

2024 HappyTuk ESG Sustainability Report



About the Report

About the Report (GRI 2-1 ~ GRI 2-5) HappyTuk Co., Ltd. (hereinafter referred to as "the Company" or "HappyTuk") will publish a Sustainability Report annually starting from 2024. This serves as an important channel for communicating non-financial information to stakeholders. The content of the report details the Company's business operations and sustainable development initiatives.

Reporting Period January 1, 2024 to December 31, 2024.

Reporting Scope The reported information primarily covers HappyTuk Co., Ltd. Financial data is cited from the financial report audited and certified by accountants, which can be found in the "Financial Statements" section of the HappyTuk official website.

Report Preparation Process This report is compiled by the ESG Promotion Group. After various departments submit data, the ESG Promotion Group consolidates the information into the report; it is then reviewed and confirmed by internal supervisors, and finally approved by the Chairman before publication.

Reporting Principles and Information Quality The structure of this report references the GRI Standards 2021 edition issued by the Global Reporting Initiative (GRI) and is written with reference to the Task Force on Climate-related Financial Disclosures (TCFD) guidelines.

Publication Overview This is the first report issued by HappyTuk. This issue was published in August 2025.

Assurance of Accuracy of Public Information The disclosure of information in the Sustainability Report has a significant impact on stakeholders; therefore, we uphold professional standards to ensure the accuracy of every piece of information.

Internal Confirmation and External Assurance Confirmation and verification are conducted, and after final approval by the General Manager, it is submitted to the Board of Directors for further review to ensure the impartiality and credibility of the report. Financial Data: Cited from the annual report, certified by KPMG Taiwan (Certified Public Accountants).

Information Restatement Any restatements involving the report are explained in the notes of the respective chapters or tables.

Feedback and Contact Information

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Message from the Chairman

Dear colleagues, respected customers, valued partners, and friends from all sectors of society who care about HappyTuk,

Greetings to you all. Today, with expectations for the future and a firm commitment, I would like to articulate HappyTuk's vision and determination on the path of sustainable development.

We deeply understand that corporate value lies not only in revenue but also in our responsibility towards the Environment, Social, and Governance (ESG). HappyTuk integrates ESG into its development roadmap, striving to become a more contributive and trustworthy corporate citizen.

In terms of **Environment**, we commit to reducing the environmental impact of our operations. Through energy conservation, carbon reduction, promoting paperless documentation, and actively advocating environmental awareness and engaging in practical actions, we work together with society to promote green sustainable development.

In terms of **Social Responsibility**, HappyTuk will continue to uphold the principles of diversity, inclusion, and fairness, creating better lives and development opportunities for employees, customers, and partners. We promise to promote employee diversity, support social welfare, and dedicatedly provide a high-quality working environment and benefits to foster the professional growth of our colleagues.



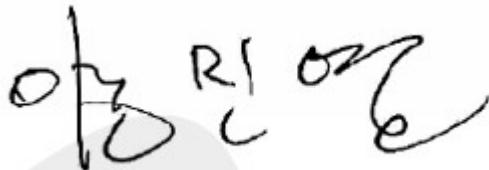
In terms of **Governance**, HappyTuk will continuously refine its governance structure, establishing a more transparent and efficient decision-making system. We will uphold ethical and compliance standards and strengthen data privacy and security protection to earn the trust of all stakeholders.

Looking ahead, HappyTuk aims to establish a sustainable business model. We strive not only to maintain leadership in all ESG aspects but also to continuously create value, achieving a win-win-win situation for the enterprise, employees, and society. We will insist on walking the path of innovation and responsibility, integrating social responsibility and environmental concepts into our products and services to bring positive impact to society. We aim to become a trusted corporate citizen, joining hands with all sectors to address environmental challenges together.

We firmly believe that only through continuous efforts in the three major ESG areas can we truly achieve long-term corporate development and create greater value for all stakeholders. This is our promise and our firm belief in the future.

Thank you all.

Chairman, HappyTuk Co., Ltd.

A handwritten signature in black ink, appearing to read "OTB RI OTC". It is written in a cursive, fluid style with some variations in letter height and thickness.

CH1 About HappyTuk



CH1 About HappyTuk

1.1 Company Profile

1.2 Products and Services

1.3 Operational Performance

1.4 Sustainability Vision

1.5 Sustainable Governance Structure

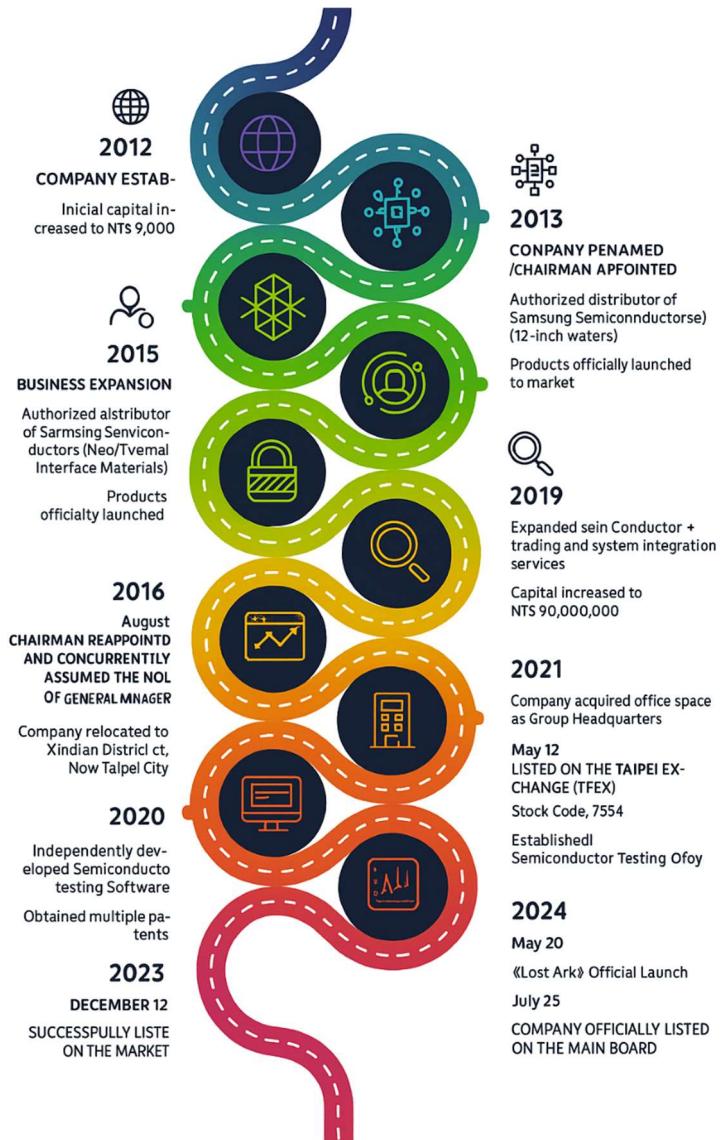
1.6 Stakeholder Identification and Engagement

1.1 Company Profile

- **Company Name:** HappyTuk Co., Ltd.
- **Stock Code:** 7584
- **Main Business:** Game Publishing and Game Operation Platform
- **Establishment Date:** June 13, 2012
- **Company Website:** www.mangot5.com

Business Philosophy and Cultural Values Conveying the idea of happiness to everyone. Internally, we hope all members of the company, regardless of nationality, feel happy and blessed because of the company's working atmosphere. Externally, we hope all players of the company, regardless of identity, feel happy and joyful because of our products and services.

Vision and Mission To be a Game Publisher that Creates a Happy World.



1.2 Products and Services

HappyTuk Co., Ltd. (Stock Code: 7584) is a game company focusing on online PC game and mobile game publishing, as well as online game platform operations, belonging to the midstream of the game industry. In the early stages of its establishment, the company's main development strategy was to license classic games with high-fidelity players. Since 2013, the company has added at least one classic game with stable sales annually to ensure continuous revenue growth. In 2017, the company further expanded into overseas markets by establishing a Japanese subsidiary, currently operating an online PC game in Japan, injecting new growth momentum into the group's revenue.

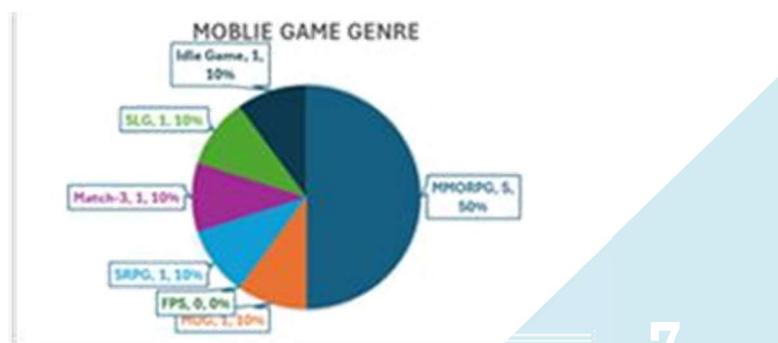
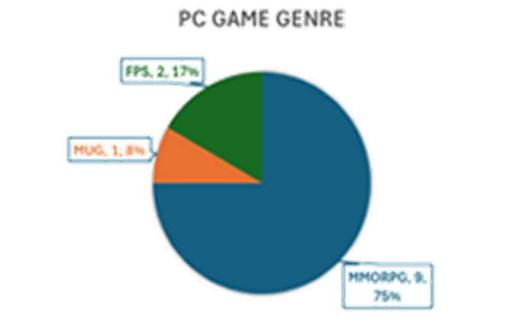
Product Service Overview HappyTuk Co., Ltd. currently publishes 21 game products, including 12 PC online games and 9 mobile games. Most of the licensed game developers are well-known listed companies in Korea. The game genres are diverse, covering:

PC Online Games:

- Twelve Sky 2
- Yulgang (New Scions of Fate)
- Audition
- LaTale (Taiwan and Japan)
- AIKA
- Special Force 2
- A.V.A
- The Great Merchant / Swordsman 4k Online
- Special Force
- Twelve Sky 2 Origin
- Lost Ark

Mobile Online Games:

- Audition M / Sprite M: Endless Adventure
- Twelve Sky M / Twelve Sky M-ORIGIN
- Yulgang M
- Ojamajo Doremi: Puzzle Carnival
- Smoke & Chatter (Yan Xiao Xu Yu)
- Cat Planet Story (Miao Xing Wu Yu)
- Vision Echo (Yi Xiang Hui Sheng)



1.3 Operational Performance (GRI 201-1)

- In addition to continuously strengthening the operation of its existing licensed titles, the Company further expanded its PC online game portfolio by launching *GuJian Online*. By integrating online livestreaming, offline fan engagement events, and periodically organized tournaments, the Company seeks to enhance brand loyalty, strengthen community interaction, and address the diverse preferences of players.

- In the mobile gaming segment, the Company introduced four additional titles, including *Ojamajo Doremi* and *Blooming Girls*. Among these, *Words of Yandere* represents the Company's first self-developed, domestically produced otome-style romance simulation mobile game, which was simultaneously released on both iOS and Android platforms in December 2023, marking a significant milestone in the Company's in-house R&D capabilities.

Financial Performance In 2024, the Company's consolidated revenue was NT62,524 thousand; basic earnings per share was NT\$4.06; net profit margin was 6.12%; return on assets was 8.62%; and return on equity was 13.19%.

Unit: NT\$ thousands

	2023	2024
Operating Revenue	579,364	1,011,516
Gross Profit	266,769	494,344
Net Income	86,290	62,524
EPS (NT\$)	5.94	4.06
Debt Ratio (%)	32.86%	40.08%

Economic Value Distribution (Unit: NT\$ thousands)		2023	2024
Direct Economic Value Generated (A)	Operating Revenue	579,364	1,011,516
	Non-operating Income (Interest/Dividends/Rent)	54,321	5,268
Economic Value Distributed (B)	Operating Costs	353,556	669,093
	Employee Wages and Benefits	153,070	221,850
	Payments to Providers of Capital	58,103	58,103
	Payments to Government (Taxes)	23,356	35,809
	Community Investment (Donations, Sponsorships)	100	120
Economic Value Retained (A-B)		45,500	31,809

1.4 Sustainability Vision (GRI 2-22)

"HappyTuk Co., Ltd. is committed to becoming a leader in the game industry that balances entertainment innovation with social responsibility. HappyTuk established the Sustainability Promotion Group in 2024. With 'Happy Gaming, Sustainable Living' as our core, linking to the United Nations Sustainable Development Goals (SDGs), we deeply understand the influence of the game industry in the digital age and regard sustainable development as an important goal for long-term corporate operations. We promise to integrate sustainable development into all aspects of the enterprise with an attitude of integrity and accountability, and work with players, employees, and partners to jointly create a sustainable gaming future."

Sustainable Development Alignment with SDGs HappyTuk Co., Ltd. refers to the SDG Compass guidance document published by the UN Global Compact, GRI, and WBCSD, combining the company's operational vision and mission to link sustainable development strategies and actions to the United Nations Sustainable Development Goals (SDGs). The specific goals are as follows: (Note: SDGs 3, 4, 8, 10, 12, 13, 16, 17 are listed in the original document)



1.5 Sustainable Governance Structure (GRI 2-12, 2-13, 2-14, 2-16)

Sustainability Promotion Group and Governance Structure HappyTuk is committed to integrating sustainable development into core corporate values. In 2024, the Sustainability Promotion Group was established, directly supervised by the Board of Directors to ensure sustainability goals are consistent with company strategy.

- Formulate sustainability strategies and goals.
- Supervise the performance of ESG (Environmental, Social, Governance) execution.
- Regularly report progress to the Board of Directors.

Establishment of the Sustainability Promotion Group in 2024: To accelerate sustainability actions, HappyTuk established the Sustainability Promotion Group in 2024, responsible for executing committee decisions, subdivided into three working groups with 5 major tasks:



Sustainability Execution Steps:

1. **Issue Assessment:** Working groups assess potential impacts on society, economy, and the environment.
2. **Impact Analysis:** Analyze the actual impact of material topics.
3. **Strategy Formulation:** The Sustainability Promotion Group discusses and formulates management guidelines.
4. **Regular Review:** The Sustainability Promotion Group regularly tracks performance and adjusts strategies.

Functions of the Promotion Group: The Sustainability Promotion Group serves as the highest coordinating unit for the

company's sustainable development affairs, responsible for formulating overall sustainability goals and strategic directions, and supervising the operation and progress of each group. It serves as a connecting link, translating the Board or senior management's sustainability vision into concrete action plans and integrating information from various sources.

- **Environment (E) Promotion Group:**

- **Function:** Focuses on environmental sustainability issues, including energy conservation, carbon reduction, water resource management, and waste management. This group is responsible for formulating environment-related policies and measures, monitoring environmental performance indicators, and promoting green office and environmentally friendly actions to reduce the impact of company operations on the natural environment.

- **Social (S) Promotion Group:**

- **Function:** Responsible for social sustainability affairs, covering corporate social responsibility, employee care, labor rights, supply chain management (especially regarding labor and human rights), and community contribution. This group aims to establish a healthy and friendly workplace, safeguard employee rights, and give back to society through public welfare activities.

- **Governance (G) Promotion Group:**

- **Function:** Focuses on sustainability at the corporate governance level, ensuring transparency, integrity, and compliance in corporate operations. Its functions include risk management, information security, and ethical management. This group is responsible for establishing sound internal control and risk management mechanisms to prevent illegal activities and protect the security of company information assets and user personal data.

