

Public Television Service Foundation

Annual Report

2004





2004: Celebrating Public Value





- 1. The first Taiwan International Children's TV and Film Festival
- 2. Dana Sakura
- **3.** The Legend of Eileen Chang
- 4. DiMo TV Bus
- 5. The Millet Field in the Wind
- **6.** Media on the Move International Symposium
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- 8. Let's Talk in English
- **9.** Born Fighters







he PTS entered the sixth year of its operation in 2004 with new drive and comprehensive services.

The most important event in 2004 was the digitization of all PTS programs. The DiMo digital channel was launched on July 1, allowing viewers to enjoy PTS programs on the move.

In the fall, an arrangement was made with Kaohsiung City government to begin providing DiMo TV on public buses and ferries in January 2005. This was the world's first non-profit, public service digital television in cooperation with the government.

The PTS led and coordinated the Digital Television Development project in 2004. Though the youngest broadcaster in Taiwan, PTS has become the most trusted television station. As a result, it received a grant of NT\$300 million to implement the DTV project.

In 2004, PTS sponsored the first-ever televised presidential debates in Taiwan. This was yet another manifestation of the public value of PTS services.

Another important event was in January: the first Taiwan International Children's TV and Film Festival. Films and television programs from over 80 countries attracted more than 30,000 people. As part of the Young Directors with Big Dreams activities for children, winners of the festival were shown at 589 viewings in 22 cities and counties in Taiwan during the summer vacation.

In September, PTS co-sponsored the Media on the Move International Symposium. Through paper presentations, speeches and panel discussions, over 500 experts and representatives from the media industry from Taiwan and abroad investigated the mass media in Taiwan compared to the developments in advanced countries. This symposium was a public service by PTS, providing a forum for the media industry and the people who care about the development of mass media.



The Birth of the Public Television Service

1980

Then Premier Yun-syuan Sun called for the establishment of a public service broadcasting station.

1983

The Government Information Office released a draft plan for creating the PTS Production & Broadcasting Committee.

1984

The PTS Production & Broadcasting Committee established under the Government Information Office. Time slot to broadcast PTS programs requisitioned from three local networks.

1986

Production of PTS programs handed over to the PTS Program Production & Broadcasting Team under the Chinese Public Television Broadcasting Development Fund.

1991

The PTS Organizing Committee established after Executive Yuan approval of *Guidelines for Setting up the Public Television Organizing Committee*. Seven media experts enlisted to draft a *Public Television Law* and push legislation for public service broadcasting.

1993

The *Public Television Law* submitted to the Legislative Yuan for approval.

1996

Activists from the cultural community formed the Public Media Lobbying Alliance to push for early passage of the *Public Television Law*.

May 31, 1997 The Public Television Law passed with the third

The *Public Television Law* passed with the third reading in the Legislative Yuan.

1998

The 18 nominees for the first PTS Board of Directors and Board of Supervisors approved by the Nomination & Review Committee put up by the Legislative Yuan. In the first meeting, the Board of Directors elected Mr. Fong-shan Frank Wu as chairman.

July 1, 1998 With the establishment of the Public Television

With the establishment of the Public Television Service Foundation, PTS began broadcasting.

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PTS Purpose & Values

Chinese Musicians



■ New Peony Pavilion





Fruity Pie



PTS Mission & Vision

The PTS Mission

In keeping with the public-service spirit and to fulfill the responsibilities set out in the Public Television Law, PTS has identified four critical missions:

1. To produce a rich variety of quality programs

The PTS dedication to program quality counterbalances the market orientation of commercial networks. The PTS meets its commitment to the public through professional quality assurance mechanisms that ensure all programs follow the PTS missions and the needs of the audiences.

2. To foster the development of a civil society

The goal of PTS programming is to protect the freedom of speech and the right to information, to advance public education and cultural refinement, facilitate democratic development, and further public welfare.

3. To enrich the content of indigenous cultures

The PTS takes pride in keeping accurate, objective, and responsible records of major events and viewpoints in Taiwan's society; presenting the rich culture of all ethnic and dialect groups in Taiwan; and bringing about a greater understanding of Taiwan, its land and culture.

4. To expand international cultural exchanges

The PTS actively participates in international events and activities to further public understanding of local and foreign cultures.

The PTS Vision for 2005-2007

* To reach out to a wider audience and become a benchmark broadcaster valued and trusted by the public

The PTS will make vigorous efforts to meet the needs of all ethnic and dialect groups by producing innovative, high-quality programs to reach a wider audience. On the news reporting front, PTS will focus on becoming the most trusted and influential news provider. This will require improvement of the reporting and production environment in Taiwan, increased time slots for local and international news, enhanced quality and quantity of news programs, and real-time and accurate coverage of major events. The PTS will also ensure continued support and recognition from all sectors of society by increasing cooperation with community organizations and social groups and by providing better public services through the All-Staff Customer Service initiative.

* To build a public television group of world vision and international renown by enhancing exchanges with foreign countries

The PTS will step up efforts to push for the establishment of a public broadcasting group in Taiwan. With economy of scale, this group will be better able to reach a wider audience by providing more focused programming for different audience segments and strengthening the beliefs and values of the public service media. Digitizing program production and broadcasting, as well as training for digital programming professionals, will continue. This will ensure that the public broadcasting group has the capabilities and skills to produce world-class programs.

The PTS will continue to have active international exchange and activities, both as a participant and a sponsor. It will explore opportunities for international cooperation and ensure that its programs can compete in international markets to win recognition for PTS. Marketing PTS products abroad not only allows other countries to better understand the developments of public service media in Taiwan, but also helps expand PTS services abroad and enhance the international profile of PTS. 🎓

PTS Purpose & Values

Message from the Chairman



To become an excellent organization that meets public values and expectations

The third Board of Directors and Board of Supervisors began their term on October 21, 2004. Continuing the outstanding performances of the past six years, PTS garnered 48 awards from Taiwan and overseas, including the Asian Television Awards, the Golden Bell Awards, and the Excellent Journalism Awards. In addition to continuing PTS commitment to public service by providing quality programs, the boards called for a greater audience reach, increased cooperation with non-profit organizations, and a significant boost to the efficiency of all PTS operations. Beginning from the fourth quarter of 2004, action was taken to achieve these objectives.

The year 2005 will be crucial for increasing the influence of PTS. Efforts are underway to push for the planning and legislation for expanded PTS operations. The PTS multi-platform, multi-channel service took off in March 2005 in cooperation with the Chunghwa Telecom Multimedia on Demand. In the future, PTS will continue building its international reputation by strengthening the competitiveness of its channels, improving recognition, exploring stable financial resources, building a digitized environment, and enhancing international exchange.

In 2004, many countries made reforms in their public service broadcasters. Among other things, the main tasks were to strengthen governance by the board of directors, to focus on creativity and social education programming, to ensure independent and professional operation, and to improve operation efficiency. As a public service broadcaster, PTS must strive for continuous improvement to demonstrate the value and benefits of PTS programs and services. This is the only way to make PTS into an excellent organization that the public look to and expect.



PTS Purpose & Values

Message from the **President**



The PTS as a key indicator of cultural power

s in past years, PTS program output continued to win important awards in 2004 both at home and abroad.

The PTS also continued its role of counterbalancing commercial broadcasters. This was true in the whole range of PTS program output, distinctive particularly in the public service genre of news coverage. A clear demonstration was the success of the televised presidential debates.

Moreover, PTS has made great progress in its digitization and internationalization initiatives. In particular, PTS was selected to host the 2006 INPUT Convention. This will enable PTS to play a more active role in the international community of public service broadcasters.

To be sure, PTS should be proud of these achievements and recognitions. To a certain extent, however, they indicate limited progress instead of full-fledged expansion. The PTS has yet to grow out of its largely decorative role in Taiwan's broadcasting environment and cultural endeavors, to become a heavyweight player.

In many developed countries, public service broadcasters are a key indicator of the power of national culture. The PTS, therefore, is not merely an alternative to commercial television stations, it is key to improving the quality of life of the public and to advancing developments of the cultural industry.

Continuous full support for PTS, therefore, will power a locomotive engine of cultural development in Taiwan. And 2005 will be a critical year for determining whether a cultural locomotive engine, in the form of PTS, will be installed in Taiwan, and whether Taiwan will have a public broadcasting group that truly meets the needs of its national developments. This will be the challenge for both the government and opposition parties.

The power of PTS is an important part of the cultural power in Taiwan. The PTS is now at a crossroads, and we look forward to greater recognition and support from the viewing public.

加之锋

Beginning the era of digital television



nalogue television was first used in Taiwan in 1962. After more than four decades of analogue broadcasting, Taiwan entered the Lera of digital broadcasting on July 1, 2004, with the launch of digital channels offered by PTS and four other broadcasters.

Digital Television and Digital Entertainment

What is digital television (DTV)? Simply put, DTV is the transmission of television signal in the computer language of ones and







Key Words rammar Cop eatures

MHP Program: Let's Talk in English



zeros. As digital transmission takes up less space and allows more information to be transmitted, it makes much more efficient use of the broadcasting spectrum than conventional analogue broadcasting. Three or four channels can be carried within the same bandwidth. Digitization also yields clearer pictures and better sound, and enables datacasting and mobile reception.

In response to the global trend of television digitization, the Government Information Office under the Executive Yuan included digital entertainment in the Challenge 2008 National Development Plan. Subsidies were allocated for DTV development and the creation of a digital production and broadcasting platform. These initiatives will enrich the programming contents of local broadcasters and strengthen the competitiveness of the industry.



Timetable for digitizing PTS production facilities

To prepare for digital broadcasting, PTS has begun digitizing post-production facilities. This is to improve the quality of program production. New equipment and facilities installed in 2004 include two AB roll non-linear editing rooms for digital Betacam tapes; digital video recorders in the analogue GVG 4000 post production room; five tape-to-tape editing rooms for digital Betacam tapes; two digital tape-to-tape editing rooms for Betacam SX tapes; one Sony DVS 9000 digital editing room, to replace the GVG 200; one Snell Wilcox SD 1512 digital editing room, to replace the analogue GVG 3000; and two AVID non-linear editing rooms. Digitization will result in clearer pictures and better sound for PTS programs, and ensure an adequate environment for digital broadcasting.



