal relationship and communication, director's expertise and continuing education, and internal control, which were the basis for the fulfillment of corporate governance and the enhancement of the Board functions.

Functional committees

The Company has established functional committees under the Board of Directors. The rules for qualification review of the Nomination Committee are followed to elect industry leaders as independent directors and committee members to strengthen the operation of the Board. In addition, the charter of each committee has been formulated, and the independent directors have participated in the Compensation and Remuneration Committee, Audit Committee, Nomination Committee and important internal meetings to boost corporate governance.



Committee	Duties	Members	Frequency of meetings	Number of meetings held and the committee member attendance rate in 2023
 Audit Committee	Supervising the Company's fair presentation of financial statements; the appointment and dismissal, independence, and performance of certified public accountants; effective implementation of internal control; legal compliance; and control of inherent or potential risks.	All independent directors	At least 4 times a year	A total of 5 meetings were held, with a committee member attendance rate of 85%.
 Compensation and Remuneration Committee	Handling the Board periodically to evaluate and determine the remuneration for directors and managers, and periodically review the policy, system, criteria, and structure of performance evaluation of and remuneration for directors and managers.	All independent directors	At least 2 times a year	A total of 4 meetings were held, with a committee member attendance rate of 81.3.
 Nomination Committee	Proposing a list of suitable candidates for the director or high-ranking managerial openings to the Board of Directors (including its subsidiaries), reviewing in advance the candidates recommended by shareholders or the Board of Directors by law, and submitting the review results and the reference list of candidates to the Board meeting.	Chairman and all independent directors	At least 2 times a year	A total of 3 meetings were held, with a committee member attendance rate of 81.2%.

Remuneration policies GRI 2-19 GRI 2-20

The determination and review of remuneration are subject to the rules and resolutions of the Remuneration Committee. The remuneration for the Company's directors and independent directors is appropriated according to the Articles of Incorporation, paid upon the resolution of the Board of Directors, and reported to the shareholders' meeting. The remuneration that the Company pays to senior managers is determined based on their individual contributions to the Company and the remuneration standards of peer companies, and is adjusted based on the actual business performance (including sustainable development goals) and the assessment of future risks. As for the remuneration for employees, it is distributed by the Company's Articles of Incorporation, paid upon the resolution of the Board of Directors, and reported to the shareholders' meeting. For details of the remuneration for the highest governance unit and the senior managers, please refer to P.20-22 of the 2023 annual report.

Group Audit Office

Gamania has an Internal Group Audit Office created directly under the board of directors that specializes in internal audit tasks, assists the board and managers in evaluating the effectiveness of internal control system, and offers improvement advices to ensure that the internal control system remains effective. These advices provide the basis for future reviews and amendments. In terms of external audit, the competent authority conducts on-site inspections of the Company in accordance with the laws and regulations. The Company further implements relevant internal control mechanisms as per the inspection results to strengthen self-management and sound operations.



Internal control system

For the purpose of proper internal control and risk management, Gamania adopts three lines of defense to effectively distribute, transfer or reduce risks, so as to facilitate the identification and control of potential risks and ensure that all businesses are in line with relevant systems.

Defense	Accountable department	Method of control	Role and function
First line of defense	All operating units	Daily risk management activities (including self-evaluation of internal control) by the operating units	Designing robust internal control procedures for identifying, managing and responding to risks
Second line of defense	Administrative and compliance units	Contribution of professional skills to help optimize the company's processes, and strategic management, policy formulation, and functional supervision based on the monitoring at the management level	The management continues to establish risk management policies and supervises and assist various units in risk management from an organizational perspective
Third line of defense	Internal audit	Audits based on independence and objectivity in a risk-oriented approach, with findings reported directly to the Board of Directors	Auditing and evaluating the effectiveness of the internal control system promptly, executing audit tasks according to standard operating procedures, and measuring whether the management and implementation of risks and control have worked

1.2.2 Ethical corporate management GRI 2-23 GRI 2-24

Ethical corporate management

Ethical corporate management is implemented under the core values of Gamania. Gamania has established a dedicated unit, the "Chief Executive Officer's Office," under the Board of Directors to promote ethical corporate management and take the responsibility for formulating and supervising the implementation of ethical corporate management policies and prevention plans. It regularly reports on the implementation status to the Board of Directors every year, and has formulated the "Ethical Corporate Management Procedures and Code of Conduct" and the "Code of Moral Conduct" with anti-corruption policies, employee code of conduct, handling procedures for political and charitable donations, etc. covered. It also annually reports on the implementation of ethical corporate management and measures taken to stakeholders for review.

Online courses on ethical corporate management have been provided since 2016, with the Chairman, president, and senior management emphasizing the philosophy and values of ethical corporate management to internal employees. These courses serve as a standard for employees' ethical behavior. Rewards or punishment may be given in response to employees' performance as per the "Reward and Discipline Regulations" as appropriate.

Gamania also has a "supplier management policy" that requires the Company's personnel to, during business operations, refrain from directly or indirectly offering, accepting, promising or requesting any illegitimate benefits, or from engaging in other conduct that is against integrity, illegal, or in breach of fiduciary duty. In addition, strict control is adopted in the processes of



Ethical Corporate Management Procedures and Code of Conduct



Code of Moral Conduct

procurement, price negotiation, acceptance, and evaluation to stay on top of the quality of suppliers. Please refer to "3.2.1 Sustainable procurement" for more details.

Training and communication on ethics GRI 205

Our ethical corporate management course is compulsory for new employees, and the training completion rate reaches 100%. In 2023, a total of 406 employees completed the course. Gamania complies with various laws and regulations to implement ethical corporate management. In 2023, the Company did not face any fines or non-monetary penalties related to corruption and bribery, discrimination and harassment, conflict of interest, money laundering, and insider trading.

Parties concerned	Total number of members (engaged in communication/completing training)	Percentage /No. of copies
Members of the governance unit (Board of Directors)	6 directors participated in director education and training (excluded 1 of the Board members was a corporate director).	100%
Employees	All employees took the compulsory courses upon arrival.	100%
Collaborating Partners	New suppliers signed the Supplier CSR Commitment	14 copies

Whistleblowing mechanism GRI 2-25 GRI 2-26

Gamania sets out complete accusation measures, standard investigation procedures and confidentiality mechanisms for handling accused matters, and relevant measures to protect whistleblowers in the "Ethical Corporate Management Procedures and Code of Conduct". Personnel responsible for handling accused cases should declare in writing that they will keep the whistleblower's identity and content confidential. The Company also promises to protect whistleblowers from improper treatment due to the accused matter.