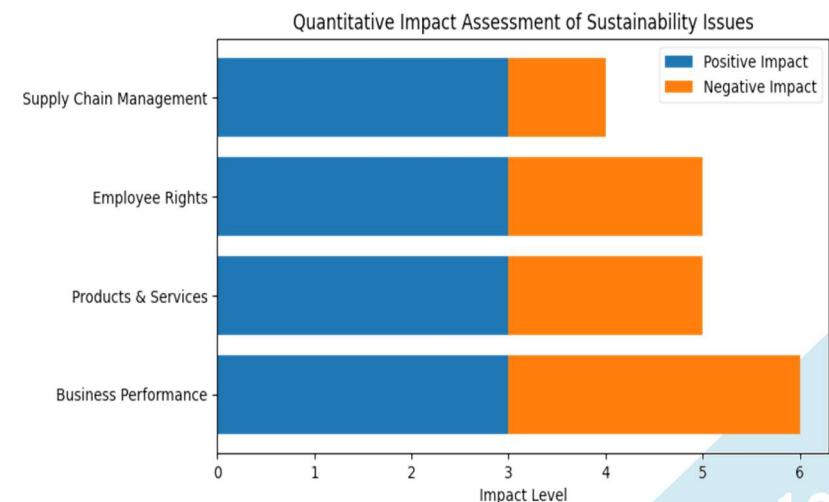
Board Sustainability Governance Structure According to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, the Chairman of the Sustainability Promotion Group will report the execution results of sustainable development and future work plans to the Board of Directors annually. HappyTuk regards sustainable development as the cornerstone of the company's long-term success. The Board of Directors bears ultimate responsibility,

actively supervising and formulating sustainable development strategies to ensure company operations take ESG factors into account and respond to stakeholder expectations. The core responsibilities of the Board include: (1) Strategic Supervision: Review and approve sustainable development strategies. (2) Goal Setting: Set clear, measurable goals. (3) Risk Assessment: Supervise ESG risks. (4) Information Disclosure: Improve information transparency. (5) Performance Evaluation: Include sustainability results in management performance reviews.

1.6 Stakeholder Identification and Engagement (GRI 2-29)

- Mangot5 places great importance on the rights and interests of all stakeholders. In order to respond to stakeholder expectations and fulfill our responsibilities and commitments to society, Mangot5 adopts the five core principles of the AA1000 Stakeholder Engagement Standard (AA1000SES) as guiding principles: **Inclusivity, Materiality, Responsiveness, Impact, and a Multi-stakeholder View.***
- Based on these principles, and considering groups and individuals that have direct or indirect impacts on Mangot5's operations, we have identified four key stakeholder groups: **investors/shareholders, employees, consumers, and suppliers.** At the same time, we continue to monitor domestic and international sustainability trends and will further evaluate the inclusion of additional relevant stakeholders in the future.*

Investors/Shareholders:	Value: Transparent disclosure of accurate information to ensure shareholder equity. Engagement: Shareholders' meetings (Annually), Investor conferences (Annually), Annual reports (Annually), Official website investors zone (Immediate).
Employees:	Value: Listening to employee needs, safeguarding rights, creating a safe workplace. Engagement: Internal meetings (Quarterly), Labor-management meetings (Quarterly), Performance reviews (Annually), Complaint mailbox (Irregular).
Consumers (Players):	Value: Ensuring information security, solving problems, establishing communication bridges. Engagement: Customer service (Immediate), Fan pages (Immediate), Game announcements (Irregular).
Suppliers:	Value: Maintaining good interactive relationships, ensuring product quality. Engagement: Meetings and exhibitions (Monthly), Market analysis (Annually).



Stakeholders	Description	Value Enhancement	Engagement Methods	Frequency	2022 Communication Results (Quantitative Indicators)	Name	Frequency/Sessions/Hours
Investors/Shareholders	"Transmit and disclose accurate, objective, and real-time information through diversified channels, and collect feedback and opinions from stakeholders, allowing Symphony to continuously adjust strategies and methods on the path of corporate sustainability, respond to public expectations, and demonstrate social influence."	Shareholder Meetings / Investor Conferences / Annual Reports and Sustainability Reports / Company Website Investor Zone / Real-time MOPS (Market Observation Post System) / Real-time Telephone, Fax, and E-mail / Real-time	Investor conferences, reporting the company's latest operations and financial status to shareholders/investors, and announcement on the company's official website	Annually Annually Annually Real-time Real-time Real-time	Meeting method Annually Annually Email & Phone Real-time MOPS Declaration Announcement or release of material information	Shareholder Meeting Investor Conference Annual Report and Sustainability Report Company Website Investor Zone MOPS Telephone, Fax, and E-mail	Once a year Once a year Once a year Real-time Real-time Real-time
Employees	Based on employee needs, maintain the rights and interests of every employee, respect and care for team members, create a safe and healthy workplace environment, and actively develop talent.	<ul style="list-style-type: none"> ◆ Strengthen team collaboration, enhance organizational performance ◆ Implement corporate vision, achieve long-term development ◆ Continuous innovation and breakthroughs, enhance market competitiveness ◆ Enhance talent literacy, build a highly efficient and professional team 	<div style="display: flex; align-items: center;"> Internal various meetings <div style="border: 1px solid #ccc; padding: 2px 10px; border-radius: 5px; display: flex; align-items: center;"> Irregular Quarterly Annually Irregular Irregular Irregular </div> </div> <div style="display: flex; align-items: center;"> Hold educational training <div style="border: 1px solid #ccc; padding: 2px 10px; border-radius: 5px; display: flex; align-items: center;"> Internal education and Internal education and training External education and </div> </div>		<div style="display: flex; align-items: center;"> Meeting method <div style="border: 1px solid #ccc; padding: 2px 10px; border-radius: 5px; display: flex; align-items: center;"> Employee Welfare Committee Labor-Management Conference Performance Appraisal Complaint Channel </div> </div> <div style="display: flex; align-items: center;"> Contact Customer Service <div style="border: 1px solid #ccc; padding: 2px 10px; border-radius: 5px; display: flex; align-items: center;"> Official website - Contact Customer Service E-Mail Fan page private messages Various game official Fan pages </div> </div> <div style="display: flex; align-items: center;"> Industry Exhibitions <div style="border: 1px solid #ccc; padding: 2px 10px; border-radius: 5px; display: flex; align-items: center;"> Participate in industry-related domestic and international exhibitions and conferences </div> </div>	<div style="display: flex; align-items: center;"> 5 sessions 4 sessions Once a year andychen@mangot5.com </div> <div style="display: flex; align-items: center;"> 50 sessions 3 hours 29 sessions </div> <div style="display: flex; align-items: center;"> 72095 88527 13734 3318 3085 </div> <div style="display: flex; align-items: center;"> 2 sessions Annually 12 sessions </div>	
Consumers	Ensure the safety of information provided by customers, assist in understanding their questions and feedback, and establish a bridge for internal communication based on a fair stance.	<ul style="list-style-type: none"> ◆ Revenue sources ◆ Customer feedback collection and improvement ◆ Transparent product information disclosure, enhancing consumer confidence 	<div style="display: flex; align-items: center;"> Consumer mailbox, official website, fan page messages Various game official website announcements </div>	<div style="display: flex; align-items: center;"> 24-hour reception of user feedback, sequential reply </div>			
Suppliers	Maintain good interaction with all suppliers, strictly control supplier quality and management maintenance to ensure we jointly and continuously provide high-quality services, and actively expand more high-quality supplier partners.	<div style="display: flex; align-items: center;"> Reduce costs Product quality maintenance </div>	<div style="display: flex; align-items: center;"> Online and offline various meetings, participating in various industry-related events </div>	<div style="display: flex; align-items: center;"> Monthly </div>	<div style="display: flex; align-items: center;"> Information sharing Market trend analysis </div>		

1.7 Material Topic Identification

Material Topic	Materiality Level	Related SDGs	Positive / Negative Impact Description	Relevant GRI Topic-specific Standards	Upstream (Suppliers)	Operations (Employees)	Operations (Shareholders)	Downstream (Consumers)	Related Chapter
1. Operating Performance	Key	SDG 16 Peace, Justice and Strong Institutions SDG 17 Partnerships for the Goals	Positive impacts: <ul style="list-style-type: none"> Stable revenue and profits enable HappyTuk to invest more resources in new game development, technology upgrades, market expansion, and talent recruitment. Strong financial performance can enhance share price and deliver higher returns to shareholders. Negative impacts: <ul style="list-style-type: none"> Reduced investment & stalled development: Revenue decline or losses may lead HappyTuk to cut R&D budgets, delay new game development, and even face layoffs and stagnation risks. Weakened competitiveness: If stable growth and innovation cannot be sustained, HappyTuk may lose its competitive edge in an intensely competitive gaming market. 	GRI 201: Economic Performance GRI 206: Anti-competitive Behavior	●	●	●	●	CH1 About HappyTuk
2. Customer Service	Key	SDG 3 Good Health and Well-being SDG 12 Responsible Consumption and Production	Positive impacts: <ul style="list-style-type: none"> Fast and professional service helps players feel valued, strengthening loyalty to the game and brand. Proactively responding to player needs and resolving issues builds trust and respect, fostering a positive and healthy community environment. Negative impacts: <ul style="list-style-type: none"> Delayed responses, ineffective problem solving, or poor service attitude may cause dissatisfaction, negative reviews, and reputational damage. Improper handling of complaints or misconduct may intensify community conflicts and affect other players' experience. Players who cannot obtain effective support over time may lose confidence and leave the game. 	GRI 416: Customer Health and Safety GRI 418: Customer Privacy				●	CH2 Sustainability Governance
3. Labor – Management Relations	Key	SDG 3 Good Health and Well-being SDG 4 Quality Education SDG 8 Decent Work and Economic Growth SDG 10 Reduced Inequalities	Positive impacts: <ul style="list-style-type: none"> Competitive compensation/benefits, a supportive work environment, and career development opportunities help attract top game developers and professionals and reduce turnover. Employees who feel respected and recognized are more motivated, improving overall productivity and creativity. Negative impacts: <ul style="list-style-type: none"> Feeling disrespected or lacking a sense of belonging may reduce motivation and affect development progress and quality. Lack of effective communication channels can lead to misunderstandings and conflicts, undermining teamwork. 	GRI 401 : Employment GRI 402: Labor/Management Relations GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity	●				CH3 Happy Workplace
4. Supply Chain Management	Key	SDG 12 Responsible Consumption and Production SDG 17 Partnerships for the Goals	Positive impacts: <ul style="list-style-type: none"> Working with professional and reliable suppliers helps ensure key resources for game development (e.g., art, sound effects) meet high-quality standards and are delivered on time. Effective supplier collaboration management can optimize development processes and reduce unnecessary costs. Negative impacts: <ul style="list-style-type: none"> Unstable server supplier services may cause crashes/latency and seriously impact player experience. Poor coordination with publishing platforms or inadequate localization quality may affect launch schedules and market performance. 	GRI 414: Supplier Social Assessment	●			●	CH2 Sustainability Gove

Procedure for Remediying Negative Impacts (GRI 2-25) The Company identifies and assesses actual or potential negative impacts on the economy, environment, and people (including human rights) through regular assessments, communication with stakeholders, and grievance mechanisms. If actual negative impacts are identified, the Company will provide mitigation or remediation measures; for potential negative impacts, preventive measures will be taken.

Material Topics, Management Approach, and Sustainability Goals (GRI 2-23; GRI 2-24)

Material Topic	Material Topic Description	Management Approach	Sustainability Goals
1. Operating Performance	Overall operating performance in the game market, including revenue growth, profitability, market share, brand value, the success of new games and services, and the stability of the financial structure. Strong operating performance is the foundation for HappyTuk to continue investing in innovation, enhance player experience, and deliver returns to shareholders and employees.	<ul style="list-style-type: none"> Continuously monitor market trends and player needs to accurately define directions for new game development. Improve game operations efficiency; optimize monetization design to increase conversion and paying rate. Strictly control operating costs and improve resource utilization efficiency. Actively expand overseas markets to diversify and grow revenue sources. 	<ul style="list-style-type: none"> Drive steady growth of the game business and progressively improve operating results. Strengthen portfolio competitiveness and enhance overall profitability of the game business. Continue investing in new game development and innovative services to expand market influence and strengthen financial soundness.
2. Customer Service	Provide a comprehensive service experience for players, covering in-game and out-of-game technical support, inquiries, account management, complaint handling, community interaction, and convenient complaint channels. High-quality customer service is key to improving satisfaction, building loyalty, and maintaining a healthy community environment.	<ul style="list-style-type: none"> Establish robust customer service processes and a knowledge base to enhance team professionalism and efficiency. Strengthen training for customer service staff to improve communication skills and empathy. Build a multi-channel support system to make it easy for players to reach us. Regularly analyze complaint data to identify recurring issues and improve game design. Implement effective community management; proactively respond to feedback and maintain community order. 	<ul style="list-style-type: none"> Continuously optimize player experience and improve overall service satisfaction and trust. Strengthen complaint response and handling procedures to ensure issues receive timely responses and resolution. Build a friendly and inclusive gaming/service environment so different player groups can have a good experience. Maintain a healthy and positive community atmosphere; enhance cohesion and safety.
3. Labor - Management Relations	Build and maintain strong relationships with employees, covering compensation and benefits, work environment, career development, training, communication channels, and recognition of employee creativity and contributions. Sound labor - management relations are essential to attract, retain, and motivate outstanding game development talent.	<ul style="list-style-type: none"> Regularly review and adjust compensation and benefits to remain competitive in the industry. Provide diverse training and development opportunities to support career growth. Foster an open, inclusive, and respectful corporate culture. Establish multi-level communication channels and encourage employees to share ideas and suggestions. Prioritize employees' physical and mental well-being and provide relevant support and resources. 	<ul style="list-style-type: none"> Continuously improve employee satisfaction and create an attractive workplace. Strengthen talent development and career support to enable professional growth and diverse development paths. Actively promote diversity, equity, and inclusion, building a culture that respects differences. Emphasize employee safety and health; continue implementing preventive health promotion programs.
4. Supply Chain Management	In the gaming industry, supply chain management covers the resources, technologies, and partners needed for game development, as well as the end-to-end process of delivering game products or services to players.	<ul style="list-style-type: none"> Establish comprehensive supplier selection and evaluation processes, incorporating considerations such as quality, price, lead time, information security, and compliance. Build long-term partnerships with key suppliers; strengthen communication and collaboration. Set clear service agreements (SLAs) and quality standards. Regularly monitor supplier performance and address potential issues in a timely manner. Establish supply chain risk management mechanisms and contingency plans for unexpected events. 	<ul style="list-style-type: none"> Implement responsible sourcing and work with suppliers that value sustainable development. Enhance supply chain transparency and strengthen partners' information disclosure and compliance. Diversify supply sources to improve resilience and stability, reducing reliance on single-source risks.