Cameramen at Work





Antenna field pattern at PTS digital transmitting stations Wanli Station The infrastructure for digital television includes: · Deployment of a digital transmission system. Jhuzih Mountain Station By the end of 2004, nine transmitting stations for Hongdan Mountain digital broadcasting were built in Yilan, Hualien, Taitung, Wanli, Jhuzih Mountain, Dianzihhu, Jhentou Nangang Mountain Mountain, Jhongliao, and Tuntex. · Deployment of a digital microwave system linking eight stations in western Taiwan capable of signal upstreaming. · Deployment of a digital head-end system. Establishing a digital network management system Dianzihhu for effective monitoring of signal reception and Cyonglin Station transmission at all PTS relay stations. Dahu Station · Launch of a second digital channel (DiMo TV) in 2004 so viewers can enjoy the advantages of DVB-T. Yilan Station Cingshue Station Nantou Station Jiji Mountain Jhentou Jhongliao Station **Taitung Station** Tuntex • Main stations: completed by December 2004 • Initial improvement stations: completed by June 2005 • Follow-up improvement stations: to be scheduled

The PTS was entrusted to invest most of the NT\$360 million budget allocated for digital entertainment and broadcasting in the construction of the DTV infrastructure in southern Taiwan. The project also included programming planning, such as the PTS digital channel DiMo TV and the Multimedia Home Platform pilot project.

Launch of Digital Mobile Television

The PTS started two digital channels in 2004: the original PTS main channel, and the Digital Mobile Television (DiMo TV) channel. The DiMo TV has an emphasis on mobile reception of digitally transmitted programs designed for commuters.

To better understand the needs of commuters, PTS commissioned the Gallop Organization to poll

Blueprint for digital television infrastructure

- Supporting the government's terrestrial digital television development project by helping other broadcasters with their planning for digital transmission and broadcasting systems.
- Building a microwave link system in western Taiwan for transmitting signals to relay stations in the west and preventing disruption of satellite signal reception caused by rain attenuation.
- Deploying a digital network management system for effective monitoring of microwave signal reception and transmission at all PTS relay stations.
- 4. Launching a second digital channel (DiMo TV) and offering digital television, in cooperation with the Kaohsiung City Bus Administration, on public buses fitted with set-top boxes for mobile reception.

the audience in the greater Kaohsiung area. The results showed that commuters most favored news bulletins, especially short bulletins of 5-10 minutes. Accordingly, DiMo TV has offered programs lasting 10-20 minutes during commuting hours, and 5-10 minute news bulletins every hour from 9 a.m. to 6 p.m. This keeps viewers on the move informed throughout the day. *PTS Evening News* at 7 p.m., the international news *On the Spot*, and *Sign Language News* targeting the hearing-impaired audience are also simulcast on DiMo TV.

Another show exemplifying DiMo TV's diversified programming is *Mobile Special*. Tailored to the needs of commuters, this show features shorter programs, condensed versions of other programs, choice short films, and previews of the latest movies. It also includes the most popular PTS dramas, environmental and children's programs, and documentaries, as well as English learning programs, such as the popular *Let's Talk in English* and *e4kids* for preschoolers.

A GIO-commissioned survey on viewer needs for and viewer satisfaction with digital broadcasting channels, conducted by Broadcasters Marketing Research Co., Ltd. at the end of 2004, found that DiMo TV and the PTS main channel were the most satisfactory of all 14 digital broadcast channels polled. And a PTS-commissioned survey using focus groups on DTV viewer behavior, also conducted by Broadcasters Marketing Research in November 2004, had similar results. The PTS main channel and DiMo TV were the most popular channels with interviewees. In addition, PTS questionnaires attached to set-top boxes sold through distribution channels in October and November 2004 showed the PTS main channel to be the most popular channel among viewers.

The PTS ground-breaking cooperation with Kaohsiung City

In cooperation with Kaohsiung City Government, PTS began to offer mobile reception of digital television. City buses and ferries were fitted with monitors and settop boxes to receive television programs and the latest information. This would allow commuters to remain informed and updated, and to enjoy the wonderful programs on DiMo TV. The cooperation was scheduled to begin on January 29, 2005.

This is an effective way to add value to public transportation systems. Passengers have an opportunity to learn more about local culture and environments. All this will help strengthen the city's competitiveness in the Asia-Pacific region. Other highly competitive international port-cities, such as Singapore, Amsterdam, and Shanghai,



■ DiMo TV Bus





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■MHP program: Follow Me, Go

■MHP program: national highway traffic updates

Building the infrastructure for digital broadcasting in Southern Taiwan

The PTS was commissioned by the government to lead and coordinate the Taiwan Digital Television Development project, to build the infrastructure for digital broadcasting in southern Taiwan. The PTS was responsible for system development, public bidding of major procurements, and supervision of construction projects. A PTS-DVB Taiwan Digital Television Development website (http://www.pts.org.tw/~web01/dhtv/) was designed to publish relevant data and information. The website gives the public a clear idea of digital video broadcasting services and reports project progress. It also provides a forum for people to voice opinions on the direction of digital video broadcasting in Taiwan.

For the infrastructure for digital transmission, PTS designed a transmission network in southern Taiwan that meets the needs of all five broadcasters participating in the project. The PTS, Chinese Television System (CTS), and Formosa Television (FTV) will share one terrestrial tower, while China Television (CTV) and Taiwan Television (TTV) share a second tower. One tower will be built in Jhongliao, Kaohsiung County, by PTS and CTV, and the other in Jhentou Mountain, Tainan County, by FTV and TTV. The CTS will build a multi-channel broadcasting tower in northern Taiwan. This way, all five broadcasters are involved in the planning and construction of the digital video broadcasting platform, thus providing valuable experience on cooperation and operation. When completed, the towers will cover four counties in the south, making digital television available to most area residents.



PTS President Hu visited the DiMo TV bus



DiMo TV equipment



■Opening ceremony for DiMo TV buses

have similar advanced services.

The cooperation between PTS and Kaohsiung city set two records. For one thing, DiMo TV was the first non-profit digital channel on a public transportation system in Taiwan. It offers programs on educational and cultural topics, and public services from local perspectives. Respected as citizens rather than consumers, passengers can enjoy quality contents instead of being bombarded with seductive commercials. Second, DiMo TV was the first digital product in Asia approved through democratic procedures. The project passed through the open bidding process required by public procurement laws, and was reviewed and approved by the Kaohsiung City Government and City Council. This was a successful example of cooperation between central and local governments to make effective use of public resources.

The multi-purpose Multimedia Home Platform pilot project

Multimedia Home Platform (MHP) is a digital video broadcasting standard to combine digital television with other media platforms, such as the computer and DVD. Its function is to facilitate services other than television programs, such as electronic programming guides, real-time news, information on stock markets, e-commerce, Internet via television, interactive advertisements, electronic voting, and interactive games.

The PTS is working to integrate MHP technology into its programming to enable datacasting along with broadcasting, and ultimately to enable interactive television. Three PTS programs were aired in the first phase of the pilot project: Follow Me after School, Let's Talk in English, and e4kids. Weather and traffic updates were also added to regular programs. The experiment with MHP applications will continue for another year. Full MHP services are expected to be available in 2006.

Weather and traffic datacasting applications of MHP were developed by the PTS Engineering Department using the Data Agent supplied by the original developer. PTS engineers can now develop MHP interactive news, paving the way for future MHP digital television and services. With MHP interactive television (including program-related interactive data services), computer-based updates of program content will be feasible, thus cutting down the operation manpower and making live interactive television possible.

Wide range of programming

to meet varying needs of different audience segments

PTS Dramas: Sophistication with an avant-garde touch

The PTS Drama in 2004 presented a rich repertoire of literary adaptations. Dana Sakura, adapted from Hsiang-yang Deng's book of the same title, told the story of the

Wushe Incident of 1930 and the love, hatred, and

Japanese colonial rulers. Produced and directed by renowned director Wan Jen, the series starred Faidau Fagod as Mona Rudao. It was a faithful depiction of the aboriginal tribes in the Wushe area during the Japanese Occupation, without making caricatures of the Japanese rulers, or romanticizing Mona Rudao, leader of the anti-Japanese rebellion. The historic incident was recounted from the perspectives of the Sedeq aborigines, to show how they viewed the tragedy of their forefathers. Dancing into the Moonlight was a drama with a

conflicts between the Sedeq aborigines and their

local theme against a backdrop of fast changes in the seaside village of Cigu in Tainan County. The story developed with the rise and decline of a Taiwanese opera troupe. The friendship, love, sorrows, and joys of a group of young men and women from this rural village played out against a unique landscape of mangrove trees, lagoons, milk fish farms, sand dunes, salt-pans and wetlands. There was also fascinating cultural tradition, with temples, historic sites, religious rituals, and Taiwanese opera. Unfortunately, the village was faced with a conundrum: faster development would destroy the natural environment, but resistance to development could lead to a decline, forcing the younger generations to leave their home



Calendar of Events in 2004



January 7 - December 31

The PTS held the first Original Script Contest. The top prize was NT\$3 million—the highest ever for screenwriting in Taiwan.

January 9 - 13

The PTS hosted the first Taiwan International Children's TV and Film Festival.



February 7

Dana Sakura, a literary adaptation and co-production with the Council for Cultural Affairs, went on the air.









■ The Legend of Eileen Chang

town. The choices of Cigu are the choices available to Taiwan today.

The Legend of Eileen Chang was the latest film by the cast from April Rhapsody. Screenwriter Hui-ling Wang spent three years on the script. Told in flashbacks, the drama was of the life and death of the legendary writer, with Rene Liu portraying Chang in her teens till her death in her seventies. When commenting on her own acting in the film, Liu said that in the scene before Chang's death, she found herself in a trance, peaceful and alone, and for a fleeting moment it seemed as though she was one with the long deceased writer.

Soul of a Painter, the first television series of Hong Kong director Stanley Kwan, told the story of artist Yu-liang Pan of the early 1900s. The series was an adaptation from the novel of the same title. A 1993 movie by the same name starring Gong Li was a big success. Award-winning art director William Chang as the series' Production Designer ensured that all settings, props, costumes and accessories were perfect in every detail.

Taipei Families was the first prime-time sitcom on PTS. It was by renowned television producer Wei-chung Wang and his team. In May 2004, Roger S. Christiansen, a director for the smash hit sitcom *Friends*, was invited to Taiwan to share his knowledge and experience with Wang's team, and the team found the exchanges very useful.

Another noteworthy drama series in 2004 was Born Fighters. This series was a co-production with the Bureau of Health Promotion and the Taiwan Foundation for Rare Disorders. It was directed by outstanding local talent such as Ming-liang Tsai, Kang-sheng Lee, Shiao-di Wang, Yu-ning Chu, and Ya-che Yang. The eight episodes related the unique stories of eight patients with a rare disease and the trials and tribulations of their families. Wan Fang in the episode, Cold Front Passes, won the Golden Bell's Best Leading Actress award for her portrayal of a woman with muscular dystrophy. Over the Bridge, I'll See the Sea, another episode, was nominated for Best Director and Best Screenplay at the 2004 Golden Bell Awards. Its leading actor Jack Kao won the Best Drama Performance by an Actor Award at the Asian Television Awards.