External whistleblowing is the responsibility of the Group Audit Office under the Board of Directors, while the Human Resources Office is responsible for the planning and operation of the internal whistleblowing system. If it is confirmed that the accused has indeed violated relevant laws and regulations or the Company's ethical corporate management policies and regulations, the accused will be immediately requested to stop the relevant behavior, and appropriate measures will be taken. If necessary, the case will be reported to the competent authority or transferred to judicial

authorities for investigation, or compensation for damages through legal procedures will be sought to safeguard the Company's reputation and rights. The designated unit will further report the fact, its handling method and subsequent review and improvement measures to the Board of Directors, and disclose the relevant measures and information to the Company's website. For any related problems, the Company will hire professionals such as lawyers or certified public accountants to provide advice on ethical corporate management.

Procedure for Handling Accusation Cases

- 01

If the reported situation involves general employees, it should be reported to the department head. If the reported situation involves directors or senior executives, it should be reported to independent directors.
- 02

The responsible units of the Company and the supervisors or personnel mentioned in the preceding paragraph shall immediately investigate the relevant facts, and if necessary, provide assistance from legal compliance or other relevant departments.
- 03

If it is confirmed that the accused has indeed violated relevant laws and regulations or the Company's ethical corporate management policies and regulations, the accused should be immediately requested to stop the relevant behavior, and appropriate measures should be taken. If necessary, the case should be reported to the competent authority or transferred to judicial authorities for investigation, or compensation for damages through legal procedures should be sought to safeguard the Company's reputation and rights.
- 04

For the acceptance, process and investigation results of the accusation case, written documents should be retained and kept for five years; the documents may be kept in electronic format. Before the expiration of the retention period, if a lawsuit related to the accusation content occurs, the relevant data should be stored until the end of the lawsuit.
- 05

After investigation and verification of the accusation case, it is the responsibility of the relevant units of the Company to review the relevant internal control systems and operating procedures, and propose improvement measures to prevent the recurrence of the same behavior.
- 06

The responsible unit of the Company shall report the accused matter, its handling method, and subsequent review and improvement measures to the board of directors.

Whistleblowing and communication channels

Through open, transparent and diverse complaint channels, the Company provides 24/7 access for internal and external personnel to report and communicate on the organization's operations or business relationship behavior. An anonymous mechanism is also in place to protect the whistleblowers from persecution.

	Internal channel	External channel
Applicable to	Employees	All stakeholders
Whistleblowing and communication channels	995@gamania.com (for sexual harassment cases)	
	integrity@gamania.com (for ethical corporate management-related cases)	integrity@gamania.com
	Internal anonymous message board: GAMA Express M	
	Anonymous QA form at the employee meeting	

Penalty cases GRI 2-27

In 2023, Gamania did not have any financial losses related to ethical corporate management or anti-competitive behavior. However, the probability table provided by the original manufacturer of the game "MapleStory (New)" distributed by the Company was incorrect and did not match the actual probability in the game. The Fair Trade Commission thus gave a fine of NTD 2 million pursuant to paragraph 1, Article 21 of the Fair Trade Act, which applied mutatis mutandis according to paragraph 4 of the same article.

As a leader in the domestic game industry, the Company has prided itself on innovating the gaming and entertainment experience through its strong localization capabilities, facilitating and promoting the domestic game industry culture, and creating a high-quality ecosystem in the game industry. Upon learning of anomalies in the mechanism in March 2023, we adopted three immediate measures

of "clarification, communication and compensation, and management" to handle them swiftly, so that people could develop greater trust in the game industry. In addition to doing our best to compensate players and users, the Company internally enhanced the internal control management process of the probability announcement, and externally strengthened communication and compensation to build players' confidence in the game, fulfilling social responsibilities by making corrections when being aware of any mistakes.

Clarification

In this case, upon receiving the complaints, the Company immediately sorted out the underlying problem, figured out the information gap between the international original manufacturer and the distributor, confirmed public records, and rapidly wrote an urgent message to respond to the players, the media, and the related government units.

Communication and compensation

Responding to the issue head-on, we explained the details and apologized to the players, and provided a compensation plan for all the players through announcements on the official website and in the game (with the all-player compensation plan proposed within 3 days and completed within 10 days).

Management

1. We reconstructed the anomalous products in the game right away, and stopped the sale of the originally anomalous products to prevent the expansion of damage.
2. Sticking to the principle of not making the same mistake again, we enhanced the pre-verification, and developed more detailed verification tools with the original manufacturer:
 - Adopting verification instructions or manual sampling of the optimal number of samples, with the whole process recorded as evidence.
 - Comparing whether the real-time data of the game was consistent with the probability based on the dispatch of reports on the next day after the official launch of probability-based products.
 - Retaining relevant verification results and data for at least one year for future reference.
3. In line with the new law, we formulated regulations regarding the probability-based prize-winning products or the transparency of activity probabilities, and established the process of internal verification/disclosure for probability-based products.