CH2 Sustainable Governance



CH2 Sustainable Governance

2.1 Corporate Governance

2.2 Risk Management

2.3 Integrity Management

2.4 Product Innovation

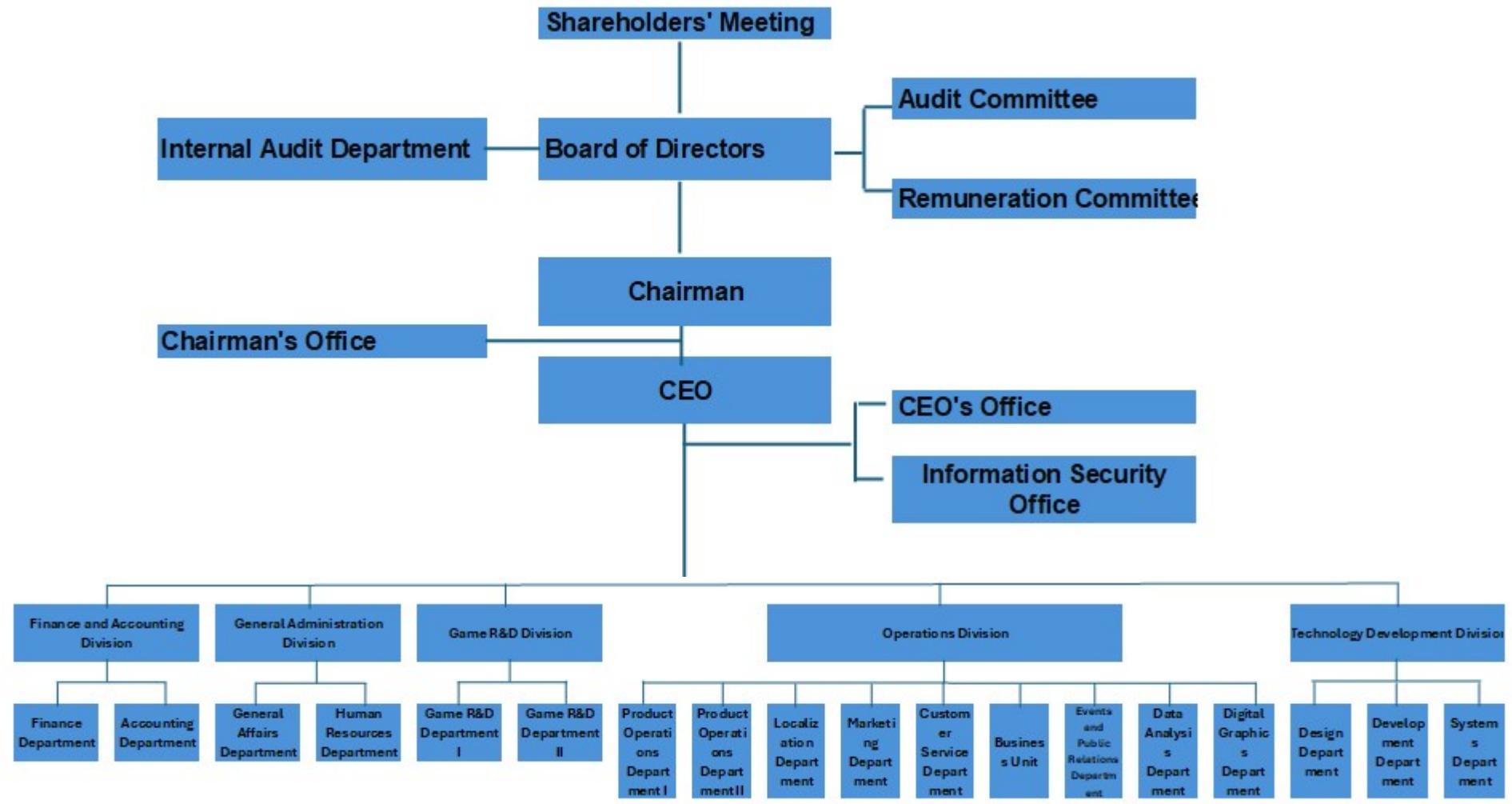
2.5 Information Security

2.6 Supply Chain Management

2.7 Customer Service

2.1 Corporate Governance Structure (GRI 2-9)

Organizational Chart and Responsibilities



- **Audit Department:**

1. Establishing and maintaining the internal control system, measuring the effectiveness of policy execution, and providing suggestions for improvement.
2. Protecting company assets and preventing waste, fraud, and inefficiency.
3. Auditing various routine and special audit items and anomalies.
4. Investigating and evaluating the soundness of internal controls in each department and the execution of annual audit plans.
5. Writing audit reports and tracking improvement operations.
6. Conducting internal audits on various internal operations of the company and regularly reporting audit status to relevant personnel.

- **Chairman's Office:**

1. Formulating, planning, and supervising company management guidelines and quality policy goals.
2. Formulating phased or overall business strategies and revising business performance.
3. Executing overall business supervision and coordinating various units.
4. Planning and executing resolutions of the Board of Directors.

- **CEO Office:**

1. Executing policy resolutions of the Board of Directors and operational strategies; responsible for integrating business unit heads to promote various businesses and formulating internal management systems.

- **Information Security Office:**

1. Responsible for the governance, planning, education and training, supervision, and execution promotion of company information security; continuously strengthening defense and response capabilities to ensure continuous operation management decisions, effective system operation, and information integrity and availability.

- **Finance & Accounting Department:**
 1. **Finance Division:** Planning and reviewing matters such as fund dispatching, financial management, and budget control; stock affairs, shareholders' meeting planning, Board of Directors planning, formulation of Articles of Incorporation, and stock agency contact matters.
 2. **Accounting Division:** Handling various company accounts and tax matters; reviewing and verifying expense expenditures; compiling and analyzing financial statements and management reports; and assisting in the compilation of annual budgets.
- **General Administration Department:**
 1. **HR Division:** Handling human resource management and development planning for company culture and talent selection, employment, training, and retention; managing company compensation and welfare policies and distribution operations.
 2. **General Affairs Division:** Managing office equipment, fixed assets, real estate, insurance, and safety and health management.
- **Operation Business Department:**
 1. **Product Operation Division I & II:** Product market analysis and channel research, game testing, and channel cooperation promotion execution.
 2. **Localization Division:** Translation of various game texts, proofreading of Chinese localization, and production of game terminology.

3. **Marketing Division:** Execution of product promotional activities, utilization of various media, and planning and execution of various activities.
4. **Customer Service Division:** Member online services, troubleshooting of anomalies, and member management.
5. **Business Division:** Planning, evaluation, investigation of overseas market development, and business development for importing new overseas products.
6. **Mobile Game Business Division:** Operation and planning execution of mobile games, maintenance of game quality, and management of member-related services.
7. **Event & PR Division:** Coordinating internal and external online and offline activities, promotional video production, YouTube channel management, media procurement, and serving as the company's external activity contact.
8. **Data Analysis Division:** Using data analysis results to provide business insights and suggestions to help the organization make smarter decisions.
9. **Digital Graphics Division:** Production and design of digital graphics, illustrations, characters, and scenes.

- **Technical Development Department:**
 1. **Design Division:** Various art content creation and visual design planning for platform webpages.
 2. **System Division:** Game system planning, maintenance, management, website program development, and technical support.
 3. **Development Division:** Game website development and maintenance, member serial connection payment API development, and technical support.
- **Game R&D Department: Game R&D Division I & II:** Responsible for the research and development of new games and commercialization project execution

- **Korea Office:** Assisting in handling relevant game technical support in the Korean region and contacting Korean original manufacturers.

Board of Directors Operations (GRI 2-10, 2-11, 2-15) HappyTuk values the operational efficiency and independence of the Board of Directors. In accordance with regulations, the Board convenes at least once every quarter, and all major proposals are submitted to the Board for full discussion and decision-making. To strengthen corporate governance, HappyTuk has four Independent Directors, accounting for four-sevenths of the total Board seats, complying with relevant laws and regulations. The powers and responsibilities between Independent Directors and Non-Independent Directors are clearly defined, effectively exercising supervision functions and protecting the rights and interests of the company and shareholders.

HappyTuk values the diversity of Board members. The Board consists of seven directors, currently including two female directors, accounting for 29%. Members possess diverse academic and professional backgrounds, covering fields such as business management, financial accounting, law, information technology, and international trade. Among them, Independent Directors have extensive professional knowledge and practical experience in accounting, law, and corporate governance, which helps improve the quality of Board decisions and supervision effectiveness. This brings a more comprehensive perspective and thorough consideration to the company, thereby enhancing the quality of Board decisions and promoting the company's steady development.

Title	Name	Meetings Required to	Meetings Actually	Actual Attendance
		Attend	Attended	Rate
Chairman	Liang, Min-Yung	11	11	100%
Director	Tsuei, Cheng-Pil (Representative of San Cong Investment Co., Ltd.)	9	9	100%
Director	Jiang, Jyh-Hoon (Representative of San Cong Investment Co., Ltd.)	2	2	100%
Director	Wu, Ching-Lung	11	11	100%
Director	Yu, Wei-Huang	11	11	100%
Independent Director	Huang, Yih-Shyh	11	11	100%
Independent Director	Hsieh, Yi-Ting	11	11	100%
Independent Director	Chang, Chin-Chin	11	11	100%

Director Training (GRI 2-17, 2-18) All directors pursue continuing education and disclose it regularly in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies." In 2024, there were a total of 7 directors. According to the law, each person must complete at least 6 hours of courses, and newly appointed directors must complete 12 hours. The total completed hours were 69 hours. Courses included:

Securities and Exchange regulations, Corporate Governance, and ESG issues. To strengthen the support provided to directors in exercising their duties and enhance Board effectiveness, the Board resolved to appoint a Corporate Governance Officer. The main duties include handling Board and Shareholders' meeting matters according to law, producing minutes for Board and Shareholders' meetings, assisting in director induction and continuing education, providing information required for directors to execute business, and assisting directors in complying with laws and regulations.

Board of Directors Conflict of Interest Avoidance (GRI 2-15) Executed in accordance with Article 15 of the Company's Rules of Procedure for Board of Directors Meetings; if a director has a personal interest or represents a legal entity with an interest in a meeting agenda item, they shall explain the material content of their interest at the Board meeting. If there is a risk of harming the company's interests, they may not participate in the discussion and voting, shall recuse themselves during discussion and voting, and may not exercise voting rights on behalf of other directors.

Board of Directors Performance Evaluation (GRI 2-17, 2-18) HappyTuk's Board performance evaluation uses an annual cycle, principally conducted through self-assessment questionnaires each year. The content of the questionnaire covers the overall operation of the Board, decision quality, contribution to company strategy, and the participation and professional contribution of individual directors. The evaluation questionnaires are collected by the Board agenda unit, consolidated and analyzed, and the results are reported to the Board. Based on the evaluation results, the Board reviews strengths and areas for improvement and formulates corresponding enhancement plans to continuously optimize the Board's operational effectiveness.

In addition, to ensure the objectivity and external perspective of the evaluation, HappyTuk plans to conduct an external Board performance evaluation at least once every three years. The external evaluation will be commissioned to a professional independent third-party institution, providing deeper analysis and recommendations for the Board through more comprehensive assessment methods.

HappyTuk believes that through regular and systematic Board performance evaluations, the overall effectiveness of the Board can be effectively improved, corporate governance mechanisms strengthened, and the company's long-term stable development promoted.

Evaluation Cycle	Evaluation Period	Scope	Method
Once a year	2024/01/01 ~ 2024/12/31	1. Board of Directors 2. Individual Board Members 3. Functional Committees.	Internal self-assessment by the Board and Functional Committees; Self-assessment by Board members.
<ul style="list-style-type: none"> Evaluation Content: <ol style="list-style-type: none"> Board Performance: Participation in company operations, improvement of Board decision quality, Board composition and structure, election and continuing education of directors, internal control. Individual Director Performance: Grasp of company goals and missions, awareness of director duties, participation in company operations, internal relationship management and communication, director professionalism and continuing education, internal control. Functional Committees (Audit & Remuneration) Performance: Participation in company operations, awareness of committee duties, improvement of committee decision quality, committee composition and member election, internal control. 2024 Evaluation Results (Out of 5 points): <ul style="list-style-type: none"> (1) Board Overall Score: Average 4.64 (2) Board Member Score: Average 4.70 (3) Audit Committee Score: Average 4.91 (4) Remuneration Committee Score: Average 4.99 			

Remuneration Committee HappyTuk established the "Remuneration Committee Charter" in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of Companies Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" and set up the Remuneration Committee in 2024. The committee meets at least twice a year. In 2024, 5 meetings were held with an attendance rate of 100%.

HappyTuk's remuneration policy can be found on page 13 of the 2024 Annual Report, explaining the policy, standards, and structure for remuneration payments, as well as the correlation between remuneration plans and operating performance and future risks. It also discloses the remuneration distribution for directors, the general manager, and vice presidents.

The remuneration setting procedure follows the Articles of Incorporation and approval authority regulations. In addition, the Board of Directors will gradually incorporate sustainable business performance into supplementary considerations. However, in 2024, performance indicators related to environmental and social impacts have not yet been established as supplementary considerations.

Remuneration Policy (GRI 2-19, GRI 2-20)

The remuneration and review of compensation at Mangot5 are conducted in accordance with the regulations and resolutions of the Remuneration Committee. The remuneration of directors and independent directors is allocated in accordance with the Company's Articles of Incorporation, approved by the Board of Directors, and reported to the shareholders' meeting.

The remuneration of senior executives is determined based on a comprehensive assessment of their contributions to the Company, with reference to industry compensation benchmarks. Adjustments are made by taking into account actual operating performance, including the achievement of sustainability-related objectives, as well as assessments of potential future risks.

Employee remuneration is distributed in accordance with the Company's Articles of Incorporation, approved by the Board of Directors, and reported to the shareholders' meeting. Through a transparent and competitive remuneration policy, Mangot5 aims to attract, motivate, and retain outstanding talent, working together to support the Company's long-term sustainable development.

Audit Committee HappyTuk established the Audit Committee in 2022. The committee meets at least once per quarter. In 2024, 8 meetings were held with an attendance rate of 100%. Before each quarterly Board meeting, the Audit Committee regularly convenes with the internal audit department and certified public accountants to review operational results, financial statements, internal controls, internal audit plans, and results. Ordinarily, the audit supervisor and accountants can contact the Independent Directors directly as needed; accountants report on the review or audit of financial reports to the Independent Directors during the quarterly Audit Committee meetings; Independent Directors receive audit reports monthly. In 2024, 4 separate meetings were held with accountants and the audit supervisor without general directors and management present to discuss audit business execution and external audit opinions.

(Table: Independent Directors Attendance)

Details	2023	2024
Independent Director Meetings	7 times	8 times
Number of Independent Directors	4	4
Attendance Rate	93%	100%

Audit Department To strengthen internal control and improve operational efficiency, HappyTuk has established an Audit Department directly subordinate to the Board of Directors to independently exercise internal audit powers. The Audit Department is specifically responsible for the company's internal audit work. Its main duty is to assist the Board of Directors and managers in inspecting and reviewing the design and execution effectiveness of the company's internal control system and providing suggestions for improvement on discovered deficiencies to ensure the continuous and effective implementation of the internal control system. The audit results serve as an important basis for the company to review and revise the internal control system.

Regarding external audits, HappyTuk complies with the regulations of the competent authorities and cooperates with relevant on-site inspections. Regarding inspection results and suggestions from the competent authorities, the Company actively cooperates and implements relevant internal control mechanisms to continuously strengthen self-management and improve the company's operating constitution.

In addition to routine audits, the Audit Department is also responsible for evaluating various internal management systems and planning internal audits, continuously reviewing and optimizing internal controls to reduce operational management risks. At the same time, the Audit Department actively assists various departments in strengthening internal control awareness to ensure that various management measures can be effectively implemented to support the realization of the company's sustainable operation goals. No major violation incidents occurred in 2024.

Assessment Indicator	Item	2023	2024
Regulatory Compliance	Major Deficiencies	2 audit report items (rectified)	1 audit report item (rectified)
Internal Process Smoothness	Execution degree of the "Nine Major Cycles"	Execution degree: 62.5% 4 audit report items (rectified)	Execution degree: 100% 0 times
Internal Audit	Internal Control Statement	Yes	Yes
	Annual Audit Plan	44	41
	Annual Audit Items	44	42
	Documented information from internal self-assessment	Yes	Yes
	Execution time point of internal audit plan	Compliant with planned time	Compliant with planned time
Auditor Professionalism	Auditors possess qualified certificates	-	Enterprise internal control basic competency test qualified certificate ISO27001 LA
	Planning for regular auditor training	Annual advanced training for audit supervisor and agent	Annual advanced training for audit supervisor and agent
	Auditor regular training hours	12 hours	12 hours

Internal Control System Statement (Standard legal text confirming the establishment, implementation, and maintenance of the internal control system is the responsibility of the Board and management, and confirming the system's effectiveness for the year 2024.)

2.2 Risk Management

HappyTuk, as an emerging company listed in 2024, deeply understands that sound corporate governance and risk management are crucial for practicing sustainable business concepts. To this end, HappyTuk is actively establishing and gradually improving its risk management system to cope with various challenges that may be encountered during operations. The Company established "Risk Management Policies and Procedures" in 2023, approved by the Board of Directors. The Board is the highest responsible body for risk management, and a risk management organization is established internally, with the CEO as the convener, to coordinate and manage cross-departmental risk matters.