2004 televised presidential debate

February 14 and 21

The PTS co-sponsored, with the Taipei Society, the China Times, the Liberty Times, and the Taiwan Daily, the first ever televised presidential debates in Taiwan.

March 2

The first episode of the *My Imported Wife* series from *View Point* shown at INPUT.



April 7

Experimental Taiwanese
Moon Academy from View
Point won the Judges' Special Award at the Taipei Film
Festival. The Plane Maker
won the Taipei Theme Award
and Audience Choice Award



■ Masters and Masterpieces of Classical Music



■Bat Scope

Children and Youth Programs:

Fun of competition and exploration

The PTS tried some new initiatives with regard to children and youth programs in 2004. Test Your IQ, the first attempt at live interactive programs by PTS, invited celebrities from various fields and professions to take part in the game show in the studio or in their living room via mobile phone text messaging. Those with the highest scores won a prize of NT\$30,000, and anyone with full marks had a chance of winning NT\$100,000. Questions for the show covered languages, memory, logic and reasoning, mathematics, music, lifestyle, current events, and educational topics. They were developed

by an advisory team from National Taiwan Normal University's Department of Educational Psychology and Counseling. When Test Your IQ was on Saturdays at 7:00 p.m., many families gathered around the television to put their heads together, hoping to win the full-mark prize. This fun experience helped build stronger family ties.

Yuan-tseh Lee's Science for Fun Competitions took the ninth Yuan-tseh Lee's Science for Fun Competition and explained the theories behind contest activities. Entries included Frisbees made from disposable paper bowls that soared for 20 to 30 meters; sound cannons made of balloons and

Calendar of Events in 2004



May 15

Award-winning singleepisode drama *A Lease to* Paradise shown on KCET Community Television of Southern Ćalifornia.

PTS President Yong-de Li was appointed vice chairman of the Council for Hakka Affairs under the Executive Yuan. Executive Vice President Ching Swen took over as Acting President.



June 9

June 4

Ming-yuan Lin won the Magnolia Award for Best Actor at the 10th Shanghai Television Festival for We Don't Have a Future Together. It was the first time Taiwan won a prize at this festival.

Broadcast of New Peony

traditional Kunqu opera.

Pavilion, the timeless piece of





e4kids

PET bottles that extinguished candles; and cable cars made of CD disks, film cans, nails, and white board markers that carried the nails up or down the cable without any power source. The *Yuan-tseh Lee's Science for Fun Competitions* was one of the few popular science programs in Taiwan showing that science is part of everyday life.

Masters and Masterpieces of Classical Music presented 13 unique masters in music history. The interesting animation brought classical music closer to young viewers, luring children and their parents to fall in love with classical music in a fun and relaxed fashion.

Bat Scope was a program for preschoolers emphasizing hands-on experiences. Exploration and health were the main focuses of the series. The camera presented the world around us from a child's perspective and height. Hosted by Shinyu Lin from the Big Feet Children's Theater, Olympic kickboxing gold medalist Ann Chen, and a retired seeing-eye dog Aggie, Bat Scope returned to a simple form of television production. The





■ Hot News Weekly

Follow Me, Go

real, on-location shooting captured the direct life experiences of children exploring nature, engaging in physical games, or being absorbed in cooking.



June 10

Magic Mirror from View Point investigated discrimination against low achievers in the ability tracking system of junior high schools. The episode sparked a vigorous debate in the media over the advantages and disadvantages of ability tracking.



June 18

The Anti-Nuke Warrior (Hot News Weekly) won the first prize at the 6th Mo & Friese Children's Film Festival in Hamburg, Germany.



Documentaries: focus on local themes

PTS documentaries in 2004 maintained their focus on local themes. The footsteps of history and the island today were recorded in *Local History of Taiwan* and *Changing Landscapes*, respectively. The *Chinese Musicians Series* was the first documentary in Taiwan on important Chinese musicians.

Local History of Taiwan covered the changes of the Waisanding Sandbar off Chiayi; the stories of the Pinpu tribes in Puli, Nantou County; the reconstruction of Longshan Temple in Lugang after the 921 Earthquake; the conflicts between local Toroko aborigines and the Asia Cement company; the spirituality of tribal ancestors; and the effects of the Jianan Canal on Taiwan's

Calendar of Events in 2004



June 19

Test Your IQ, an interactive program, went on the air.

June 22

Live broadcast of Yo-yo Ma's Silk Road Journeys, a special program for the Dragon Boat Festival.



June 26 - July 09

Young Directors with Big Dreams, the first ever touring festival featuring children's television and films in Taiwan.

July 1

Launch of digital television channels by five broadcasters. Launch of DiMo TV by PTS.



■ Changing Landscapes

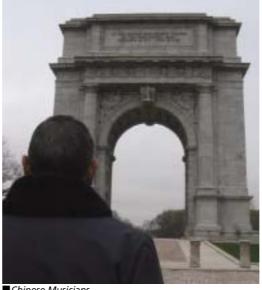


■ Typhoon Island

agricultural development.

Changing Landscapes revealed the changes in Taiwan's cultural landscape since the 1990s and the causes behind those changes. It also investigated the relationship between social-political developments and urban aesthetics. Most episodes were filmed with 16 mm film to produce rich, colorful, and detailed pictures. The in-depth yet straightforward commentaries explained to the audience how many seemingly incidental changes on the street were actually the results of major policy turnarounds.

Chinese Musicians Series featured stories of how ten famous artistic songs were created. Yu-ti Huang's Azaleas and Chuang-shien Lu's Lullaby brought us back to a time of poverty but also a time of strong family bonds. Wen-yeh Chiang's Taiwan Dance Tune and Tyzen Hsiao's 1947 Overture depicted the history of Taiwan, and the dreams of a bright future. Sitson Ma's *Home Sickness* and Wei-liang Shih's Pipa Song focused on the sentiments of their time. Tzu-chiu Kuo celebrated the honesty and sincerity of the Taiwanese people in his Memories. The free and colorful melody of Chih-yuan Kuo's The Cowherd and the Weaver Girl rivaled the passion in Bizet's Carmen. Chang-hui Hsu's The Flower Burying Song and Shui-long Ma's Bamboo Flute Concerto were full of nationalistic flavors in the instrumental



Chinese Musicians

arrangement and melodic mood. The music and stories of these ten musicians led us to better understand and love the music belonging to us.

In 2004, PTS also completed Typhoon Island, an international co-production of 67 native species of wildlife in Taiwan. The documentary won the Youth Jury Prize at the NaturVision Film Festival in Germany.



Mme. Chiang Kai-shek, Experimental Taiwanese Moon Academy, My Imported Wife, and Someone Else's Shinjuku East added to the collection of the Museum of Broadcasting Communications in the United States

September 16

Typhoon Island won the Youth Jury Prize at the NaturVision Film Festival in Germany



September 20

Taipei Families, a sitcom directed by renowned producer Wei-chung Wang, went on

September 29

The third PTS Boards of **Directors and Supervisors** elected by the Nomination and Review Committee of the Legislative Yuan.





Typhoon Island made its world debut in September 2004 on the PTS channel. It was the first international co-production for PTS, cooperating with the BBC from England, the WDR from Germany, and the ORF and Science Vision from Austria. Filmed with super 16 mm film, the documentary introduced 67 native species of wildlife in Taiwan. In addition to the international English version, a local version in both Mandarin and Taiwanese was made, with a famous local director Nien-jen Wu as the narrator.



From planning, seeking international partners, filming, to post production, it took three years to complete the film. The idea was first suggested by British Director Dr. Nick Upton during his trip to Taiwan in 2001. The former senior wildlife director and producer with the BBC holds a Ph.D. in animal behavior, and has worked on major television series such as Sir David Attenborough's *The Trials of Life* by the BBC. Upton's professional eye was quick to notice the rich wildlife in Taiwan, and the idea to shoot a film was born.

The filming crew consisted of three wildlife cameramen: from Britain, Italy, and Taiwan. Scientists and park authorities around the island were consulted about the activities and behavior of wildlife in Taiwan.

The eight-part film unveiled Taiwan's natural beauty against the backdrop of a bustling economy and a storm of human progress. It was warmly received by the audience, winning the Youth Jury Prize at the NaturVision Film Festival in Germany.



The PTS sponsored the 2004 Taiwan International Children's Television and Film Festival: the first of its kind in Asia

After nearly six months of planning, PTS held the 2004 Taiwan International Children's Television and Film Festival in January. It was the first international film festival held by Taiwanese media and the first film festival in Asia targeting children.

The five-day event started on January 9. It featured an international competition and four theme screenings. More than 30,000 people enjoyed over 80 films from different countries. A total of 30 films were selected as winners; most had not been shown in Taiwan before.

Planning for the festival began in June 2003. Within six weeks, 230 films from 30 countries were submitted for the international competition. The number was comparable to similar events in other countries.

The success of the 2004 festival enabled Taiwan to win more opportunities for exchanges with mainstream children's television and film media abroad. The Mo and Friese KinderFilmFestival Hamburg in June 2004, part of the 20-year-old International Kurz Film Festival Hamburg, featured a "Taiwan Special" unit. It was the first time films from Taiwan were shown at the German festival. Meanwhile, a popular children's program on the Polish state-run TVP1, 5-10-15, incorporated a special unit in March 2004 on Taiwan's culture and the activities of the children's film festival. Rating for the episode was fairly high.

Calendar of Events in 2004



October 13

Bear Hug (Life Story) won Special Mention from the International Professional Jury Award at the International Film Festival for Children and Young Audience in Chemnit, Germany.

October 21

Louis Chen elected by the third Boards of Directors and Supervisors as Chairman of the Board of Directors and assumed office.



November 1

Born Fighters, a drama coproduction with the Bureau of Health Promotion and Taiwan Foundation for Rare Disorders, went on the air.

November 15

Yuan-hui Hu from the Central News Agency approved with a unanimous vote by the third Boards of Directors and Supervisors as President of PTS.

PTS News:

witnessing history in the making

he year 2004 was an important year for Taiwan. There were a number of historical events in which PTS not only participated, but also initiated new practices and news-reporting programs.

On February 14 and 21, PTS co-sponsored two televised presidential debates with the Taipei Society, the China Times, and other media. For the first time in Taiwan's history, presidential candidates elaborated their campaign platform before the whole nation. The PTS also offered a special live program for 12 consecutive days on election-related topics.

On March 20, the PTS News team covered the vote-counting with objective professionalism. On March 21 and 27, two special reports were produced to document the people's reactions and the government's responses in the wake of the election.

