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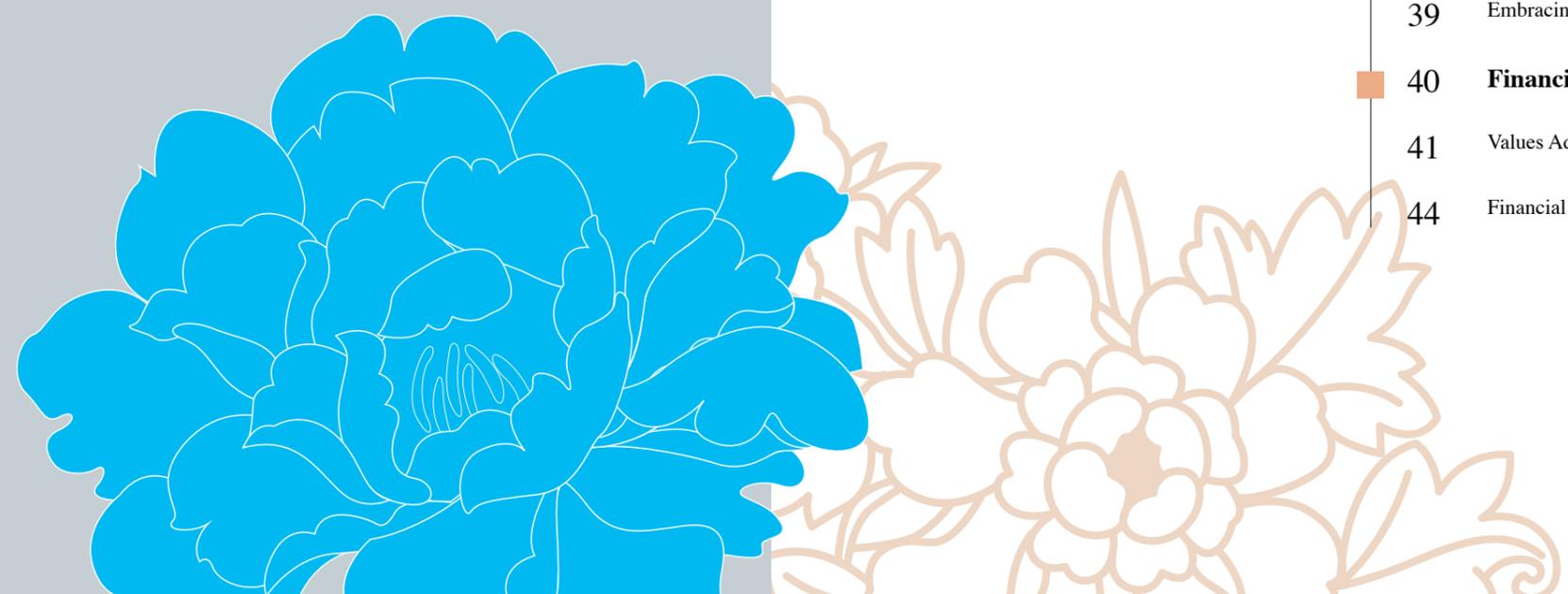
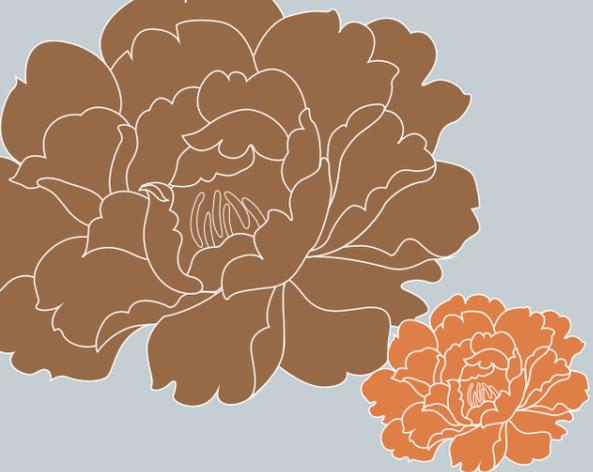
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Annual Report **2006**

Public Television Service Foundation

TAIWAN TBS



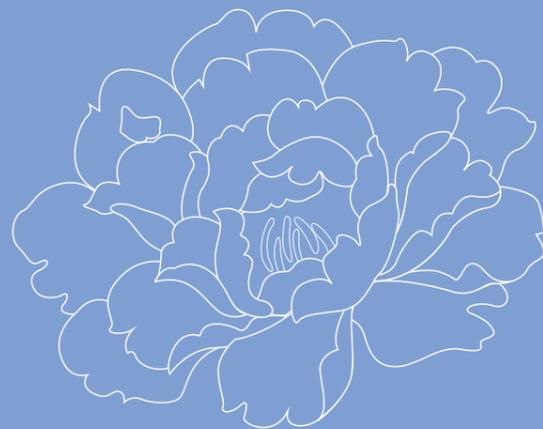


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Mission, Vision and Values



Overview

Public Television Service Foundation or PTS, the leading Public Television Service in Taiwan, was found on July 1st, 1998, being operated as an independent public organization which aims to provide value-added quality programming services covering in a wide range of categories to represent the diversity and originality of Taiwan, including News, Children and Youth, Cultural, Lifestyle, Science and Technology, Drama, Senior Citizens and especially to devote ample coverage to Taiwan's long-overlooked and disenfranchised Indigenous people and Minorities.

On July 1st, 2006, PTS was transformed into a media group with the new name Taiwan Broadcasting System (TBS) by bringing into CTS, the previously government-owned broadcaster. Later on, three more TV channels, including Hakka, Indigenous, and Taiwan Macroview TV, have integrated with PTS and CTS to form a larger public broadcasting system under the name of TBS.

Mission

In accordance with the spirit of public service and following the mandate of the Public Television Act, the mission of Public Television Service Foundation (PTS) includes the following:

To produce and broadcast diverse and quality programs

PTS insists on maintaining quality programming to compensate for deficiencies in the commercial broadcasting market. Using professional quality control mechanisms, PTS produces programs that adhere to the mission of public television and satisfy viewer demands, thereby fulfilling and maintaining public trust.

To promote the development of a civil society

PTS programming policy aims to safeguard freedom of expression and the public's right to knowledge, to increase both public educational and cultural standards, and to promote the development of a democratic society, thereby contributing to the public good.

To inculcate national cultural values

PTS objectively, responsibly, and faithfully records important historical events and perspectives. PTS also introduces the diverse and rich cultures of the different ethnic groups in Taiwan, thereby giving the viewers a better understanding of their own land and culture.

To broaden international cultural exchange

PTS actively participates in various international

exchanges and activities, thereby improving the public's knowledge and understanding of foreign cultures as well as their own.

Vision for 2005 to 2007

To increase public access aimed to become a trusted community resource.

Taking into account the needs of a multi-ethnic society, PTS uses innovative and lively programming formats and production techniques to produce programs with greater mass appeal.

PTS aims to improve the production environment of its news programs by allocating additional programming slots for domestic and international news, as well as improving the quality and contents of its news programs. PTS likewise provides timely, immediate, and accurate reports of major events. Through these measures, PTS hopes to widen its impact and become the media most trusted by the public.

Apart from program production, PTS aims to provide more comprehensive public service in order to gain and maintain the public's recognition and support, while in the meantime working to develop a stronger and closer working relationship with social organizations and civil groups that corresponds to the implementation of Full Public Services.

To develop into a public media group that branded with global visions.

Through the establishment of the Taiwan Broadcasting System (TBS) that set to construct the digital TV platform to advance the broadcasting service, PTS Foundation has effectively broadened the scope of public broadcasting in Taiwan, as well as leverage for specialization within TBS needed to provide greater service to the public.

By actively participating in and organizing international exchange, cultivating opportunities for international cooperation, and producing programs that are globally competitive, PTS hopes to broaden the horizons and international perspectives of the viewing public.

Aimed to increase the level of international recognition of public television in Taiwan, PTS seeks not only to showcase the development of public media in Taiwan to the nations, but establishes also to its unique brand image through international marketing and expanded global services.

Message from the Chairman

Taiwan Broadcasting System Highlighting Taiwan's International Profile

The year 2006 proved to be a challenging year for PTS. First joined with Chinese Television System (CTS), and later with Hakka TV, Taiwan Indigenous TV, and Taiwan Macroview TV, PTS has now officially transformed into a public broadcasting service group: Taiwan Broadcasting System (TBS).

Apart from its continuing efforts to become a media benchmark, PTS needs to transform into a forward-looking media group with greater popular appeal and public impact. With these efforts, PTS hopes to improve the domestic media environment and develop TBS into an international brand that truly represents Taiwan.

In 2006, the largest event in international public television, INPUT or International Public Television Screening Conference, was held for the first time in Asia and PTS was the organizer. There were 459 foreign and 942 domestic participants from the television and film industry. The event was definitely an important step for promoting TBS as an international brand. At the same time, the establishment of governance and management mechanisms for TBS was begun.

With the participation of CTS, Hakka TV, Taiwan Indigenous TV, and Taiwan Macroview TV as new members of TBS, relevant operational and cooperation guidelines were formulated, a new organizational charter was written, and a public value assessment system was developed. Through election procedures that were fair, just, and respectful of the different ethnic groups, heads of the Hakka and Indigenous TV channels were elected to foster stability in future operations, synergy, and public service, while adhering to the spirit of public broadcasting.

In addition to serving and preserving ethnic languages and cultures, TBS aims to integrate available resources to develop the next generation of talent in ethnic broadcasting management, encourage development of a diverse society through dialog among ethnic groups, and promote international exchange among diverse ethnic groups. In so doing, TBS will become the face of a beautiful and diverse Taiwan to the rest of the world.

Looking to the future, management systems and strategies, as well as the integration of organizational cultures, will undoubtedly pose a big challenge for TBS. All TBS employees understand that it is imperative for society to have a healthy environment so media can thrive; each staff member is working hard to achieve our common vision and objectives. We will continue to pursue a harmonious and efficient organizational culture and use open minds and mutual trust to establish consensus. Only a sound organizational culture can foster an environment conducive to strategy implementation, while at the same time moving steadily toward a new media environment.

TBS will continue to pursue its goal of becoming an international brand representative of Taiwan. Toward this end, major strategies include the development of multi-channels, creation of high-definition (HD) TV content and deployment of relevant hardware, planning of wireless digital transmission and operating platform, formulation of a plan to develop multi-platforms for mobile TV and other new media, planning of overseas English-language broadcasting services, and an increase in the production of digital content and marketing expansion. These initiatives will require support from society-at-large, government, and legislation.

Certainly, TBS board of directors and supervisors, as well as all TBS employees, will spare no effort to ensure all the above mentioned goal and vision of becoming an international brandname, to come to reality.

Dr. Louis Chen
Chairman
PTS, Taiwan



Message from the President and CEO

Expand Out from a Bright and Colorful Taiwan Experience

In terms of the development of public television in Taiwan and the movement towards consolidation of broadcasting groups, 2006 was undeniably a pivotal year.

In April 2006, the integration of Chinese Television System (CTS) and PTS marked the initial step toward this consolidation. Another milestone was reached with the participation to this group of Taiwan Indigenous TV, Hakka TV, and Taiwan Macroview TV.

Technically speaking, it appears that the creation of the Taiwan Broadcasting System (TBS) merely increased the number of television stations and channels. However, it is the value of a public broadcasting group that matters most to improve the quality broadcasting of its service. This is the common goal for which all TBS members fervently strive. PTS is spearheading the development of TBS.

For this reason, PTS has adopted new approaches and measures to bring about a new atmosphere and milieu. Whether in bandwidth distribution or operational methods, deployment of human resources or reorganization, there is but one goal – to set in motion a chain of reforms in broadcasting.

Undeniably, there is still a long way to go. The development of TBS still requires many steps and much effort to cultivate and develop a bright outlook for tomorrow. The road to growth and development is accompanied by the twin tasks of pluralism and internationalism. This requires all our colleagues to use even more innovative approaches and steadfast energy to open a new page in the development of Taiwan's public media.

The development of TBS has already garnered international attention. During the 2006 annual Public Broadcasters International (PBI) conference, I was invited to address the executives of worldwide public broadcasters on the "Taiwan experience" in forming a public broadcasting group. My address was "Successful Reform Initiated, Challenging Public Mission – Marching Toward a Sustainable PSB in Taiwan." The success of TBS no longer concerns only one individual broadcaster; rather it serves as an index for the success of broadcasting reform in Taiwan.

The presentation I delivered during the annual congress outlined not only the opportunities for TBS development, but also the inherent challenges. It is because of these challenges that we feel a strong sense of honor and responsibility to accomplish our goals. It is also because of these challenges that we strongly believe in the endless possibilities ahead of us. Indeed, these are the challenges that will lead the way to greater hope for the future.



Yuan-hui, HU
President and CEO
PTS, Taiwan



Highlights of the Year



From PTS to TBS

The year 2006 was a historical watershed in the Taiwan broadcasting industry. During this year, the Chinese Television System (CTS) became a public broadcasting service in accordance with the Statute Regarding the Disposition of Government Shareholdings in the Terrestrial Television Industry. With the further addition of Taiwan Indigenous Television Service (TITV), Hakka Television Service (Hakka TV), and Taiwan Macroview Television (Taiwan Macroview TV), PTS was transformed into the Taiwan Broadcasting System (TBS), a democratic, diverse, competitive, and influential media group of economic scale.

TBS aims not only to scale down the over-commercialization of the media, but also to expand the media's responsibility in public service, thereby enabling broadcast media to be truly of, by and for the public.

Responding to Public Expectations

Since 2000, the terrestrial television industry in Taiwan has undergone reform and restructuring based on the White Paper on Broadcasting Policy. This white paper stipulated that in the future, public broadcasting TV stations would negotiate with government-owned electronic media (such as CTS and Taiwan Television Enterprise, TTV) to divide service responsibilities and produce TV programs for the benefit of the viewing public.

In addition, CTS and TTV should change their ownership structures to increase public ownership, thus enabling TV stations to serve the public in accordance with the law and achieve station objectives of providing information, entertainment, and education.

Media to be Of, By, and For the Public

White paper stipulations indirectly explained that the government supports the establishment of public broadcast services to reform the current terrestrial TV industry. This is especially important for realizing public ownership and control as well as building the spirit of public access to the broadcasting services. In other words, the reform called for incorporation of state-run TV stations into the public broadcasting system.

In the second half of 2001, Government Information Office (GIO) director-general Su Zhen-ping announced in the Legislative Yuan the stages of reforms to the terrestrial TV industry. These stages included first addressing issues of professional management so an independent operating mechanism could be established. Subsequently, forming alliances of public groups to invest in digital technology so as to boost operational efficiency. Lastly, purchasing shares to facilitate transformation into public broadcasting services. This development plan set in motion the subsequent establishment of TBS.



Left to right: Yuan-hui, HU (president of PTS), Wen-tseng, CHENG (former Head of GIO), Louis CHEN (Chairman of PTS) and Yuan, LI (President of CTS)

In early 2002, then PTS Foundation Chairman Wu Fengshan provided a vision of this reform in his article outlining the current state of public television in Taiwan and the methods of reforming the broadcasting environment.

In 2003, a group of legislators created the Sunny Media Review Group in which plans to establish public broadcast services were formally integrated with the movement calling for the withdrawal of political parties, government, and military from the media. The group called for amendments to the Radio and Television Act to realize transformation of CTS or TTV into a public broadcast service.

In 2004, the Campaign for Media Reform (CMR) initiated a signature drive and called for colleges of communication and for social elites to recognize the need for terrestrial TV reform.