At this stage, HappyTuk has initiated risk identification and assessment work. Based on their operating scenarios, various departments identify potential risk categories at the company level from key aspects such as **Cyber Security, Regulatory Compliance, Supply Chain Management, and Financial Operations**. We preliminarily evaluate the potential materiality of risks in the company's operation process by considering factors such as financial impact, reputation impact, policy and litigation risks, and technological replaceability.

To more accurately assess material risk issues, the Company will refer to the materiality principles set out in its Sustainability Report and proactively engage in communication with both internal and external stakeholders, while integrating assessment data from various departments.

Going forward, the Sustainability Development Task Force will further analyze and confirm ESG issues that have a significant impact on the Company's sustainable operations by referencing industry practices in risk management. Based on these findings, the Company will formulate effective risk management policies and specific action plans.

In 2024, HappyTuk conducted regular reviews and concerns regarding risks in its responsible areas. For example, the IT department paid high attention to cyber security risks and was committed to strengthening security protection measures; the Legal department closely tracked relevant regulatory changes to ensure legal compliance of company operations; the Operation department prudently evaluated supply chain stability and potential risks; and the Finance department continuously monitored financial status and market changes to reduce financial risks.

Looking ahead, HappyTuk will continue to invest resources to accelerate the improvement of the risk management system. We will gradually establish systematic risk identification, measurement assessment, supervision, and control mechanisms, and regularly review and update risk management policies to reduce the impact of relevant risks on company operations, protect shareholder rights, and practice the commitment to sustainable operation.



Cybersecurity



Regulatory Compliance



Supply Chain



Financial Condition

2.3 Integrity Management (GRI 2-23, 2-24)

Integrity management is the cornerstone of HappyTuk's core values. To implement this concept, HappyTuk has established a dedicated unit under the Board of Directors—the Audit Unit—responsible for formulating integrity management policies and prevention plans and supervising their execution. The Audit Unit reports the execution status of integrity management to the Board of Directors annually and has established "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct."

The content of the "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" covers anti-corruption policies, employee codes of conduct, and handling procedures for political contributions and charitable donations, serving as behavioral guidelines for all HappyTuk employees and directors when executing business. HappyTuk promises to publicly disclose the implementation status and measures taken for integrity management to all stakeholders annually and accepts inspection from all sectors.

To deepen the concept of integrity management, HappyTuk plans to establish online courses on integrity management starting in 2026. The Chairman, CEO, and senior management will promote the importance and values of integrity management to internal employees and use it as the highest guiding principle for employee ethical behavior.

HappyTuk has also established a "Supplier Management Policy," explicitly requiring company personnel not to directly or indirectly provide, accept, promise, or request any improper benefits or engage in other acts that violate integrity, laws, or breach fiduciary duties during the execution of business. HappyTuk has strict control mechanisms in links such as procurement, bargaining, acceptance, and evaluation to ensure supplier quality and eliminate any fraudulent behavior.

HappyTuk firmly believes that integrity management is the foundation of sustainable corporate development. We will continue to strengthen relevant mechanisms to ensure that all colleagues work together for the company's long-term development on the basis of integrity. **In 2024, no incidents of bribery or corruption involving employees occurred.**

Whistleblowing Mechanism and Grievance Channels (GRI 2-25, 2-26) HappyTuk provides open, transparent, and diverse grievance channels and has an anonymous mechanism to protect the rights of whistleblowers from persecution. Dedicated

personnel are responsible for accepting all reported cases and will follow rigorous procedures for subsequent verification and response. Once a complaint is received and verified to be true, the Company will immediately require the reported person to stop relevant behavior and make appropriate dispositions according to laws and company regulations. Relevant responsible units will also conduct in-depth reviews of the reported matters, comprehensively review relevant internal control systems and operating procedures, and propose specific improvement measures to effectively prevent similar incidents from happening again.

HappyTuk promises to strictly keep the identity information of all whistleblowers confidential and ensure an environment free from retaliation or harassment during the investigation process, encouraging all stakeholders to bravely put forward their well-intentioned opinions and reports to jointly maintain HappyTuk's corporate culture of integrity management.

- **Whistleblowing Email:** relationship@mangot5.com

Regulatory Compliance (GRI 2-27) We maintain high vigilance in daily operations to ensure compliance with relevant laws and regulations. The company regularly compiles laws and regulations related to operations. If there are additions or revisions, the responsible unit will immediately review whether the business model and behavior comply with legal requirements and quickly provide references to the management level to assist in adjusting operations, ensuring that company activities continue to operate effectively and efficiently.

Penalty Cases In 2024, after careful assessment, HappyTuk did not have any incidents of violating health and safety regulations for products and services, nor was it involved in any penalty cases related to environmental protection or company rights. These results fully reflect the company's high regard for regulatory compliance and continuous efforts during the operation process.

There were no incidents of significant financial loss caused by litigation related to integrity management, anti-competitive behavior, anti-trust, or monopoly regulations.

However, some game products licensed by the Company caused doubts among some players due to discrepancies between the information provided by partners and the actual game settings during the year. As a member of the game industry,

HappyTuk understands the importance of integrity and transparency in maintaining player trust. Upon noticing the relevant situation, HappyTuk immediately activated response mechanisms, actively conducting clarification, communication, and compensation measures to protect player rights. In addition to doing our best to compensate affected players, we comprehensively reviewed internal management processes, especially strengthening internal control management for the disclosure of information such as game content and probability announcements to ensure accuracy and consistency. Externally, HappyTuk also actively communicated with the player community, explaining the situation and providing corresponding compensation plans, dedicated to rebuilding player confidence in the game and HappyTuk. We uphold the attitude of correcting mistakes and view this incident as an important experience for improving internal management and strengthening communication with players. We will continue to improve and operate with a more responsible attitude to repay players' support and trust.

External Organization Participation (GRI 2-28) HappyTuk actively participates in various industry and non-profit social groups aimed at promoting industry exchange, jointly developing cooperation opportunities, and actively establishing good communication channels with various stakeholders. We are dedicated to creating a high-quality industry development environment, shaping a positive social image, and jointly planning the vision for industry development.

Important External Organization Participation:

- Taiwan Game Industry Promotion Alliance
- Taiwan Game Development Association

2.4 Product Innovation

Innovation Investment and R&D In the global digital entertainment market, the mobile game industry faces dual challenges of technological innovation and sustainable development. HappyTuk centers on satisfying players' entertainment needs and is dedicated to creating innovative and diverse game experiences through the collaborative efforts of internal teams. regarding R&D strategy, HappyTuk upholds the vision of "Deepening the value of classic IP and expanding a diverse game ecosystem." We continuously invest in technological upgrades for game platforms, licensing and independent R&D of diverse game genres, and actively explore the application of emerging technologies in the gaming field to meet the preferences and cultures of players from different generations.

HappyTuk Co., Ltd. upholds the principles of Environmental, Social, and Governance (ESG) and is committed to developing high-efficiency, low-energy-consumption game technologies to create a win-win outcome for both business growth and environmental sustainability.

The core objectives of the R&D program are:

Enjoyable Gameplay

- **Emphasis on gameplay**
- **Simplified operation design**
- **Reasonable game time management**
- **Equal effort and reward**

Interactive Collaboration

- **Active player community management**
- **Cooperation system that encourages mutual assistance**
- **Story development that generates buzz**
- **Diverse in-game community mechanisms**

Low Operating Costs

- **Low-load, high-efficiency servers**
- **Dynamic resource allocation**
- **AI virtual player technology**
- **Stable and scalable framework**

R&D Results HappyTuk understands that innovation and R&D are key engines driving continuous corporate growth. In 2024, HappyTuk invested **NT\$25,170 thousand** in R&D activities, accounting for **2.5%** of the net consolidated revenue for the year. This R&D expense was mainly used to improve game platform technology, optimize existing game content, explore new game engines and development tools, and actively invest in the independent R&D of mobile games.

Looking ahead, HappyTuk will continue to develop new products and technologies. Key directions include:

1. **Next-Generation Game Technology Research:** Exploring cloud gaming, AI applications in games, and optimized game engine technologies to improve game graphics, interactivity, and player experience.
2. **Diversified Game Product Line Expansion:** Accelerating the process of independent mobile game R&D and actively looking for opportunities to cooperate with different types of IPs to expand the coverage of game products.
3. **Platform Function Innovation and Optimization:** Continuously improving the functions of the "MangoT5" game platform, enhancing its stability, security, and data analysis capabilities to provide players with more convenient and personalized services.
4. **Explore the emerging entertainment field:** Focus on the trend of integrating gaming with other forms of entertainment, and look for new development opportunities.

HappyTuk firmly believes that sustained and stable investment in research and development will continue to enhance its technological capabilities and product competitiveness. Through ongoing innovation, the Company aims to deliver richer and more diverse gaming experiences for players, while ensuring long-term growth and resilience in a rapidly evolving gaming industry.

Unit: NT\$ Thousand; %

Item / Year	2022	2023	2024
R&D Expenditure (A)	7,746	20,671	25,170
Net Revenue (B)	648,765	579,364	1,011,516
(A) / (B) (%)	1.2%	3.6%	2.5%
Number of Employees	16	30	30

2024 Development Achievements

1. Completed the first self-developed domestic Steam platform Roguelike management single-player game "*Smoke & Chatter: Grey Hawk*", successfully launched in September 2024.
2. Completed the first self-developed interactive advertisement "*Doremi: Puzzle Carnival*" in coordination with the company's marketing promotion plan, enhancing brand exposure and traffic diversion effectiveness.
3. Game Framework "*Nomu*": Continuously improved and optimized performance, reduced system coupling, and added dynamic performance modules to enhance game expressiveness.
4. Server Framework "*Mizugo*": Expanded database access and search behaviors, optimized message comparison levels, strengthened log recording functions, and adjusted error protection mechanisms to improve performance, stability, and compatibility.

Innovative Business Development

HappyTuk centers its operations on the gaming industry while actively expanding into diversified business areas, with the objective of building a more resilient organization with strong growth potential. The Company's diversification strategy is designed to support its long-term development within the digital entertainment industry and focuses on the following key strategic directions:



Looking toward the broad future of the digital entertainment industry, HappyTuk actively promotes a diversified business strategy aimed at building a more resilient organization with strong growth potential.

In terms of game operations, HappyTuk will continue to strengthen its presence in existing markets by leveraging refined operational management and localization strategies to enhance player experience and loyalty. At the same time, the Company will actively explore a wider range of game genres and expand its game portfolio through collaborations with high-quality domestic and international IP partners, thereby meeting the diverse needs of different player segments.

With respect to technology research and development, HappyTuk will continue to invest resources in the enhancement and innovation of its proprietary technology platforms to improve development efficiency and game quality. The Company will also closely monitor the application of cutting-edge technologies—such as cloud computing and artificial intelligence—within the gaming industry and related fields, and explore opportunities to integrate these technologies into its products and services to strengthen its competitive advantages.

Intellectual Property Management Strategy			
Overall Goals	Strategic Directions	Specific Policies	Action Plans
<ul style="list-style-type: none"> • Reduce operating costs and risks • Safeguard innovation results and competitive advantages • Enhance corporate value and profitability • Support the company's sustainable development 	<ol style="list-style-type: none"> 1. Active protection of core innovation (Patents) 2. Strengthen copyright management of game content (Copyrights) 3. Establish strong brands and trademark protection (Trademarks) 4. Strictly control trade secrets (Trade Secrets) 5. Proactive monitoring and response to infringement (Infringement Management) 6. Value partner's intellectual property rights (Partnerships) 	<p>1. Patent and Trademark Management Policy: Establish mechanisms for patent and trademark inventory, application, maintenance, and monitoring to ensure legal protection for the company's core technology and brand identity.</p> <p>2. Copyright Protection Policy: Conduct copyright registration and management for original game content, art, music, and source code, etc., to prevent unauthorized use by others.</p> <p>3. Trade Secret Management Policy: Sign non-disclosure agreements and information control mechanisms to protect the company's trade secrets and development data.</p> <p>4. Infringement Response Policy: Establish infringement detection and response processes, and take legal action against external parties using the company's intellectual property without authorization, safeguarding the company's rights and interests.</p>	<ul style="list-style-type: none"> • Establish an intellectual property database • Strengthen employee intellectual property awareness training • Establish long-term cooperative relationships with external legal counsel • Regularly review and update intellectual property management strategies and methods

Intellectual Property Management

While **HappyTuk**'s core business focuses on game publishing and agency services, the Company's strategic direction actively emphasizes the development of innovative technologies and products. **HappyTuk** places a high value on research and innovation, recognizing them as key drivers of sustainable corporate growth. Accordingly, the Company continues to invest in research and development resources based on its operational objectives and actively promotes the planning and establishment of intellectual property (IP) management systems.

In alignment with relevant regulations and industry standards, **HappyTuk** has initiated the development of a foundational intellectual property management framework to strengthen awareness of and protection for innovation outcomes. The Company is progressively enhancing related management processes and plans to establish a more comprehensive and systematic intellectual property management strategy to support future business development and collaboration needs.

Through the continuous strengthening of its intellectual property management mechanisms, **HappyTuk** aims to effectively safeguard its rights in technological research and game content, mitigate potential infringement risks, and establish a solid legal foundation for future expansion. These efforts further enhance the Company's competitiveness, foster an internal culture of innovation, and ensure compliance with applicable regulatory requirements.

HappyTuk fully recognizes the critical importance of intellectual property management to long-term corporate development. The Company will continue to allocate necessary resources, optimize related processes and management strategies, and regularly report the progress of its intellectual property management initiatives to the Board of Directors, ensuring that the Company's innovative value is properly protected and that sustainable and stable growth is supported.

- **Trademarks:** As of March 31, 2025, a total of 39 domestic and foreign trademarks have been applied for, of which 16 have been obtained and 17 are pending.

In order to effectively utilize and protect the Company's intellectual property, HappyTuk has initiated the planning of its intellectual property strategy. Through a systematic approach, the Company aims to mitigate operational risks, enhance corporate profitability, and establish a strong competitive position within the highly competitive gaming industry.

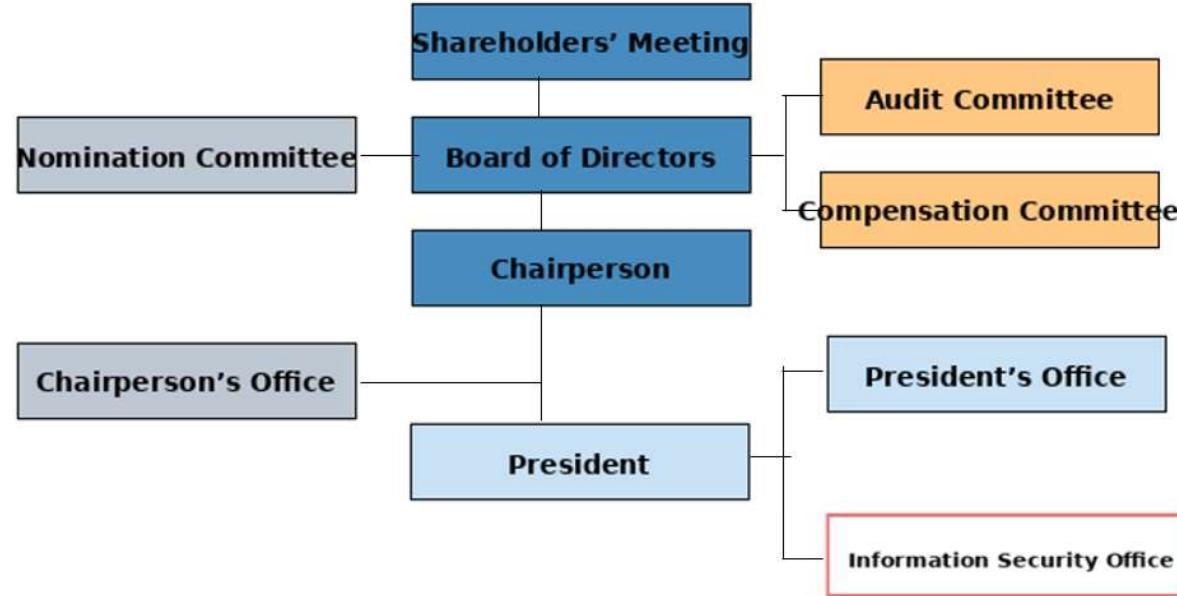
2.5 Information Security

Information Security Policy

HappyTuk has established an Information Security Policy, which is approved by the Chief Technology Officer, with the objective of setting out management principles for information security, cybersecurity governance systems, procedures, and computer hardware and software resources. These measures are designed to ensure the confidentiality, integrity, and availability of the Company's critical information.

