

Bridging the Gap

Spurring Investments Through the National Development Fund

Increasing the Opportunities to Invest the Content Industry

Taiwan's content industry is dominated by personal studios dedicated to creation, design and production rather than financial planning, business operation and management. Moreover, Taiwanese entrepreneurs used to be less enthusiastic about investment in the cultural and creative industries. Financial supports for the industries have been provided by diversified bodies. There is an urgent need for effective integration of the financial supports.

Taiwan's strengths in cultural content creation has long been overlooked by most investors. Since its establishment, TAICCA has played an active role in bridging the gap between the industry players and investors – it deploys the NT\$10 billion National Development Fund (NDF); it implements the Cultural Content Investment Project; it transforms the funding mechanism from cooperating with certain venture capital firms to open call for investors. It motivates financial holding companies, venture capital firms, platform enterprises, distributors and production companies to invest in Taiwan's cultural content industry, thus diversifying the capital flow to this industry. It also assists visionary and innovative companies in the cultural content industry to raise funds. TAICCA makes great effort to repair the fractured value chain of the industry and to systematically build a healthy ecosystem of the industry.

In the future, TAICCA will continue to collaborate with the government and the private sector to spur investments in Taiwan's content industry. With its expertise in cultural economics, international marketing and technological applications, TAICCA will endeavor to promote Taiwan's creative production at the global market.

NDF governmental/private funding ratio

governmental

49%

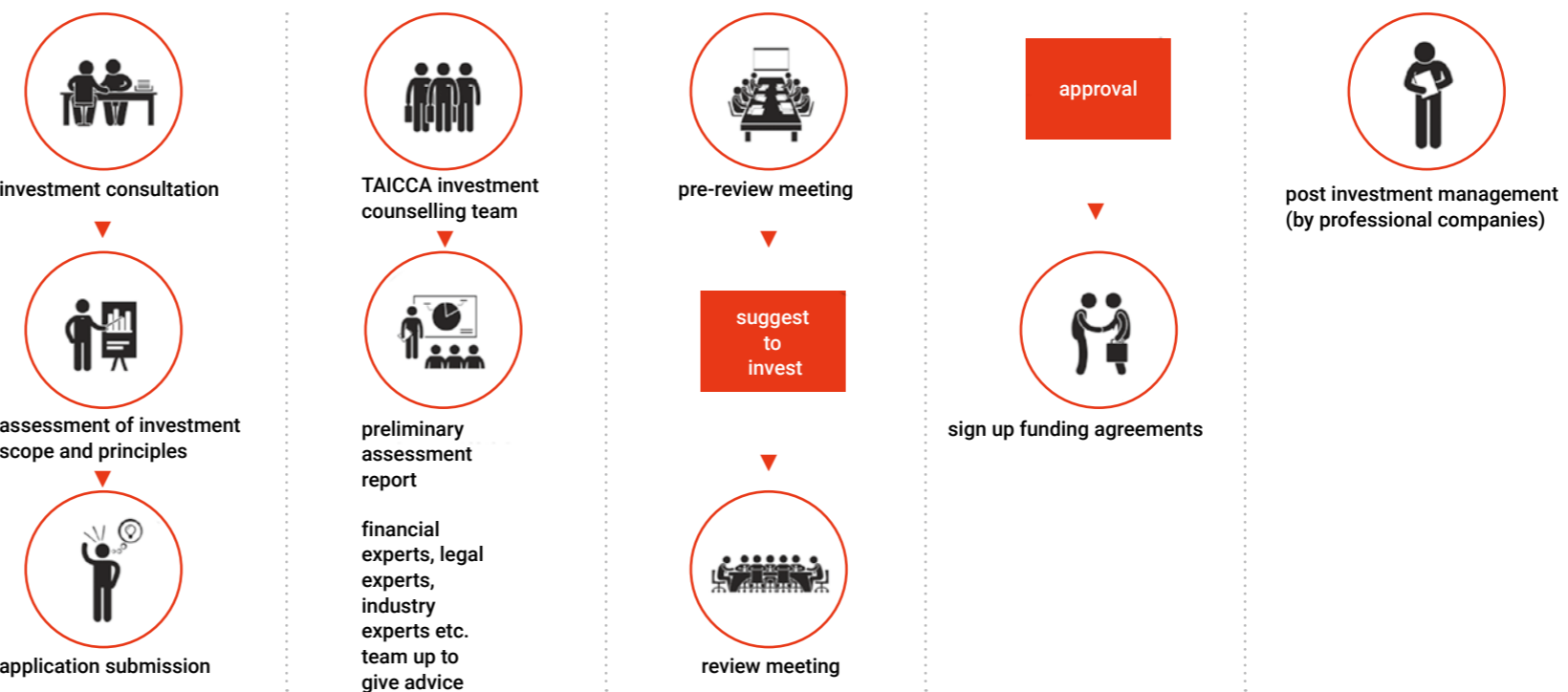
private

51%

2019-2020, **NT\$ 328.75 million** of private funding promoted

NDF Application Procedure

Pre-Application ▶ Counselling ▶ Review ▶ Funding Agreements ▶ Post Investment Management



Basic Requirements

- the investee shall be a "Company Limited by Shares"
- the investee shall have a plausible profit model
- with private investors to apply for joint venture

Investment Requirements

- public equity not exceeding 49% and not the single largest shareholder
- the investment requirements of National Development Fund consistent with private investment (including share price)

TAICCA + CATCHPLAY = SCREENWORKS

Filmmaking After Financing

A New Business Model for Film Production in Taiwan

In July 2020, TAICCA deployed the NDF to launch a joint venture in SCREENWORKS with CATCHPLAY. With CATCHPLAY's experiences in international film co-production and audiovisual platform CATCHPLAY+'s international presence, this cooperation aims to showcase quality original contents from Taiwan on the world stage.