1.2.3 Risk management

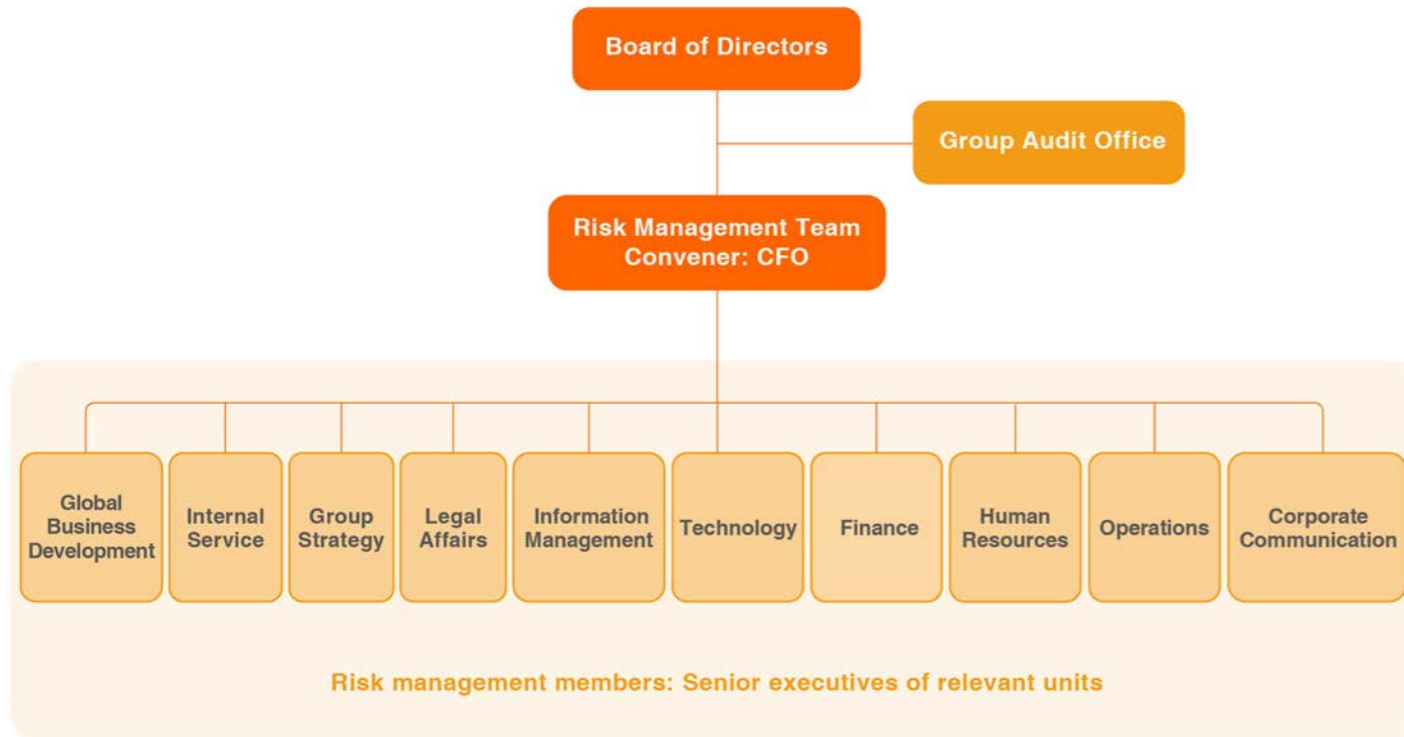
With a view to boosting corporate governance and responding to the needs of stakeholders, Gamania has established the "Risk Management Committee" in August 2023 upon the approval of the Board of Directors, in order to build a total risk management and control system pursuant to the provisions of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to identify and manage risks in all aspects of business administration, and further achieve sustainable management.

The Company's Risk Management Committee is chaired by the Chairman, with the CFO serving as the convener and the senior executives of all units as the members. The committee meets at least twice a year, and the directors, managers of relevant departments, internal auditors, accounting or legal advisors, etc. may be invited to attend the meetings if necessary. The committee is responsible for formulating the Company's risk management policies and framework as well as the implementation of strategies for relevant risk appetite, and reports to the Board of Directors annually to supervise the operation and overall implementation of the risk management mechanism. Members of the Board of Directors and the Risk Management Committee also receive certain hours of continuing education every year to enhance the ability to oversee and implement corporate risk management practices.

To respond to risks in an effective manner, the Group Audit Office not only has three lines of defense of internal control in place with the respective roles, functions and scope of responsibilities thereof clearly defined (please refer to P.21 for the internal control system), but also conducts annual audits and prepares an audit progress control sheet and a summary of findings and improvements. These practices help maintain Gamania's sound corporate image and safeguard businesses against risks to allow more stable growth.



Organizational structure of risk management (from August 2023)





Risk management process





Gamania identified relevant stakeholders and operational issues based on the industry characteristics, developed a risk matrix based on the potential risks and their impacts on the Company (the table below presents the major risks of the year), formulated countermeasures accordingly, and regularly monitored the implementation effectiveness.

Key Risks

Risk item	Risk impact description	Countermeasure	Monitoring period
 Information security risks	To Gamania, an Eco-Internet Enterprise, internal and external information security risks will cause serious damage. For example, external malicious intrusions and cyberattacks, insufficient information security awareness of internal personnel, and new virus threats may result in abnormal or disrupted system operations, data alteration and damage, which could considerably impact the Company's operations.	In the face of the ever-changing impact on information security, the Company has explicitly designated the "Information Security Committee of the Group" as the highest guiding organization in terms of information security, which is supervised by the CEO in person. Aside from formulating corresponding information security policies as per the law for deploying information security defenses, it also implements various information security management tasks based on the risk management cycle, and irregularly review the Company's existing information security practices to formulate improvement plans, with a view to comprehensively managing the digital assets of customers and members. For more information, please refer to "2.2.1 Information security management."	Irregular (the committee meets once every half a year)
 Risks of product-related customer complaints and litigation	The products and services provided by Gamania are changing, diversified and innovated over time. Hence, it is likely that omissions and deficiencies exist in the process of service provision, which could make consumers suffer from losses and further result in legal problems.	Gamania has always maintained close communication and interaction with consumers, and is committed to protecting consumers' interests. We have 24/7 customer service in place and a diversity of service channels available to listen to consumers' voices. In response to the omissions that have occurred, Gamania has made corrections and compensated the players and users right away, and further enhanced the pre-verification and communicated with the original manufacturer to develop more detailed verification tools. Meanwhile, relevant internal regulations have been established to reinforce the internal control mechanism so that the recurrence of risks is avoided. For more information, please refer to "2.3.1 Service and communication."	Anytime

Emerging Risks

In order to identify potential emerging risks to the Group, Gamania identifies emerging risks and develops risk mitigation measures with reference to the reports on emerging risks released by external organizations (e.g. the Global Risks Report of WEF), internal managers' operational concerns, and the management's opinions compiled. The identified risks and developed measures are reported to the Risk Management Committee for early deployment and response.