- An information and cybersecurity promotion organization has been established, with appropriate allocations of human, material, and financial resources. Qualified personnel are appointed as the information security officer and information security staff to be responsible for the promotion, coordination, supervision, and review of information security management matters.
- Information security policies and objectives are formulated and approved by executives at the level of Vice President or above. The policies and objectives are reviewed on a regular basis, and their importance is effectively communicated to all employees.
- Information security operating procedures are established, covering core business functions and their criticality, information system inventory and risk assessment, secure development and maintenance of information systems, information security protection and control measures, management of outsourced information systems or information services, information security incident reporting and response, intelligence assessment and response mechanisms, as well as continuous improvement and performance management of information security.

- All personnel who use information systems are required to attend annual information security awareness training. In addition, managers and staff responsible for information security are required to complete annual professional information security training programs.



HappyTuk adopts the PDCA (Plan–Do–Check–Act) management cycle—encompassing planning and assessment, system design and implementation, review and audit, and continuous improvement—and emphasizes the principle of consistency between what is stated, documented, and executed. This approach enables the effective management of information security risks and ensures the continuity of the Company's services and operations.

In terms of risk management, the PDCA framework covers key processes including risk assessment, policy revision, protection deployment, risk monitoring, and security enhancement. Through this PDCA-based management cycle, HappyTuk continuously tracks the latest information security trends and conducts rolling reviews of its existing management and protection measures in response to changes in information services, operating environments, regulatory requirements, and other influencing factors. This ensures that the operation of the Company's information systems and network services consistently meets appropriate risk control standards.

PDCA Management Cycle

- **Plan:** Annually revise information security policies and regulations according to laws and trends.
- **Do:** Design and implement security controls (technical, management, physical) and conduct training.
- **Check:** Regularly check system effectiveness, conduct internal audits, penetration testing, and vulnerability scanning.
- **Act:** Analyze root causes of issues found, formulate improvement measures, and update policies.

Information Security Management

HappyTuk established an Information Security Office in 2022, responsible for promoting, coordinating, supervising, and reviewing information and communication security management matters. The Company's information security management aims to progressively achieve the following objectives to safeguard corporate assets and operations:

- Confidentiality:

Through stringent data access controls, information is accessible only to authorized users, preventing unauthorized disclosure.

- Integrity:

The accuracy and completeness of information and its processing methods are maintained through appropriate review mechanisms to ensure data reliability.

- Availability:

Authorized users are ensured timely and reliable access to required information during operations, while the continuous operation of information systems is maintained.

- Compliance:

All information processing procedures and practices comply with applicable laws and regulations, thereby reducing legal risks.

By achieving the above information security objectives, HappyTuk is committed to establishing a secure, reliable, and compliant information environment that provides a solid foundation for the Company's stable development. In the ongoing enhancement of its information and communication security risk management framework, the Company places strong emphasis on security protection across different operating environments as well as the safeguarding of critical information.

HappyTuk's information security management is implemented in accordance with three guiding principles: pre-incident prevention, in-process execution and monitoring, and post-incident response and recovery.

I. Pre-incident Prevention	II. In-Process Execution and Monitoring	III. Post-incident Response and Recovery
<p>Policy Planning: HappyTuk formulates an "Information Security Policy," approved by the Head of Technology, to define information security objectives and management principles. An Information Security Committee is established and chaired by the Head of Technology, who is responsible for developing and promoting information security.</p> <p>Risk Assessment and Protective Deployment: Information security risk analysis and impact assessments are conducted to establish appropriate protection mechanisms, including malware protection, network firewalls, intrusion detection and prevention systems, application firewalls, and advanced persistent threat (APT) protection, thereby building a multi-layered information security defense framework.</p> <p>Regulatory Framework Establishment: In response to laws, industry trends, and key regulatory requirements, HappyTuk annually reviews and revises its information security policies and related management procedures, covering data protection, operational security, outsourcing.</p> <p>Organizational Setup: An Information Security Office is established to promote, coordinate, supervise, and audit information security management matters across the organization.</p> <p>Objective Setting: The Company progressively advances information security objectives related to confidentiality, integrity, availability, and compliance, ensuring continuous improvement in information protection.</p>	<p>Implementation of Control Measures: Security controls are deployed and enforced across testing and production environments, including antivirus software, firewalls, intrusion detection systems, application firewalls, and APT protection mechanisms.</p> <p>Real-time Monitoring and Interception: Through security solutions such as network firewalls and Radware services, security threats are detected in real time, and abnormal traffic is automatically blocked to ensure the effectiveness of information security protection mechanisms.</p> <p>Periodic Review and Oversight: The Information Security Committee convenes regular meetings to review the implementation status of security management systems, evaluate operational risks, assess response plans, and review the maturity of information security management.</p> <p>Triple Backup Architecture: A scheduled backup mechanism is implemented, adopting a three-tier backup architecture consisting of primary servers, backup servers, and cloud environments to ensure the security of critical</p> <p>Access Control and Review:</p> <p>Access controls are enforced for information usage, ensuring that only authorized users may access data. Review mechanisms are established to ensure the accuracy and integrity of information processing.</p>	<p>Incident Detection and Response: The Information Security Committee is responsible for detecting abnormal security incidents and coordinating emergency response actions to mitigate potential losses.</p> <p>System Failure and Incident Recovery: A three-tier backup strategy is employed to ensure rapid system recovery in the event of failures or incidents, restoring systems to normal operations and safeguarding business continuity.</p> <p>Review and Improvement: In accordance with the PDCA management cycle, identified issues or deficiencies are analyzed to determine root causes, corrective and improvement measures are developed and implemented, and the information security management system is</p>

In 2024, HappyTuk did not experience any material information security incidents that resulted in losses, nor were there any cases of customer penalties or compensation arising from the leakage of customer privacy.

To effectively manage information security risks that may arise during its operations, HappyTuk has established a structured risk assessment framework encompassing the following four key areas.

1. Risk Categories		2. Impact Assessment	3. Response Measures
Legal and Compliance Risks:	Violating relevant laws and regulations such as the Personal Information Protection Act.	Financial Loss: Includes direct economic losses (such as fines, compensation), loss of revenue due to business interruption, and recovery costs.	Technical Protection : Deploying firewalls, intrusion detection/prevention systems, antivirus software, application firewalls, advanced persistent threat defense mechanisms, data encryption, and other technical means.
	Failure to meet the information security requirements of competent authorities or partners.		
Network Attack Risks:	Hacker intrusion, malicious program infection (such as viruses, worms, Trojans).	Reputation Damage: Includes decreased customer trust, damaged brand image, and negative media coverage.	Management System: Formulating and implementing information security policies, access control strategies, password management guidelines, vulnerability management processes, incident response plans, business continuity operational plans, and other management systems.
	Distributed Denial of Service attacks (DDoS) leading to service disruption.		
System and Data Risks:	Social engineering attacks (such as phishing emails) leading to confidential information leakage.	Operational Interruption: Includes core service interruption time, degree of impact on business processes, and time required for recovery.	Education and Training: Regularly conducting information security awareness training for employees to enhance their risk identification and protection capabilities.
	Core server or network equipment failure leading to service disruption.		
Operational Interruption Risks:	Database corruption or loss.	Legal Liability: Includes potential lawsuits and penalties for violating laws and regulations.	Physical Security: Strengthening physical security measures such as access control for data centers and office areas, environmental monitoring, etc.
	Unauthorized access, modification, or theft of confidential data.		
Internal Threat Risks:	Soft/hardware vulnerabilities not patched in time.	Customer Impact: Includes customer data leaks and decreased service experience.	Backup and Recovery: Establishing a complete data backup and off-site backup and recovery mechanism to ensure rapid resumption of operations in the event of an accident.
	Natural disasters (such as earthquakes, typhoons) leading to damage of data center facilities.		
Information Security Notification and Handling Procedures	Human error (such as misoperation) leading to system abnormality or data loss.	Supplier Management: Conducting information security risk assessments and management for partners and suppliers to ensure the security of the supply chain.	Legal Compliance: Regularly reviewing and updating information security policies and measures to ensure compliance with relevant laws and regulations.
	Supply chain interruption affecting key systems or services.		
Internal Threat Risks:	Employee malicious behavior (such as data theft, system destruction).	Customer Impact: Includes customer data leaks and decreased service experience.	Legal Compliance: Regularly reviewing and updating information security policies and measures to ensure compliance with relevant laws and regulations.
	Insufficient employee information security awareness leading to operational errors or attacks.		
Information Security Notification and Handling Procedures		According to Loyee Company's Information Security Incident Handling Procedures, all colleagues who discover any information security incident should immediately notify the contact window of the Information Security Office. The window will initially assess the incident level and record it. The Information Security Office will handle the incident according to standard procedures, resolve the problem within the time limit, analyze the cause, and propose improvement suggestions to prevent recurrence. The incident handling report will be included in the Information Security Office's monthly report for management review and continuous optimization of information security management.	

A total of three sessions were conducted, amounting to 9.5 training hours in total.

2.6 Supply Chain Management

Within HappyTuk's rigorous supplier (game developer) selection and management mechanism, information security is not only regarded as a critical consideration, but suppliers' compliance with social standards is also included as a scoring (bonus) item. This ensures that our partners, while pursuing commercial interests, also fulfill their corporate social responsibilities. In addition to assessing market potential, game quality, and developer reputation, business units incorporate an evaluation of the developer's information security capabilities at the initial screening stage. This includes understanding the developer's information security policies, whether there is any history of information security incidents, and whether adequate security awareness and safeguards are embedded throughout the game development process.

With respect to environmental criteria, HappyTuk progressively assesses whether suppliers have environmental management policies and environmental protection measures in place. For social criteria, HappyTuk focuses on suppliers' compliance with labor rights protections, prohibition of forced labor and child labor, and related requirements, to ensure their operations align with internationally recognized human rights and labor standards. By integrating these comprehensive environmental and social criteria into the selection process, HappyTuk is committed to establishing partnerships with suppliers that not only provide high-quality products, but also demonstrate strong performance in corporate social responsibility, thereby jointly promoting sustainable development across the industry.

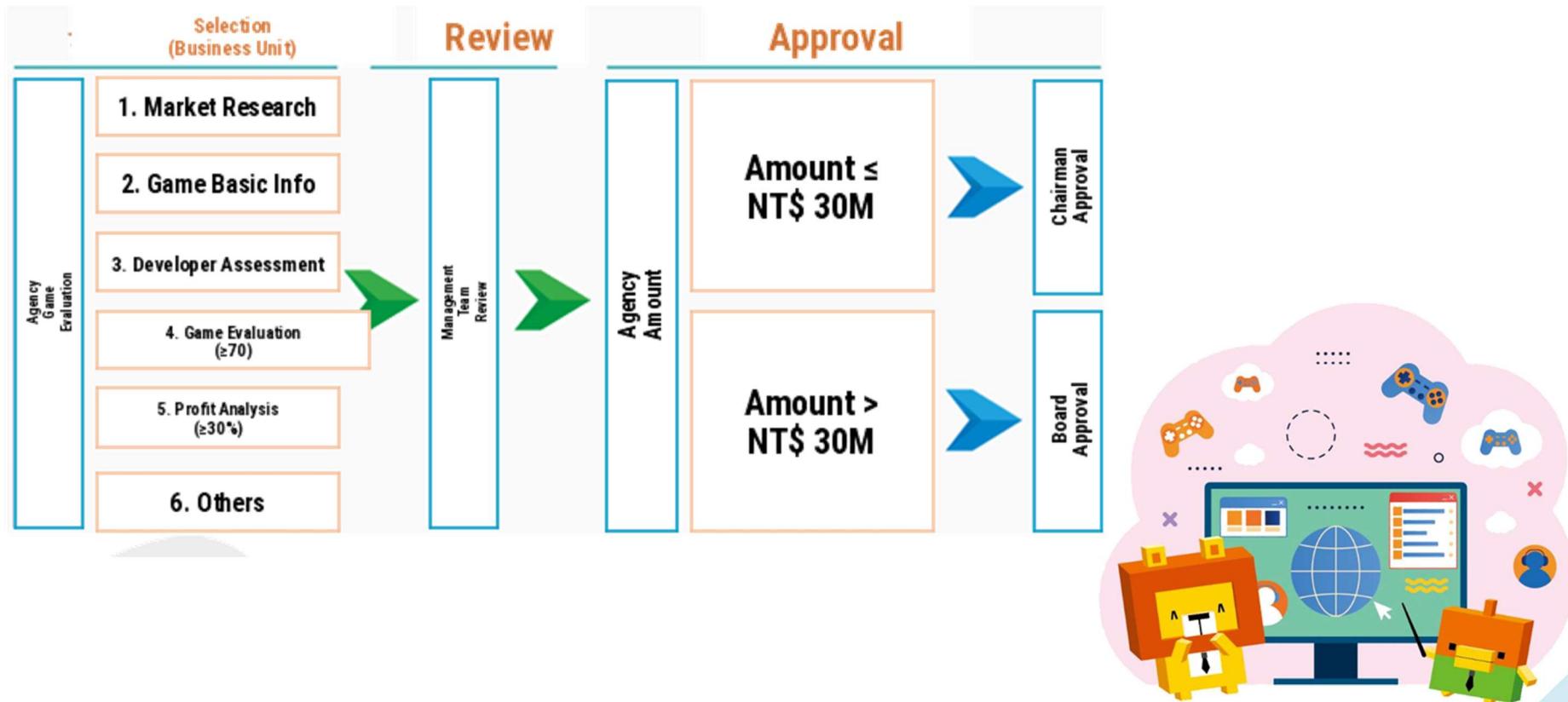
During the management review stage, the Information Security function participates concurrently to conduct a deeper assessment of information security risks associated with potential partners. This may include requesting supporting evidence of security controls, conducting questionnaire-based reviews, and, where necessary, performing preliminary security assessments. For collaborations involving users' personal data or HappyTuk's confidential information, information security requirements will be more stringent.

In the final approval stage, regardless of the size of the agency/licensing amount, the results of the information security risk assessment will be one of the key decision factors. If a developer's information security capabilities do not meet HappyTuk's standards, the cooperation proposal may be rejected, or the developer may be required to implement necessary security enhancements prior to collaboration—even if the game itself shows strong potential. HappyTuk recognizes that game

publishing/licensing cooperation is not merely the introduction of products, but also involves data transmission and sharing, as well as shared responsibility for safeguarding players' information security. Therefore, by embedding information security into every stage of the supplier selection and management mechanism, HappyTuk strives to select trustworthy partners with strong information security awareness, reduce potential information security risks at the source, and protect players' rights and interests as well as the security of the Company's assets.

Supplier Evaluation Mechanism

To ensure the quality and effectiveness of game publishing/licensing collaborations, HappyTuk has established a supplier (game developer) selection and management mechanism. The process is as follows:



I. Evaluation (Operations Dept / Business Unit)

The Business Unit conducts preliminary evaluations when seeking potential game agency partners, requiring the collection and assessment of the following information:

Market Survey: Conduct market survey analysis on target game types and potential partners to understand market trends, competitive landscape, and player preferences.