Major achievements for PTS News in 2004 were as follows:

- * PTS Evening News continued to produce in-depth special reports on major events and issues relevant to the whole population of Taiwan. These included Taiwan society in the wake of the 319 Shooting Incident and subsequent investigation by the Truth Commission, financial reforms, prevention of suicide and melancholia, combat against fire ants, land pollution near the former Taiwan Alkalis Company, the increasing phenomenon of foreignborn spouses, the Paralympics series, and the controversy over Huashan Art and Culture Space.
- * On the Spot in 2004 continued to be hosted by academic experts in political science. News reporting was followed by in-depth analysis of major



News anchor Ming-ming Huang

international events. Special series gave the audience a clearer picture of the latest developments in various aspects of the international community.

- * Sign Language News continued to improve its services for the hearing-impaired audience by inviting senior managers from the Taipei Association of the Hearing Impaired to give lessons on international sign language.
- * A main focus for *Our Island* was the reconstruction efforts after the disastrous July 2 flooding along the Central Cross-island Highway. The weekly magazine provided a forum for face-to-face, rational debates between academic experts and



November 26

Once more, PTS turned out the biggest winner at the Golden Bell Awards, with 41 nominations and 11 awards. Banquet, Follow Me Go, Taiwan: the Women of the Century, and the Kunqu opera Longevity Palace won in the categories of Drama, Children and Youth, Cultural/Educational/Information, and Traditional Drama, respectively. The PTS won the Noncommercial Advertisement Award for the first time.



Over the Bridge, I'll See the Sea

December 2

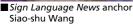
Jack Kao won the Best Drama Performance by an Actor award for *Over the Bridge, I'll See the Sea* at the Asian Television Awards. *Fruity Pie: Lin Lin's Story* won the Best Children's Program award.

December

Hakka News Magazine: the Taiwan Water Shortage Series won the Television News Reporting Award at the Excellent Journalism Awards.

Programming







■ Face to Face with the Clans



View Point

government officials over the relocation of upland villages and agriculture and the conservation of state-owned land. There was also a special episode on the benefits and drawbacks of ecological engineering methods.

- * View Point is the only regular program in Taiwan that shows local documentaries on a weekly basis. The originality and unique perspectives of these films reflect the amazing vitality of Taiwan. Many of the films have been produced by local independent producers, who compete with and learn from each other to make better films for the island.
- * Face the Nation conducted a comprehensive and thorough investigation on the impacts of the presidential election in a series report that covered the political, economic, and social aspects. The Vice President, the Minister of Foreign Affairs, the Chairman of the Council for Economic Planning and Development, and other senior government officials were invited to respond to questions and concerns about government policies.
- * Hakka News Magazine produced a new series on towns and villages with a Hakka population. Over the year, the news team led the audience to 50 Hakka communities around Taiwan to discover their culture and traditions.
- * Formosa Aboriginal News Magazine featured a unit on the presidential election and the campaign

platforms of the candidates. In the wake of the July 2 flooding, a special report was produced to discuss the relief and reconstruction efforts in five aboriginal towns. Investigative reporting included a 20-minute special report or documentary every month. The subject for July was the stories of Kaosha aboriginal militia drafted by the Japanese colonial authorities to fight the Second World War and the survivors' attempts today to seek compensations from the Japanese government. For August, it was the search of the Hualien Sakiraya tribe for their identity. In November, "The Mysterious Ritual in the Fog" introduced the Pas-taai (little people) Festival of the Saisiat tribe. For December, it covered the debates over a provisional policy to allow hunting in the Danda forest area.

* Four weeks before the presidential election, Face to Face with the Clans began a discussion of the candidates' policies for aboriginal affairs. After the election, a seven-week series examined how well President Chen Shui-bian carried out his pledges to form a "new partnership with the aboriginal peoples." During the legislative election in December, a special program invited candidates for legislative seats to explain their campaign platforms.

Calendar of Events in 2004



December 4

Life Story: Splendid Float garnered three awards at the Golden Horse Awards: Best Taiwan Film of the Year, Best Original Film Song, and Best Make Up & Costume Design. Hao-xuan Hong won the Best New Performer award for Life Story: Beat Hug.



■ Chinese Musicians

December 13

Documentary series *Chinese Musicians* went on the air.

December 21

Let It Be from View Point won the top honor in the Taiwan Award category at the biennial Taiwan International Documentary Festival. Someone Else's Shinjuku East, also from View Point, won the Exceptional Film Prize.

A rich variety of program contents and genres

The PTS missions are to produce a rich variety of quality programs, to foster the development of a civil society, to enrich the content of indigenous culture, and to expand international cultural exchange. Consistent with these programming policies, PTS continues to produce more and better programs on Hakka and aboriginal populations, gender equality, public access, and media literacy; to increase time slots for children and youth programs, news and documentaries; and to seek a more international, global content for all programs to promote understanding of and tolerance for different cultures. Figures 1 to 4 show the breakdown of programs in 2004:

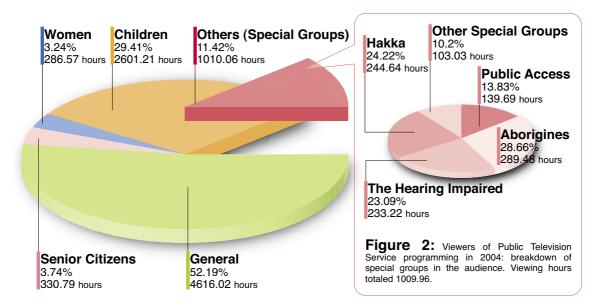


Figure 1: Viewers of Public Television Service programming in 2004: breakdown by audience. Viewing hours totaled 8844.65. Special groups include public access (1.58%), aboriginal peoples (3.27%), hearing impaired audience (2.64%), Hakka (2.77%), and the seeing impaired and those with mental disorders and other disabilities (1.16%). Programs for senior citizens included traditional operas, Taiwanese songs, and other shows of music and song. Women's programs included All about Her, and Taiwan: the Women of the Century.

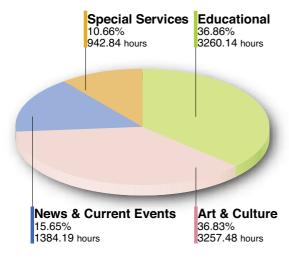


Figure 3: Program content provided by the Public Television Service in 2004. Viewing hours totaled 8844.65. Special services do not necessarily target special groups: e.g. Ten Thousand Hopes was a fund-raising concert for the general public.

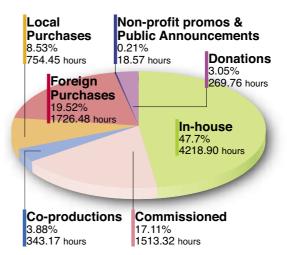


Figure 4: Sources of programs provided by the Public Television Service in 2004. Viewing hours totaled 8844.65. Local purchases are local productions whose broadcast rights were purchased by the Public Television Service.

An impressive record of awards

Golden Bell Awards

Best Drama: Banquet

Best Director, Drama: Two Fishes Swimming Towards

the Shore (Life Story)

Best Screenplay: **Shadow Caller** (Life Story)
Leading Actress: **Cold Front Passes** (Life Story)
Supporting Actor: **Wintry Night, the Sequel**

Best Cultural/Educational/Information Program: *Taiwan: the*

Women of the Century

Best Traditional Drama: Longevity Palace
Best Children & Youth Program: Follow Me, Go
Best Host for Children & Youth Programs: Mighty Media
Best Director, Non-Drama: Master Minds: Yu-ti Huang
Non-commercial Advertisement: A Celebration of Life, a

Cheer for Them

Golden Horse Awards

Best New Performer: **Bear Hug**Best Original Film Song: **Splendid Float**Best Make Up & Costume Design: **Splendid Float**Best Taiwan Film of the Year: **Splendid Float**

Excellent Journalism Awards

Television News Reporting: **The Taiwan Water Shortage Series** (Hakka News Magazine)

Biennial Taiwan International Documentary Festival

Prize, Taiwan Award: Let It Be (View Point)
Exceptional Film, Taiwan Award: Someone Else's Shinjuku East (View Point)

Taipei Film Festival

Taipei Theme Award: *The Plane Maker* (View Point)
Audience Choice Award: *The Plane Maker* (View Point)
Judges' Special Award: *Experimental Taiwanese Moon Academy* (View Point)

Golden Harvest Awards

Best Short Drama: The Millet Field in the Wind

Non-profit Organization Media Reporting Awards

Excellent Television Reporting: *Taiwan Volunteer Medical Workers in Africa* (PTS Evening News)
First Prize, Television Reporting: *Wildlife Rescue Series* (Our Island)

Yilan Children's Film Festival

Judges' Special Award: **The Anti-Nuke Warrior** (Hot News Weeklv)

Audience Choice Award: *The Anti-Nuke Warrior* (Hot News Weekly)

South Taiwan Film & Video Festival

First Prize, All-categories: **Let It Be** (*View Point*)
Audience Choice Award: **Let It Be** (*View Point*)
Best Drama: **Breathe Hard** (*Life Story*)

Taiwan Media Watch Foundation

Five Star Award for Excellent Program in 2003: **Follow Me, Go**

Five Star Award for Excellent Program in 2003: Our Island



■ Banquet



■Fruity Pie

Shanghai TV Festival

Magnolia Award for Best Actor: **We Don't Have a Future Together** (Life Story)

Asian Television Awards

Best Drama Performance by an Actor: Over the Bridge, I'll See the Sea (Born Fighters)
Best Children's Program: Fruity Pie: Lin Lin's Story

International Student Documentary Competition in the United States

International Student Documentary: **The Plane Maker** (View Point)

International Film Festival for Children and Young Audience in Chemnit, Germany

Special Mention from the International Professional Jury: **Bear Hug** (Life Story)

NaturVision Film Festival in Germany

Youth Jury Prize: Typhoon Island

Mo & Friese Children's Film Festival in Hamburg, Germany

First Prize: The Anti-Nuke Warrior (Hot News Weekly)

EBS International Documentary Festival in Korea

Judges' Special Award: **Experimental Taiwanese Moon Academy** (View Point)



Wintery Night Sequel



■Hot News Weekly

Better website, better services

The PTS has made a vigorous effort to constantly improve its website. In 2004, the PTS website attracted over 970,000 visits a month. The highest single-month record reached 1.1 million hits. The accumulated number of web pages browsed was 14.45 million a month. This website has become an important source of information on PTS, and a means of interaction between PTS and the public.

The PTS has made online donations and shopping much more convenient by offering a number

■ PTS website and online store

of payment options: via the Internet, by fax, by bank ATM, and payment upon delivery. Online transactions in 2004 totaled NT\$15 million, or NT\$1.25 million a month, with December recording the highest single-month total of NT\$2.17 million.