Risk item	Risk impact description	Countermeasure	Monitoring period
 User scams	Advancements in networking and information technologies have given rise to new social problems such as scams and theft of game accounts. GASH users have become victims, which has impacted the Company's reputation.	To solve and avoid potential social problems, the Gamania team takes the initiative to confront the offenders together with consumers. We have collaborated with the anti-scam website (165) to leverage the strengths of law enforcers and digital transformation, in order to help ensure that consumers and law enforcers are able to deal with fraudulent behaviors stemming from digital games and online consumption promptly. For more information, please refer to "2.2.2 Protection of network security."	Irregular (usually once a week)
 Extreme climate change	According to the annual Global Risks Report published by the World Economic Forum, climate change has risen to one of the top three risks in recent years. As a result, we began to check whether our assets, supply chain, or products and services are likely to be affected by climate change and cause new problems.	In 2023, Gamania introduced the TCFD (Task Force on Climate-Related Financial Disclosures) project to inventory the Company's potential impacts caused by short- or long-term natural disasters, and implemented countermeasures in relation to the locations of data center construction, the climate resilience of software and hardware facilities of office buildings, etc. in advance. For more information, please refer to "3.1.1 Response to climate change."	Once a year

1.2.4 Association with external organizations

GRI 2-28

Gamania joins industry associations and engages non-profit organizations in various forms of exchange to explore collaborative opportunities. The company actively communicates with stakeholders to create a productive industry environment, build positive images, and realize business visions. Gamania and participants of the game industry jointly formed the Taiwan Game Industry Promotion Alliance as a means to unite peers, promote productive exchange, explore collaborative opportunities, and create a business environment that benefits all. It is currently the most influential association in Taiwan's game industry. The Group's engagement in external organizations, lobbying activities, and public policies are assessed, approved by the senior executive of each business unit, and reported to the president regularly.

Association with major external organizations

- Chinese Taipei Esports Association
- Taiwan Game Industry Promotion Alliance
- Taipei New Concept Education and Culture Association
- Taipei Computer Association
- Taiwan Automation Intelligence and Robotics Association
- The Bankers Association of The Republic Of China
- WorldPay Limited
- Taiwan Defense Industry Development Association
- Taiwan Alliance for Advancement of Youth Rights and Welfare
- New Media Entertainment Association
- Chinese Animation & Comic Publishers Association
- Chinese Non-Store Retailer Association
- Taiwan Information Security Association
- The Institute of Internal Auditors
- Commonwealth Sustainability (CWS)

Public policy influence

Unit: NTD thousand

	2020	2021	2022	2023
Lobbying organizations and interest groups	0	0	0	0
Political organizations and candidates	0	0	3,900	800
Industry associations and think tank groups	500	3,200	6,630	10,050
Other	15,520	24,765	22,209	22,790
Total amount	16,020	27,965	32,739	33,640

- Note: The data coverage rate in this table is 100%, calculated based on the operating income.

Public policy influence - Major investments

Unit: NTD thousand

	Expenditure in 2023	Role	Type of association	Engagement purpose
Chinese Taipei Esports Association	6,700	Executive director	Industry association	In order to promote the sustainable development of CTESA, the Company regularly donates money to enhance the technical level of professional e-sports in Taiwan, facilitates the experience exchange among domestic and overseas e-sports organizations, and provides a better healthy and leisure environment for the citizens.
Taiwan Game Industry Promotion Alliance	2,020	Director	Industry association	The Company sponsors the most influential public association in Taiwan's game industry to unite the power of related companies and organizations in the industry, stimulate industrial exchanges, develop collaboration opportunities, and strive for three goals: "protect gamers' rights," "build a friendly environment" and "fulfill social responsibility."
Taipei Computer Association	225	Member	Industry association	We have joined one of the important IT industry associations in Taiwan to promote the development of IT industry in Taiwan and organize major IT exhibitions at home and abroad to build friendly relations between Taiwan and the international IT industry.

Engagement in public policies - Climate alignment

Gamania Group's Net Zero Declaration

In 2023, Gamania's Board of Directors approved the Group's "Net Zero Declaration" and set the Group's carbon reduction targets by 2050: achieving Scope 1 and Scope 2 carbon neutrality by 2030, and achieving net zero carbon emissions by 2050. We will make our best efforts to support national policies, take part in low-carbon transformation, and keep in line with the goal of the Paris Agreement.

Mechanism of engagement in associations

The assessment of Gamania's engagement in associations is approved by the senior executive of each business unit and further reported to the president. In the face of global sustainability issues, Gamania has actively engaged in climate initiatives and carbon reduction actions. We also adhere to the principle of alignment with the Paris Agreement for the engagement in related associations; the "Sustainability Planning Office" is responsible for relevant assessment and reporting to ensure the consistency of our stance. If there is any inconsistency, Gamania will continue communication and work with external organizations to create a low-carbon sustainable environment.

Climate-related lobbying and industry association engagement results

In 2023, Gamania did not engage in any direct lobbying activities. However, to achieve the goal of net zero transformation, the Company participated in the CWS organized by CommonWealth Magazine to exchange ideas with entrepreneurs, share and learn the spirit of sustainable transformation, and develop cross-industry collaboration opportunities. CWS joined hands with the industry, government, academia and research sector to develop a carbon reduction platform and environmental sustainability-related awards, encouraging the public and private

sectors to commit themselves to the target of not exceeding 1.5°C of temperature rise by the end of the century, and awarding the certification for complying with the temperature control target of Paris Agreement. GAMA PAY, which is subordinated to the Group, also joined the Bankers Association of the Republic of China, actively promoting the progress in relation to climate change issues, including the financial disclosure of TCFD climate change risks and opportunities, GHG emission inventory, and so on.



▲ A total of 231 companies in the service industry were surveyed by the Temperature Rising Index for Pathways(TRIPS), and only 37 companies received the "Excellent" rating.