In a letter presented during the signature drive, the TBS vision was clearly stated:

“After the government and political parties withdraw their shares from television and broadcasting media, we must not allow commercialization of TV and radio stations. We should follow the lead of other countries to allow television and radio stations, which originally belong to the people and thus should be used by the people, to integrate with PTS at its location in Neihu and be transformed into a democratic, diverse, competitive, and influential public broadcasting group of economic scale. In this way, we may limit over-commercialization of the media and increase media responsibility in public service.”

A Media Stalwart in the Chinese-speaking Communities Worldwide

The CMR further recommended that as existing public broadcasting resources were integrated, the newly established TBS should render services by dividing work along social and cultural requirements. This was to better meet the needs of the general public, advance experiments, minority groups (Hakka and indigenous people), and special assignments (national defense, education, social services).

In 2005, the government passed legislation for the democratic transformation of public broadcast services. The government likewise invested resources to facilitate establishment of TBS. As part of its major national public construction project, the GIO on October 3rd proposed a concrete two-year plan to develop public broadcasting, cultural creativity, and digital TV. For the first time, the GIO called for allocating an NT\$9.2-billion budget to develop TBS into a media stalwart for Chinese-speaking communities worldwide. TBS thus became a development program in line with official policies.

CTS as a Public Broadcasting Service: A New Era in Taiwan Media

On January 3rd, 2006, the Legislative Yuan passed the third reading of the Statue Regarding the Disposition of Government Shareholdings in the Terrestrial Television Industry. This officially signaled the withdrawal of political parties, government, and military from the media. The Statute stipulates: “The government agency (organization) shall donate its shares of the terrestrial television enterprise (CTS), including encumbrances, to the Public Television Service Foundation (PTS)” and “the budget allocated by the government for tender acquisition or production of programs on Hakka TV, Taiwan Indigenous TV, and Taiwan Macroview TV shall be transferred over to PTS within one year following promulgation of this Statute.” The establishment of TBS was thus set in motion.

CTS Becomes a Public Broadcaster

To facilitate transformation of CTS into a publicly owned broadcaster, PTS organized five symposiums between February and March to discuss the following issues: future channel positioning, division of work, and operational strategies; mission of and expectations from news reporting; balanced regional development; and ethnic groups and overseas service channels. Public opinions were solicited as reference for decision-making.

At the same time, 90,926,906 CTS shares from the Ministry of Finance and 49,795,338 CTS shares from the Liming Foundation were successfully transferred to PTS. Reports on the change in CTS shareholdings were filed with the

Securities and Futures Bureau, Taiwan Stock Exchange Corporation (TSEC), and CTS. As a result, PTS owned a total of 140,722,244 shares, accounting for 71.16 percent of total shares issued by CTS.

CTS held its first special shareholders meeting on 31 March 2006. The 23 members of the 18th board of directors, including three supervisors, were elected during the meeting. Among them were 17 directors from the PTS Foundation: Louis Chen, Li Min-yung, Weng Hsiu-chi, Wu Ching-yu, Sun Ta-chuan, Cheng Tung-liao, Chen Kuei-hsien, Chuang Kuo-jung, Li Wei-wen, Fang Nien-hsuan, Su Chien-ling, Eric Yao, Chen Cheng-jen, Lin Ho-ling, Chang Chen-ya, Chien Ching-hui, and Wang Chun-hsiu. Also included were six members from private representatives: Pa-o Tai-chun, Li Chuan-ming, Lu Rongming, Sung Chuan-chiang, Pa Cheng-kun, and Chou Li-hua. Three representatives from PTS were elected supervisors: Lin Yun, Chen Ping-hung, and Tsai Yang-tsung.

The first joint meeting of the 18th board of directors and supervisors was convened immediately after the special meeting. During the meeting, PTS chairman Louis Chen was elected the new CTS chairman and cooperation and integration between the two TV stations were promoted in accordance with the Statute Regarding the Disposition of Government Shareholdings in the Terrestrial Television Industry. Li, Yuan, who was nominated by PTS, was elected as the new CTS president. At this point, CTS completed its first stage of becoming a publicly operated company, thus ushering in a new era in the history of Taiwan media.

PTS and CTS Join Hands for a New TV Movement

Created from the integration of PTS and CTS, TBS was officially established on 1 July 2006. This marked another milestone in the development of Taiwan’s media industry. In addition to the inauguration rites in PTS and CTS during the day, an “I Love TBS” carnival was launched that afternoon at the Sun Yat-sen Memorial Hall to share festivities with the public. TBS chairman Dr. Louis Chen, PTS president Hu, Yuan-hui, and CTS president Li, Yuan

replaced their formal everyday suits with costumes to play the roles of doctor in the White Robe of Love drama series, Taiwan baseball ace Wang Chien-ming, and Detective Conan. PTS and CTS also set up interesting TV program booths to demonstrate that PTS and CTS belong to one big happy family.

In its first year, TBS launched a new TV-watching movement urging parents to pay attention to the effects of TV on family life and to help them learn how to watch TV properly. To help the public review their viewing habits, TBS also invited four public welfare NGOs, namely the National Alliance of Parent Organization, Taiwan Media Watch Educational Foundation, Child Welfare League Foundation, and Teacher Chang Foundation, to jointly select and recommend 20 quality TV programs in five major categories: children and youth, information and education, drama, entertainment, and news & others.

With the aid of TV cameras and workshops, three families participated in an experiment that demonstrated the results of the TV-watching movement. The experiment not only helped participating families develop topics for discussion and interest, but it also enabled family members to become closer to one another.

Sharing TBS News Resources for Synergy

On August 7th, 2006, 67 news department colleagues from PTS in Neihu moved to the first floor of the CTS news department in Kuangfu South Road. This was the first step toward cooperation between the PTS and CTS news departments. This move established the TBS news platform. At the same time, PTS Evening News, World News, and the other CTS news programs underwent overhauls.

To ensure neutrality, fairness, and truth in news reporting, on the 20th meeting of its 3rd board of directors and supervisors on June 19th, 2006. PTS decided against placement marketing in its news programs. The new TBS news department would not have staff for business news or include placement marketing in its news reports.

Major Events of the Taiwan Broadcasting System (TBS)

- On Dec. 9th, 2003, the Legislative Yuan passed amendments to the Broadcasting and Television Act, Cable Television Act, and Satellite Broadcasting Act. These amended laws prohibit the government, political parties, party affair personnel, appointed government officials, and elected public officials from investing in the broadcasting and television industries. In addition, government and political parties must withdraw their investments within two years after implementation of these three laws. For this reason, the Kuomintang (KMT) Party must sell its shares in China Television Co. (CTV) and Broadcasting Corporation of China (BCC) within two years. Within six months, the government must propose methods to dispose its shares of Taiwan Television Enterprise (TTV) and Chinese Television System (CTS), which it owns. Based on the government’s initial plan, TTV and CTS would become publicly and privately owned, respectively.
- On Jan. 3rd, 2006, the Legislative Yuan passed the Statue Regarding the Disposition of Government Shareholdings in the Terrestrial Television Industry, ushering in a new era of media free of political parties, government, and military.
- On Jan. 13th, 2006, the Public Television Service Foundation (PTS) publicly solicited recommendations for candidates to the post of CTS president, and subsequently created a team to select a president from among prospects. The seven-man team was composed of PTS chairman, Dr. Louis Chen, director Robert Wu, director Chuang Kuo-jung, and supervisor Chen Ping-hung. Also on the team were Yang Tuen-ho (president of St. John’s University and former chairman of the Foundation for Excellent Journalism Award), Chen Shih-min (former professor in the journalism department of National Cheng-chi University), and Eric Yao (former director of Da-Ai Television).
- On Jan. 16th, 2006, Liming Foundation donated CTS shares to the PTS Foundation.
- On Feb. 9th, 2006, PTS organized a series of workshops to discuss The Future of TBS. The first workshop discussed the future positioning, specialization, and operational strategies of TBS members.
- On Feb. 19th, 2006, PTS organized a second workshop in which the mission and expectations of new programs by TBS were discussed.
- On Feb. 20th, 2006, the new CTS president was chosen. Mr. Li, Yuan was selected new CTS president by over two-thirds of the PTS board of directors.
- On March 1st, 2006, PTS organized a third workshop in which the relationship between TBS and balanced regional development were discussed.
- On March 16th, 2006, PTS organized a fourth workshop in which the different TBS members targeting viewers of different ethnic groups were discussed.
- On March 20th, 2006, in a resolution of the meeting of PTS directors and supervisors, it was decided to improve the future operational performance of CTS by having all PTS directors and supervisors take part in future CTS board meetings and activities. Experts such as Eric Yao, Chen Cheng-jan, Lin Ho-ling, Chang Chen-ya, Chien Ching-hui, and Wang Chun-hsiu were also invited to participate.
- On March 29th, 2006, PTS organized a fifth workshop in which different TBS members

To ensure sustainability of its news platform, establishment of news platform training and news evaluation mechanisms was approved during PTS and CTS boards meetings. These included over 50 hours of annual training for all personnel and two evaluations each month headed by experts from outside the company. Key Performance Indicator (KPI) indexes were established for the platform for implementation to ensure the highest quality of news reporting.

After TITV, Hakka TV, and Taiwan Macroview TV became official members of TBS on January 1st, 2007, integration of news reporting entered into a new phase that benefited news reporting in all five channels. Eight SNG vehicles (three from PTS and five from CTS) likewise became mobile news vehicles for the five channels under TBS.

In the future, the TBS news platform strategy will focus on constantly innovative content, the spirit of public service, dedication to quality, expansion of influence, and professional brand image. Through integration of news resources from these five channels, the goal is to become the largest information dissemination platform; to use independent, autonomous, and reliable news to become the first choice in Chinese-speaking communities; and by fostering a strict, focused, open, and superior culture to become the largest talent bank in the media industry. This would help TBS news develop into competitive media news with public values.

Furthermore, TBS will use knowledge and responsibility as a foundation for news reporting so as to become the media most trusted by the public.

Ensuring Indigenous and Hakka TVs to retain their Independence, Identity and Voice

After the Statute Regarding the Disposition of Government Shareholdings in the Terrestrial Television Industry was passed, PTS began to plan for the production and operation of TITV and Hakka TV. The Public Television Act likewise called for programs that are diverse, that respect

the independence and autonomy of ethnic groups, that safeguard the ethnic groups identities in news reporting, and that promote the value of public media.

Careful Selection of the Managing Directors and Advisory Committee Members

On June 1st, 2006, the PTS board of directors began nominating and selecting advisory committee members and managing directors for TITV and Hakka TV. Nominations were made based on the nominees' professional backgrounds in culture, media, and management. In the overall composition of the advisory committee, the board also took into account factors such as dialect and a balance in representation according to ethnic groups, regions and gender.

The TITV advisory committee was composed of 14 members. Sun Ta-chuan and Chuang Kuo-jung were the coordinator and associate coordinator. Committee members were Wang Chun-hsiu, Pu Chung-cheng, Wu Ling-mei, Lin Ching-tsai, Syaman Rapomgan, Pao Sheng-hsiung, Lin Fu-yueh, Kao Te-yi, Chen Ming-chu, Huang Chih-hui, Liglav A-wu and Wsay Kolas.

The Hakka TV advisory committee was composed of 11 members. Directors Chen Kuei-hsien and Weng Hsiu-chi were the coordinator and associate coordinator. Committee members were Li Chiao, Chang Chuang-mou, Chiu Jung-kuang, Yeh Chin-yu, Tsai Sen-tai, Chung Hsiu-mei, Chung Shih-fang, Lo Shih-hung, and Chung Jen-hsien.

The advisory committees then nominated members for the managing directors selection committee, which would be approved by the PTS board. In selecting managing directors for the two TV stations, the selection committee interviewed each nominee, evaluating and selecting them based on their professional capability, individual characteristics, ideals, and commitment to the two TV stations. Three managing directors candidates for each station were then selected.

During the 22nd meeting of the 3rd board of directors on August 7th, the committee nominated Yu Kan-ping and Xu

Qingyun who were approved as managing directors for TITV and Hakka TV, respectively.

Amendments to the Guidelines for Selecting TITV Managing Director

The nomination of Yu Kan-ping as TITV managing director was widely criticized because Yu was not from any indigenous tribe. To facilitate planning and implementation in TITV, Yu voluntarily resigned as managing director. PTS subsequently solicited opinions from indigenous residents in Taitung, Pingtung, and Taipei. After taking into account opinions from all sectors, a 4th special meeting of the 3rd boards of directors and supervisors amended the guidelines for selection and increased the number of selection committee members 13. The rule of majority on the indigenous selection committee members was maintained, but a clause requiring station managers to be of indigenous origin was not included.

Thereafter, the TITV managing director election committee was reorganized. Members interviewing candidates included Pu Chung-cheng, Kao Te-yi, Hung Yi-chang, Wsay Kolas, Mona Wadan, Liglav A-wu, Hsu Lu, Eric Yao, Lawa Guxin, Chuang Kuo-jung, and Hu Yuan-hui.

During the 5th special meeting of the 3rd board of directors, Masao Aki was elected as new TITV managing director.

TITV, Hakka TV, and Taiwan Macroview TV Join TBS

TITV, Hakka TV, and Taiwan Macroview TV officially joined TBS on January 1st, 2007, injecting new blood into the group. Premier Su Tseng-chan, Legislative Yuan president Wang Jin-pyng, former PTS Chairman Wu Feng-shan, GIO Director Cheng Wen-tsang, Overseas Compatriots Affairs Commission Chair Chang Fu-mei, Council for Hakka Affairs Chairman Lee Yung-te, Council for Hakka Affairs Deputy Minister Alice Chiu, Council of Indigenous Peoples Deputy Minister Icyang Parod, Legislators Yang Jen-fu and Chen Chung-hsin, Hakka director Hou Hsiao-hsien, and media personalities Lo Shih-feng and Hsu wei offered their best

wishes.

Premier Su said that since its establishment in 1998, PTS has been dedicated to producing people-oriented and high-quality programs and that its good work was recognized by the media industry. Su hoped that the addition of TITV and Hakka TV will help PTS programs to become more diverse, that Taiwan Macroview TV programs will be able to relieve homesickness in overseas compatriots, and that TBS will live up to the public's expectation in the future.

Head of Legislative Yuan, Wang Jin-pyng hoped that, in the future, TBS will have more outstanding developments in cultural programs, especially in travel and lifestyle, sports, educational, and dramas categories. He also hoped that TBS will produce neutral yet in-depth programs to become a stalwart of Taiwan's media.

Vision of Hakka TV: Start at the Beginning; Support Beginning with Heart

"Locating the coordinates with tradition, modernity, convergence, and globalization; everything starts from the heart. This exemplifies the classical and beautiful cultural values of Hakka people." This is the vision for the new beginning of Hakka TV as articulated by managing director Xu Qingyun.

January 1, 2007, was not merely the start of the year. Since this was the day Hakka TV joined TBS, it also meant that Hakka TV cast off its burden of tenders and commercialization so it can have a new beginning as an independent TV station identifying with both the public and the Hakka people.

Because Hakka TV is an independent broadcaster dedicated to a specific ethnic group, one of its missions is to preserve and propagate the Hakka language. For instance, many Hakka accents can be found in the programs. Viewers can not only learn the diverse traditional and modern Hakka culture, but viewers young and old can also get close to Hakka language and learn it naturally in life.

Major Events of the Taiwan Broadcasting System (TBS)

targeting overseas viewers were discussed.