Online donations by Friends of the PTS accounted, on average, for 24% of total monthly donations. Online sales accounted for 50% of the monthly sales of audiovisual products. These numbers clearly indicate that the PTS website is a vital channel of cash inflow for the station. It also helped the growth of Friends of the PTS and sales of PTS program rights.

Moreover, the PTS website is a rich source of educational resources. Users can browse the introductions to up to 1,000 episodes of programs and search teaching plans. Online competitions and theme-based teaching activities were particularly popular with the public. Future emphasis will include better online audiovisual services to make e-learning easier and more fun.

Too keep up with continuous innovations for website architecture and design, PTS reconstructed its website in 2004. The fifth redesign was completed in July. The new version, with a more coherent overall look, offers better, faster, and friendlier online services. It also improves efficiency of website management.

Future developments will focus on interactivity and diversity of online services.

Website Traffic and Services in 2004

Number of Visits	970,000/month
Number of Pages Browsed	14.45 million/month
Average Duration of Visit	12 min 30 sec
Annual Online Sales	NT\$ 15 million
Highest Single-month Sales	NT\$ 2.17 million

Development of interactive programs

As digital television is not yet universally available and the technologies are not fully mature, viewers can only receive one-way broadcast programs instead of participating in interactive television services. But growing rates of mobile phone and Internet usage are beginning to make such interactive participation possible.

Currently PTS has created viewer message boards on its website. For mobile phone text messaging, PTS has developed a message-sending program, based on an existing mobile phone messaging system, that shows text messages on the screen. This is one step closer to improving public access. Future initiatives will focus on lowering production cost of similar programs and helping producers better use related technologies to produce innovative programs.

Innovative educational services, and diversified member services

2004 was a year of great success for PTS educational extension services.

An open solicitation for innovative media education resources

In addition to widely acclaimed activity books for winter and summer vacations and study camps for both students and teachers, PTS sponsored two teaching plan competitions in 2004. Teachers were invited to use PTS audiovisual materials to develop innovative classroom activities. Winning works in the competitions were complied into a resource book for educators interested in fun, creative teaching.

The PTS, under the guidance of the Ministry of Education, was also actively engaged in promoting

media education. Working with social education and non-profit organizations, PTS sponsored media education programs, such as training workshops for community seed teachers, community lectures, slogan design competitions, and publishing home promotion brochures. And educational short films were produced and broadcasted to help people understand how the media work and how to use the media more effectively.

A Diversity of member services to build a stronger Friends of the PTS

After years of recognition building, Friends of the PTS, with a membership of 16,699 people, has become a strong support group for PTS. In recent years, a variety of member services and benefits



■ Media Education: Training Workshop for Community Seed Teachers

have further boosted growth of membership and donations. Although donations by Friends of the PTS in 2004 grew only by 1% (see Figure 5), participation in member activities and events saw dramatic growth of 140% over the previous year (see Figure 6). Free art and cultural exhibitions, movies, stage plays, concerts, and admission tickets to the National Museum of Natural Science and Taipei Sea World were warmly appreciated by Friends of the PTS.

At the end of 2004, PTS held a Christmas party, complete with a stage play by the Cloud Gate Dance Theater, for members of Friends of the PTS and their families. Members of the PTS family gathered to enjoy a wonderful, festive afternoon together.

Looking to 2005, PTS will maintain quality services for the public to win more financial support and become a public television station that truly serves the people.



■Christmas party for Friends of the PTS



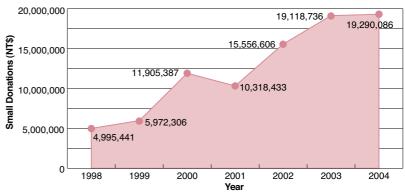


Figure 5: Growth in small donations by Friends of the PTS from 1998 to 2004.

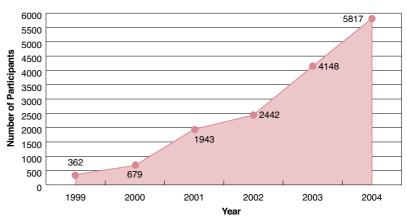


Figure 6: Growth in participation by Friends of the PTS from 1999 to 2004.

PTS Educational Services in 2004

- Published 190,000 copies of activity book for the winter vacation: Films of the World for the Winter Vacation.
- Published 105,000 copies of activity book for the summer vacation: Follow Me Around the World in the Summer Vacation.
- National Teachers' Association ordered 4,400 sets of VCD, The Good Little Monk/Story Time with Parrot, for material for Taiwanese language teaching.
- Seven sessions of the Children's Summer Camp totaled 265 participants.
- Training workshops for seed media teachers, and community lectures totaled 362 participants.
- English Teachers' Seminar, *Teaching with Creative Images*, had 157 teachers participating.
- Competition of Creative School Assignments in winter and summer vacations included 1217 entries.
- A total of 650 educators competed in Follow Me Go, the first information competition of creative teaching plans; PTS published 3000 copies of the winning teaching plans.
- Mighty Media, the second information competition of creative teaching plans, had 75 participants and published 7000 copies of the winning teaching plans.

Public Services



■College students visited the PTS station

Better services for the public

In 2004, the public contacted PTS Customer Service 102,653 times. People can contact PTS by phone, fax, email, website, or in person. After the launch of digital television, a DTV customer service team was made to deal with DTV-related questions.

We strive for the best customer service

In addition to increasing customer service activities and channels, PTS put greater emphasis on the quality of customer service and viewer feedback. According to a survey by Spotting Trend, a marketing research company commissioned by PTS, 83.7% of the interviewees said their call to PTS Customer Service was answered after two or three rings; 90% said their purpose for calling the PTS was achieved; and 97% were happy with the attitude of

PTS Customer Service workers (Figure 7). These results were great encouragement for PTS Customer Service staff.

To attain better customer service, PTS embarked on the Customer Service A^+ project at the end of 2004. Specific measures included a representative customer service hotline, introduction of the All-Staff Customer Service concept, increasing call-out services, and strengthening the customer service evaluation system.

Marked growth of visits to PTS

Beginning in 1999, people interested in how television stations work could join a guided tour to the PTS station. Through introduction by PTS professionals, visitors not only gain a better understanding of the glamour on stage or on screen,

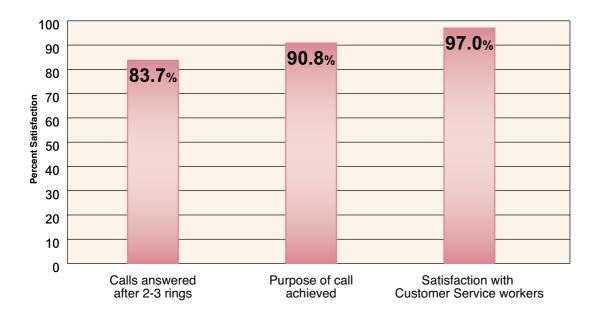


Figure 7: Public satisfaction with the customer service of the Public Television Service in 2004.

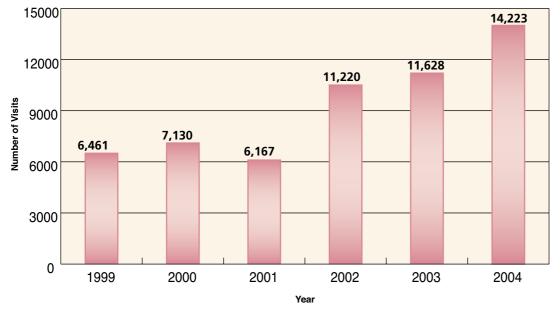


Figure 8: Number of visits by the public to the Public Television Service station.

but also learn to appreciate the hard work and complex production processes behind the scenes.

The number of visitors to the PTS station grew from 6,461 in 1999 to 14,223 in 2004. The largest two groups were college students and elementary schoolchildren.

The growing number of visitors reflects the public's support for and trust in PTS. What is

more impressive is the fact that visitor satisfaction rate grew from 80% in 2002 to 90% in 2004. The continuous growth of visitor satisfaction is the fruit of PTS efforts over the years.

The value and quality of PTS is there for all to see. The PTS works hard to make it more available, more accessible, and more relevant to the everyday life of the public.

Administration



■MHP programs shown at the Taipei Television Festival

Research and Development; closer international ties

s we enter the era of digital television, it is imperative for television professionals to keep up with the latest developments in DTV technology and service. The PTS on-the-job training initiatives include workshops, lectures and seminars on digital television and state-of-the-art technologies, to prepare the PTS team for the new era.

Continuous and constant learning

The DTV Workshop is part of a continuous effort to train PTS staff in professional knowledge and techniques for digital video broadcasting. Following the training of senior managers and producers, a total of 76 employees from Public Services, Marketing and Sales, Administration, and the Secretariat Office attended the workshop, passed professional examinations, and won their certificates in 2004. The PTS also publishes a monthly newsletter for its staff on the latest developments and changes in television.

Every month or two, media experts and professionals are invited to PTS to share their work

experiences and insights with PTS staff. There were seven such lectures in 2004. E-learning, another important training tool, allows PTS staff to learn at their convenience and remain updated. Currently there are 54 online courses.

International conferences and exchange

Media on the Move International Symposium was co-sponsored by PTS and the Government Information Office. Local and foreign experts from Germany, France, the United Kingdom, New Zealand, Korea, and Hong Kong were invited to explore public service media, international co-production, policies of prime-time programming, and the value of pluralistic tolerance in the face of growing extreme reporting. INPUT President Rosenbauer gave a key-note speech on the challenges and responses of the media at a time of dynamic changes. And Song Weon-geun, Director of International Relations at MBC Korea, stimulated vigorous discussion among the participants on the experiences of marketing Korean soap operas abroad.



■ Lectures by media experts and professionals



■ Media on the Move International Symposium



■PTS Research and Development online



Consensus-building workshops for the directors and supervisors

Building a cohesive PTS

The third PTS Boards of Directors and Supervisors were elected in the second half of 2004. As the majority of the board members were new, PTS held a consensus-building workshop in December for the directors and supervisors and another for senior managers. A consensus was reached on future developments of PTS, including visions for the next three years and the goals for the year 2005.

Research and Development achievements

In 2004, the Research and Development Department completed 23 research papers on public service broadcasters around the world and digital television. It published 38 updates on developments in digital television. It also published a research paper on mobile reception technologies and operation strategies for digital video broadcasting. These papers and reports can be accessed at http://www.pts.org. tw/~rnd/.