1.3 Sustainable management

1.3.1 Practicing sustainable governance

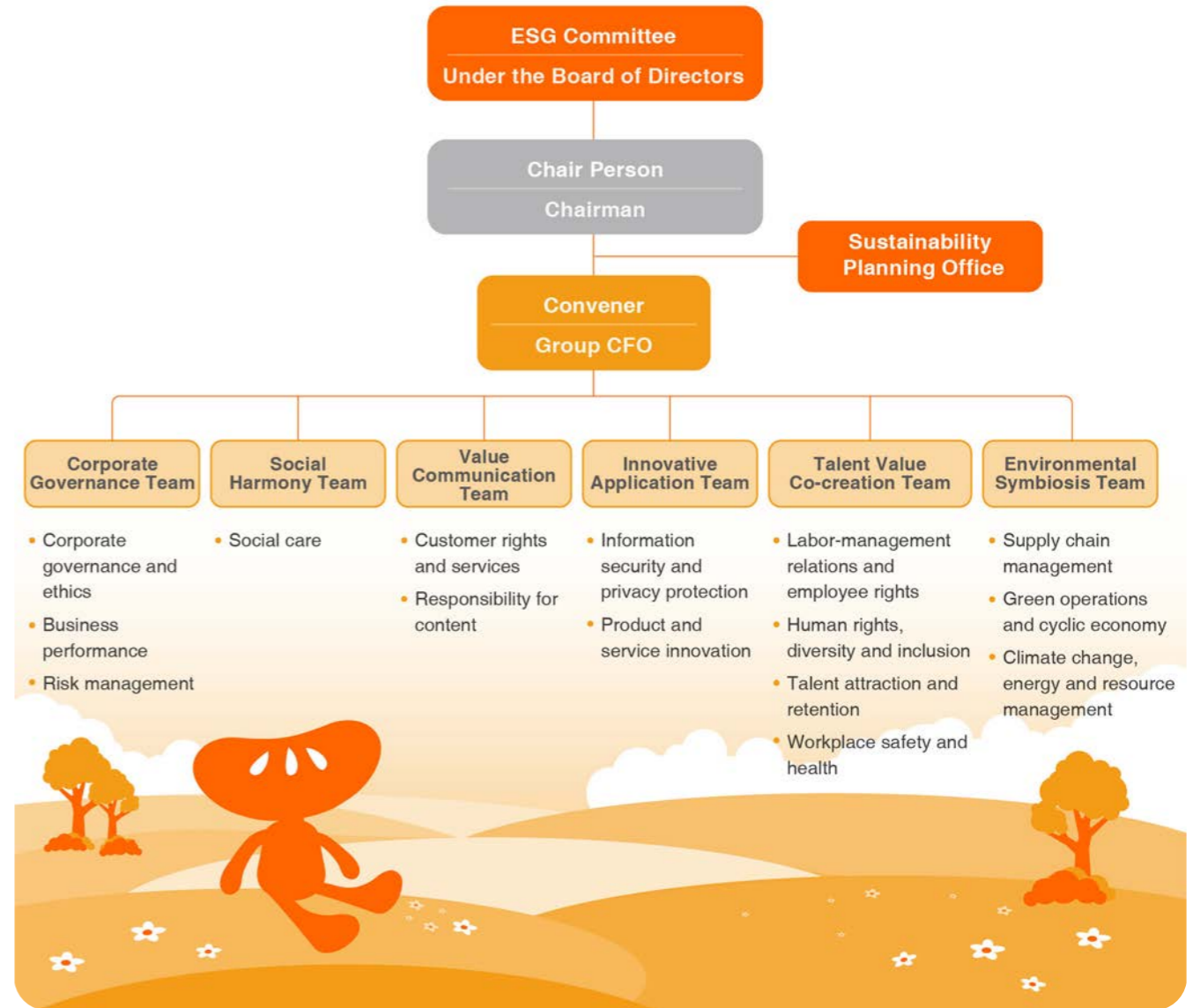
GRI 2-12 GRI 2-13 GRI 2-14 GRI 2-16

Sustainable Development Committee

Gamania pays attention to the rights and interests of internal and external stakeholders of the Company, and has established the Corporate Sustainable Development Best Practice Principles, hoping to use the Company itself as a model to extend and expand the scope to the society and the environment, and bring positive benefits to the Company both internally and externally. In 2019, the Board of Directors resolved to approve the establishment of the Sustainable Development Committee (ESG Committee), with the Chairman serving as the committee chair and the CFO as the convener. At the end of 2021, the Board of Directors further approved the establishment of the "Sustainability Planning Office" under the ESG Committee to report the annual implementation results to the Board of Directors at least once a year, and be responsible for directing and integrating different ESG task teams.

There are 6 functional ESG task teams, which are coordinated and managed by the unit managers from the Chief Financial Officer's Office, Chief Strategy Office, Corporate Communication Office, Human Resources Office, Gamania Cheer Up Foundation, and Internal Service Division, respectively, to implement the corresponding ESG tasks. The Sustainable Development Committee convenes at least one meeting every quarter. The Board of Directors grants full authorization and gives guidance to the Sustainable Development Committee in terms of the sustainable development strategies it proposed and the implementation thereof, and regularly follows up as well as overseeing the annual material matters related to ESG (such as the Net Zero Declaration, publication of ESG reports, etc.) to ensure the effectiveness of the implemented sustainability projects.

The key projects for 2023 include implementing the ESG sustainable strategy blueprint, revising and compiling the sustainability report, analyzing major issues, conducting greenhouse gas inventory and inspection, making Net Zero Declaration and strategic carbon reduction, optimizing institutional investor evaluation, devising maternity protection programs, managing the responsibility for digital content, and exerting influence in social welfare activities.









GRI 2-22



Sustainable Strategy Blueprint

In 2021, Gamania launched the planning of its sustainability strategy blueprint, with “sustainable promotion” as the core of the strategy, the spirit of “the only thing that does not change is change” as the basis, and the brand core “Dare to Challenge” as the motivation in the hope that all business units could attain innovation and creativity, pursue excellence, build good relations, and ensure environmental coexistence to contribute to a more sustainable Gamania. In response to the seven United Nations Sustainable Development Goals (UN SDGs) highly relevant to our core business, including SDG 3 Health and Well-being, SDG 4 Quality Education, SDG 8 Decent Work and Economic Growth, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 16 Peace, Justice and Strong Institutions, and SDG 17 Partnerships for the Goals, Gamania has determined four major sustainable themes: “Promoting Sustainable Management,” “Promoting Digital Responsibility,” “Promoting Environmental Friendliness” and “Promoting Positive Values.”

At the end of 2023, as instructed by the Sustainable Development Committee, the leader of each ESG task team led the team members to discuss the sustainability issues and the expectations of corresponding stakeholders in depth, and set sustainability performance indicators and short-, medium-, and long-term goals. The performance and results of each aspect of the sustainability strategy blueprint will be regularly reported to the Sustainable Development Committee for follow-ups, and cross-unit communication and resource integration will be carried on to achieve group synergy. In the future, Gamania will integrate the spirit of corporate sustainable development with the culture of Gamania in depth, practice sustainable development in daily operations, and lead the sustainable development of the industry.