Game Basic Information: Collect game-related information provided by the developer, including game type, core gameplay, art style, target audience, past performance, etc.

Developer Reputation Assessment: Evaluate the developer's industry reputation, past cooperation records, development capabilities, financial status, etc.

Game Review (>=70 points): Conduct internal reviews of the game to assess game quality, innovation, playability, localization potential, etc. The score must be 70 points or higher.

Revenue Analysis (>=30%): Conduct preliminary revenue analysis and estimation to evaluate the potential revenue of the game on the HappyTuk platform. The expected return rate must reach 30% or higher.

Other: Consider other factors that may affect cooperation, such as the developer's cooperation level, technical support capabilities, marketing resources, etc.

II. Review (Management Team)

After the Business Unit completes the preliminary evaluation, the relevant information is submitted to the management team for review. The management team will comprehensively consider market analysis, game quality, developer background, revenue estimates, and other factors to decide whether to proceed to the next stage of approval.

III. Approval (Agency Amount)

Based on the required game agency amount, different approval processes will be entered:

Agency amount under NT\$30 million: Final approval by the Chairman.

Agency amount exceeding NT\$30 million: Requires submission to the Board of Directors for final approval.

Through the above rigorous supplier selection management mechanism, HappyTuk aims to ensure the selection of partners with excellent game quality, good developer reputation, and market potential, thereby enhancing the success rate of game agencies, providing players with quality gaming experiences, and achieving the company's operational goals.

Qualified Suppliers

HappyTuk establishes partnerships with qualified suppliers who have passed a series of strict selection and review procedures. These suppliers not only possess outstanding strength and experience in their respective professional fields but, more importantly, they commit to complying with HappyTuk's strict standards in terms of quality, service, information security, and regulatory compliance. Through close cooperation with qualified suppliers, HappyTuk can ensure the stability, reliability, and continuous optimization of products and services, ultimately providing customers with an excellent experience.

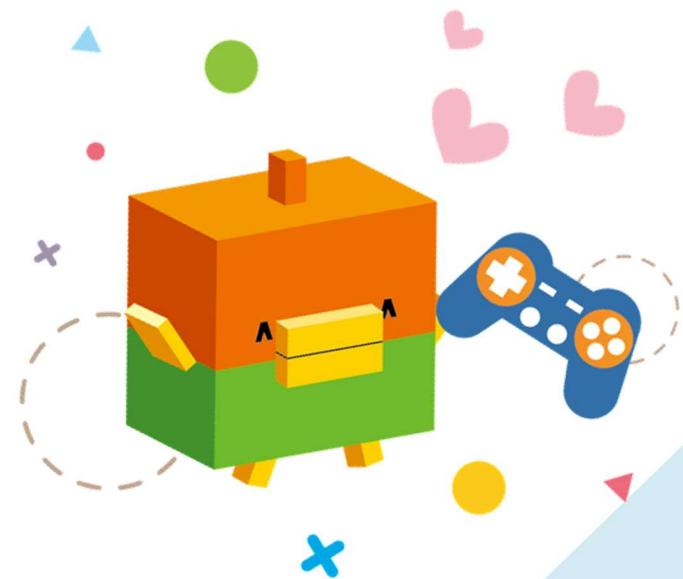
2024 Qualified Vendors

PC GAMES: 8 evaluated, 5 qualified.

MOBILE GAMES: 40 evaluated, 1 qualified.



Region	2023	2024
Taiwan	28.30%	26.60%
South Korea	67.00%	68.60%
China	0.80%	0.50%
Other Regions	4.00%	4.20%



2.7 Customer Service

Service and Communication

HappyTuk is committed to safeguarding the rights and interests of consumers and customers when using our products and services. In accordance with different business scopes, we comply with applicable laws, regulations, and relevant guidelines issued by competent authorities, and have established comprehensive service mechanisms and procedures.

To enhance customer service quality and efficiency, HappyTuk provides multiple service channels, including an official website message board, online real-time text chat, and an intelligent customer service system. We will continue to optimize our customer service processes to deliver timely, convenient, and professional support, ensuring customers are well protected when using HappyTuk products.

Customer Service Team and Satisfaction

With the goal of enhancing player experience, HappyTuk is dedicated to providing high-quality customer service. Through diversified training programs and system tools, we ensure our customer service team possesses professional knowledge and strong response capabilities, while offering convenient and efficient service channels.



Privacy Protection

To protect user data security and privacy, HappyTuk has established multi-layered information security safeguards. Our online services deploy firewalls, implement network identity verification, establish threat monitoring and analysis mechanisms, and effectively block malicious network activities. We also conduct periodic vulnerability scans and remediation for website systems, and carry out simulated hacking attacks and information security drills to strengthen our defensive capabilities.

For different service contents, HappyTuk establishes and implements backup operations, and conducts risk assessments and management reviews for personal data privacy. Only authorized personnel may access relevant data. For details, please refer to the Information Security section.

HappyTuk has implemented a “Personal Data Protection Policy” applicable to all employees and business partners. This policy is jointly administered by the Information Security Office and the Customer Service Department. They plan, execute, and implement personal data protection requirements for organizational units and personnel handling personal data, and regularly review progress.

The Information Security Office is responsible for technical safeguards and management to prevent improper external intrusions, and to maintain the accuracy and integrity of personal data files.

The Customer Service Department is responsible for handling user inquiries, updates/changes, and complaints related to personal data.

The two functions collaborate to conduct regular audits of the personal data security maintenance plan and the implementation status of relevant requirements, and make improvements promptly.

Customer Privacy

HappyTuk fully recognizes the importance of personal data protection and regards it as a cornerstone of our operations. We commit to complying with applicable laws and regulations and to establishing robust personal data protection mechanisms to ensure that the personal data of players and employees is properly managed and protected.

Nine Principles of Personal Data Protection



We are committed to complying with all applicable laws and regulations and to establishing a comprehensive personal data protection framework to ensure that the personal information of players and employees is properly managed and safeguarded. Our personal data protection mechanism is guided by nine core principles: clear notice and consent, lawfulness, fairness and necessity, data minimization, security safeguards, transparency and accessibility, data retention limitation, accountability, supervision of entrusted processing, and continuous improvement.

Prior to collecting personal data, HappyTuk clearly informs data subjects of the relevant information and obtains their consent, collecting only the minimum amount of data necessary to achieve specific purposes. We implement strict security protection measures at both the technical and organizational levels to prevent risks such as unauthorized access, use, or disclosure. HappyTuk is committed to publicly disclosing its personal data protection policy and providing convenient channels for data subjects to exercise their rights. Clear retention periods are established for personal data, with accountability mechanisms and supervision over entrusted processing duly implemented.

To ensure the effectiveness of our personal data protection framework, HappyTuk regularly reviews and updates relevant policies and measures in response to changes in the operating environment and business development. We firmly believe that through rigorous personal data protection measures, we can earn the trust of players and all stakeholders, build a responsible and trustworthy corporate image, and lay a solid foundation for the Company's long-term development.

HappyTuk is committed to integrating personal data protection into every aspect of daily operations and safeguarding users' personal information through concrete actions.

In 2024, there were no incidents involving infringement of customer privacy, nor were there any legal penalties related to user privacy.

CH3 Happy Workplace



CH3 Happy Workplace

3.1 Human Resources

3.2 Talent Development

3.3 Labor Relations

3.4 Health and Safety

3.5 Industry-Academia Cooperation

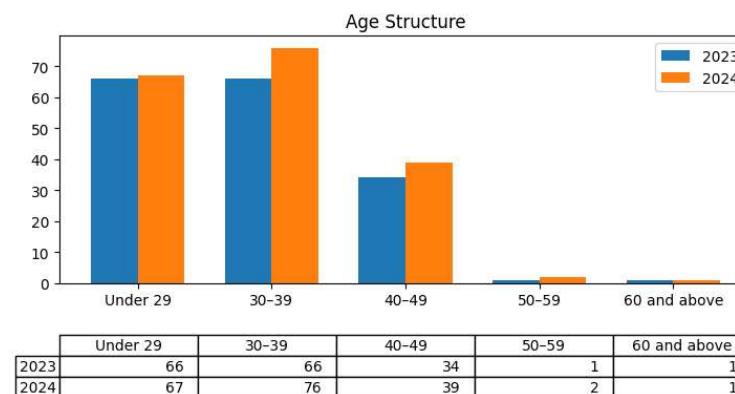
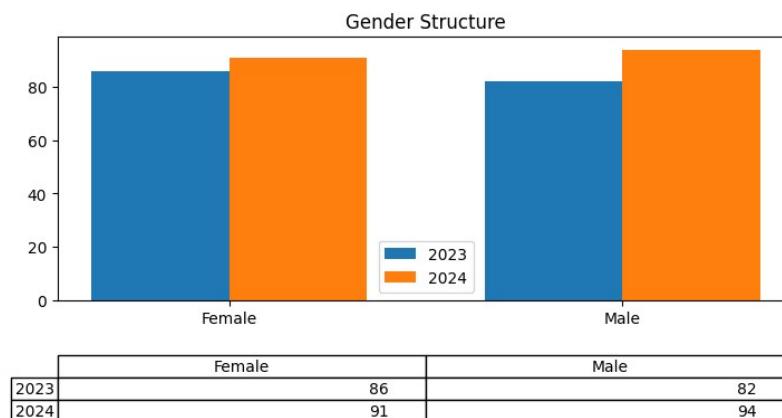
3.6 Social Common Prosperity

3.1 Human Resources (GRI 2-7, 405-1)

HappyTuk is committed to creating a diverse and inclusive workplace environment, respecting and supporting the development of employees of different genders, ages, and educational backgrounds. According to the latest employee statistics, our male-to-female ratio remains relatively balanced, including colleagues with disabilities, demonstrating the company's commitment to fair employment and a friendly workplace.

In 2024, the total number of employees in Taiwan was **185**, an increase of 17 people compared to 2023, representing a growth of **10.1%**. This is because the company actively expanded its game publishing business, introduced multiple highly anticipated new games, and continuously invested in technical R&D and platform optimization. The male-to-female ratio of employees is **1.03:1**, and the proportion of female supervisors in the management level is **57.14%**. This demonstrates the company's emphasis on guaranteeing equal work rights for both genders and creating equal opportunities for competition and development for different genders. In recruitment, the company has no age restrictions and recruits professionals broadly.

In terms of age structure, it shows that the company has youthful characteristics and continues to attract outstanding talents to join. In addition, the proportion of the 40-49 age group has increased year by year, from 34 in 2023 to 45 in 2025, showing that



the company not only values the development of young talents but also retains core cadres to ensure experience inheritance and stable growth.

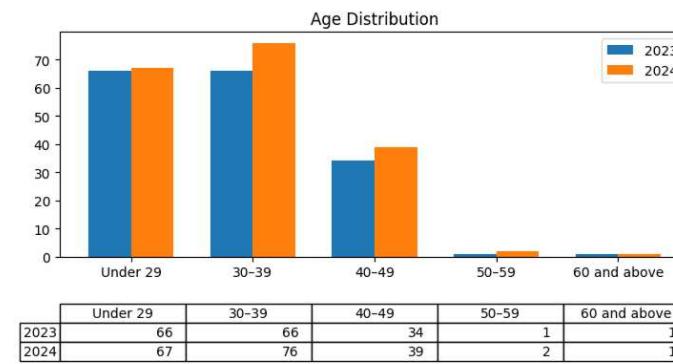
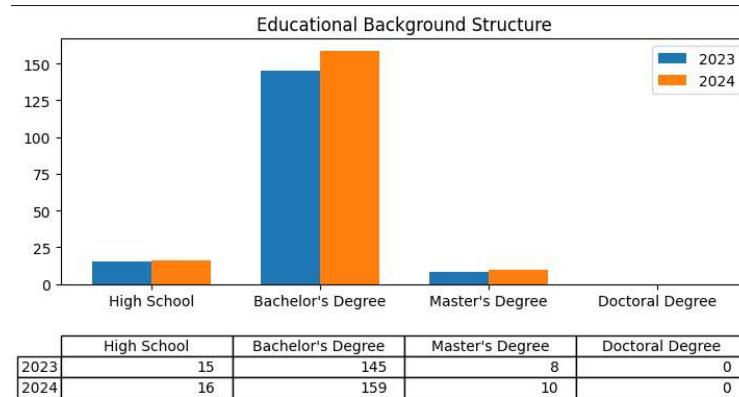
The company has employees from different countries, fully demonstrating our competitiveness in the international market and our direction of globalization. In 2024, the distribution of employee nationalities is as follows:

- **Taiwanese employees:** 170 (Majority)
- **Korean employees:** 12 (Increasing year by year)
- **Malaysian employees:** 3 (Stable growth)
- Other nationalities are also joining successively, showing our attractiveness to global talents.

The company values the integration of different cultural backgrounds and ensures that all employees can smoothly integrate into the corporate environment through cross-cultural exchanges, language learning resources, and local adaptation counseling, jointly creating innovative value.

Non-Employee Structure The company launched an intern program starting in 2024. A total of 4 interns were recruited that year. Through systematic learning and practical operations, we assist young talents in accumulating workplace experience and improving their professional skills. This move not only helps cultivate new talents in the industry but also establishes a future talent pool for the company, ensuring long-term corporate competitiveness.

Education Structure Most of our employees have higher education backgrounds. Employees with college/university degrees account for the highest proportion, and employees with master's degrees are growing year by year, reflecting the company's attractiveness to high-quality professional talents.

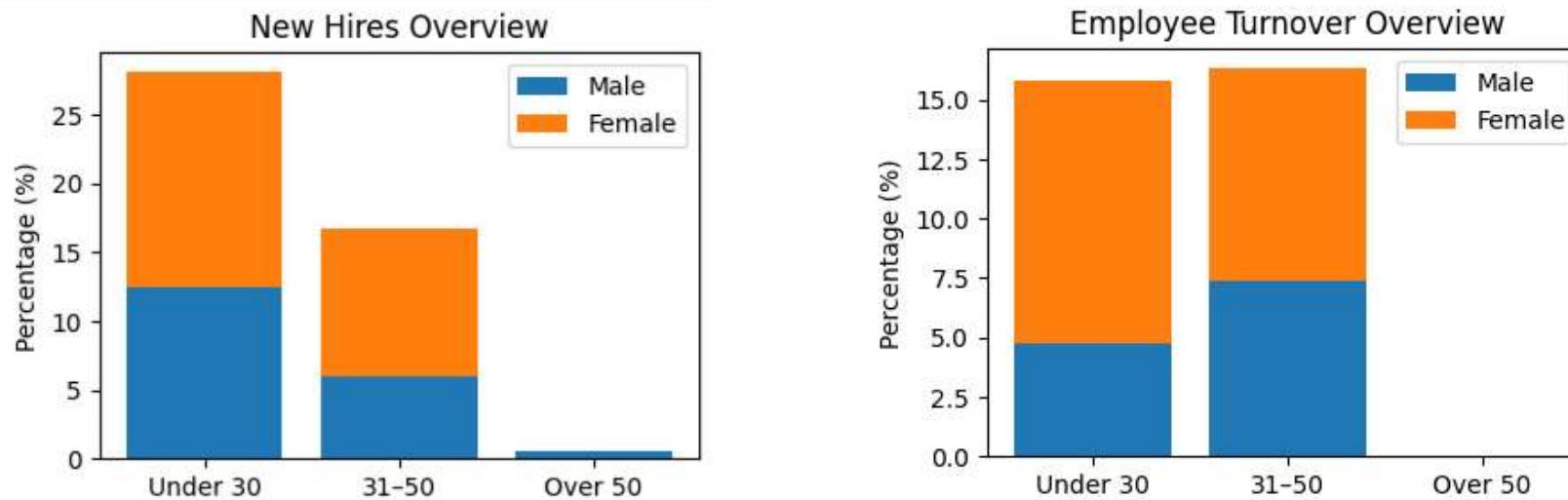


Employee Age and Turnover Overview The company's employee age structure is stable. The 31-50 age group is the main working group; employees under 30 account for about 20%; and the number of employees over 51 is relatively small. The overall talent composition meets industry characteristics and business needs. In recent years, the company has actively absorbed talents and strengthened the development momentum of employees of all ages through career development plans and learning resources to ensure the stability and continuous growth of human resources.