The research project on development strategies and policies for digital television, by PTS research fellow Dr. Hamilton Cheng, won the Industry-University Cooperative Research Award in 2003. The Ministry of Education award encourages research projects by doctoral students and graduates in industry developments and technologies. Dr. Cheng's achievement was a testimony that cooperation

between industry and the academic community leads to win-win results.

Closer international ties

Since it became a full member of the Public Broadcasters International (PBI), PTS has made great progress in expanding international ties. The PTS has been attending the annual PBI conventions to develop contacts and relationships with public broadcasters in other countries. To build a stronger presence of PTS in the international community, the Research and Development Department has made a concerted effort to contribute papers to international professional journals. In 2004, the PTS paper on the development of public television in Taiwan was published in the *Inter Media: Journal of* the International Institute of Communications as a front-page report and recommended by the editor as a success story. Inter Media, a professional journal on public broadcasters and new communications technologies around the world, is highly valued by the government. Advisor Cher-jean Lee to the Executive Yuan is a member of the executive board of the journal. The publication of the paper helped increase visibility of PTS and allowed the international community to gain a better understanding of public service broadcasting developments in Taiwan.

Ambitious goals for marketing

The Marketing and Sales Department has two sections: Program Distribution, and Promotion and Marketing. The former is responsible for the sales of PTS program rights and audiovisual products and the planning and development of new products. Promotion and Marketing focuses on securing corporate sponsorships for PTS programs and activities. It also provides sponsor services such as imagebuilding short films and cards for sponsors, banner

links for online advertising on the PTS website, and advertisements in the *Friends of the PTS* monthly magazine.

Revenues for the Marketing and Sales Department in 2004 were NT\$234,326,767, down from the previous year. Three fourths of the revenues came from sales of audiovisual products, totaling NT\$77,884,371 and similar to that of the previous year. The second highest category was sponsorships. Boosted by new and innovative options, sponsorships

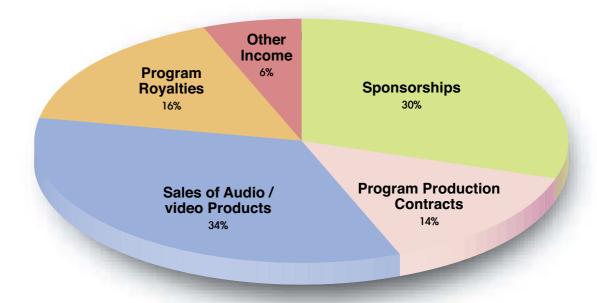


Figure 9: Breakdown (%) of marketing and sales revenues for the Public Television Service in 2004

Table 1: Annual revenues from Marketing and Sales in 2003-2004

Source of Revenues	2004 (NT Dollar)	2003 (NT Dollar)	Growth
Sponsorships	71,326,688	60,498,663	17.9%
Program Production Contracts	33,596,135	56,534,978	-40.6%
Sales of Audiovisual Products	77,884,371	77,988,342	-0.1%
Program Royalties	36,411,483	52,183,762	-30.2%
Other Income	15,108,090	12,037,340	25.5%
Total	234,326,767	259,243,085	-9.6%

grew by 17.9% to exceed NT\$70 million. Third were program royalties of NT\$36,411,483, or 16% of the total revenues, followed by revenues from program production contracts of NT\$33,596,135, or 14% of the total revenues.

In response to ever growing changes in the market, PTS explored ways to expand the marginal benefits of PTS activities and projects. This led to an impressive increase in the category of other income, which reached NT\$15,108,090, an increase of 25.5% over the previous year. For details, see Table 1 and Figure 9.

Let's Talk in English remained the best selling audiovisual product in 2004. This is because of current internationalization trend and implementation of the General English Proficiency Test. The demand for English learning also boosted sales of e4kids:

Children's English Park. Of all the audiovisual products, children programs and dramas were the most popular, followed by ecological, humanistic, and historical documentaries. Table 2 lists the top 20 best sellers for 2004.

The PTS received sponsorships from over 170 public and private organizations for production of some 200 audiovisual products. These products are now sold in 13 countries around the world. Future initiatives for achieving sales targets will include product development, exploration of overseas markets, business diversification, sales of audiovisual archives or knowledge banks, launch of overseas channels, and participation in overseas television and film festivals.

Table 2: Public Television Service's top 20 best selling audiovisual products in 2004

Rank	Program Title	Rank	Program Title
1	Let's Talk in English		
2	The Legend of Eileen Chang	12	PiPi and QQ Dragons
3	e4kids: Children's English Park	13	Mme. Chiang Kai Shek
4	Typhoon Island	14	The Sun Shines First Behind the Mountain
5	Dana Sakura	15	The Vision of a City
6	Masters and Masterpieces of Classical Music	16	Prophets of Medicine
7	Discoverer	17	The Animated Tales of the World
8	View Point	18	The Silly Pig and the Dumb Wolf
9	The Mole Sisters	19	Nature Park
10	New Peony Pavilion	20	In Reminiscence of Taiwan
11	Legacies of 20th-Century Taiwan		

Better organization and administration for better talent

lways committed to investing time and resources in developing the talent of its employees, PTS recognizes that rapid advances in digital technologies have made onthe-job training more important than ever. To encourage continuous career development for all PTS employees, the Administration Department makes a variety of training and development opportunities available to everyone. Qualified participants can attend lectures, workshops or seminars on official leave with pay. In June 2004, the second Digital Television Workshop was held, covering topics on digital television platforms, digital television programs from foreign countries, introduction to DiMo TV, digital engineering theories, and reception equipment and facilities. The participants engaged in group presentations and had to pass quizzes and assessments. Through these initiatives, PTS will continue to develop high-level performers knowledgeable of digital television.

Gender equality in the workplace

As of December 31, 2004, PTS had 310 male employees and 252 female employees. Of the 46 managers, 19 were female (see Table 3).

Gender equality in the PTS workplace was clearly reflected by the statistics in Table 3. Percentages of male and female workers were roughly equal.

Protecting employee rights and benefits

The PTS has set high standards of labormanagement relations, seeking win-win solutions in all labor-related negotiations. Other measures of superior labor management include the *PTS Employee Code of Responsibilities* adopted under Article 70 of *Labor Standards Law* to regulate

Table 3: Genders of Public Television Service employed by rank

	Female 45% Male 55% Employees	Female 41% Male 59% Managers	Female 45% Male 55% Senior Managers
Total	562	46	11
Male	310	27	6
Female	252	19	5

the obligations and rights of PTS employees; the Personnel Appraisal Committee set up under the *PTS Personnel Appraisal System* to review issues concerning employee rights and interests; and the PTS Labor Union set up under the *Labor Union Law* to safeguard employee interests and provide a regular mechanism for dialogue and communication between labor and management.

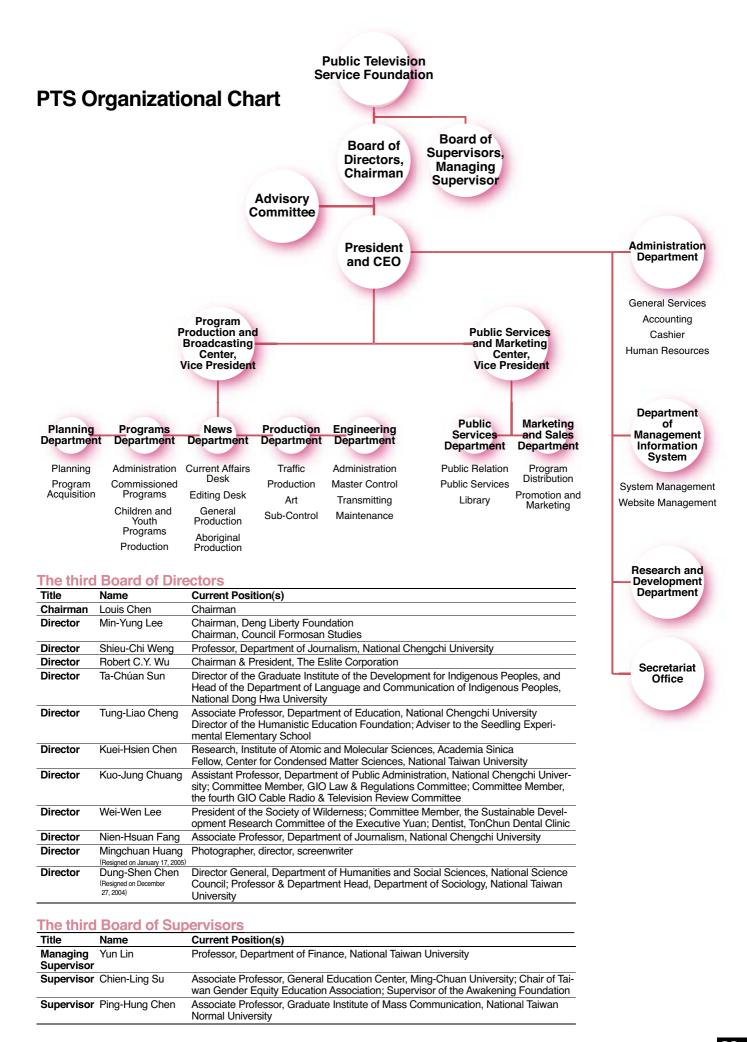
Professional audit of PTS financial performances

To strengthen its financial management, PTS commissioned Deloitte and Touche to carry out internal auditing of credit management, revenue and expenditure management, income management, general affairs and purchasing, program production management, personnel remuneration management, accounting practice management, contract management, compliance requirements, asset protection, identification and prevention of irregularities, general information system management, and software applications management. In 2004, amendments were made to the *Regulations for Account Receivable* and *Guidelines for Credit Management* to reduce the risk of bad accounts.

Better organization for better talent

With regard to personnel management, measures are being made to strengthen the human resources structure and quality of PTS staff, including:

- 1. Revision of the remuneration structure: the 34th joint meeting of the boards of directors and supervisors on May 30, 2004, passed revisions to the PTS Regulations for Promotion and Transfer and Regulations for Remuneration Management to slow down promotions and reduce salary differences.
- Establishment of a job rotation and transfer system: a job rotation and transfer system was implemented for over 20% of specialty employees and managers.
- 3. Flexible use of manpower dispatch: temporary, routine, or seasonal demands for manpower, mostly in routine and non-critical functions, can be met with manpower dispatch. This will gradually be applied to professional and technical personnel as well.



Financial statements

t its launching, PTS received a grant of NT\$100 million from the Government Information Office (GIO) under the Executive Yuan. This, along with the fixed assets purchased with annual government allocations and valued at NT\$1,898,742,064.5, added up to a total of NT\$1,998,742,064.5, which the PTS registered as its total capital. Then, on April 26, 2001, the GIO gave its approval for the inherited fixed assets to include asset depreciation (NT\$772,465,382.5), thus reducing the total value of PTS fixed assets to NT\$1,126,276,682 and bringing the total capital to NT\$1,226,276,682. In 2001, the GIO donated Administrative Building A, valued at NT\$1,071,098,397. As of October 22, 2002, the total balance of PTS re-registered capital stood at NT\$2,302,299,013.