- On March 31st, 2006, the special CTS shareholders meeting elected the new CTS board of directors and supervisors. The board was composed of 11 PTS directors and supervisors, six experts recommended by PTS, and six representatives from private shareholders. The first meeting of the new board of directors and supervisors was convened, and PTS chairman, Dr. Louis Chen was elected CTS chairman without remuneration. During the meeting, the appointments of Mr. Li, Yuan as CTS president, Kao Wu-sung as vice president, and other executives were also approved. CTS became a public entity in due process. The establishment of the Taiwan Broadcasting System (TBS), composed of PTS and CTS, was set into motion.
- In April, 2006, drafts for the Guidelines for the Establishment of Taiwan Indigenous Television (TITV) Advisory Committee and the Guidelines for the Selection of TITV Managing Supervisor were formulated. A public consultation was held in May. In addition, there was an Internet public hearing in which public opinion was solicited on drafts posted on the

PTS Web site.

- Nominations for candidates for the managing director of Hakka TV, Taiwan Indigenous TV, as well as for the members of the advisory committee, were accepted starting on June 1st, 2006.
- On June 29th, 2006, the special session of the sixth Legislative Yuan reviewed the 2006 special budget for infrastructure construction. During the session, approximately NT\$4.4 billion in the budget for digital television broadcasting infrastructure was approved. The

move benefited the development of the digital broadcasting industry and advancement of the high-definition (HD) media.

- On July 1st, 2006, Taiwan Broadcasting System (TBS) was officially formed upon the integration between PTS and CTS.
- On July 12th, 2006, advisory committees for Taiwan Indigenous Television (TITV) and Hakka TV were established.
- On July 25th, 2006, the selection committee for the managing director of TITV and Hakka TV was formed.

- On Aug. 7th, 2006, managing directors for TITV and Hakka TV were selected. Incoming directors Xu Qingyun and Yu Kan-ping vowed to promote tribal and local culture and public values. The integration of PTS and CTS resources under TBS achieved initial tangible results with the construction of the TBS news platform. This news platform facilitated human resource synergy and improved the timeliness of news reporting.
- On Sept. 13th, 2006, TBS organized a workshop to discuss positioning, identity, and strategic direction of Hakka TV.

- On Oct. 18th, 2006, Yu Kan-ping resigned as TITV incoming managing director.
- On Oct. 20th, 2006, the TITV advisory committee convened a meeting to recommend amendments to the Guidelines for the Selection of TITV Managing Director and the Principles and Process for the Selection of TITV Managing Director and to begin anew the process of selecting a managing director. The committee likewise decided to organize three separate symposiums in Taitung, Pingtung, and Taipei to solicit comments from indigenous people on

In joining TBS, Hakka TV not only serves Taiwan viewers, but Chinese of Hakka descent from all over the world. These people can also watch Hakka programs through the TBS platform. This mutual interaction will enable the Hakka in Taiwan to become closer to Hakkas worldwide. TBS will be a major window of exchange among Hakkas in the world and will broadcast Taiwan Hakka news to faraway places.

TITV Realizes Right to Media Access

TITV is Asia's first TV broadcaster for indigenous people. After becoming a part of TBS, TITV has actively safeguarded indigenous people's right to access the media. TITV goals of cultural preservation, tradition, promotion, and vividness build media's resource network as it uses TBS as platform for the public to mix with the society and cultures of indigenous peoples. TITV also sets its eye internationally, using TBS as base to reach out and increase opportunities for indigenous groups to have international exchange and interactions. TITV broadcasts to the world, showing the eruptive force of indigenous cultures.

TITV aspires to become the favorite and dependable public media of indigenous people. It assumes its media responsibilities and upholds principles of indigenous residents in program planning and production. TITV has established recruitment and training of indigenous media talent and advancement systems for personnel development. It also cooperates with colleges to provide on-the-job training during school vacations.

Other TITV visions include establishment of a diversified media platform; service to indigenous people; development of tribal tourism industries; integration of government agencies and civilian enterprises to plan activities; promotion of exchange through news, program resources, and international indigenous TV broadcasters; planning of exchange programs such as international film exhibitions; and expanding international understanding of indigenous cultures. TITV hopes to become the favorite of indigenous people and the public media upon which they rely by

integrating TBS resources; emphasizing values of traditional cultures; demonstrating that although the essence of a culture never changes, forms do; and establishing leadership and influence in news and programs.

Taiwan Macroview TV: Window on Taiwan

Since 2000, the Overseas Compatriots Affairs Commission has been responsible for productions in Taiwan Macroview TV. Taiwan Macroview TV provides a synthesized Chinese TV broadcaster to overseas compatriots and Chinese worldwide. It also disseminates promotional materials for the government. This channel not only consoles Taiwan people traveling overseas, but it also opens a window for Taiwan to reach out to the world and for the world to view Taiwan.

The mission of Taiwan Macroview TV's broadcasting services under PTS, is to use the Statute Regarding the Disposition of Government Shareholdings in the Terrestrial Television Industry as the legal foundation and leverage the autonomous spirit of TBS to produce and broadcast programs that extends Taiwan's view and virtues, provide information on Taiwan's diversified culture, market the island's beauty and its value of freedom and democracy to enhance the understanding and support of Taiwan by compatriots and Chinese all over the world.

Starting in 2007, Taiwan Macroview TV's broadcasting services will be handled by PTS. The major target audience of Taiwan Macroview TV is overseas compatriots, Taiwan's businessmen, students, and Chinese of different backgrounds. The second target viewers are those who are interested in Taiwan affairs and the Chinese language.

In the future, the programs and objectives of Taiwan Macroview TV will focus on: programming, quality production, acquisitions and broadcasting services; integration of TBS resources to achieve productions synergy; global brand development; realization of the spirit of independence in news production and viewers research on regional broadcasters.

Major Events of the Taiwan Broadcasting System (TBS)

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| <ul style="list-style-type: none"> ● Taiwan Indigenous TV. ● On Oct. 26th, 2006, Hakka TV announced its personnel recruitment. Nominees for the 2006 Golden Bell Award were announced, with TBS receiving the most nominations. PTS received 43 nominations in 21 categories, while CTS received 12 nominations in 10 award categories. ● On Oct. 30th, 2006, nominees for the fifth Excellent Journalism Award were announced. With seven nominations, PTS and CTS received the most number of nominations. ● On Oct. 31st, 2006, TBS organized a symposium | <ul style="list-style-type: none"> in Taitung to solicit comments from indigenous people on Taiwan Indigenous TV. ● On Nov. 1st, 2006, TBS organized a symposium in Pingtung to solicit comments from indigenous people on Taiwan Indigenous TV. ● On Nov. 2nd, 2006, TBS organized a symposium in Taipei to solicit comments from indigenous people on Taiwan Indigenous TV. ● Members of TBS worked together for the first time during the Taipei International TV, Film & Digital Contents Exhibition on Nov. 23rd, 2006. Chairman, Dr. Louis Chen, executive vice president Ching | <ul style="list-style-type: none"> Swen of PTS, CTS president Li, Yuan, and vice president Kao Wu-sung of CTS inaugurated the TBS exhibition hall. ● Masao Aki was selected as new managing director during the PTS fifth special board meeting on Nov. 26th, 2006. ● On Jan. 1st, 2007, Hakka TV, TITV, and Taiwan Macroview TV officially joined TBS. |
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Set to Construct for Terrestrial Digital Broadcasting Platform



Demo of Mobile TV trial presented by PTS at 2006 Taipei TV and Film Festival.

In mid 2006, Taiwan's legislature has passed a budgetary bill for Expanding Infrastructure Investment to grant PTS more than NT\$4.4 billion for construction of terrestrial digital broadcasting platform.

The bill includes four digital development projects: HDTV, the second single frequency network, DVB-H mobile TV, and digital database which including newsroom automation, non-linear post-production network, and digital archive as well. Among these projects, HDTV is considered to be the most important in the island's digitalization framework for broadcast.

With a capital expenditure of up to NT\$400 million for constructing the HDTV transmission network, studios and post-production suites, Taiwan will be able to commence its HDTV service at mid 2008, just in time for the Beijing Olympic Games.

Another NT\$1 billion was allocated for the common

transmission platform for the second single frequency network. In order to reduce the expense, it is expected that HDTV and 2nd SFN infrastructure will be constructed jointly. Though NCC (National Communications Commission), the broadcast regulator, has yet to draft a definitive policy toward the spectrum allocation and operating model for 2nd SFN, the funds for constructing digital common platform will help to push forward the shape of the future transmission company.

DVB-H related budget is another focus of attention. Its expenses include soft-/hardware facilities and mobile content production. With the rise of mobile broadcast TV in Taiwan, DVB-H is by far the most discussed and promising technology in the local industry. With the budget from the government, PTS will produce mobile content and conduct DVB-H trials with both mobile network operators and handset manufacturers to test interoperability issues and interactive services, which should help accelerate the development of mobile TV in Taiwan.

Towards a High Quality Broadcasting Services

In 2006, construction of the PTS digital TV project proceeded as smoothly as planned. The project has progressively achieved set objectives.

- PTS worked in cooperation with the Joint Broadcasting Platform Improvement Project of the Government Information Service (GIO) to improve the terrestrial digital broadcasting station infrastructure. PTS commissioned joint transmission of five terrestrial TV stations. In areas on Taiwan Island with poor reception, PTS completed the digital broadcasting reception improvement program.
- PTS took part in the mobile TV trial broadcast organized by the National Communications Commission and was subsequently selected as the number one broadcaster in northern Taiwan. PTS passed inspection on Dec. 21 and was licensed to begin transmission of test signals. In the future, PTS will integrate the budget for the Digital Video Broadcast-Handheld (DVB-H) trial program belonging to the two-year development program for public broadcast of the GIO and carry out one year of signal testing. PTS will also promote development of DVB-H technology in relevant industries within Taiwan.
- PTS completed planning of high-definition (HD) TV, second single frequency network (SFN) transmission network, DVB-H mobile TV trial programs. These

programs belonged to the two-year GIO program to develop public broadcasting, cultural creativity, and digital TV. Since the PTS plan calls for full deployment one year after the relevant legal processes are completed, trial broadcast of high-definition TV programs is expected to commence in early 2008. Regular broadcasts will commence in April 2008.

The digital TV project includes the following:

1. Construction of digital transmission facilities: at the end of 2006, three joint transmission platforms to improve digital broadcast were installed in Pali and Yeliuchia in Taipei and in Penghu.
2. In line with the Joint Broadcasting Platform Improvement Project of the GIO, plans for Kinmen station, Matsu and Lutao Lake stations, Chingshui station in Taichung, and Wuchihshan station in Hsinchu were completed. Tender winners were announced at the end of 2006. Construction of the five stations will be completed the end of 2007.

Promising Future for HDTV and the Second Single Frequency Network (SFN)

Transmission System for HDTV and the Second Single Frequency Network to render all-round services to Taiwan and its offshore islands, the project was implemented in two stages:



First Stage

Expected completion of 11 stations, namely, Chutzushan station, Nankangshan station, Wuchihshan station in Hsinchu, Sanyi station, Nantou station, Chentoushan station, Chungliiao station, Shoushan station, Yilan station, Hualien station, and Taitung stations.

Second Stage

After construction of the above 11 stations is completed, overlay diagrams will be drafted based on field strength simulation and on-site measurements and trials. Using the overlay diagrams and reports from deployment of the first single frequency network, as well as considering the level of difficulty in obtaining station sites, a total of 29 small and medium gap-filler stations will be planned and constructed. Furthermore, priorities for the construction of gap-filler stations will be set based on region size and population density.

HDTV and Island-wide Microwave Link System for the Second Single Frequency Network

PTS is currently planning for the construction of an island-wide microwave link using bi-directional hot-standby to connect Taiwan Island's 23 transmission stations and the three transmission stations on offshore islands.

Trial Broadcast of Mobile TV

Taiwan's DTT (Digital Terrestrial TV) trials during 2004-2005 saw free-to-air broadcasts to TV sets on buses, ferries and other public places. The obstacles that PTS was to encounter were not so much technological as regulatory. With TV to mobile seen primarily as a commercial venture, feeling was that a public service broadcaster should be

ruled out as a candidate for a license, because state aid created distortion.

On October 2006, the National Communications Commission announced operators selected for the trial broadcast of mobile TV. PTS was named number one for northern Taiwan. This announcement was an acknowledgement of PTS expertise in digital TV development.

Prior to the announcement, the PTS team had been working for almost two years on the promotion and R&D of mobile TV. During this time, PTS was dedicated to building a common platform to interconnect relevant businesses within the industry chain. PTS hoped to use the trial broadcast to stimulate developments in domestic digital TV and the mobile communication industries, thereby creating value for local industries. PTS imported expertise and hands-on experience from abroad to improve local standards.

PTS' next step was to set a common platform as the technical parameter, and to recruit as least two mobile operators and two handset manufacturers into the trial. Spinning out a broadcast network operator, meanwhile, paved the mobile broadcasting footprint and neutral platform of interoperability and an open standard. PTS switched one Taipei transmitter to broadcast to mobile, thus mobile TV and stationary TV coexisted in the same multiplex. The non-proprietary head station was set up in the multiplex center; while accessible documentation and open specification catered for the value chain stakeholders. Five reception technologies; two middleware; two chip-makers; three telcos and three research bodies all participated in PTS trial of TV to mobile device.

Local INPUT, Global Output



In 2006, PTS was able to achieve tangible results in line with its goal to keep in step with the international community by organizing the 2006 International Public Television Screening Conference (INPUT 2006) and the second Taiwan International Children's Film and TV Festival. Following the launch of a triumphant bid for hosting rights, through the process of detailed and careful preparation, and through the conclusion of these two big events, PTS was not only able to demonstrate its teamwork and overall impact, but was also able to exercise a successful round of citizen diplomacy. In so doing, PTS was able to directly help increase Taiwan's international prominence.

The First INPUT in Asia

PTS served as the host organization for INPUT 2006. The importance of this event was not only confined to PTS, but also extends to all of Taiwan and the Asian television industry. After earning hosting privileges for the event, PTS used two years to design and implement the most careful and meticulous preparations because this was the first time INPUT was held in Asia. The successful conclusion of the event demonstrated the teamwork and overall impact of PTS in carrying out a very fruitful round of citizen diplomacy and raising Taiwan's international prominence.

INPUT 2006 in Taiwan

Founded in 1977, INPUT is the acronym derived from International public television. It exists to encourage the highest quality television programming worldwide; to support television as a service to the public; to promote discussion and debate about the television craft; and to serve as a global meeting point for those who make television.

INPUT has organized international television's most important and influential annual screening conference for more than 29 years. This unique event held in a different country each year, encourages the development of public service television by screening and debating the most outstanding 80 to 100 programs from around the world.

During the INPUT board meeting in San Francisco in 2003, PTS formally launched its bid to host INPUT 2006. Following a unanimous decision by the International Board, PTS was finally awarded the 2006 hosting rights.

An Amazing Journey through Six Days

The very first INPUT in Asia was held from May 7 to 12, 2006. Apart from screening 83 films, three special sessions were held. Two social functions included a lively opening ceremony and a global village party. More than 1,400 participants from 6 continents and 49 countries gathered in Taipei for this big event.

The films from INPUT 2006 consisted not only of creative and innovative documentaries, but also included comedy, discussions, entertainment, animation, and children's programs. Of the conferences of recent years, INPUT 2006 had one of the most diverse and highest quality collections of films. Entries from Taiwan included the PTS-commissioned documentary *Vision of Darkness and Cubic Tragedy*, a short animation produced by a local student.

Many heavyweights from the international film and television community had their first opportunity to visit Taiwan; they were largely drawn by the reputation and renown of INPUT. This conference was a breakthrough in international exchange for Taiwan's domestic film and television community. At the same time, the seeds for future cooperation were planted, as evidenced by planned exchanges between PTS and its Mongolian counterpart.