Main Theme	Responding to SDGs	Responding to Sustainability Issues	2023 Performance Highlights	Key Objectives for 2024	Vision
Promoting Sustainable Management	 	<ul style="list-style-type: none"> Corporate governance and ethics Business performance Risk management Supply chain management 	<ul style="list-style-type: none"> The Company was rated top 6~20% among TPEX listed companies in the 10th Corporate Governance Evaluation. 100% of new recruits completed the integrity-related courses. There were 0 violations of ethical corporate management, anti-competitiveness, or the code of conduct. The Risk Management Committee was established. New suppliers signed the Supplier CSR Commitment. 	<ul style="list-style-type: none"> To be rated top 6~20% among TPEX listed companies in the Corporate Governance Evaluation. To regularly review the completeness of the ethical corporate management policy. To regularly review the completeness of the tax policy. To have 0 violations of ethical corporate management, anti-competitiveness, or the code of conduct. To have all the suppliers sign the Supplier CSR Commitment. 	Build a more resilient management system and culture by incorporating ESG elements into the management mechanism, and further develop a more sustainable corporate brand culture by deepening the cooperation with value chain partners.

Main Theme	Responding to SDGs	Responding to Sustainability Issues	2023 Performance Highlights	Key Objectives for 2024	Vision
Promoting Digital Responsibility	 	<ul style="list-style-type: none"> Information security and privacy protection Customer rights and services Product and service innovation Responsibility for content 	<ul style="list-style-type: none"> The Company passed the ISO 27001 external inspection. There were 0 information security incidents and privacy breaches. The completion rate of education and training on information security for all employees was 100%. The Group's advertising ethics policy was developed. The average score of customer satisfaction with omni-channel services reached 4.81 (out of 5 points). 92% of the cases were resolved with the initial response. The service quality check accuracy rate exceeded 99%. The anti-fraud performance was excellent. 	<ul style="list-style-type: none"> To continually pass the ISO 27001 external inspection. To regularly conduct BCP drills on the topic of information security. To regularly review the completeness of the information security policy, privacy policy, and advertising ethics policy. To reach the average score of customer satisfaction with omni-channel services of 4 (out of 5 points). To have at least 90% of the cases resolved with the initial response. To have a service quality check accuracy rate up to 95%. To have 0 information security incidents and privacy breaches. 	Putting consumer needs at the center,we continuously provide innovative and diverse products and services,and strive to create a safe and healthy digital environment for a sound IT society.
Promoting Environmental Friendliness	 	<ul style="list-style-type: none"> Green operations and cyclic economy Climate change, energy and resource management 	<ul style="list-style-type: none"> The Group's "Net Zero Declaration" was approved. The TCFD climate-related risk identification was completed. The Company passed the ISO 14064:2018 external inspection. The GHG emissions (Scope 2) dropped by 13% compared to 2022. The total renewable energy usage reached 12.58%. The total waste was reduced by 5.3% compared to 2022. The water consumption per person decreased by 5.34 m³ compared to 2022. The recycling rate of RE-BAG recycled logistics bags was about 46%, an increase by 16% compared to 2022. 	<ul style="list-style-type: none"> To continually pass the ISO 14064 external inspection. To work towards the goal of the Net Zero Declaration. To promote the training and awareness-raising campaigns on waste reduction. To increase the amount of green procurement. To increase the recycling rate of RE-BAG recycled logistics bags. To discuss the design of the Q Brick doll in consideration of environmental protection and waste reduction to achieve the effect of cyclic economy. 	Continuously pay attention to the environment and climate change, manage the use of energy and resources, and gradually reduce the negative impact of our operations on the environment by implementing environment friendly practices.

Main Theme	Responding to SDGs	Responding to Sustainability Issues	2023 Performance Highlights	Key Objectives for 2024	Vision
Promoting Positive Values	 	<ul style="list-style-type: none"> Labor-management relations and employee rights Human rights, diversity and inclusion Talent attraction and retention Social care Workplace safety and health 	<ul style="list-style-type: none"> The response rate for feedback from the employee meeting reached 100%. Overall satisfaction rate of Gama Island reached 82.5%. Human rights due diligence management was introduced. The turnover rate was 8.2% lower than that in 2022. There were 0 major occupational accidents. The satisfaction score for the employee assistance program reached 4.6. The “public welfare leave” was provided. The first U12 basketball team “HUALIEN GAMA APES” was formed under the Big Dream Project. An international track certification and the Bronze IAU Label were obtained for the Coast to Peak Ultramarathon. 	<ul style="list-style-type: none"> To carry on the improvement of employee benefits. To keep the response rate for feedback from the employee meeting at 100%. To perform the process of human rights due diligence. To regularly review the completeness of the human rights policy. To regularly review the completeness of the OSH policy. To keep the number of major occupational disasters at 0. To plan a series of compulsory ESG courses. 	To Promote positive social influence, drive a more benevolent and inclusive social atmosphere, and guide the new generation to pursue their dreams and express themselves to strengthen the self-identity and self-confidence of the youth.

1.3.2 Analysis of major issues

In 2023, Gamania produced a list of 15 sustainability issues for Gamania for 2023 in compliance with the material topic determination process and reporting principles of GRI 3: Material Topics (2021), and based on the Company’s operating activities as well as domestic and international trends. Compared to the issues in 2022, the major adjustments include the incorporation of “legal compliance” into “corporate governance and ethics,” the inclusion of “supply chain management” to expand Gamania’s scope of sustainability management, and the inclusion of “responsibility for content” to meet the expectations of the industry sustainability trend. Subsequently, we further identified the internal and external impacts of different issues through dual materiality analysis, not only considering the impact of the sustainability issues on Gamania Group’s operations and businesses, but also considering the negative and positive impacts of Gamania Group’s operations and businesses on society, the environment, and the public. In 2023, Gamania identified 8 major issues: information security and privacy protection, corporate governance and ethics, business performance, risk management, product and service innovation, customer rights and services, labor-management relations and employee rights, and human rights, diversity and inclusion. At Gamania, we recheck the list of sustainability issues and conduct major issue identification and analysis every year. The identification results of major issues and the related implementation results are reported to the Board of Directors on a yearly basis as well, in order to enhance corporate sustainable development.

Major issue identification process

01

Production of a list of sustainability issues

The Company identified the sustainability issues and trends of international concern, such as those under the 2023 Global Risks Report of the World Economic Forum (WEF), material industry issues of S&P, major issues of SASB for the industry of software & IT services, and key issues concerning investors, and took the lists of major issues of domestic and foreign benchmark companies as reference. A list of 15 sustainability issues applicable to Gamania was thereby determined after analysis and screening.