Financial review for 2004

The PTS financial report for the fiscal year of 2004 was audited by KPMG accountants.

- 1. Assets and liabilities: total assets of NT\$3,349,305,498, including current assets (NT\$1,006,145,214), fixed assets (NT\$1,918,580,973), and other assets (NT\$424,579,311). Liabilities and equity totaled NT\$3,349,305,498, including current liabilities (NT\$278,828,872), other liabilities (NT\$598,696,448), and equity (NT\$2,471,780,178).
- 2. Revenues and expenses: revenues totaled NT\$1,406,488,659, including government funding (NT\$900,000,000), a grant from the Cable Radio and Television Development Fund (NT\$86,161,293), and NT\$420,327,366 from PTS fund-raising. Total expenses amounted to NT\$1,365,075,801, including program and project costs (NT\$1,363,047,972), and other expenses (NT\$2,027,829). On balance, the fiscal year recorded a surplus of NT\$41,412,858. As of December 31, 2004, the cumulative balance stood at NT\$169,481,165, plus fund retention of NT\$41,412,858 for contracts to be executed in 2005.
- **3. Cash flows:** net cash inflow from operations amounted to NT\$668,045,635 in 2004; net cash outflow from investment was NT\$348,043,738; and net cash outflow from financing was NT\$1,502,597. Overall, net cash and cash equivalents increased by NT\$318,499,300.

Breakdown of revenues

The total revenues (NT\$1,406,488,659 in 2004) came primarily from donations, bank interest, rentals,

product sales, and other sources. Donations included government funding, a grant from the Cable Radio and Television Development Fund, and corporate sponsorships and individual contributions.

Government funding (NT\$900 million) accounted for 63.99% of the PTS annual income. Prior to amendment of the *Public Television Law*, government funding was subject to an annual decrease by 10%. The amendment in 2001 stopped the decrease after the third fiscal year. Beginning from 2002, government funding remained at NT\$900 million a year.

A grant of NT\$86,161,293 from the Cable Radio and Television Development Fund accounted for 6.13% of the PTS annual income. The Fund was set up by the central government under Article 53 of the *Cable Radio and Television Law*, which demands that commercial cable operators contribute 1% of their annual operating revenues to the Fund, to promote developments in the radio and television industry. Of the annual contributions to the Fund, 30% are set aside for PTS.

Income from fund-raising included corporate sponsorships and individual contributions, rentals, sales (audiovisual products and program rights), bank interest, proceeds from activities, and revenues from program production contracts, for a total of NT\$420,327,366, or 29.88% of the annual income. For details, see Tables 5 and 7.

Breakdown of expenses

Total spending for 2004 reached NT\$1,365,075,801, with 64.78% going into program production: news programs (13.36%), general programs (28.35%), program acquisition (5.39%), and program production and broadcasting (17.68%). This was a slight decrease from the 67.10% for program production in 2003.

Administration costs accounted for 9.05% of annual spending, a 0.27% decrease from the previous year. Sales and services costs, including public affairs and promotion campaigns, rose to 11.1% from 9.99% a year before. Research and development spending saw a slight rise from 1.22% to 1.94%. The information system management accounted for 1.48% of annual spending, compared to 1.38% in 2003. Other expenses amounted to NT\$2,027,829, an increase of NT\$1,739,847, because of write-offs of unserviceable assets and other indemnities. For details, see Tables 5 and 7.

Table 4: Public Television Service Balance Sheet

Dec. 31 of 2003 and 2004

	2004.12.31		2003.12	.31
Assets	NT Dollar	%	NT Dollar	%
ASSECTS	NI Dollar	/0	NI Dollar	/0
Current assets				
Cash and cash equivalent	\$816,971,351	24	498,472,051	18
Notes receivable	9,437,435	-	2,314,892	-
Accounts receivable	39,830,083	1	45,212,953	2
Advance payments	84,800,299	3	78,389,672	3
Other current assets	55,106,046	2	84,402,440	3
Subtotal	1,006,145,214	30_	708,792,008	_26_
Fixed assets				
Land	26,448,371	1	26,448,371	1
Buildings	963,361,863	29	961,499,212	35
Machinery and facilities	278,239,300	8	199,054,019	7
Transportation and communication equipment	1,215,521,766	36	788,911,506	29
Miscellaneous facilities	217,835,485	7	253,400,789	9
Unfinished constructions	-	-	-	-
Advance equipment payments	86,685,958	3	179,785,227	6
Accumulated depreciation	(869,511,770)	(26)	(805,721,983)	(29)
Subtotal	1,918,580,973	58	1,603,377,141	58
Other assets				
Assets leased to others (net)	364,074,608	11	383,098,792	14
Refundable deposit	2,088,775	-	833,150	-
Deferred debits	8,415,928	-	11,587,777	-
Pledged certificates of deposit	50,000,000	1	50,000,000	2
Subtotal	424,579,311	12	445,519,719	16
Total assets	\$3,349,305,498	100	2,757,688,868	100
Total assets	\$3,349,305,498	100	2,757,688,868	100
Total assets	\$3,349,305,498	100	2,757,688,868	100
Total assets Liabilities and fund	\$3,349,305,498	100	2,757,688,868	100
Liabilities and fund	\$3,349,305,498	100	2,757,688,868	100
Liabilities and fund Current liabilities		100		100
Liabilities and fund Current liabilities Notes payable	\$1,177,736	-	242,226	-
Liabilities and fund Current liabilities Notes payable Accounts payable	\$1,177,736 1,593,570	- -	242,226 4,414,913	-
Liabilities and fund Current liabilities Notes payable Accounts payable Accrued expenses	\$1,177,736 1,593,570 114,300,582	- - 3	242,226 4,414,913 101,460,658	- - 4
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses	\$1,177,736 1,593,570 114,300,582 112,963,106	- - 3 3	242,226 4,414,913 101,460,658 23,816,227	- - 4 1
Liabilities and fund Current liabilities Notes payable Accounts payable Accrued expenses	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878	- - 3 3 2	242,226 4,414,913 101,460,658 23,816,227 34,071,245	- - 4 1 1
Liabilities and fund Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses	\$1,177,736 1,593,570 114,300,582 112,963,106	- - 3 3	242,226 4,414,913 101,460,658 23,816,227	- - 4 1
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878	- - 3 3 2	242,226 4,414,913 101,460,658 23,816,227 34,071,245	- - 4 1 1
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878	- - 3 3 2	242,226 4,414,913 101,460,658 23,816,227 34,071,245	- - 4 1 1
Liabilities and fund Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872	- - 3 3 2 8	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269	- - 4 1 1 6
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032 25,248,416	- - 3 3 2 8	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269 136,565,266 26,751,013	- - 4 1
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032	- - 3 3 2 8	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269	- - 4 1 1 6
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding Deposits received Total liabilities	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032 25,248,416 598,696,448	- - 3 3 2 8	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269 136,565,266 26,751,013 163,316,279	- - 4 1 1 - 6
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding Deposits received Total liabilities Equity	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032 25,248,416 598,696,448 877,525,320	- - 3 3 2 8 17 1 1 18 26	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269 136,565,266 26,751,013 163,316,279 327,321,548	- - 4 1 1 6 - 5 1 6
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding Deposits received Total liabilities Equity Fund	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032 25,248,416 598,696,448 877,525,320 2,302,299,013	- - 3 3 2 8 17 1 1 18 26	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269 136,565,266 26,751,013 163,316,279 327,321,548	5 1 6 12
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding Deposits received Total liabilities Equity Fund Accumulated equity	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032 25,248,416 598,696,448 877,525,320 2,302,299,013 169,481,165	- - 3 3 2 8 17 1 1 18 26	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269 136,565,266 26,751,013 163,316,279 327,321,548 2,302,299,013 128,068,307	5 1 6 12 83 5
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding Deposits received Total liabilities Equity Fund Accumulated equity Total equity	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032 25,248,416 598,696,448 877,525,320 2,302,299,013	- - 3 3 2 8 17 1 1 18 26	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269 136,565,266 26,751,013 163,316,279 327,321,548	5 1 6 12
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding Deposits received Total liabilities Equity Fund Accumulated equity Total equity Contingent and commitment	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032 25,248,416 598,696,448 877,525,320 2,302,299,013 169,481,165 2,471,780,178	17 1 18 26	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269 136,565,266 26,751,013 163,316,279 327,321,548 2,302,299,013 128,068,307	5 1 6 12 83 5
Current liabilities Notes payable Accounts payable Accrued expenses Other accrued expenses Other current liabilities Other liabilities Deferred government funding Deposits received Total liabilities Equity Fund Accumulated equity Total equity	\$1,177,736 1,593,570 114,300,582 112,963,106 48,793,878 278,828,872 573,448,032 25,248,416 598,696,448 877,525,320 2,302,299,013 169,481,165	- - 3 3 2 8 17 1 1 18 26	242,226 4,414,913 101,460,658 23,816,227 34,071,245 164,005,269 136,565,266 26,751,013 163,316,279 327,321,548 2,302,299,013 128,068,307	5 1 6 12 83 5

Table 5: Public Television Service Revenues and Expenses

Jan. 1 to Dec. 31 of 2003 and 2004 (NT dollar)

		2004	2003
Revenues	Donations	\$1,090,582,754	1,116,846,639
	Bank interests	8,194,362	6,167,143
	Rentals	115,143,875	117,254,864
	Product sales (net)	114,679,664	130,634,961
	Other income	77,888,004	82,776,673
		1,406,488,659	1,453,680,280
Expenses	Administration	123,525,107	129,131,840
	Public affairs and promotions	60,717,037	61,391,168
	Marketing	90,838,352	76,974,372
	News production and purchases	182,323,172	180,448,208
	Program production and purchases	387,041,096	436,333,504
	Program planning and purchases	73,557,186	80,624,778
	Program production and broadcasting	241,338,245	231,891,198
	Engineering and maintenance	157,044,155	151,953,975
	Research and development	26,480,113	16,880,561
	Information system management	20,183,509	19,079,965
	Other expenses	2,027,829	287,982
		1,365,075,801	1,384,997,551
Balance		41,412,858	68,682,729
	Income tax		-
Current ba	lance	\$41,412,858	68,682,729

Table 6: Statement of Changes in Equity
Jan. 1 to Dec. 31 of 2003 and 2004 (NT dollar)