During the three special sessions, PTS was able to engage in mutual exchange with foreign professionals. To give the international participants greater insight into the operations of television stations in the Asian region, PTS outlined its future plans and directions. PTS was also able to share its



Top down: Press conference and Opening Party of INPUT2006

experiences in international co-production, which enabled participants to gain a better understanding of the resources and features of public television organizations from around the world. Apart from discussions on practical issues in international co-production, issues on financing, film categories and themes were also addressed.

Colleagues and foreign guests commended the overall excellent quality of INPUT 2006. The high quality of films, screening, and services were all labeled as unprecedented. As most shop stewards had never visited Taiwan, or even Asia, the event and trip certainly gave many of them deep and long-lasting impressions of Taiwan. A shop steward from Spain, Joan Carreras, stated that she had never been to any other place with so many friendly people.

Shop Stewards: TV Professionals from all Corners of the World

Shop stewards are at the core of the INPUT program selection activity. Comprised of 18 TV professionals worldwide, shop stewards are producers and commissioning editors in their respective countries and are appointed annually by the International Board after an exhaustive

search by national coordinators in their respective countries. Careful consideration is given to the distribution of members among countries to ensure balanced representation. This often results in film selected for their diverse points of view and a distinctly global character.

The INPUT program selection process typically starts with pre-selection conducted by national coordinators. Depending on the size of the country involved, usually 6 to 12 pre-selection entries were submitted by the end of January 2006.

Apart from program selection, shop stewards are also burdened with the task of providing a short introduction before and leading the discussion after the program is screened during the INPUT conference in May 2006.

PTS producers served as shop stewards from 2003 to 2006, including serving on the three-man core group responsible for coordinating programming reviews and personnel arrangements from 2005 to 2006. From February to May 2006, numerous international tele-conferences were held to ensure that INPUT 2006 would proceed smoothly. By participating in this core activity, PTS was able to become involved in the intricacies of INPUT. Uncertainties and unforeseen changes were thus minimized, thereby allowing the conference to proceed smoothly.



A total of 277 films from 52 countries were submitted during the selection process with 83 entries from 35 countries deemed outstanding. These 83 programs were then grouped into 27 sessions for screening.

INPUT 2006: Communications Strategy

Campaigning for INPUT 2006 was multi-phased and diversified. It focused on both the domestic and international audience. The main communications strategy for INPUT 2006 was inspired by the following two concepts: "Global Television's Yearly Grand Reunion" and "First INPUT Ever in Asia." Unique Hakka floral prints and the endemic butterfly were chosen as the main designing elements. International campaign messages emphasized to deliver an air of joy as well as Eastern culture, whilst domestic marketing was based on simplified lines and colors to project clean, modern visual.

INPUT 2006: Domestic Strategy and Implementation

The local communications campaign included a website in Chinese, registration events, promotion materials, news conferences, news releases, interviews, and media reports. On May 5, 2006, a screening preview was held for members of the media. Among the attendees were the chairman of INPUT 2006 and the two Taiwan producers whose programs were chosen for screening, Chou Mei-ling and Chuan Ming-yuan.

INPUT 2006: International Media Exposure

The first stage of international communications campaign started in INPUT 2005, held in San Francisco. The second stage then relied on information dissemination of the organizers of Mini-INPUT events held in different countries. Taiwan overseas representative offices also helped with publicity. International media publications, such as TV Asia, World Screen, and the U.S. biweekly Currents, were also helpful in providing information to overseas public television professionals. As the conference date approached, some of the selected films were featured in KLCS TV (the educational station in L.A) and other international television stations.

Since this was the first INPUT ever in Asia, greater emphasis was placed on promoting INPUT among public television professionals in Asia. The ratio of the target audience in the Asian region increased. This resulted in a greater number of overseas registrations originating from Asia, especially from Mongolia, Thailand, and the Middle East.



Participants from 49 countries were present during INPUT2006 event in Taipei.

During the event, the Canadian, German, French, and South African representative offices in Taiwan also welcomed participants from their respective countries with parties and banquets. This multi-pronged publicity strategy has enhanced the international images of PTS and Taiwan.

At the Forefront of the Global Public Media

During the week of INPUT event, the Strategic Research and Development Department organized the Public Broadcasters Global Media Summit on Multiculturalism. This was attended by high-level representatives from 30 public televisions in 18 countries from five continents.

With the summit theme focused on the challenges and visions of multicultural values, participants shared their experiences in the challenges of multiculturalism, especially as brought about by globalization. Participants also shared their responses. After the summit, participants signed a joint statement to support the democratic way of life. They promised to do their best as professionals in the public media to contribute to mutual trust and understanding among countries and within their own country. They also promised to facilitate multilateral talks to improve multiculturalism.

In addition, PTS regularly joins the annual conference of the Public Broadcaster International (PBI). Convened in Africa for the first time in 2006, this conference was organized by Mozambique Public television and co-organized by South African Broadcasting Corp. International public TV broadcasters showed interest in the process and development of Taiwan's public service broadcast, inviting PTS to present a special report. In recent years, many countries in southern Africa have jointly issued declarations articulating their recognition and determination in the media reform of public broadcast. During the conference, PTS complimented such efforts and offered testimony as to the fruits of public media development.

PTS also attended the International Conference on the Media and Democratic Citizenship in the Knowledge Society, organized by the United Nations Educational Scientific and Cultural Organization (UNESCO) in Seoul, South Korea. This conference offered a rare opportunity for Taiwan to be represented in a U.N. peripheral conference. Thanks to interdepartmental cooperation, PTS was also able to report its experiences in mobile TV development at the Television Asia Conference in Singapore, in which PTS shared its experiences in mobile TV development with peers in the Asia Pacific region.



Right: Vinod Ganatra (Director of The Blind Camel); Program Host of See, Hear, Sue WONG, has been presented with poster made by Taipei School for the Hearing Impaired.

Taiwan International Children's TV and Film Festival 2006

Letting Children's Dreams Take on Wings

The Second Taiwan International Children's TV and Film Festival (TICTFF) was held January 13-17, 2006 with much fanfare and celebration at the Y17 Taipei Youth Activity Center. This biannual event organized by PTS since 2004, was sponsored by Government Information Office, and the Fubon Cultural and Educational Foundation.

The five-day event features screenings and workshops for teachers and students to learn filmmaking, in addition to awards with cash prizes for dramatic feature, animation and documentary among other categories.

Vigorous International Participation, Diverse Local Cooperation

In the international competition category, a total of 251 entries from 37 countries were received, an 18% increase over the number of entries received during the first TICTFF. There were 76 films from Taiwan, comprising 30 percent of all entries. The number of foreign entries increased by 27 percent. All were of the highest caliber. Thirteen international VIPs participated in festival activities.

The Kids as Directors workshop assisted teachers and students from ten local schools to complete ten short films. From these short films, Seeds, Children, and Hope was



Activities inspired by The Peace Tree have gone up around the island.

selected to receive the Children's Jury Award. This film showcased the close relationship and interaction between children and land and proved moving and touching to both local and foreign audiences.

The film festival also received strong participation from Taiwan universities such as the Taiwan University of Arts, which sponsored two important workshops through its Department of Multimedia and Animation Arts and its Graduate School for Applied Media Arts. Several international experts shared their new ideas and experiences with local media professionals and students. A dance stage on the first floor and a playground in the second floor were constructed in cooperation with Department of Visual Communications at Shih Chien University, the French Institute in Taipei, and the Chinese Taipei Film Archive.

Joint activities with other businesses also benefited the film festival. Cooperation with the Eslite Bookstore resulted in a pre-festival campaign that included a print media campaign, setting up a children's film festival book zone, and a Discovery Museum in the children's play area during the festival. In cooperation with Bee TV, featured film festival previews were broadcast to the public on Taipei's 3600 public buses.

Schools and Communities Join the Festivities

PTS successfully promoted the film festival to school campuses. In conjunction with the event, PTS published exercise books for schoolchildren and aired entry films on the PTS channel. More than 100,000 exercise books were distributed, helping teachers and students to engage in learning activities by watching selected films. This enriched schoolchildren's knowledge about the media.

During the summer, PTS conducted an island-wide screening of the films by Kids as Directors in cooperation with local cultural affairs bureaus. This pooling of resources resulted in a synergy that maximized the benefits of these activities.

The event was held concurrently in 25 county and city libraries and cultural centers, including Kinmen, Matsu, and Penghu Islands, the mountainous areas of Yilan County, the northern coastal regions, and other remote areas. In addition, some 29 movies from 10 countries were screened. Through films featuring children, viewers were able to experience the life and culture of many nations. Parent-child participation likewise strengthened bonds and taught lessons, all in the spirit of learning while having fun.

The Indian director of The Blind Camel, Vinod Ganatra, visited Hualien for three screening and discussion sessions, drawing enthusiastic public response. Using the film The Peace Tree as a theme, co-organizers from several counties and cities carried out their own creative activities including posting make-a-wish cards. These interactive events were well received by the public.

A total of 680 screenings in 43 separate venues were held during the island-wide screenings. More than 500 staffs were mobilized for this event attracting a total audience of 50,000. This film festival probably had the largest scope and the most number of screenings of any film festival in Taiwan.

Review of Programs



Fridge of Happiness

Programming

Rooted in Taiwan, Reaching Out to the World

In 2006, PTS remained highly committed to the values of civil society. Several news and current affairs programs serving public interest were produced and broadcast. Programs from other categories were also produced under the guiding principles of diversity, quality and innovation.

Promoting Civil Awareness and Dialogues

People's Voice: First aired on April 1st, 2006 with Hsieh Chen-wu as host, this program is the first in Taiwan to adopt a format of a mini-consensus conference. This weekly one-hour program mainly features participants from different parts of Taiwan and from all walks of life, with experts serving as advisers, thus giving ordinary people an opportunity to discuss their views on current affairs. The participants are drawn from different counties, cities, towns, and villages. Opinion leaders in the topic of interest come from various universities, advocacy groups for women and the elderly, and other organizations. In keeping with the spirit of a consensus conference, participants are provided with information and other reference materials beforehand. The participants' opinions are carefully gathered and questions properly directed, resulting in a program with greater clarity and depth. During late 2006 just before the Taipei and Kaohsiung mayoral election, university students from both cities were invited to discuss their hopes and visions for their cities in four successive episodes. Views of the local residents were fully reflected in these episodes.

PTS News: On-the-hour news is aired 11 times a day starting Aug. 21st, maximizing TBS production resources while expanding news services to the public.

Taipei Mayoral Elections Debate: In cooperation with The China Times, Liberty Times, United Daily News, Apple Daily, and Central News Agency, PTS co-organized the Taipei Mayoral Election Debate. This debate format allowed the public citizens to meet candidates and directly ask questions. For their part, candidates were able elucidate their platforms and policies, encouraging the public to make rational decisions and choices before the elections.

A preparatory meeting was held in September. PTS and the four organizing newspaper agencies held a news conference in October to call for citizens' participation. Former National Taiwan University President Chen Wei-chao and former National Chengchi University President Cheng Jui-cheng were invited to serve as moderators during the debate. From 111 Taipei residents registered for the debate, 20 were chosen to participate.

On Nov. 18th and 19th, a two-day, one-night consensus conference was held. After discussions with experts, six topics were chosen for presentation during the debate. Citizen representatives were chosen to present questions to candidates Hau Long-pin, Frank Hsieh, and James Soong. The debate lasted three and a-half hours and was

broadcast through television and internet. The debate was open to the news media and received wide public approval.

City Vision Forum and Citizen Election Watch: To increase awareness and participation in the Taipei and Kaohsiung Mayoral Elections, PTS worked closely with community colleges and civic groups from both cities. In late October, a two-stage citizens' forum was held, which also served as a prelude to the mayoral elections debate held in November. Thirteen sessions were held in both cities, hence the name "Visions 13."

From October 21st to 22nd, 20 citizens, chosen from a list nominated by community colleges and civic groups from both cities, participated in a study circle. Ten issues were chosen and presented for further discussion during the second phase of the forum. After a more thorough evaluation and discussion of different local issues and topics, journalists from PTS were invited to conduct in-depth interviews with participants. From November 18 to December 4, a series called *Citizen Election Watch* was presented during the PTS and CTS morning and evening news broadcasts. This greatly enhanced the vitality of a civil society and facilitated close cooperation among PTS, civic organizations, and community colleges.

Ethnic Documentaries: Documentaries focusing on ethnic group issues promote cultural exchange, learning, and understanding among the different ethnic groups in Taiwan. The theme of the documentary series is *Listening to Voices from a Multi-ethnic Dialogue*, where words and images are used to record the life stories of different ethnic groups.

For this project, PTS worked in cooperation with six universities: National Central University, National Chung Cheng University, Shih Shin University, National Dong Hwa University, Fu Jen Catholic University, and I-Shou University. A professor from each university was asked to serve as adviser, while 50 interested students were chosen to conduct interviews, documentation, and dialogs. The result is a cross-ethnic biography aptly titled *Fellow Citizens*. PTS likewise recorded on video the "educational journeys" of the young students, and completed a series of three documentaries on ethnic diversity. These include '80s on Ethnics, '80s General Talk and A Late Journey.

Apart from conducting three advisory meetings, four student interview workshops and agriculture training workshops were held in Taipei, Taichung, Tainan, and Taitung. After the three films and book were completed, film preview and discussion meetings were held in school campuses

in Kaohsiung, Chiayi, Taoyuan, and Hualien. Similar film preview and discussions were held in the National Taiwan University and Eslite Bookstore. Two additional discussion meetings were held in Hualien and Taipei Counties.

Insight: In the eight-year history of PTS, this is the first program to focus on economics and finance. This program, first aired on December 31st, 2006, is hosted by Hong Wen-chin. In a globalised world, PTS provides valuable service to its audience in the areas of economics and finance through this program.

Children and Youth Innovative, High-Quality Productions

The high-quality and innovative children and youth programs from PTS in 2006 received six Golden Bell Awards for Children and Youth category. These programs continue to be perfect companions for children during their formative years.

Follow Me remains one of the best-loved and well-received of PTS' long-running programs. Apart from traveling all over Taiwan, the explorer team went to Vietnam to film the series entitled "Visiting My Mother's Hometown." This series chronicled the journey of an immigrant mother and daughter during their visit with relatives in Vietnam. Another long-running program, *Fruity Pie*, continued to be well-loved by parents and children because of its rich content and innovative ideas.

Mighty Media is the only media access program in Taiwan targeted children aged 12 to 16. Informative and entertaining, this is PTS' most highly awarded program. *The Youth News Weekly* was aimed at children aged 9 to 14 to improve their understanding and judgment regarding news information. The show ended its five-year run on 25 June 2006. *Masters and Masterpieces of Classical Music* was made for kids aged 8 to 12. In 2006, the program changed its focus towards introducing different music genres to children, receiving good reviews overall. Other programs include the preschool program *Bat Scope*, the children's reading program *Reading Bu Bu*, and the children's English teaching program *e4kids*.

The new season of *My Class* featured on the difficulties encountered by many of the young adults. The program seeks to guide them how to face difficult situations with careful thought and decision. The program received this year's Golden Bell Award for Best Scriptwriting in children and youth category.

In 2006, PTS started production of two programs for young adults. One of them was *Catch Me If You Can*, a program for high school students aged 13 to 17. This program gave our youth a voice in media, featuring young men and women ready to face challenges, come up with new ideas, enjoy life, and realize their dreams. Giving our youth a chance to see faces belonging to those their own age and generation was the most special attribute of this program. *Graduate*, a reality mini-series about today's youth, had themes focused on "preventing our youth from taking their first wrong step" and "waking up society's concern for today's marginalized young adults." This program also received enthusiastic public response.