In terms of employee turnover, **HappyTuk**'s overall turnover rate remains broadly in line with the industry average and within a reasonable range. Departing employees were primarily concentrated in the **31-50 age group**, followed by employees **under the age of 30**, indicating that mid-career employees may choose to leave due to career transitions, family considerations, or personal career planning.

To enhance employee retention, the Company continues to optimize its talent retention strategies, including the provision of competitive career development opportunities, internal job rotation mechanisms, and diverse learning and development resources, with the aim of fostering an attractive and growth-oriented work environment.

Looking ahead, **HappyTuk** will continue to strengthen its employee development framework and career planning initiatives to enhance workforce stability and ensure the Company's long-term competitiveness.



Note: New hire ratio = Number of new male and female employees ÷ Total number of permanent employees.

Note: Turnover ratio = Number of departing male and female employees ÷ Total number of permanent employees.

Employee Demographics, Turnover and New Hires Summary

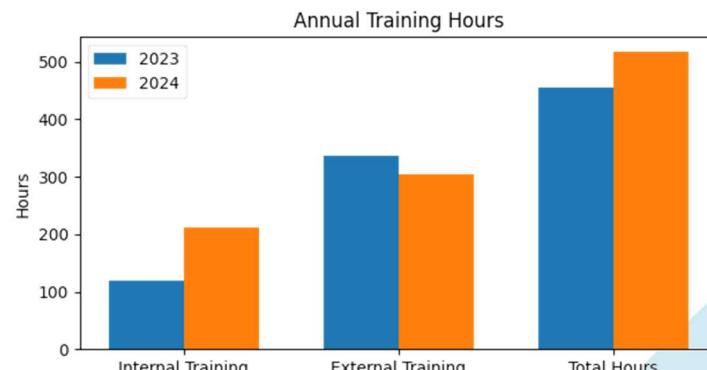
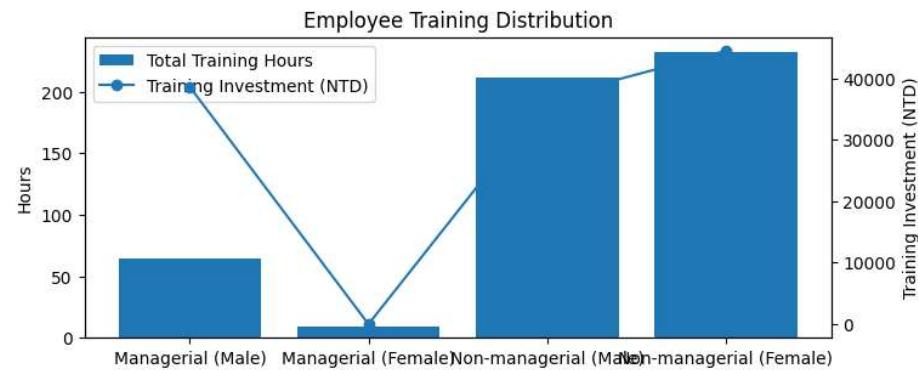
Age Group / Gender	Active Employees Male / Female (%)	Departed Employees Male / Female (%)	Industry Avg. Turnover Rate	New Hires (Last Year) Male / Female (%)
Under 30	31 / 49 18% / 28%	16 / 16 9% / 9%	13.38%	8 / 18 38.10% / 62.07%
31-50	50 / 37 29% / 21%	10 / 14 6% / 8%		13 / 11 61.90% / 37.93%
Over 50	1 / 0 1% / 0%	0 / 0 0% / 0%		0 / 0 0% / 0%
Subtotal	82 / 86 47% / 50%	26 / 30 15% / 17%		21 / 29 100% / 100%

3.2 Talent Development

The company deeply understands that talent is the most important asset of the enterprise. Therefore, we continuously invest resources in employee education and training to ensure that every colleague has the opportunity for professional growth and skill improvement. Our training system includes internal training and external training. Through diverse learning channels, we assist employees in refining professional capabilities and improving work efficiency. Internal training consists of courses opened irregularly by various departments; supervisors can designate compulsory courses, and employees can also sign up voluntarily. External training encourages employees to apply for external professional courses, which are attended after approval by supervisors to enhance professional competitiveness.

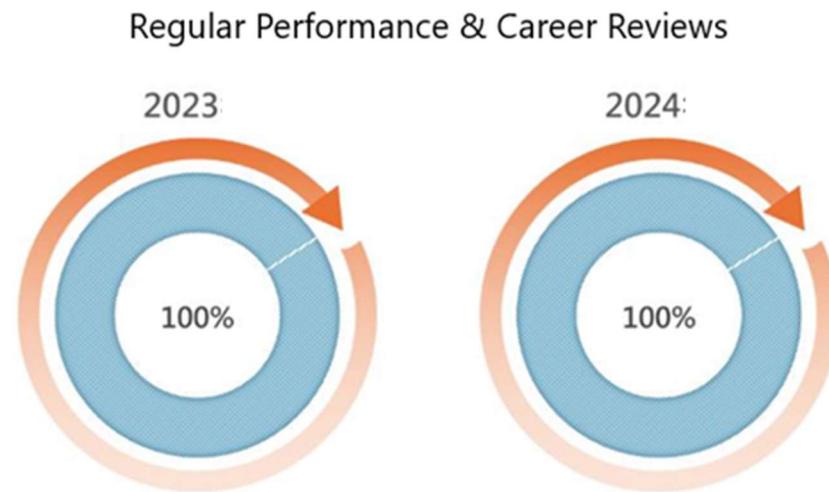
In recent years, the company has continuously strengthened investment in training resources and achieved significant results:

- Total training hours in 2024 reached **517 hours**, a **13%** growth compared to 2023, showing that we continue to expand the coverage of education and training.
- It covers management and non-management positions and emphasizes equal learning opportunities for genders.
- Average training hours increased from 2.71 hours in 2023 to **2.78 hours** in 2024, ensuring that every employee can benefit from the training plan.
- Training investment has remained stable year by year. In 2024, NT\$119,824 was invested, demonstrating the Company's commitment to employee learning and development. We will continue to optimize the training mechanism, combining industry trends with innovative learning models to create a more complete growth environment for employees and enhance overall corporate competitiveness.



Performance Appraisal Management Measures

1. **Performance Appraisal:** The company has an annual performance appraisal system, implemented regularly every year. The appraisal consists of employee self-assessment, initial assessment by department supervisors, and review by division supervisors. Appraisal items include work performance and competency performance, taking into account regular attendance records for comprehensive evaluation. Appraisal results serve as the basis for bonus issuance, salary adjustments, and promotions. The appraisal procedure does not affect employee rights due to gender, dedicated to fair and just performance management. **100% of employees received regular performance and career development reviews in 2024.**



2. **Promotion Mechanism:** The company promotes an internal promotion system, evaluating based on work and ability performance, providing a transparent and fair development channel. In 2024, the promotion rate for men was **2.13%**, and for women was **4.40%**, demonstrating the company's emphasis on gender equality and career development.

3. **Competency Enhancement Education and Training:** The company values employee competency improvement, continuously planning and organizing irregular professional training courses covering professional knowledge,



practical skills, and management competencies, and encouraging employees to obtain professional certificates related to their duties.

4. **Job Rotation and Cross-Departmental Exchange:** Based on the needs of the organization and individual employee development, the company encourages cross-departmental cooperation and arranges project rotations to broaden employees' horizons and cultivate diverse capabilities.
5. **Performance Improvement Plan (PIP):** For employees whose performance does not meet standards, the company implements a Performance Improvement Plan. Supervisors and employees jointly formulate specific improvement goals and action plans, tracking progress and results regularly to assist employees in improving performance through support and coaching.



	2023	2024
Employees Receiving Regular Performance & Career Reviews	100%	100%

Internal Promotion		
2024	Male	Female
Promotion Rate	2.11%	4.21%

3.3 Labor Relations

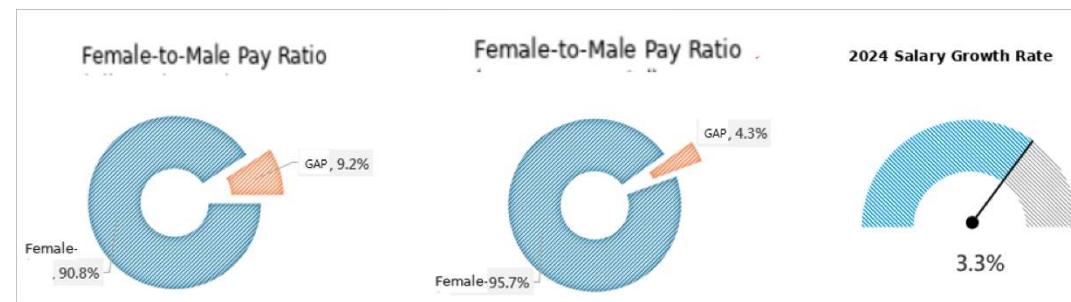
Remuneration System The company values the fairness and transparency of the remuneration system. Remuneration design and execution are handled in accordance with the regulations and resolutions of the Remuneration Committee, ensuring salaries are competitive in the market and reflect individual contributions.

- Salary Policy and Principles:** The company references industry salary levels, combining employee rank and performance, and executes salary policy according to the Articles of Incorporation and Board resolutions. We review and adjust the salary structure annually based on operational results and human capital planning.
- Gender Pay Gap Analysis:** In 2024, the median total salary of female employees was **90.8%** of males; for entry-level employees, it was **95.7%**. The company is committed to promoting gender pay equity.
- Employee Compensation Growth and Salary Adjustment:** In 2024, the annual growth rate of the median total salary for all employees was **3.3%**.
- Insurance and Retirement System:** In addition to handling Labor Insurance and National Health Insurance according to the law, group insurance is provided to strengthen workplace protection. The retirement system is handled in accordance with the "Labor Pension Act."

Unit: NT\$ thousand

Item	2024
Total Annual Salary of Non-managerial Employees (A)	102,929
Number of Non-managerial Employees (B)	149
Average Annual Salary (A/B)	691
Median Annual Salary	570

Note: Taiwan minimum monthly wage as of Jan 1, 2024: NT\$27,470



FY 2024		Non-managerial Employees	
Comparison Item		Male	Female
Number of Employees		88	95
Average Annual Salary		631	547
Median Annual Salary		576	526

Job Category	Male		Female	
	2023	2024	2023	2024
Senior Management	3.16%	5.00%	11.68%	0.00%
Management Staff	4.21%	4.65%	5.14%	10.10%
Non-managerial Staff	5.82%	5.86%	4.55%	6.11%

Employee Welfare (GRI 401-2)

HappyTuk follows the Labor Standards Act, Occupational Safety and Health Act, Act of Gender Equality in Employment, and other relevant regulations. We have established an Employee Welfare Committee, planning and providing various welfare measures and activities annually.

- **Employee Incentives:** Year-end bonus, Employee profit sharing.
- **Life Care:** Flexible working hours, Birthday leave, Wedding/Funeral subsidies, Breastfeeding room, Contracted kindergarten.
- **Health Care:** Annual health checkup, Group insurance, Professional medical personnel on-site.
- **Leisure & Entertainment:** Domestic/Overseas employee travel, Department dinners, Long-service travel leave/subsidy, Club subsidies, Game points, Massage services, Snack bar.
- **Festival Care:** New Year Spring Party, Labor Day gift money/gifts, Christmas party, Three major festivals gift money.
- **Education Care:** Training subsidies, Internal language courses.



Employee Communication

HappyTuk values every partner. We have established a Labor-Management Committee according to the law and hold regular meetings (**4 meetings convened in 2024**). We encourage employees to speak freely. To protect colleagues' rights, we provide diverse and transparent communication channels. Regarding major operational changes, HappyTuk promises to strictly comply with the "Labor Standards Act" provisions, ensuring to provide a notice period no less than the statutory standard when affecting employee rights and working conditions.



3.4 Health and Safety

HappyTuk regards employee health as the most important asset. We provide annual health checkups superior to regulations.

In 2024, the total number of people eligible for regular checkups was 186, and the actual number of participants significantly increased to 117. The actual participation rate for health checkups jumped from 14.88% in 2023 to **62.90%** in 2024.

Looking ahead, we will actively evaluate the introduction of a more comprehensive physical and mental health promotion plan, including psychological counseling and stress management.

Description	2023	2024
Total number of people who should participate in regular health check-ups	168 people	186 people
Actual number of people who participated in regular health check-ups	25 people	117 people
Actual participation rate of regular health check-ups	14.88%	62.90%
Re-examination rate for health check-ups	0%	0%

Parental Leave (GRI 401-3)

To assist employees in balancing work and family life, the company provides a parental leave without pay system regardless of gender in accordance with the "Act of Gender Equality in Employment."

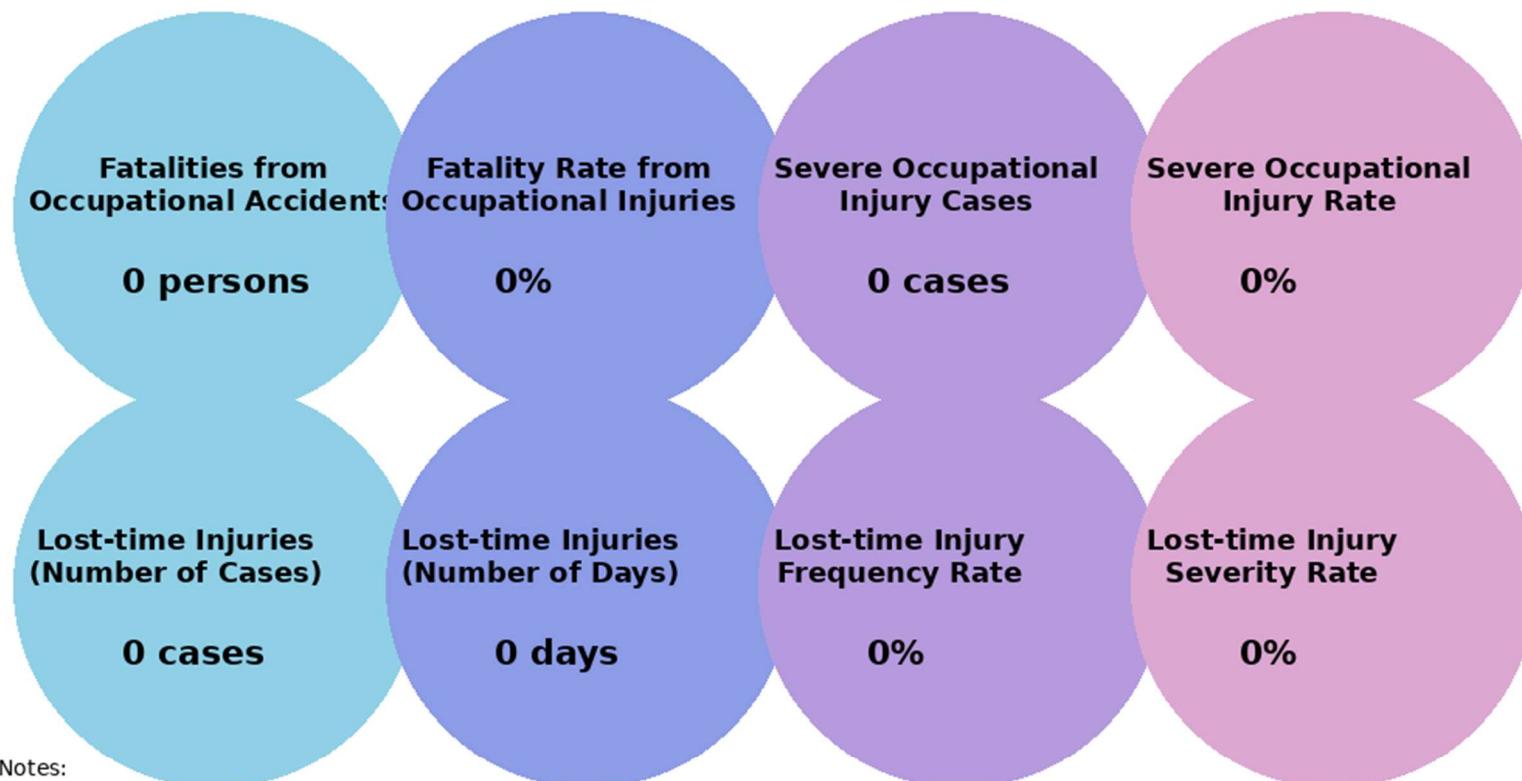
Indicator Item	2023	2024
Total number of applicants for parental leave	2 people	2 people
Parental leave return-to-work rate	100%	100%
Number of times the breastfeeding room was used	0/0	0/0
Total number of days of parental leave	368 days	240 days

Safe Workplace The General Affairs Department is responsible for regularly inspecting the company's internal office space and public equipment conditions.