	Fund	Accumulated equity	Total
2003			
Balance on Jan. 1	\$2,302,299,013	59,385,578	2,361,684,591
Balance in 2003		68,682,729	68,682,729
Balance on Dec. 31	2,302,299,013	128,068,307	2,430,367,320
2004			
Balance in 2004		41,412,858	41,412,858
Balance on Dec. 31	\$2,302,299,013	169,481,165	2,471,780,178

Table 7: Cash Flow Statement

Jan. 1 to Dec. 31 of 2003 and 2004 (NT dollar)

	2004	2003
Cash Flow from Operations		
Current Balance	\$ 41,412,858	68,682,729
A discontinuo a contra		
Adjustments		
Donation of fixed assets	-	993,377
Depreciation and amortization	146,211,060	146,598,938
Gain on disposal of fixed assets	(4,521,235)	(287,780)
Write-off of fixed assets	1,165,706	-
Changes in assets and liabilities		
Notes receivable	(7,122,543)	4,225,812
Accounts receivable	5,382,870	(3,321,872)
Advance payments	(6,410,627)	24,891,259
Other current assets	29,296,394	(7,895,938)
Notes payable	935,510	(6,998,185)
Accounts payable	(2,821,343)	4,409,693
Other accrued expenses	71,662	(811,874)
Accrued expenses	12,839,924	(16,361,773)
Other current liabilities	14,722,633	1,705,411
Deferred government funding	436,882,766	136,565,266
Net Cash Inflow from Operations	668,045,635	352,395,063
Net Cash Flow from Investments		
Purchase of fixed assets	(349,036,792)	(237,528,386)
Sales of fixed assets	5,184,424	575,762
Decrease in pledged certificates of deposit	-	20,000,000
Decrease (increase) in refundable deposits	(1,255,625)	580,575
Increase in deferred debits	(2,935,745)	(2,751,429)
Net Cast Outflow from Investments	(348,043,738)	(219,123,478)
Net Cash Flow from Financing		
Refundable deposits	(1,502,597)	1,991,544
Net Cash Inflow/Outflow from Financing	(1,502,597)	1,991,544
Increase in Current Cash and Cash Equivalent	318,499,300	135,263,129
Balance of Cash and Cash Equivalent at Year Start	498,472,051	363,208,922
Balance of Cash and Cash Equivalent at Year End	\$816,971,351	498,472,051
Cash Payments & Other Accrued I	xpenses	
Fixed assets	\$ 438,112,009	253,974,491
Plus: other accrued expenses at year start	23,772,097	7,325,992
Minus: other accrued expenses at year end	(112,847,314)	(23,772,097)
Cash payments	\$349,036,792	237,528,386
. ,		

Table 7: Revenues and Expenses of the Public Television Service from 2000

Item	2000	2001
Donations	51,581,630	51,431,868
Rentals	107,183,507	87,408,438
Sales	86,784,487	100,290,809
Other Income	123,595,315	63,128,858
Total Fund-raising	369,144,939	302,259,973
Government	1,560,000,000	900,000,000
Funding CRTDF Grants		20,220,000
TOTAL REVENUES	1,929,144,939	1,222,479,973
Fixed Overhead	511,909,927	300,620,842
Marketing and Services	114,568,315	108,880,933
Program Production	1,357,179,492	851,297,114
R&D Spending	21,298,837	20,264,191
TOTAL SPENDING	2,004,956,571	1,281,063,080
BALANCE	(75,811,632)	(58,583,107)

^{*} Results are based on Public Television Service annual reports. Results for 2000 calculated for 18 months because of the government's adjustment of the fiscal year.

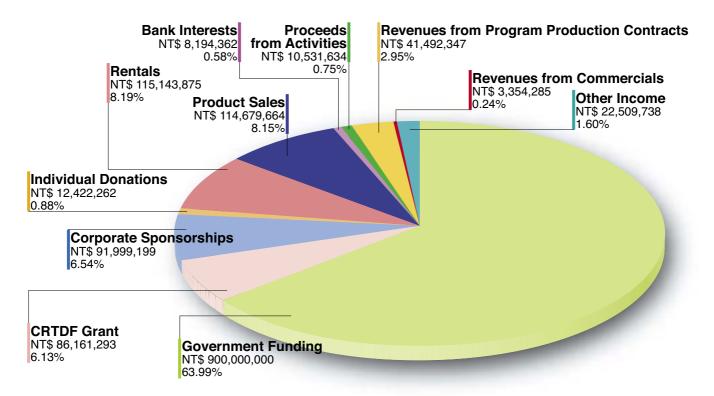


Figure 11: Breakdown (%) of Public Television Service revenues in 2004

to 2004* (NT dollar)

2002	2003	2004
65,323,783	119,104,358	104,421,461
96,574,427	117,254,864	115,143,875
110,803,905	130,634,961	114,679,664
66,135,369	88,943,816	86,082,366
338,837,484	455,937,999	420,327,366
900,000,000	900,000,000	900,000,000
69,382,473	97,742,281	86,161,293
1,308,219,957	1,453,680,280	1,406,488,659
290,581,502	300,344,454	301,812,024
135,767,281	138,365,540	151,621,891
904,557,761	929,406,996	885,113,134
24,645,817	16,880,561	26,528,752
1,355,552,361	1,384,997,551	1,365,075,801
(47,332,404)	68,682,729	41,412,858

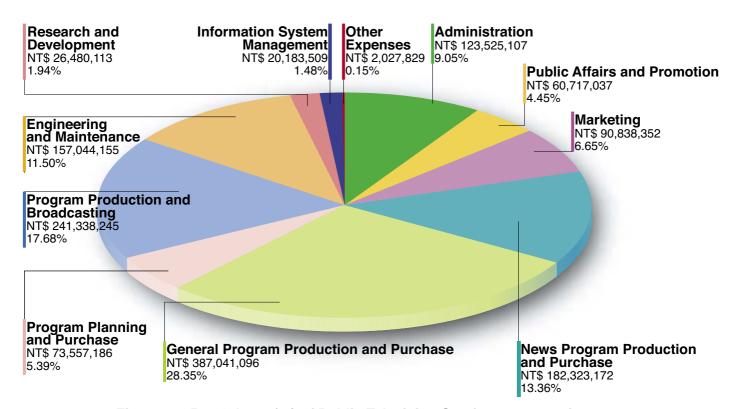


Figure 12: Breakdown (%) of Public Television Service expenses in 2004

Fund-raising

The PTS depends on government appropriations and grants from the Cable Radio and Television Development Fund for the majority of its funding. It is responsible, however, for generating the rest of the required funds. Income from fund-raising includes donations (from public and private institutions and from group and individual contributions), rentals (from office facilities, relay stations, studios, and production equipment), sales (from audiovisual products and program rights), and other income including bank interest, proceeds of activities, and production fees from program contracts. For details, see Table 7.

Donations

Income from donations consisted primarily of corporate sponsorship and small private donations. Individual donations came mostly

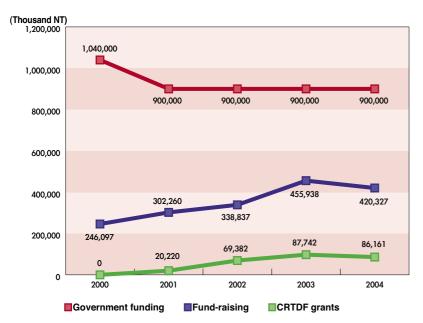


Figure 13: Funding trends for Public Television Service from 2000 to 2004

from the Friends of the PTS. Donations in 2004 totaled NT\$104,421,461, down 12.33% from NT\$119,104,358 in 2003.

Rentals

To maximize asset use and to increase income, PTS rents out some of its studios, equipment, office facilities, and relay stations. Rentals in 2004 totaled NT\$115,143,875, a slight decrease by 1.80% from NT\$117,254,864 in 2003.

Sales

Sales of audiovisual products and program rights in 2004 totaled NT\$114,679,664, down 12.21% from NT\$130,634,961 in 2003. The decline in sales was attributed to a slow audiovisual market, lower prices, and cautious dealers. Program royalties dropped by 30% because of the reduced number of new soap operas.

Other Income

Other income included bank interest, proceeds from activities, and revenues from program production contracts. The total amounted to NT\$86,082,366 in 2004, down 3.22% from NT\$88,943,816 in 2003. Bank interest was up 32.88%, and miscellaneous income was up 167.18%. Revenues from program production contracts declined by 34.06%.

The PTS strives to increase its income from fund-raising to provide more and better programs and services. Income from fund-raising in 2004 totaled NT\$420,327,366, down 7.81% from the previous year. The biggest growth came from miscellaneous income and bank interest (up 167.18% and 32.88%, respectively). Revenues from program production contracts and product sales saw the largest decline (down 34.06% and 12.21%, respectively). Rentals (27.39%), and product sales and program royalties (27.28% respectively) accounted for the largest shares of income from fund-raising.

Table 11: Income from Fund-raising for Public Television Service from 2000 to 2004 (NT Dollars)*

Source	2000	2001	2002	2003	2	004
					Amount	Annual Growth
Donations	51,581,630	51,431,868	65,323,783	119,104,358	104,421,461	-12.33%
Rentals	107,183,507	87,408,438	96,574,427	117,254,864	115,143,875	-1.80%
Sales	86,784,487	100,290,809	110,803,905	130,634,961	114,679,664	-12.21%
Other Income	123,595,315	63,128,858	66,135,369	88,943,816	86,082,366	-3.22%
Total	369,144,939	302,259,973	338,837,484	455,937,999	420,327,366	-7.81%

^{*} Results are based on Public Television Service annual reports. Results for 2000 calculated for 18 months because of the government's adjustment of the fiscal year.

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Address

No. 50, Lane 75, Kang Ning Road, Sec. 3, Taipei 114-85, Taiwan, R.O.C.

Website http://www.pts.org.tw

Postal Account 19213335



Getting in Touch with PTS

Customer Service (02)2633-2000

	(0-,-00				
Department	Telephone	Fax	Department	Telephone	Fax
Chairman of the Board	(02)2633-8007	(02)2633-8176	Programs	(02)2633-8071	(02)2633-8050
President	(02)2633-8127	(02)2633-8176	Planning	(02)2633-8121	(02)2633-8050
Executive Vice President	(02)2633-8188	(02)2633-8176	Production	(02)2633-8085	(02)2633-8089
Secretariat Office	(02)2633-8189	(02)2633-8176	News	(02)2633-8039	(02)2633-8022
Research and Development	(02)2633-8178	(02)2630-1193			(02)2630-1044
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Public Television Service

No. 50, Lane 75, Kang Ning Road, Sec. 3, Taipei 114-85, Taiwan, R.O.C. www.pts.org.tw