Drama Exploring Society through In-depth Perspectives

Mico, Go!, a drama series about the visually impaired, starred today's young idols. It told the story of a young girl at the prime of her youth who lost her sight in an accident. Through the help of her family and a seeing-eye dog, she was able to face her new life with great courage. The series was also a very fine portrayal of the life, thoughts, and feelings of the visually impaired. With outstanding performances from the young actors, veteran performers, and the lovable golden retriever, this series was able to reach new heights through a fine combination of artistic and commercial elements.

Dangerous Mind told the story of today's high school students, the psychological conflicts they face and the pressures they endure in the face of educational reforms and the struggle to get passing grades. Written from the youth's perspective, this series gave much food for thought to today's adults. Adapted from the work of Dr. Hao Wen-yong and directed by I Je-yan, the series not only attracted a wide viewership but also stimulated a lively discussion in the internet community.

Daughter of the Theatre Master told the story of A Ping, a girl brought up in a Taiwan opera troupe. It showed how she gradually led the troupe to move forward despite difficulties and uncertainties. The series showed the beauty of Taiwan opera as a tradition and an art form while highlighting the strength and determination of women as leaders.

The River Flows Eastward was a remake of a movie from the 1950s, starring Liu Jia-ling, Yuen Yong-I, Hu Jun, and Chen Tao-ming. To remain faithful to the original work, the shooting location was reconstructed to look like the streets of old time Shanghai, including the Shanghai Paramount and rickshaws. Other nostalgic props and costumes were

also carefully researched. Viewers are brought back to old Shanghai to visit this beautiful and tragic love story.

Life Story series showcased several human-interest stories including *The Breadwinners & Sugar Plum*, *Noodles*, *Fridge of Happiness* and *Knives @ School*. Some episodes commemorated major events of 2004, including *The Family Table* and *Little corner of the world, on sale*. Some episodes explored the meaning of life, including *Love Letters in Cyberspace* and *The angel, a moment*. Growing up stories included *The Bicycle Odyssey*, *Extreme Ironing* and *Lovers*. Stories about local customs and traditions included *Happy Sailing* and *The Singing Silver-grass*. Humor and satire were the theme for *Like a Hero*, *Grandma Ghost* and *Tears*.

Documentaries Being part of a Worldwide History

Documentaries produced by PTS included *Baseball in Taiwan – A Tale of a Hundred Years*, *Making Dreams by Frame*, *At War With Plagues*, and *The Gangster's God*. *Baseball in Taiwan – A Tale of a Hundred Years* was the first complete account of the development of baseball in Taiwan over the past 100 years, starting from the Japanese period until after the 1990s. The film included interviews with more than 100 baseball personalities from Taiwan, mainland China, Japan, and the U.S. *Making Dreams by Frame*, which included interviews with more than 200 animators from mainland China and Taiwan, was a detailed account of the more than 30 years of development of animation in Taiwan. The documentary, *At War With Plagues*, recounted the history of the main communicable diseases in Taiwan over the past 100 years. *The Gangster's God* used the festivities during the Lantern Festival in Taitung to record the everyday lives of local gangsters.

In 2006, PTS also aired a select number of international documentary films, including *RX for Survivor*, *Prehistoric Park*, *The Forbidden City*, *One Day in Beijing*, *20 Days Without TV*, and *Power Play*. In one of the events leading to INPUT 2006, *Snow Queen* and *Walking with Dinosaurs* from the U.K., *The Future is Wild* from Germany, *Ryan*, *Alter Egos* from Canada, and *The Story of One* from the U.S. were also aired on PTS.

Lifestyle and Performing Arts Diversity that Satisfies Viewers

The *PTS Performance Hall* is the only TV programming featured on artistic performances in Taiwan. Every Saturday evening, it offers a variety of art performances, including classical music, traditional dramas, singing, operas, and dances. The program showcases the performances of the

diverse art groups in Taiwan, and occasionally entertains foreign performances.

The traditional Taiwanese opera programs featured in 2006 included the Holo Taiwanese opera *The Kingdom* as well as *Poet, Lin, Zhan-mei, Promise Land* and *Liou Chuan Presents Melons* from the Ming Hwa Yuan Taiwanese Opera, and *World of Crooks* from the Tang Mei Yun Taiwanese Opera.

Go Go Cha Cha is a TV program featuring artistic talent competition among senior citizens from all over the island. The contestants are invited to perform and compete in singing, dancing, and other artistic performances. The program, hosted by the witty and humorous Chen Ya-lan and He Tu-lin, provides the best entertainment and leisure realm for senior citizens being themselves.

Sunday Night Fever is PTS' first in-house produced music variety show. Unlike contemporary variety shows, the program invites singers to perform live on-stage and show their talent. The TV program also systematically introduces the works of artists from different generations, categories, and styles. It ties and interprets popular culture, past and present, quite well.

Help Joe is the first interactive reality show in Taiwan. The audience members select three young people, who will find their identity in their ideal life and in real life, as they strive to make the dreams about their identity a reality. The audience members vote via a short message service and make recommendations to help the young people realize their goals. In this show, these young people undergo different challenges and face crossroads in their hope of realizing their dreams without a hitch.

The program, *Viewpoints 360*, sources and features the materials and documentaries worldwide that have unique perspectives. Through discussion with the presenter Kevin Tsai and experts from different fields, the audience can enjoy these documentaries as well as expand their intellectual horizons. Upon meeting a new perspective, viewers can better understand themselves, better respect other people, and feel a little closer to the world.

Joyful Reading is a book reading program focusing on women. It presents the colors of women's lives through readings from books on physiology, psychology, history, and social institutions. In the program, which is hosted by Wu Tan-ju, women write books, talk about themselves, and share their experiences. The program allows audience

members to see that in addition to reading books, they can also understand women and life. The program uses the life experiences of women to explore the new future of diversified gender relations.

Public Services

Catering to Needs, Bringing Life to Public Service

Hear, See has provided a wide range of information to broaden the perspectives of Taiwan's hearing impaired. The program continues its focus on knowledge, entertainment, service, and internationalism throughout its eight-year run.

Let's Talk in English on PTS has entered its seventh year with the arrival of 2006. It is the longest running English-language teaching program in Taiwan. The program co-produced with the Overseas Radio and Television (ORTV), is a respected authority in English-language instruction. This high quality of the program has received kudos from its audience and the education community. This program also received the Department of Education award in 2006 for promoting life-long learning.

Explore the Unknown is a program produced by PTS in association with Academia Sinica. The program introduces cutting-edge basic science researches in Taiwan to the audience with a combination of exciting animation and in-depth coverage that avoids scientific jargon.

Broadcast Games of Major League Baseball

Bringing Baseball Fever to Taiwan

Without the marketing and profit-oriented considerations of commercial television stations and with the spirit of public service foremost in its mind, PTS broadcast the 2005 games of Major League Baseball. In 2006, PTS held fast to this spirit. The outstanding performances of two Taiwan baseball players, Wang Chien-ming and Kuo Hong-chih, in these games were again brought to Taiwan television. The resulting baseball fever in Taiwan further demonstrates the meaning and value of PTS to the Taiwan society.

Apart from providing audiences an opportunity to witness these two players shine in baseball's premier venue, the Major League Baseball broadcasts have brought a flood of new viewers, attracting new supporters and sponsors from all quarters. Numerous organizations recommended that these broadcasts be made in a public arena. Due to copyright issues, however, this was not realized. Regardless, baseball fever got even hotter because of the efforts of PTS.

In May 2006, PTS produced a special program called Taiwan

Baseball Dreams to tell the story of the struggles faced by Major League Baseball players from Taiwan. The program was broadcast on 2006 New Year's Eve noontime and detailed Wang Chien-ming's difficult journey to Major League Baseball and included some exclusive footage of Wang Chien-ming as he prepares for the World Baseball Classic at the Tzuoying Training Center.

Apart from Wang Chien-ming, *Taiwan Baseball Dreams* also featured interviews with other up and coming Taiwan baseball players, namely Hu Chin-long, Cheng Chi-hung, Luo Kuo-huey, Keng Po-hsuan, and Luo Chin-long. They all talked about the great effort needed to achieve success in the U.S.A.

Domestic and Foreign Awards in 2006

A select number of outstanding PTS programs were nominated and received awards in domestic and international film festivals in 2006. A total of 151 programs were nominated, with 25 of them winning awards.

Biggest Winner in the Golden Bell Awards

PTS programs were nominated in 44 categories in the Golden Bell Awards, winning seven major awards. PTS has thus continued its trend of being the number one TV broadcaster with outstanding performance.

PTS programs were also nominated in 24 categories in the Second Golden Bell Awards for Children and Youth category, winning six awards. Programs such as *Fruity Pie*, *Follow Me*, *Mighty Media*, and *Master and Masterpieces of Classical Music* were quality productions that became major brand programs for children and youth. The awards were further proof of PTS' outstanding achievements in program production.

PTS programs for children and youth likewise achieved tangible results in international film festivals. *Mighty Media – Faces of Orientals in Hollywood Movies* and *The Youth News Weekly – A Dream Journey* won the Best Taiwan TV Program and Best TV Program, respectively, in the 2006 Second Taiwan International Children's TV & Film Festival.

Being a Volunteer - Sri Lanka Revisited from *Follow Me* achieved outstanding results at the historical New York Film Festival and walked away with a Bronze Medal for Youth Program. Besides, *Run Bu-nung School Run* also from *Follow Me*, was nominated in NHK Japan Prize in the category Best Youth Program. *Fruity Pie* and *Bat Scope* were also nominated in the Asian Television Awards and

The Chicago International Children's Film Festival. In the journalism awards category, *ViewPoint*, *Hakka News Magazine*, *On the Spot*, and *PTS Evening News* were all nominated in the prestigious Excellent Journalism Award, which was renowned for being the benchmark of journalism awards. *Our Island*, which focused on environmental protection and ecology, won an award for international news reporting for its Nature Vision series.

Shining in International Film Festivals

PTS drama programs fared no less. *Blue Cha Cha*, a drama that focused on female sentiments and humanities was nominated in foreign and local film festivals. The drama was selected to screen in the Deauville Festival of Asian Film, Fribourg International Film Festival in Switzerland, Golden Chest International Television Festival in Bulgaria, Festival International du Film Indépendant in Brussels, International Film Festival Rotterdam, and Taipei Film Festival among others. *Blue Cha Cha* won the Grand Award of All Categories at the Festival International du Film Indépendant in Brussels. The drama garnered critical acclaim both in Taiwan and internationally. The TV-movie *Numbers* was took part in the Tel-Aviv International Student Film Festival, and it also won the Best Director for Short Dramatic Film at the Annual University Student Film Festival in the Greater China Region in Hong Kong.

The PTS documentaries, have also been acclaimed both locally and internationally. *ViewPoint*, the first documentary slot ever presents diversified topics each week, did not only rouse interests at the Taiwan International Documentary Festival, Women Make Waves Film Festival, and Excellent Journalism Award, but it also won the Asian New Force top prize of the Hong Kong Independent Short Film and Video Award with its episode *My 747*. Furthermore, *The Gangster's God*, which used the cultural activities during the Lantern Festival as theme, was also nominated for best documentary film in the Taiwan International Documentary Festival, South Taiwan Film Festival, and Golden Harvest Award. *Vision of Darkness*, which explored the issue of visual impairment, won the best documentary feature in the Asian Television Awards. *Made in Taiwan*, part of a series of documentary portraits of 17-year-old girls all over the world, commissioned by the GermanTV channel ZDF/3sat, featured on a seventeen-year-old Taiwanese girl, who lived in an environment heavily influenced by U.S., Japanese, and European cultures. In addition to being nominated in the Art Series at the 2006 Women Make Waves Film Festival, it was also put in the limelight at the Women Film Festival in Seoul.

International Awards

- **The New York Film Festival**
Bronze Medal for Youth Program
Follow Me
- **Taiwan International Children's TV & Film Festival 2006**
Best Taiwan TV Program
Mighty Media
- **Hong Kong Independent Short Film and Video Award**
Asian New Force top prize
My 747 (ViewPoint)
- **Annual University Student Film Festival in the Greater China Region in HK**
Best Director for Short Dramatic Film
Numbers
- **Festival International du Film Indépendant in Brussels**
Grand Award of All Categories
Blue Cha Cha

Domestic Awards

- **Golden Bell Awards**
Best Leading Actor in a Mini Drama Series: Chen Mu-i in *Happy Sailing*
Best Director in a Mini Drama Series: Lou I-an in *Happy Sailing*
Best Leading Actress in a Mini Drama Series: Li Lieh in *Love Letters in Cyberspace*
Best Traditional Drama: *Three Persons, Two Lights*
Best Educational and Cultural Program: *Ancient Trails of Taiwan*
Best Host for Information and Variety Program: Wu Nien-chen in *These People, Those People*
Research and Development: Tsai I-min, Wen Feng-ting, and Wei Min-fu for *Principles of Digital Terrestrial Broadcasting and Measurements and Model Analysis of SFN Radio Frequency Path*
- **Golden Bell Awards for Children and Youth**
Best Preschool Children's Program: *Fruity Pie*
Best School Children's Program: *Master and Masterpieces of Classical Music*
Best Youth Program: *Mighty Media*

Best Performer (includes host and actor/actress): Hsu Chieh-hui, Chen I-hsien, Hsueh Chi-kang, Wu Huai-chung, and Tsai Ming-i in *Follow Me*.

Best Child Performer (includes host and actor/actress): Chiu Ya-yu, An Tsung-tzu, Jui Shih-huan, Yu Jui-yao, Chen Hung-yu, Tsou I-ting, Lin Shu-yu, Li Ai-hsiu, Lin Pin-chun, and Lin Tung in *Mighty Media*

Best Scriptwriting: Chen Li-li in *Our Class*

- **Excellent Journalism Award**

Best International Journalism Award: Chang Tai-ping, Chen Chin-piao, and Lin Chia-ying reporting in *Our Island: Nature Vision*



Top down: Sunday Night Fever, Noodles, The Youth News Weekly

International Cooperation



Care Without Borders

International Co-productions continue to make a major impact

Riding on its success in 2005, PTS continued to reap honors for its international co-productions in several film festivals worldwide.

The documentary *Tigerwomen Grow Wings*, directed by German director Monika Treut, has been a co-production project selected for screening at the 2005 Berlin Film Festival, was also chosen to be part of the Taiwan Film Festival held in September 2006 and co-organized by the University of California-Berkeley, Stanford University, and Washington University. The director was also invited to participate in a panel discussion after the screening.

A second short documentary co-produced with Monika Treut was entitled *Made in Taiwan*. This was broadcast as an episode of the series "17 UP" produced by German public television ZDF-3sat. The documentary depicted the life story of a 17-year-old girl growing up in Taiwan. After being screened in the Taiwan Women's Film Festival, this documentary was also shown at the Women's Film Festival in Seoul, Korea.

2005's multi-awarded *Monkey War and Peace* continued to make waves in 2006. The film was chosen as an entry to the US Animal Behavior Society Film Festival and the Thailand Science Film Festival. This film has definitely gained the approval of the academic community.

Care Without Borders: Exploring the HIV Problem in Malawi

More than 200 individuals take time from work to attend the funeral of a baby, a victim of the HIV. In Malawi, this is not an isolated incident, but rather an everyday scene. *Care Without Borders* was produced with the help of the Department of Health. In the middle of 2006, the PTS production staff went to faraway Africa to document the damage and destruction brought about by HIV in Malawi and to tell the story of how a medical team from Taiwan is helping local patients deal with this disease.