02

Investigation into the level of concern of stakeholders

We identified the stakeholders important to us based on the operating activities and value chain of Gamania, and distributed the "Stakeholder Concern Questionnaire" to assess the level of concern that external stakeholders had on 15 sustainability issues. A total of 66 valid questionnaires completed by Gamania's important stakeholders were retrieved, including 23 from employees (senior managers), 17 from investors/shareholders, 12 from customers/consumers, 9 from collaborating partners, and 5 from media and general public.

03

Dual materiality analysis

Through dual materiality analysis, we reflected the level of financial and operational impacts of the issues on Gamania, and the level and possibility of the impacts Gamania had on the overall economy, environment, and society. We considered the potential impacts of external issues on Gamania's internal operations, and determined the economic, environmental, and social impacts of the issues from an internal perspective.

Analysis of the operational impact on Gamania

We distributed the "Major Issue Identification Questionnaire - Level of Operational Impact on the Company" to assess the level of impact of the 15 sustainability issues on Gamania's four major business aspects, namely revenue and cost, reputation, legal compliance, and risk management.

Analysis of the economic, environmental and social impacts

We distributed the "Major Issue Identification Questionnaire - Level of Economic, Environmental and Social Impacts" to assess the scale/scope and possibility of impacts of the 15 sustainability issues, and further made an additional catastrophe assessment for the negative impacts.

04

Confirmation of major issues

After taking into account the stakeholders' level of concern, the operational impact on Gamania, the economic, environmental and social impacts, and the professional opinions of external consultants, the overall level of impact and the percentage ranking were calculated. Gamania eventually confirmed 8 major issues for 2023, including 3 critical issues and 5 secondary issues.

05

Response to and disclosure of major issues

Gamania reported the results of major issue identification to the Board of Directors, and included them in the management scope of the Sustainable Development Committee with the authorization of the Board of Directors. The issues were also incorporated into the risk management process when necessary to continually improve various systems and accordingly enhance the performance of corporate sustainable development. They have been disclosed in the sustainability report and on the official website. In the future, the list of sustainability issues will be re-examined every year, with assessment carried out for the adjustment and identification of materiality.



Result of Identification of major Issues



• Note: The level of impact is calculated based on the level of concern of stakeholders, operational impact on Gamania, and positive and negative economic, environmental and social impacts.

Major issues management

Major Issues	Actual / Potential	Meaning to Gamaia	Impact on Value Chain					Corresponding Chapter
			Employees	Investors / Shareholders	Customers / Consumers	Collaborating Partners	Media and General Public	
Information security and privacy protection (Economy, People)	Actual	<p>Positive impact: Information security and privacy protection Safe collection, use and management of data, as well as training on information security, can protect the human rights and privacy of data privacy-related stakeholders and prevent a series of damages.</p>						2.2.1 Information security management
	Potential	<p>Negative impact: Poor information security protection and privacy leakage System crashes, hacking and cyberattacks, or personal data (include the data of employees and users) breaches could result in the expenses for compensation, litigation and disciplinary penalties, infringement of rights, and reputational impact.</p>						2.2.2 Protection of network security 2.3.2 Privacy protection
Corporate governance and ethics (Economy)	Actual	<p>Positive impact: Sound corporate governance A sound corporate governance structure and good ethical management are fundamental to a company's sustainable management. Boosting a sound corporate governance mechanism helps ensure the implementation of ethical management and legal compliance systems, maintain the company's reputation and good image, and win the trust of investors and customers.</p>						1.2.1 Governance organization and structure
	Actual	<p>Negative impact: Corruption and immoral conduct Corruption or immoral conduct due to poor corporate governance may damage corporate reputation or even cause asset losses, and affect shareholders' equity.</p>						1.2.2 Ethical corporate management

Major Issues	Actual / Potential	Meaning to Gamania	Impact on Value Chain					Corresponding Chapter
			Employees	Investors / Shareholders	Customers / Consumers	Collaborating Partners	Media and General Public	
Business performance (Economy)	Actual	<p>Positive impact: Good economic performance</p> <p>A company with steady operations and in pursuit of sustainable profit and growth helps stimulate the economic development of the society, which benefits the related business partners and contributes to the regional, national and global economic systems.</p>					1.1.1 Business overview	
	Actual	<p>Negative impact: Poor operations</p> <p>Poor operational performance will affect the Company's business continuity and cause losses to investors.</p>					1.1.2 Financial performance	
Risk management (Economy, People)	Actual	<p>Positive impact: Comprehensive risk management</p> <p>Effective risk management can strengthen the resilience of corporate operations to avoid economic losses and any impact on stakeholders' rights and interests.</p>					1.2.3 Risk management	
	Potential	<p>Negative impact: Improper risk management</p> <p>Failure to effectively avoid, mitigate or timely respond to risks due to the lack of proper risk management could result in major non-compliance or losses of the Company, and further impact the rights and interests of stakeholders.</p>						
Product and service innovation (Economy)	Actual	<p>Positive impact: Product and service innovation</p> <p>By improving innovation management, developing digital innovation, integrating internal and external resources, and launching cross-industry collaboration and business creation, the Company can provide customers with innovative services of higher quality, and enhance the convenience for users.</p>					2.1.1 Innovation investment and research and development	
	Actual	<p>Negative impact: Threats and hidden concerns of innovative technologies</p> <p>The process of introducing and applying innovative technologies may produce unsatisfactory user experience, or technical problems may occur following emerging technologies.</p>						