- **Regular Patrols:** Ensuring lighting, wiring safety, furniture stability, and clear passages.
- **Maintenance:** Regular testing of photocopiers, water dispensers, and air conditioning equipment.
- In 2024, 1 person participated in the Class A Occupational Safety and Health Affairs Supervisor education and training course (42 hours).
- **In 2024, the company had no major industrial safety incidents or emergency reporting events.**



Occupational Injury Statistics (GRI 403-9) HappyTuk promises to provide a safe and healthy working environment. If an industrial injury occurs, we will immediately activate standard handling procedures. We calculate and track relevant occupational disaster statistics referencing the Occupational Safety and Health Act and GRI Standards.



Notes:

1. Occupational fatality rate = (Number of fatalities from occupational injuries / Total working hours) × 1,000,000.
2. Severe occupational injury rate = (Number of severe injuries / Total working hours) × 1,000,000.
3. Lost-time injury frequency rate (LTIFR) = (Number of lost-time injuries / Total working hours) × 1,000,000.
4. Lost-time injury severity rate (LTISR) = (Number of lost-time injury days / Total working hours) × 1,000,000 ÷ 100.
5. Data covers employees of the Company and its subsidiaries, excluding commuting accidents.

3.5 Industry-Academia Cooperation

HappyTuk is committed to fulfilling Corporate Social Responsibility (CSR). One of the keys to social sustainable development is cooperating with the academic community to cultivate future industry talents.

- **2024 Plan:** HappyTuk Co., Ltd. collaborated with **Shih Hsin University** on an Industry-Academia Internship Program.
- **Budget:** The budget for this program was **NT\$2 million**.

Goals and Vision:

Provide Professional Training	Train Practical Skills	Multi-party Communication and Cooperation	Enhance Employment Competitiveness
Through professional personnel properly arranging teaching content, and enhancing mutual understanding and abilities regarding professionalism during teaching.	Set phase goals and challenges, and assist in gradually understanding the professionalism and practical matters required by the industry.	Cooperate with colleagues of different professional functions, cultivating communication skills for different professions.	Practical experience plus communication ability, combining skills learned in school, perfecting personal abilities, and clarifying future development direction.

Social Impact and Expected Outcomes

Enhance the Connection Between Education and Industry	Strengthen Student Employment Capabilities and Industry Adaptability	Promote Industry-Academic Cooperation and Game Industry Development
Through cooperation with Shih Hsin University, provide students with learning opportunities in a real industry environment, enabling students to master industry required skills before graduation. During the project period, students can participate in game development projects, accumulate practical experience and portfolios, enhancing future employment competitiveness.	The skill improvement rate of participating students exceeds 80% (according to internal assessment).	Through regular cooperation and two-way exchange, enhance academic units' understanding of game industry development trends. Provide industry technical and design demand information to help schools adjust curriculum content and cultivate talent that better meets market demands.

3.6 Social Common Prosperity

HappyTuk upholds the concept of "Creating a Better Society Together."

- **2022:** Initiated "Donation from the Heart" with the Eden Foundation (donating used clothes).
- **2023:** Collaborated with Step30 International Ministries for "HappyTuk Walks with You" (donating used shoes and clothes).
- **2024:** Focused on environmental sustainability. Participated in the "**Qianshui Bay Beach Cleanup**" activity.
 - **Participants:** 40 people (2 supervisors, 38 employees).
 - **Cleanup Duration:** 3 hours.



CH4 Sustainable Environment



CH4 Sustainable Environment

4.1 Climate Change Response

4.2 Energy Management

4.3 Water Resource Management

4.4 Waste Management

4.1 Climate Change Response

Although HappyTuk primarily operates in digital content services rather than manufacturing, the Company recognizes the potential impacts of climate change on the environment and society and is committed to addressing climate-related issues responsibly. HappyTuk references the Task Force on Climate-related Financial Disclosures (TCFD) framework to progressively strengthen its climate-related governance and risk management practices.

I. Governance:

Senior management oversees climate-related risks and opportunities, with support from the ESG Sustainability Task Force. Climate-related matters, including progress on greenhouse gas (GHG) inventory planning and climate initiatives, are regularly reported to management and the Board of Directors, which provides guidance on key issues such as net-zero commitments and emissions reduction strategies.

II. Strategy:

HappyTuk identifies and assesses potential transition risks (e.g., regulatory changes, market shifts, technological developments, and reputational impacts) and physical risks (e.g., impacts from extreme weather events). The Company evaluates potential financial impacts, time horizons, affected value chain segments, and likelihood of occurrence to develop appropriate response measures.

III. Risk Management:

Climate-related risks and opportunities are identified and assessed by relevant departments and integrated into the Company's overall risk management framework, with mitigation and response measures implemented as appropriate.

IV. Metrics and Targets:

HappyTuk has begun monitoring operational carbon emissions and is assessing the feasibility of adopting internationally recognized GHG inventory standards by 2025. The Company plans to gradually establish climate-related metrics and, where feasible, set targets to mitigate environmental impacts.

4.2 Energy Management

Environmental Policy

HappyTuk is committed to environmental protection and to minimizing the potential environmental impacts of its operations. Environmental management is overseen by the General Affairs Department, which promotes green office practices such as energy and water conservation, waste sorting and recycling, and the procurement of environmentally certified products. The Company has also established response procedures for environmental incidents and encourages employees to adopt environmentally responsible behaviors. HappyTuk will continue to strengthen its environmental management practices and enhance overall environmental awareness.

Energy Use

As a digital content service provider, HappyTuk recognizes the importance of responsible energy use and maintaining a high-quality office environment. Although a formal energy inventory and monitoring system has not yet been established, the Company actively implements energy-saving measures through daily operations, encourages employees to conserve electricity and water, and maintains office facilities to ensure efficiency and comfort. Going forward, HappyTuk will continue to explore feasible energy monitoring tools and enhance its energy management practices.

	2023	2024
Total Energy Consumption (kWh)	100,608	112,135
Share of Electricity from the Grid	100%	100%
Share of Renewable Energy	0%	0%

4.3 Water Resource Management (GRI 303)

The water used by HappyTuk's operating bases comes **100%** from the Taiwan Water Corporation. We actively cooperate with the office building management committee's regulations. We assess our own water usage and look for feasible water-saving plans, such as installing water-saving faucets.

- **Performance:** In 2024, water consumption per capita decreased by **12.1 degrees** (cubic meters) compared to 2023.

Water Resources	2023	2024
Total Water Consumption (m ³)	79,289	85,073
Number of Employees	168	185
Average Water Consumption per Employee (m ³)	471.96	459.85



4.4 Waste Management (GRI 306)

HappyTuk takes pride in being a responsible global citizen. In terms of waste management, the Company's primary principle is to fully comply with all regulations and requirements set by the office building management committee. The General Affairs Department maintains close communication with the committee to ensure that all rules regarding waste sorting, recycling, food waste handling, and designated disposal times and locations are fully understood and strictly followed. To support proper waste classification, HappyTuk has installed waste sorting bins in office areas in accordance with building standards, accompanied by clear signage to guide employees in correctly separating recyclable materials such as paper, plastics, metals, and glass, as well as general waste. The Company also actively supports and encourages the use of centralized sorting bins located in stairwells, with clear communication of sorting categories and disposal guidelines to facilitate employee participation.

In addition, HappyTuk actively aligns with the building's food waste management measures. Dedicated food waste collection containers are placed in pantry areas, with reminders for employees to drain excess liquid and remove non-organic materials before disposal. Recognizing the importance of waste reduction at the source, the Company promotes environmental awareness through internal communications, encouraging the reduction of single-use items, double-sided printing, and mindful food consumption to minimize food waste generation.

Through close collaboration with the building management committee and the collective efforts of all employees, HappyTuk aims to achieve effective waste sorting, active recycling, and proper food waste management. These efforts contribute to maintaining a clean office environment, enhancing environmental quality, and supporting long-term environmental sustainability.



Appendix: GRI Content Index

GRI 2: General Disclosures 2021			
Organization and Reporting Practices			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
2-1	Organizational details	1.1 Company Profile	
2-2	Entities included in the organization's sustainability reporting	About this Report	
2-3	Reporting period, frequency and contact point	About this Report	
2-4	Restatements of information	About this Report	No restatements; first issuance
2-5	External assurance	About this Report	
Activities and Workers			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
GRI 2	2-6 Activities, value chain and other business relationships	1.1 Company Profile; 1.2 Products and Services	
GRI 2	2-7 Employees	3.1 Human Resources	
GRI 2	2-8 Workers who are not employees	3.1 Human Resources	
Governance			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
2-9	Governance structure and composition	1.5 Sustainability Governance Framework; 2.1 Corporate Governance Structure	

2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance Structure	
2-11	Chair of the highest governance body	2.1 Corporate Governance Structure	
2-12	Role of the highest governance body in overseeing the management of impacts	1.5 Sustainability Governance Framework; 2.1 Corporate Governance Structure	
2-13	Delegation of responsibility for managing impacts	1.5 Sustainability Governance Framework	
2-14	Role of the highest governance body in sustainability reporting	About this Report	
2-15	Conflicts of interest	2.1 Corporate Governance Structure	
2-16	Communication of critical concerns	1.6 Stakeholder Identification and Engagement; 2.3 Business Integrity	
2-17	Collective knowledge of the highest governance body	1.3.2 Board of Directors	
2-18	Evaluation of the performance of the highest governance body	1.5 Sustainability Governance Framework; 2.1 Corporate Governance Structure	
2-19	Remuneration policies	2.1 Corporate Governance Structure	
2-20	Process to determine remuneration	2.1 Corporate Governance Structure; 3.3 Labor-Management Relations	
2-21	Annual total compensation ratio	—	Confidentiality principle

Strategy, Policies and Practices			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
2-22	Statement on sustainable development strategy	Message from the Chairperson; 1.4 Sustainability Vision	
2-23	Policy commitments	Message from the Chairperson; Material Topics, Management Approach and Sustainability Goals	
2-24	Embedding policy commitments	Message from the Chairperson; Information Security Policy; Environmental Policy	
2-25	Processes to remediate negative impacts	Stakeholder Communication Channels and Key Concerns; Whistleblowing and Grievance Mechanisms	
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Communication Channels and Key Concerns	
2-27	Compliance with laws and regulations	Regulatory Compliance	
2-28	Membership associations	Participation in External Organizations	
Stakeholder Engagement			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
2-29	Approach to stakeholder engagement	Stakeholder Communication Channels and Key Concerns	

2-30	Collective bargaining agreements	Employee Communication	The Company has not established a labor union or signed collective bargaining agreements; labor-management meetings are held regularly to maintain positive relations.
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GRI 3: Material Topics 2021

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
3-1	Process to determine material topics	Materiality Assessment and Identification	
3-2	List of material topics	Materiality Analysis; Boundaries of Material Topic Impacts	
3-3	Management of material topics	Materiality Assessment and Identification; Materiality Analysis; Boundaries of Material Topic Impacts; Material Topics, Management Approach and Sustainability Goals	

Economic Performance

GRI 201: Economic Performance 2016

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
201-1	Direct economic value generated and distributed	1.3 Operating Performance	FY2024 Annual Report: Consolidated Financial Statements
201-3	Defined benefit plan obligations and other retirement plans	3.3 Labor-Management Relations	

GRI 205: Anti- corruption 2016			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
205-1	Operations assessed for risks related to corruption	1.4 Ethical Management / Business Integrity	
205-2	Communication and training about anti-corruption policies and procedures	—	The Company plans to launch online ethical management training starting in 2026.
205-3	Confirmed incidents of corruption and actions taken	No related incidents	
GRI 206: Anti-competitive Behavior 2016			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Penalty / Sanction Cases	No related incidents
Customer Service			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
3-3	Management of material topics	Materiality Assessment and Identification; Materiality Analysis; Boundaries of Material Topic Impacts; Material Topics,	

		Management Approach and Sustainability Goals	
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GRI 416: Customer Health and Safety 2016

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
416-1	Assessment of the health and safety impacts of product and service categories	2.7 Customer Service	Provides 24/7 real-time consultation and response for players.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No significant non-compliance incidents	

GRI 418: Customer Privacy 2016

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related incidents	

Labor-Management Relations

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
3-3	Management of material topics	Materiality Assessment and Identification; Materiality Analysis; Boundaries of Material Topic Impacts; Material Topics,	

		Management Approach and Sustainability Goals	
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GRI 401: Employment 2016

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
401-1	New employee hires and employee turnover	3.1 Human Resources	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3 Labor–Management Relations	
401-3	Parental leave	3.3 Labor–Management Relations	

GRI 402: Labor/Management Relations 2016

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
402-1	Minimum notice periods regarding operational changes	3.3 Labor–Management Relations	

GRI 404: Training and Education 2016

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
404-1	404-1 Average hours of training per year per employee	5.2 Talent Development	
404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Talent Development	

GRI 405: Diversity and Equal Opportunity**2016**

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
405-1	Diversity of governance bodies and employees	2.1 Corporate Governance Structure; 3.1 Human Resources	

Supply Chain Management

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
3-3	Management of material topics	Materiality Assessment and Identification; Materiality Analysis; Boundaries of Material Topic Impacts; Material Topics, Management Approach and Sustainability Goals	

GRI 204: Procurement Practices 2016

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
204-1	Proportion of spending on local suppliers	2.6 Supply Chain Management	

GRI 414: Supplier Social Assessment 2016

GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
414-1	414-1 New suppliers that were screened using social criteria	2.6 Supply Chain Management	
414-2	Negative social impacts in the supply chain and actions taken	2.6 Supply Chain Management	

General Topics			
GRI 303: Water and Effluents 2018			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
303-1	Interactions with water as a shared resource	4.3 Water Resource Management	
303-3	Water withdrawal	4.3 Water Resource Management	
303-4	Water discharge	4.3 Water Resource Management	
303-5	Water consumption	4.3 Water Resource Management	
GRI 306: Waste 2020			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
306-1	Waste generation and significant waste-related impacts	4.4 Waste Management	
306-2	Management of significant waste-related impacts	4.4 Waste Management	
306-3	Waste generated	4.4 Waste Management	
306-5	Waste directed to disposal	4.4 Waste Management	
GRI 403: Occupational Health and Safety 2018			
GRI Standard	Disclosure	Reference / Location	Remarks / Omissions
403-1	Occupational health and safety management system	—	The Company has not implemented an occupational health and safety management system; however, it handles matters in accordance with relevant management procedures and local regulations.

403-5	Worker training on occupational health and safety	3.4 Health and Safety	
403-8	Workers covered by an occupational health and safety management system	3.4 Health and Safety	
403-9	Work-related injuries	3.4 Health and Safety	