Malawi is a small landlocked country in southeastern Africa. With about one million infected individuals, the HIV infection rate has approached 20 percent of the population. The

head of Taiwan's medical team in Malawi, Dr. Yee Kuang-liang, has said that doctors have but one desire, that is, to go where they are needed the most. Not surprisingly, Taiwan's medical aid to Malawi has consisted of both labor and material resources, unlike Western nations that have concentrated on material and financial contributions. A central hospital was constructed in Malawi's remote northern region. A "fingerprint identification system" was set up to help unregistered and undocumented residents receive medical attention. Over the last four years, at least 3,000 patients have received help in getting anti-retroviral (ARV) therapy.

Although separated by the vast Indian Ocean and Asian continent, the two nations of Taiwan and Malawi have strengthened their close friendship with this provision of medical aid.

Care Without Borders has brought the PTS audience face to face with Africa and the worldwide problem of HIV. During the filming of this documentary, PTS gained the trust and help of health authorities from Taiwan and Malawi. An English version was also produced to reach a wider international audience. For PTS, this documentary opened the stage for venturing into films about Africa as well as films with international themes and substance.

Exchanges with Mongolian National Public Radio and Television

In May 2006, members of the Mongolian National Public Radio and Television (MNPTV) arrived in Taiwan for the 2006 INPUT and Leadership Summit activities. During these events, PTS and MNPTV reached an agreement for mutual cooperation and bilateral programs exchange. MNPTV used to be a state-run television station. In January 2005, legislation was passed to change its character to that of a public television.

With goals of expanding international development and strengthening cooperation with international public television, PTS entered into collaboration agreement that resulted in a two-stage plan for bilateral exchange, including program exchange and educational training. The goals and direction of this plan were finalized in late October 2006.

Facts and Figures

The PTS mission is to broadcast diverse and quality programs, advance the development of a civil society, enhance cultural profundity, and increase international cultural exchange. This is why PTS legitimacy and responsibility emphasizing service, reform, education, culture, diversity, and the shaping of democracy cannot be evaluated using one indicator. PTS performance is evaluated using the following: ratings, viewing quality, gain ratio, and impact.

- Ratings: Statistics from AGB Nielsen Media Research is used as primary data to understand ratings, market share, and viewer distribution of PTS and its programs.
- Viewing Quality: Ratings data can be used only to analyze the results of viewer preference. It cannot describe the level of viewer satisfaction. Therefore, since 2001, PTS has commissioned market survey companies to conduct research on viewing quality. Telephone interviews gather information on channel popularity and the level of viewer satisfaction. Viewing quality can indicate program performance as well as PTS performance.
- Gain Ratio: As a public service channel, PTS should manifest the spirit of public service in all respects. Not only should PTS produce quality programs, it must also use its programs and peripheral services as platforms for communication with the public. Therefore, gain ratio was designed to evaluate the post-broadcast effect of programs on the audience, including relevant public information and follow-up services. It includes also marketing results, subsidies, website performance, activities relevant to public service, and other promotions.
- Effects: The primary consideration of PTS program production is social responsibility and the effect of these programs on the audience. Therefore, indicators also include concrete, facts such as a program's receipt of an award and a program's effect on society.

Every quarter, PTS implements diversified performance

evaluation of its primetime programs. Programs with unsatisfactory scores undergo review.

Diverse Perspectives for Comprehensive Public Service

In 2006, PTS programs were produced in line with the PTS mission to broadcast diverse and quality programs, advance the development of a civil society, enhance cultural profundity, and increase international cultural exchange. PTS has maintained a diverse perspective, multiple styles, and quality production in its service to the public.

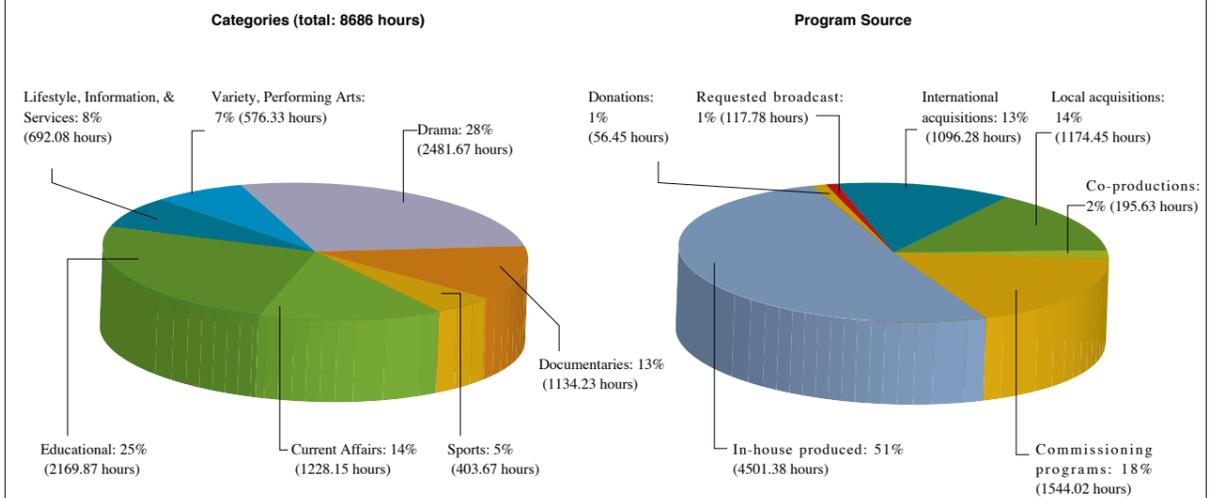
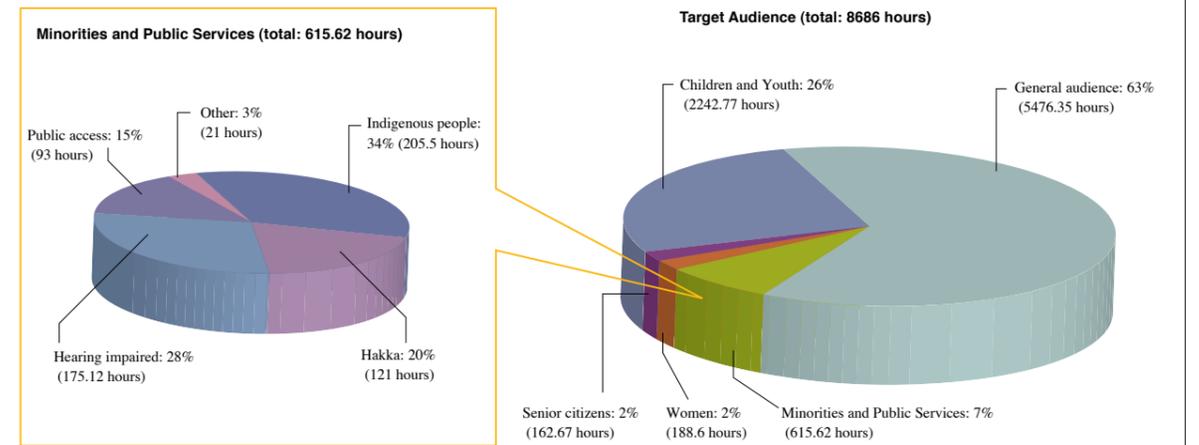
To appeal to the public and the world, in 2006, PTS broadcasted Major League Baseball and, in July, the 2006 World University Softball Championship to increase public attention on sports. PTS was also concerned about sports development. Hence, it produced the documentary film, Taiwan Baseball History, to highlight the legacy of baseball in Taiwan.

To the intellectual audience, PTS continued to broadcast the documentary Point of View at fixed primetime slots. In addition, the new Date Line featured quality, informative, local, and foreign films for the Taiwan audience. To make cultural arts more appealing to the public, PTS also aired a variety of cultural programs in the PTS Concert Hall and produced the musical variety Sunday Night Fever, which used innovative musical performances to reinterpret Taiwan's old popular songs.

PTS once again co-produced with the Academia Sinica a series of program on science and technology to introduce the research results from Academia Sinica. PTS also produced new documentaries including Lee Teng-hui: Taiwan's Transition towards Democracy, Brand in Taiwan, Taiwanese Press in Retrospect, and Fellow Citizens.

For news and current events programs, PTS produced the weekly People's Voice and Insight, which analyzed major financial policies. Since August 2006, PTS has aired the one-hour daytime PTS News on weekdays to improve timeliness of news reporting. PTS also produced the Sign Lines to cater to the hearing-impaired audience.

Proportions of all programs produced in 2006 are as follows:



Review of Operations



Restructuring for Greater Synergy

In 2006, PTS administration and personnel management underwent a total overhaul following the establishment of TBS.

Pursuant to the Public Television Act, the PTS Foundation has a board of directors that is composed of 11 to 15 directors, one of which serves as the board chairman. The board is responsible for determining the PTS business orientation; reviewing and approving annual work plans, budgets, and audits; and overseeing corporate performance led by the president. The board of directors ensures that PTS operations are consistent with its mission and objectives.

Also in accordance with the Public Television Act, PTS has three to five supervisors, one of which serves as the executive supervisor. The board of supervisors audits expenses of the PTS Foundation to ensure that budget use is consistent with the Guidelines for the Audit of PTS Budget and Expenses and other relevant laws and regulations.

PTS organization includes a Planning Department, Program Department, News Department, Engineering Department, Public Service and Marketing Department, International Department, Administration Department, New Media Department, and Strategy Research & Development Department. (PTS organizational structure is as shown in this figure.)

Section 3 of the PTS Charter stipulates that PTS should have a president to manage all affairs within his scope of responsibilities, plus one to three vice presidents. If necessary, an executive vice president should be appointed. The president is the chief executive officer of PTS and its affiliated companies (collectively referred to as Taiwan Broadcasting System or TBS). The president has the authority to oversee all essential managerial actions within TBS and this is understood to be part of his job within PTS.

PTS likewise manages Hakka TV and Taiwan Indigenous TV (TITV) in accordance with the Statute Regarding Disposition of Government Shareholdings in the Terrestrial Television Industry, which was promulgated on January 3rd, 2006. PTS employs a managing director for each television

service with separately formulated bylaws for organizational management and business operations.

Management Strategy for 2006

In conjunction with the Statute Regarding Disposition of Government Shareholdings in the Terrestrial Television Industry, promulgated January 3rd, 2006, PTS manages Hakka TV and TITV. The PTS organization and personnel management tasks in 2006 were as follows:

Promulgation of the Guidelines on the Cooperation among Affiliated Legal Entities

In preparation for future business operations of TBS, PTS reviewed the existing laws and regulations, including the Company Law, Public Television Act, Financial Holding Company Law, the PTS charter, as well as relevant guidelines from the Securities and Futures Commission. During its 17th meeting on March 20th, 2006, the 3rd Boards of Directors and Supervisors passed the Guidelines on the Cooperation Among Affiliated Legal Entities to enable integration of PTS business philosophy, clearly define the relationships between PTS and its affiliates, and improve governance efficiency.

Personnel Allocation and Cost Control

To operate Hakka TV and TITV in accordance with law, in November 2006, PTS revised the staff allocation in each department. As a result, personnel increased from 630 to 736. Every department was required to take into account actual requirements before applying for an increase in staff allocation. It is only with approval by PTS management that new staff members be added. The objective of this arrangement was to ensure use of a minimum number of capable staff to accomplish new tasks resulting from the addition of new TV stations. In turn, this would ensure efficient use of limited budget and human resources to achieve a balance between income and expenditure.

Incentives and On-line Performance Review

A paper-less office was implemented into an integrated work environment to improve performance efficiency. The on-line performance review system was completed in November 2006, in one sweep transforming the long-standing manual performance review into an electronic-based process. In

addition to maintaining the current performance review on supervisors, mutual evaluation among peer groups was carried out on a trial basis to allow for more diverse and comprehensive performance reviews, thereby improving the efficiency and accuracy of these reviews.

Management by Objective and Compliance

To instill the concept of management by objective within PTS and use actual figures to drive work quality and results, in 2006, PTS continued to promote an incentive system where the number of months of bonuses given to employees would be determined based on relevant annual performance indicators and performance achievements. It is hoped that such an incentive system will be incorporated in the company's growth objectives and overall performance,

thereby increasing incentives and inspiring vitality and productivity from the organization.

Furthermore, to improve employee understanding of the regulations relevant to job descriptions and to ensure compliance, in 2006, employees were twice given examinations on relevant laws and regulations. Thorough understanding of relevant laws and regulations by employees will improve performance and work quality and further the development of this corporate culture.

The Committee Leads to High Creativity

Faced with a competitive market, nurturing creative culture has become an important issue in recent company reorganizations. In addition to inspiring employees through educational training or development courses conducted by human resource departments, companies of scale also establish creativity groups to reshape company culture.

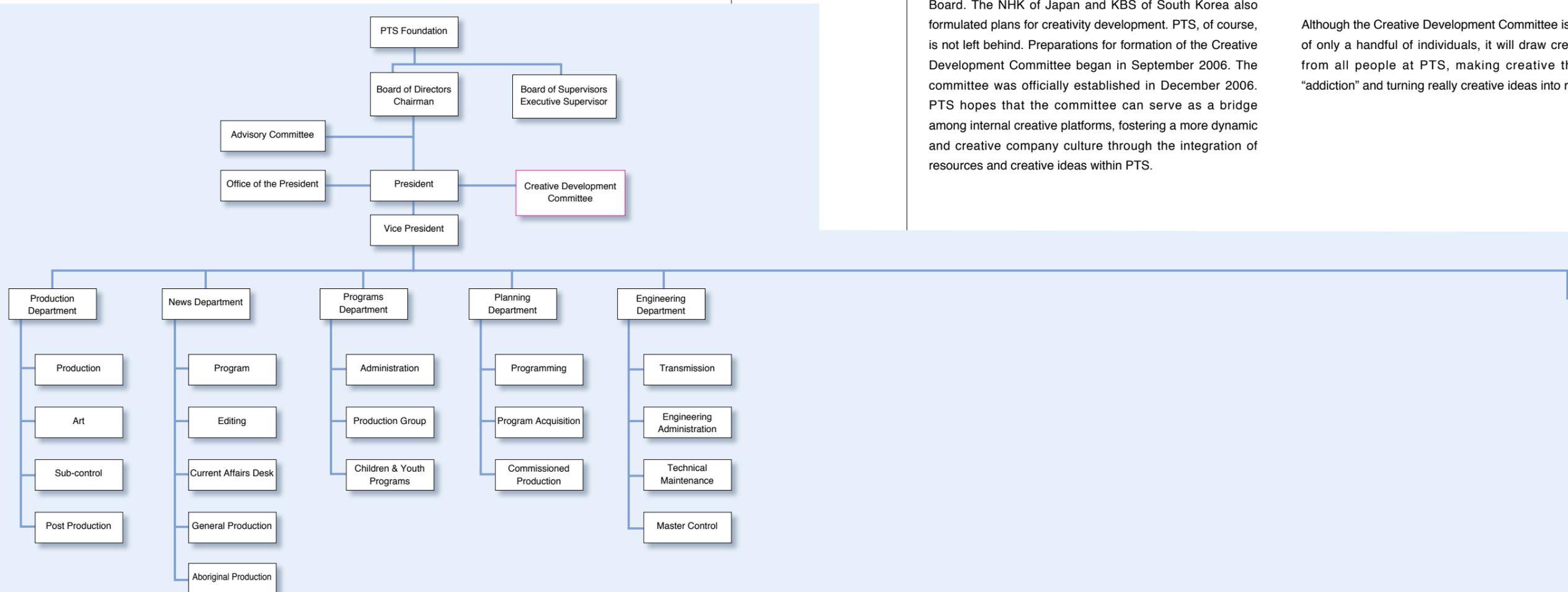
Putting Minds at Work

Currently, the Creative Development Committee is composed of a full-time coordinator, an Internet expert, and an inquisitive journalist. Committee members came from the Planning, Multimedia, and News Departments, respectively. The most creative person in each of the remaining departments at PTS was also selected to be a committee member. It is hoped that with these members' diversified specialties, the committee can develop an environment that is both interesting and inspiring. At the same time, the creation of the Idea Factory internet-based interactive system allows colleagues to present ideas, share creativeness, participate in discussions, and submit assessments while watching movies, playing games, and chatting.