Major Issues	Actual / Potential	Meaning to Gamania	Impact on Value Chain					Corresponding Chapter
			Employees	Investors / Shareholders	Customers / Consumers	Collaborating Partners	Media and General Public	
Customer rights and services (People)	Actual	<p>Positive impact: Maintenance of a high level of customer satisfaction Thorough customer relationship management enables the continuous optimization and improvement of customer experience.</p>						2.3.1 Service and communication
	Actual	<p>Negative impact: Impact on customer rights and services A lack of customer relationship and service quality management will cause inconvenience and certain losses to users.</p>						2.3.3 Customer satisfaction
Labor-management relations and employee rights (People)	Actual	<p>Positive impact: Good labor-management relations and protection of employees' rights With excellent employee welfare measures, reasonable salaries, and a comprehensive mechanism to listen and respond to employee opinions, a good two-way interactive relationship is developed.</p>						4.1.4 Compensation and benefits
	Actual	<p>Negative impact: Deterioration in labor-management relations and damage to employees' rights Failure to effectively communicate with employees and listen to their voices could lead to inharmonious labor-management relations. Employees should be provided with a peaceful working environment, excellent employee welfare measures, and reasonable salaries.</p>						4.1.5 Friendly workplace 4.1.6 Healthy workplace
Human rights, diversity and inclusion (People)	Actual	<p>Positive impact: A diverse, equal and inclusive workplace Creating diverse, equal, and inclusive workplace and business collaboration that value human rights helps facilitate social inclusion.</p>						1.2.1 Governance organization and structure
	Actual	<p>Negative impact: Human rights violations The rights and interests of employees at work may be damaged due to human rights issues such as illegal overtime work, forced labor, and discrimination on the ground of gender and in other forms.</p>						3.2.1 Sustainable procurement 4.1.4 Compensation and benefits 4.1.5 Friendly workplace

1.3.3 Stakeholder engagement GRI 2-29

Stakeholders

In order to meet the expectations of stakeholders and fulfill Gamania's corporate social responsibility commitment, we adopted the five principles of AA1000SES: dependence, responsibility, tension, influence, and diverse perspectives, and referred to the groups or individuals that have an impact on the Company both internally and externally to identify the five major stakeholders of Gamania: employees, investors/shareholders, collaborating partners, customers/consumers, and media and general public. We will continue to refer to international sustainability trends, and will further evaluate and incorporate government/regulatory agencies and the new generation in the future.

Stakeholders	Meaning to Gamania	Issues	Communication channel	Communication frequency
Employees	Employees are the most important asset to Gamania. Our creation of products, services, passion and culture have all been the accumulation of painstaking efforts of all Gamania employees. As such, we value the opinion of Gamania people greatly.	<ul style="list-style-type: none"> Corporate governance and ethics Business performance Information security and privacy protection Product and service innovation Talent attraction and retention 	<ul style="list-style-type: none"> For the questions raised by employees during the Gamania Town Hall (employee meeting), the Group CEO will respond on the spot, or the relevant units will be instructed to make internal announcements and explanations later. For questions raised by employees to the welfare committee, the welfare committee will respond to individuals or all employees via email. Impeachment email: integrity@gamania.com Sexual harassment complaint email: 995@gamania.com Intranet OH or HR helper on teamgoal! Manager of Group Human Resources Office / Cheng, Pei-Chun Telephone: +886-2-2658-8866 #1061 Email: ghq_hr@gamania.com 	<ul style="list-style-type: none"> Gamania Town Hall once a quarter Large-scale welfare committee event at least once every six months Orientation Training for Employees, Routine Employee Training E-Learning Performance evaluation once a year Lectures from time to time
Investors / Shareholders	In order to identify key stakeholders on Gamania's operations and decision-making, we have endeavored to maintain information transparency to safeguard investors' rights.	<ul style="list-style-type: none"> Corporate governance and ethics Business performance Information security and privacy protection Risk management Customer rights and services 	<ul style="list-style-type: none"> Senior Investor Relations Manager / Chen, Wei-Hsia Telephone: (02) 2658-8866 #1019 Email: ir@gamania.com Stock Affairs Manager / Hsu, Ching-Hsien Telephone: (02) 2658-8866 #1433 Email: fn-share@gamania.com 	<ul style="list-style-type: none"> Convening annual shareholders' meetings and issuing company annual reports. Participating in domestic and overseas investor conferences from time to time. IR website's investor relations section provides real-time updates on relevant information.

Stakeholders	Meaning to Gamania	Issues	Communication channel	Communication frequency
Collaborating Partners	In addition to maintaining a positive relationship with different software/hardware suppliers and developers, Gamania also actively participates in different associations as a member. Working together with our peers for the creation of a better digital entertainment industry is our common goal.	<ul style="list-style-type: none"> • Corporate governance and ethics • Business performance • Information security and privacy protection • Risk management • Product and service innovation 	<ul style="list-style-type: none"> • Director of Gamania Group Business Negotiation/Global Business Office, Ma, Ting-Yu • Telephone: +886-2-2658-8866 #1202 	<ul style="list-style-type: none"> • Holding technical meetings for collaboration or selection of collaborating partners. • Holding technical forums and seminars from time to time. • Participating in various game exhibitions from time to time.
Customers / Consumers	Customer service is the key to corporate success, and has a significant influence on building brand loyalty, enhancing market competitiveness, and promoting business efficiency. Only with the support of customers and consumers can we operate permanently.	<ul style="list-style-type: none"> • Business performance • Information security and privacy protection • Product and service innovation • Talent attraction and retention • Human rights, diversity and inclusion • Green operations and cyclic economy 	<ul style="list-style-type: none"> • Hotline: (02) 2192-6100 • Intelligent customer service (Chat Bot): Customer service helper • Instant message service (IM): Customer service helper • Problem Reporting Center (message board / email): https://service.antspw.com/MSGBoardUI/APPForm • Response to messages on iOS/Android platforms • Facebook private message reply: https://www.facebook.com/letsbeanfun 	<ul style="list-style-type: none"> • Providing 24-hour, year-round, multi-channel services based on the needs of different customers and consumers.
Media and General Public	Gamania Group has ventured into multiple fields, including games, payment, e-commerce, media, digital commerce, and startups, to build an Eco-Internet Enterprise territory. With AI, big data, and platforms as the core of development, we have built a complete entertainment network ecosystem. Gamania Group attaches great importance to the rights and interests of consumers, and is also committed to providing players and users with convenient, diversified, and safe services.	<ul style="list-style-type: none"> • Corporate governance and ethics • Business performance • Information security and privacy protection • Customer rights and services 	<ul style="list-style-type: none"> • Deputy Spokesperson / Director of Corporate Communication Office, Hsieh, Hsiang-Yi • Telephone: +886-2-2658-8866 #1013 • Email: pr@gamania.com 	<ul style="list-style-type: none"> • Making information available on the websites of Gamania Group and its subsidiaries. • Giving information through Gamania Group's social media accounts (Facebook, Instagram and LinkedIn). • Releasing the latest news through the media on an irregular basis.