Aiming for Golden Brain

The broadcast media has increasingly pressing needs for creativity management in the digital age. TV stations require more flexible management mechanisms and dynamic organizational structures so they can respond to ever-changing media technology and new innovations in services. For this reason, BBC established a Creative Board. The NHK of Japan and KBS of South Korea also formulated plans for creativity development. PTS, of course, is not left behind. Preparations for formation of the Creative Development Committee began in September 2006. The committee was officially established in December 2006. PTS hopes that the committee can serve as a bridge among internal creative platforms, fostering a more dynamic and creative company culture through the integration of resources and creative ideas within PTS.

Although the Creative Development Committee is composed of only a handful of individuals, it will draw creative ideas from all people at PTS, making creative thinking an "addiction" and turning really creative ideas into reality.



Audience and Community



Media Access: The Community Seeds Project



In 2006, the educational services of PTS became more innovative and achieved more breakthroughs compared to previous years. In addition to maintaining diversity, PTS also focused on local services through value-added educational programs in which seed instructors hailing from Taipei, Taichung, Tainan, and Taitung were given local training. PTS programs were assimilated into teaching, media literacy, and media creativity to improve the ability of local teachers and students to access to PTS programs and resources. In addition, a survey on the educational use of PTS resources was carried out to allow PTS educational services to better satisfy on-site needs.

In 2006, PTS continued its program to promote media literacy in communities. This program received subsidies from the Ministry of Education. The program objective was to assist community and educational organizations to train and nurture media talent. A series of workshops was conducted in northern, central, and southern Taiwan to encourage participating students to integrate resources from their respective agencies to further promote media literacy.

In addition, PTS cooperated with the Ministry of Education to organize a national reading promotion project. This included Joining Hearts through Reading, as well as the Reading Carnival. The first activity encouraged elementary pupils around the island to adopt 300 elementary schools determined by the Ministry of Education as wanting in resources. Students then engage in reading exchanges. PTS also selected six schools uniquely relevant to the promotion of reading for interviews and filming. The produced films were later distributed. The Reading Carnival gave recognition to pupils in the remote areas with outstanding reading skills. It also recognized private organizations contributing to the promotion of reading.

The following table lists the results of the PTS educational services in 2006. Through training of seed instructors, PTS hopes its investments in educational services will produce extensive and fruitful results, fulfilling the media's positive contributions in education.

Table Summarizing Results of PTS Educational Services in 2006

Activity	Results
Winter vacation activities: Movie watching during the winter vacation and student creative writing competition (includes internet-based voting of entries)	Distributed 110,000 copies of exercise books; 423 children participated in the contest receiving 2,582 votes
Summer vacation activities: a Vacation of Discovery and student creative writing competition (includes internet-based voting of entries) Distributed	111,300 copies of exercise books; 289 children participated, receiving 2,019 votes
Audio-visual teaching materials: The Good Little Monk/Story Time with Parrot/The Legend of Kola	The National Teachers' Association ordered 12,000 sets of VCD as teaching material for the Taiwanese language.
Three children's growth camps during winter vacation.	102 pupils attended the events
Summer filming workshop for teachers	30 teachers attended the event
Assistance to the Media Literacy Center in organizing two children's media literacy camps	52 pupils attended the events
Assistance to the Chinese Youth International in organizing a media camp for college students	33 students attended
Program to promote media literacy in communities	68 registrants; 53 participants; 18 participants achieved results in promoting media literacy
Joining Hearts through Reading (an internet-based reading and book donation drive and reading exchange with villages in the rural areas)	74 elementary schools participated in the exchange activity; 24,344 books were donated to designated schools; films were made of exchanges with 13 village schools
Reading Carnival	Recognition given to 16 counties and cities, 452 adults contributing to the promotion of reading among children, and school children with outstanding reading abilities.
Master and Masterpieces of Classical Music: Integrating information technology into creative teaching (teaching project competition)	With a total of 45 participants, PTS distributed 2000 sets of winning works to libraries in 300 designated schools in remote areas, college level departments of education, and universities around Taiwan.
Value-added educational program: Training seed instructors	42 instructors were trained in northern Taiwan; 263 hours were spent to promote PTS and media education to 65,414 faculty members.
New TV Movement	Designed tips and methods for watching TV in a healthy manner and used internet, winter vacation school assignments, monthly publications, and flyers as means of promotion.

Embracing New Media



In September 2006, PTS changed the name of its Information Technology Department to the New Media Department. The Internet Management Section was renamed the Interactive Media Section. The System Management Section was renamed the Information Management Section. The Traffic & Archives Section was renamed the Media Archives Section. The purpose of these name changes was to give PTS more diverse channels for offering excellent services in the digital electronic environment. The purpose also included creating better public value.

A Better User Interface for the Audience

Thanks to operation planning, the PTS website received an average of 1.58 million monthly visits in 2006. This was higher than the 1.3 million visits in 2005 and 970,000 visits in 2004. The highest number of visits in a single month was 1.9 million. The average duration per visit was 16 minutes 34 seconds, two minutes longer than it was in 2005. Web statistics showed an apparent increase in 2006. The website has become an important means by which the public obtains PTS information and engages in bi-directional interaction.

The PTS website was re-designed mid-2006 to provide better internet services and user interface to the audience. The newly added internet services included the use of RSS formats for frequently updated content and the direct announcement and preview of upcoming programs. To increase the convenience of its user interface, PTS revised the page format of the Friends of PTS website. This included rearranging the web layouts for sponsorship, relevant activities, and monthly internet publications. At the same time, PTS modified the membership login system to provide verification of services of websites belonging to groups under TBS.

To achieve the TBS future objective of providing multi-channel services, a multi-channel program listing system

was incorporated into the website. This allowed viewers to conveniently browse information on TBS programs.

Development Toward Bi-directional Interaction and Multifunction

In July, the PTS website started to offer an on-line video on demand. The purpose of this was to provide audio and video resources with properly protected commercial and intellectual property rights. With this service, PTS hoped to provide both education and entertainment in addition to inspiring more creativity. PTS will continue to offer its audio and video materials to the public for download free-of-charge for non-commercial use in education, creativity, and non-profit entertainment.

In the future, operation of the entire website is expected to change in line with changes in the general environment. In the past, readers became used to downloading and reading pre-edited information from the website. Today, however, readers want to upload and share information with other people. They also want to possess virtual identities, improve interaction with other web users, and increase participation in web activities. For this reason, the structure and presentation of the PTS website will continue to evolve in response to future trends.

PTS actively promoted the transformation of its website to allow audiences to have better, faster, and more user-friendly web services. PTS also wants its website management to become more accurate and efficient. In the future, PTS envisions its website allowing bi-directional interaction, encompassing a multitude of functions, and continuing to provide quality web contents.

Number of Visits to and Duration of Visit at the PTS website:

Average visits to the website	1.58 million per month
Average duration per visit	16 minutes 34 seconds per visit

Financial Highlights



The meeting between Wang Chien-min and Kuo, Hung-chih

Values Added to Fundraising Activities

The Marketing and Sales Section collected NT\$154,773,096 in revenue in 2006, among which NT\$90,065,822 were from sponsorships, NT\$30,879,275 were from commissioned production projects, and NT\$33,827,999 were from other activities. The major focus of PTS activities was as follows:

Sponsorship of Core Products

Blue chip programs that PTS had produced became the focus of sponsorship. For instance, broadcast of Major League Baseball included:

1. Donations for pre- and post-season games totaled NT\$25,070,000.
2. Income from broadcast service of NT\$14,830,000.
3. Donations for game watching and the meeting between Wang Chien-min and Kuo Hung-chih totaled NT\$7,332,000.

Corporate Sponsorship to Foster Win-Win

PTS worked with businesses and non-profit organizations (NPOs) to create topics in accordance with PTS's production orientation. Through these programs and other activities, PTS has established its brand image that is sought by

businesses. In transforming product advertisements into image marketing, PTS improved its image of promoting public good. Its operations with public relations had value and added value. PTS continued to use new models of cooperation to increase business opportunities.

- In 2006, the Grateful Social Welfare Foundation donated NT\$20.38 million. PTS and GSW Foundation worked together to promote moral education through two projects: 1) A Great Life, which included short films by the GSW Foundation spokesperson, a commencement ceremony for the use of GSW passport, promotion of inter-media integration, symposiums in schools, production of stories on giving thanks, and production of educational discs; 2) annual project for the public good, including sponsorship in the production and broadcast of The Light of Life, a series of short films and dramas, Good Words And Good Deeds, as well as production of two public service advertisements.

- PTS aired games of the 2006 American Major League Baseball to expand audience participation and increase

donations. PTS also launched a baseball paraphernalia contribution program, garnering NT\$3.12 million in donations. In conjunction with corporate sponsorship from U Chu Pharmaceutical Co., King Yuan Electronics, Taiwan Power Co., Chuchen Construction, and the educational networks of the Pingtung County, Taoyuan County, Miaoli County, and Kaohsiung County governments, PTS donated baseball paraphernalia to elementary schools in remote areas to develop their foundation in the sport.

- Under the auspices of the Department of Health, PTS organized a series of symposiums on fighting depression, which received NT\$1.5 million in sponsorship from the Compal Group. The symposiums were held at the National Sun Yat-sen University, National Taipei University of Technology, National Central University, Chung Yuan Christian University, National Taiwan University of Science and Technology, and National Chung Cheng University.
- PTS organized five rounds of hospital visits to child cancer patients at the Tri-Service General Hospital, Buddhist Tzu Chi General Hospital, Mennonite Christian Hospital in Hualien, Taichung Veterans General Hospital, and National Cheng Kung University Hospital in Tainan. The Hsu Chao-ying Foundation donated NT\$900,000.
- Under the auspices of the Department of Health, PTS organized an evening musical to showcase love and concern for those suffering from depression. Co-organized by the John Tung Foundation, the event received NT\$1 million in donations from Asustek Computer.
- The meeting between Wang Chien-min and Kuo Hung-chih received a total of NT\$3.3 million in donations from the Thanksgiving Foundation, Chunghwa Telecom, Tainan Enterprises, and Taiwan Secom. Parents, teachers, and students from underprivileged

groups were invited to the event. Charity sale of Wang and Kuo merchandise brought in another NT\$650,000. Proceeds were donated to the St. Teresa Children's Center in Hsinchu, Taiwan, the Ahgan Association, the Chinese Taipei Student Baseball Federation, and PTS.

Significant Growth in Fundraising Income

Donations from Friends of PTS in 2006 increased by 12 percent to reach NT\$24,658,283. Due to the telecast of Major League Baseball, donations related to Taiwan pitcher Wang Chien-ming and baseball accounted for 36 percent of the entire funds raised in 2006.

Other fundraising campaigns were carried out in conjunction with development of programs such as dramas, mini series, and children and youth programs. PTS hoped to win the heart of audiences with a forthright image, thereby attracting donations and new members to Friends of PTS. Fundraising focused on parent-child activities, culture, and the arts gradually increased permanent members. Member participation in member services increased by 14 percent compared to 2005. Members were mostly attracted by cultural performances, movies, parent-child activities, and the exhibition tickets that were offered monthly.

Based on the 2006 Survey of the Friends of PTS and Customer Satisfaction, 88 percent of the Friends of PTS members were willing to continue donating to PTS. Also willing to continue donating to PTS were 53 percent of non-members. Close to 80 percent of the respondents knew that PTS needed to raise funds to sustain operations. What continues to require improvement, however are ways of attracting donations from like-minded members and attracting donations from non-members. Also needed are ways to enable non-members to better understand PTS. This includes expansion of fundraising channels, better understanding member needs, and promotion of the PTS image. Improvements will help audiences better understand the positioning of PTS, its uniqueness, and its dedication and ingenuity in production, thereby increasing public support for production of better programs at PTS.



Viewers Services

In 2006, PTS received 282,211 requests for viewers services, an increase of 166 percent compared to 2005. The number of viewer service requests had increased by over 60 percent two years running despite the

fact the number of viewer service representatives remained the same. PTS added channels for "program complaints" and "complaints receiving" in 2006 to create a fair and transparent business image. After a program complaint is received, the complaint will be categorized based on the program type and source of production. Then, within one month, the relevant departments will issue a written reply to the complainant explaining the cause of the complaint and how the complaint was handled by PTS. Viewers can also report other complaints to the PTS chairman, president, or relevant personnel by presenting facts in writing, through the telephone, or by e-mail. A total of 11 program complaints and six other complaints were received and handled in 2006.

Commissioned by PTS, at the end of 2006 the Spotting Trend Marketing Co. carried out a satisfaction survey on those who had called the PTS viewers service direct line. Among those surveyed, almost 90 percent indicated their satisfaction over the speedy response of the PTS viewers service staff during their most recent call. Furthermore, almost 85 percent of the respondents said that the PTS

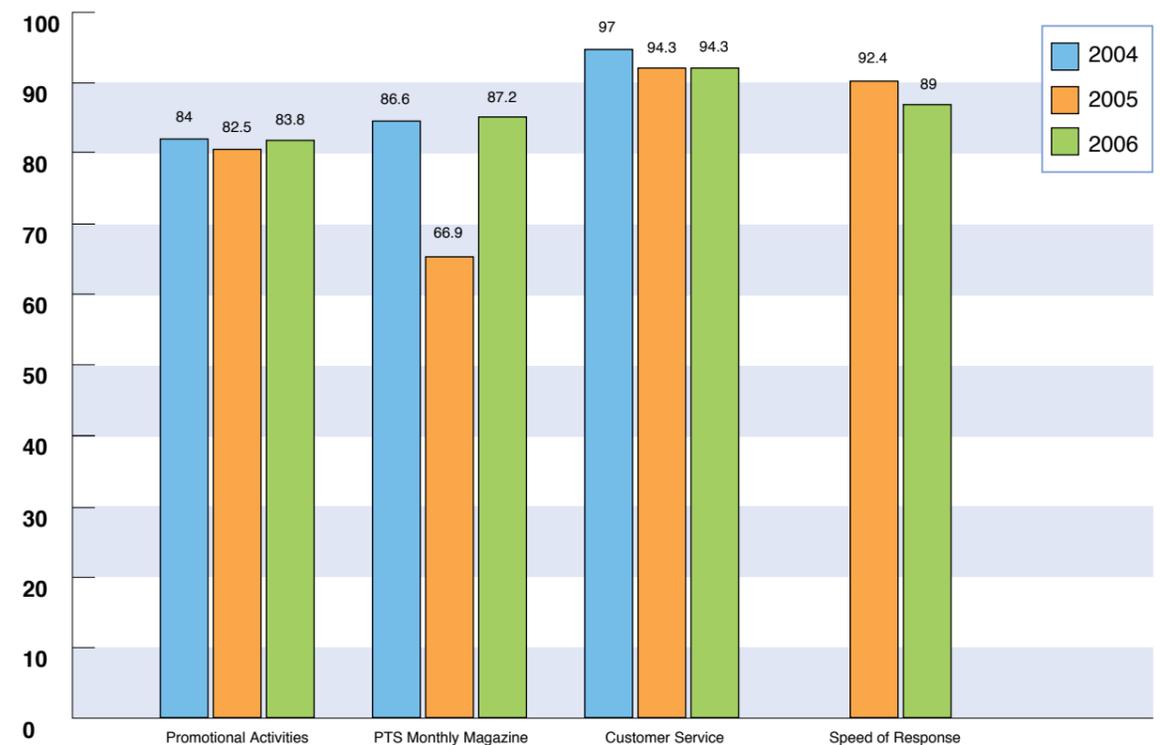
viewers service did help to resolve their problems. Among all the service item ratings, the "attitude of customer service staff" received the most positive evaluation. The degree of satisfaction was maintained at 94.3 percent, the same as that of 2005.

Fostering Mass Appeal through Tour Services

To maintain the spirit of public service and facilitate public access to PTS, since 1999, PTS has expanded its visitor tour services and employed professional guides to explain production and broadcasting process and facilities to the visiting public.

As of 2006, the number of visitors to PTS totaled 77,582. PTS took concrete steps to become closer to the public and enable the public to understand the value of public service. In the interactions between PTS and the public, the most important are public appreciation and active participation by the public.

Review of Viewers Satisfaction Over the Years



Financial Statements

When PTS was established, the Government Information Office (GIO) issued a grant of NT\$100 million in cash. Along with the NT\$1,898,742,064.5 budget allocated by the government over the years for the purchase of fixed assets, PTS was established at an amount of NT\$1,998,742,064.5 and registered as a legal entity. Upon approval by the GIO on April 26, 2001, inherited fixed assets included an asset depreciation of NT\$772,465,382.5, thus reducing the total value of PTS fixed assets to NT\$1,126,276,682. In 2001, the GIO also donated Administrative Building A valued at NT\$1,071,098,397. As of Oct. 22, 2002, the

total balance of the PTS re-registered capital goods was valued at NT\$2,302,299,013. In accordance with the Statue Regarding the Disposition of Government Shareholdings in the Terrestrial Television Industry, PTS received a donation of 140,722,244 Chinese Television System (CTS) shares worth NT\$4,327,722,168.

Financial Status

The 2006 PTS financial statement was reviewed and audited by KPMG Certified Public Accountants.

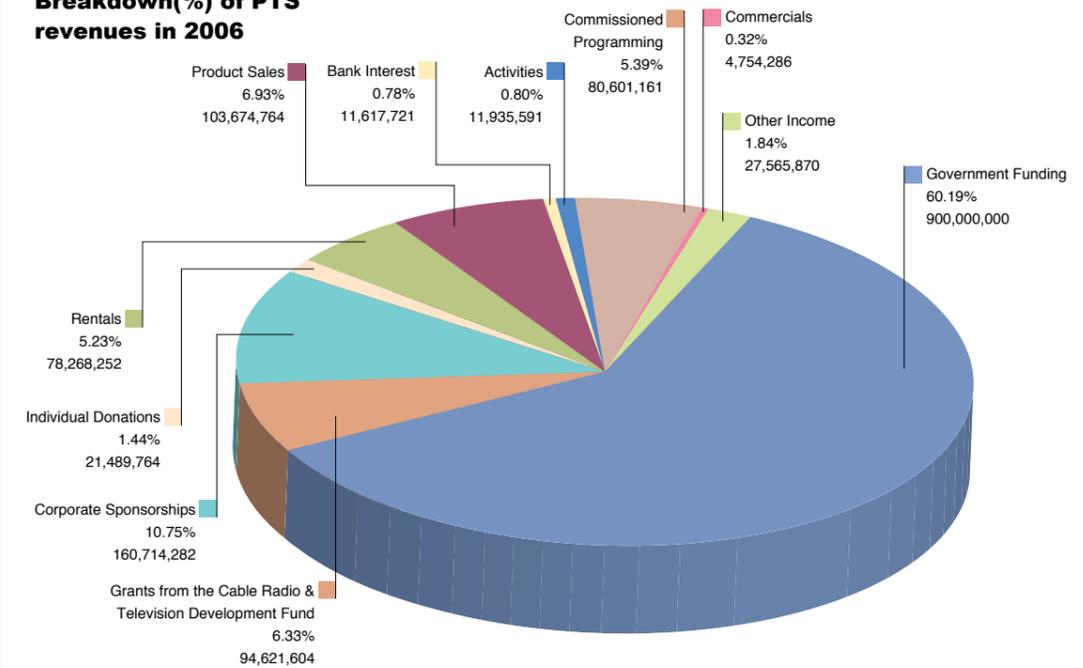
Financial Statements from 2002 to 2006

Unit: NT Dollars

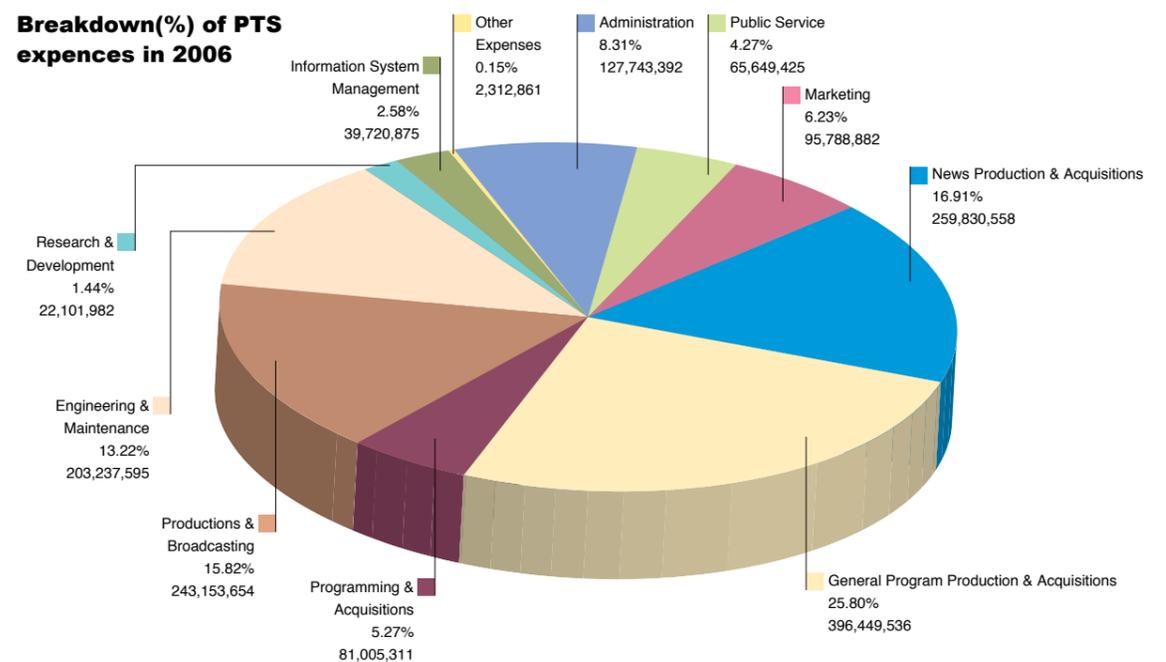
Item	2002	2003	2004	2005	2006
Donations	65,323,783	119,104,358	104,421,461	175,019,980	182,204,046
Rentals	96,574,427	117,254,864	115,143,875	118,770,611	78,268,252
Product Sales	110,803,905	130,634,961	114,679,664	104,992,366	103,674,764
Other Income	66,135,369	88,943,816	86,082,366	148,784,189	136,474,629
Total Fund-raising	338,837,484	455,937,999	420,327,366	547,567,146	500,621,691
Government Funding	900,000,000	900,000,000	900,000,000	900,000,000	900,000,000
Grants from the Cable Radio & Television Development Fund	69,382,473	97,742,281	86,161,293	90,225,286	94,621,604
Total Revenue	1,308,219,957	1,453,680,280	1,406,488,659	1,537,792,432	1,495,243,295
Cost for Needs	290,581,502	300,344,454	301,812,024	350,361,830	370,980,629
Marketing	135,767,281	138,365,540	151,621,891	152,913,715	163,270,488
Program Production	904,557,761	929,406,996	885,113,134	989,570,799	980,640,972
Research & Development	24,645,817	16,880,561	26,528,752	35,635,946	22,101,982
Total Expenditures	1,355,552,361	1,384,997,551	1,365,075,801	1,528,482,290	1,536,994,071
Balance	(47,332,404)	68,682,729	41,412,858	9,310,142	(41,750,776)

1. The above table is based on data from the annual financial statements.
2. The 2006 expenditure does not include the NT\$799, 577, 147 loss in CTS shares under the equity method.

Breakdown(%) of PTS revenues in 2006



Breakdown(%) of PTS expenses in 2006



Income from Fund-raising for Public Television Service from 2002 to 2006

Unit: NT Dollars

Source	2002	2003	2004	2005	2006	
					Amount	Annual Growth
Donations	65,323,783	119,104,358	104,421,461	175,019,980	182,204,046	4.10%
Rentals	96,574,427	117,254,864	115,143,875	118,770,611	78,268,252	-34.10%
Sales	110,803,905	130,634,961	114,679,664	104,992,366	103,674,764	-1.25%
Other Income	66,135,369	88,943,816	86,082,366	148,784,189	136,474,629	-8.27%
Total	338,837,484	455,937,999	420,327,366	547,567,146	500,621,691	-8.57%

* Results based on the PTS annual reports.

Year-end Balance Sheet
Dec. 31st, 2006 & Dec. 31st, 2005

Unit: NT dollars

	Dec. 31st, 2006		Dec. 31st, 2005	
	Amount	%	Amount	%
Assets				
Current assets				
Cash & cash equivalent	534,461,761	8	575,669,877	17
Notes receivable	5,808,762	0	5,621,527	0
Accounts receivable	32,591,891	1	90,642,001	3
Advance payments	92,157,537	1	102,257,219	3
Other current assets	82,578,659	1	54,133,546	2
Subtotal	747,598,610	11	828,324,170	25
Funds and Investments				
Long-term investments accounted for under the equity method	3,528,145,021	52	0	0
Other financial assets-non-current	2,869,257	0	7,596,225	0
Fixed assets				
Land	26,448,371	0	26,448,371	1
Buildings	1,249,156,927	19	965,335,192	29
Machinery & facilities	290,361,714	4	335,860,068	10
Transportation & communication equipment	1,453,839,448	22	1,457,024,251	44
Miscellaneous facilities	141,950,499	2	206,954,682	6
Decrease: Accumulated depreciation	(848,986,768)	(13)	(985,708,083)	(30)
Advance payments	30,995,300	1	50,627,442	2
Subtotal	2,343,765,491	35	2,056,541,923	62
Other assets				
Assets leased to others	60,162,572	1	346,358,227	11
Pledged certificates of deposit	85,000,000	1	50,000,000	2
Deferred debits	4,254,729	0	5,011,032	0
Subtotal	149,417,301	2	401,369,259	13
Total assets	6,771,795,680	100	3,293,831,577	100
Liabilities				
Current liabilities				
Notes payable	9,764,039	0	731,354	0
Accounts payable	2,755,029	0	4,779,956	0
Accrued expenses	108,512,354	2	154,540,778	5
Other accrued expenses	51,845,765	1	18,370,781	0
Other current liabilities	28,062,875	0	60,227,660	2
Subtotal	200,940,062	3	238,650,529	7
Other financial liabilities-non-current	27,411,271	0	27,980,137	1
Other liabilities				
Deferred government funding	575,959,782	9	546,110,591	17
Total liabilities	804,311,115	12	812,741,257	25
Funds & equity				
Funds	2,302,299,013	34	2,302,299,013	70
Capital reserve from donated assets	4,327,722,168	64	0	0
Accumulated equity	(662,536,616)	(10)	178,791,307	5
Total funds & equity	5,967,484,565	88	2,481,090,320	75
Total liabilities, funds, & equity	6,771,795,680	100	3,293,831,577	100

Revenue & Expenditures

Jan. 1st, to Dec. 31st, 2006 & 2005

Unit: NT dollars

	2006		2005	
Item	Amount	%	Amount	%
Revenue				
Donations	1,176,825,650	79	1,165,245,266	76
Bank interest	11,617,721	1	9,193,719	0
Rentals	78,268,252	5	118,770,611	8
Product sales (net)	103,674,764	7	104,992,366	7
Other income	124,856,908	8	139,590,470	9
Subtotal	1,495,243,295	100	1,537,792,432	100
Expenses				
Administration	127,743,392	5	124,238,291	8
Public affairs	65,649,425	3	58,167,878	4
Marketing	95,788,882	4	94,157,387	6
News production & acquisitions	259,830,558	11	240,931,886	16
General program production & acquisitions	396,449,536	17	414,517,705	27
Programming & acquisitions	81,005,311	4	82,775,465	5
Productions & broadcasting	243,153,654	10	250,884,097	17
Engineering & maintenance	203,237,595	9	191,843,742	13
Research & development	22,101,982	1	35,635,946	2
Information system management	39,720,875	2	34,176,485	2
Investment loss accounted for under the equity method	799,577,147	34	0	0
Other expenses	2,312,861	0	1,153,408	0
Subtotal	2,336,571,218	100	1,528,482,290	100
Balance	(841,327,923)		9,310,142	
Income tax	0		0	
Current balance	(841,327,923)		9,310,142	

Statement of Changes in Equity

Jan. 1st to Dec. 31st, 2006 & 2005

Unit: NT Dollars

	Fund	Capital reserve	Accumulated equity	Total
Balance on Jan. 1st, 2005	2,302,299,013	0	169,481,165	2,471,780,178
Balance in 2005	0	0	9,310,142	9,310,142
Balance on Dec. 31st, 2005	2,302,299,013	0	178,791,307	2,481,090,320
Capital reserve from donated assets	0	4,327,722,168	-	4,327,722,168
Balance in 2006	0	0	(841,327,923)	(841,327,923)
Balance on Dec. 31st, 2006	2,302,299,013	4,327,722,168	(662,536,616)	5,967,484,565

Cash Flow Statement
Jan. 1st to Dec. 31st, 2006 & 2005

Unit: NT Dollars

	2006	2005
Cash Flow from Operations		
Current Balance	(841,327,923)	9,310,142
Adjustments		
Depreciation & amortization	214,051,532	195,598,812
Net loss(gain) on disposal of property, plant and equipment	490,861	316,215
Investment loss accounted for under the equity method	799,577,147	0
Changes in assets & liabilities		
Note receivable	(187,235)	3,815,908
Accounts receivable	58,050,110	(50,811,918)
Advance payments	10,099,682	(17,456,920)
Other current assets	(28,445,113)	972,500
Notes payable	9,032,685	(446,382)
Accounts payable	(2,024,927)	3,186,386
Other accrued expenses	5,730,730	58,889
Accrued expenses	(46,028,424)	40,240,196
Other current liabilities	(32,164,785)	11,433,782
Deferred government funding	29,849,191	(27,337,441)
Net Cash Inflow from Operations	176,703,531	168,880,169
Net Cash Flow from Investments		
Purchase of fixed assets	(184,624,273)	(404,994,335)
Sales of fixed assets	0	330,803
Increase in Other financial assets-non-current	4,726,968	(5,507,450)
Increase in deferred debits	(2,445,476)	(2,742,382)
Increase in Restricted Assets	(35,000,000)	0
Net Cash Outflow from Investments	(217,342,781)	(412,913,364)
Net Cash Flow from Financing		
Increase (decrease) in Other financial liabilities-non-current	(568,866)	2,731,721
Net Cash Inflow (Outflow) from Financing	(568,866)	2,731,721
Increase (decrease) in Current Cash & Cash Equivalents	(41,208,116)	(241,301,474)
Balance of Cash & Cash Equivalents at Year Start	575,669,877	816,971,351
Balance of Cash & Cash Equivalents at Year End	534,461,761	575,669,877
Cash Payments & Other Accrued Expenses		
Fixed assets	212,368,527	310,343,121
Plus: other accrued expenses at year start	18,196,100	112,847,314
Minus: other accrued expenses at year end	(45,940,354)	(18,196,100)
Cash payments	184,624,273	404,994,335



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