CATCHPLAY is a multimedia company from Taiwan, which successfully integrates an array of entertainment content businesses. It has over ten years of experiences in producing and marketing films and TV programs. For example, it distributed blockbuster movies *La La Land* and *Parasite*. It also worked together with HBO and CJ E&M to bring original works from Taiwan, such as TV series *The World Between Us* (我們與惡的距離) and *The Making of an Ordinary Woman* (俗女養成記), to audiences around the world. Its streaming services, CATCHPLAY+, is the only Taiwanese streaming platform successfully expanded to the global market.

With capital injection into companies capable of international distribution and production, the production environment will thrive, the productivity will increase, and the export of Taiwanese film and TV contents will be promoted. Powered by CATCHPLAY+'s international networks, SCREENWORKS will showcase Taiwan's original films and TV series on CATCHPLAY+, highlighting Taiwanese brands on the world stage. Moreover, with the "Filmmaking After Financing" business model, which highlights international investment, presales and co-production, international resources for creation and production are brought to the enterprises in Taiwan. In turn, this will enlarge the economic scale and increase turnovers; and also lay down the foundation for Taiwan to become a powerhouse of original films and TV series.

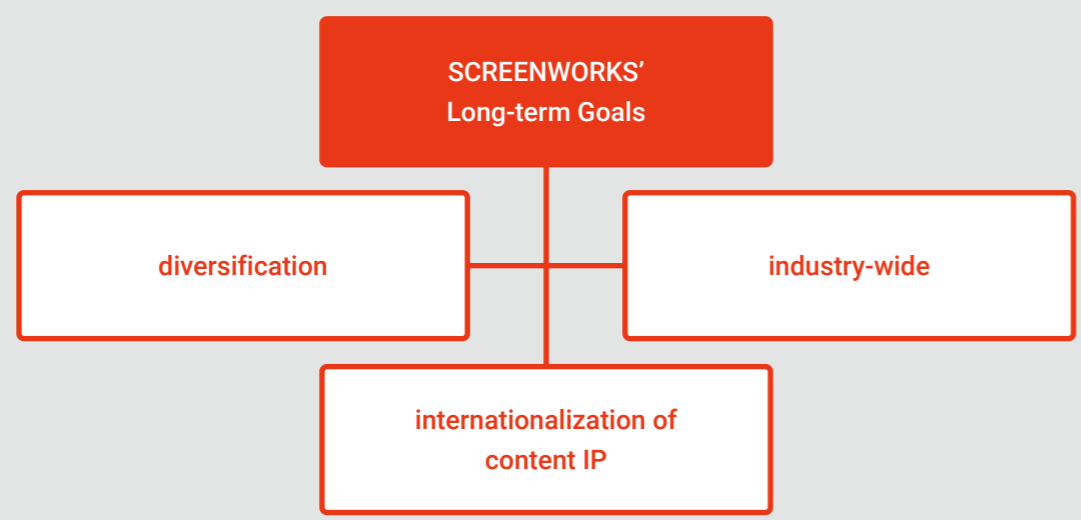


July 29, 2020, the press conference on TAICCA x CATCHPLAY collaboration for film and TV content of excellence.

We used to play by the rules of international content industry and strive to bring good international contents to Taiwanese audience. Now, it's time to leverage our experiences in the international market to bring Taiwan's original works to audience around the world. It's an honor that this idea gains favor with TAICCA and our capability to achieve it is perceived by TAICCA. We hope that this partnership can help Taiwanese film and television industry to build a new platform in line with the international standards.



Daphne Yang (楊麗貞)
CATCHPLAY CEO



CATCHPLAY **6.6+** million registered users

estimated **80-100** hours of original films and TV series invested and/or produced annually

A New Production Model

Startup Funds to Activate the Production Cycle of Cultural Contents

OTT Media Service to Motivate Specification Innovation and Content Creation

Nowadays, watching films and dramas online has been the daily life for most people. Over-the-top (OTT) media services are thriving. The demand for all kinds of programs is surging. The teams competent in content development and/or production are sprouting.

Perceiving this trend, TAICCA and KKBOX launched a joint venture in Studio76 in October 2019. Being dedicated to films in line with OTT specifications, Studio76 targets contents which are "lightweight" yet with "high stickiness" implications – such as creative films, short dramas and miniseries. Studio76 integrates platforms, music, marketing, copyright issues and other resources for business diversification. With its high quality contents, Studio76 is building up a value chain in the entertainment industry.

Studio76 is the first project successfully initiated by TAICCA in the framework of "Cultural Content Investment Project". The seed funding amounts about NT\$100 million, of which TAICCA accounted for 45 million; and KKBOX as the major investor. Following that, several media groups from Japan and other Asian countries becomes the shareholders.

TAICCA hopes that through the cooperation of multiple investors the total amount of funds could be increased significantly, leading to innovative development of the production process. Studio76 aims to produce 30 dramas in three years. To minimizing the investment risks, Studio76 turns to multiparty investing and sets the cost standards for content production – between NT\$ 60,000 and NT\$ 80,000 per

Three to four years ago, when Korean dramas was in full bloom, I kept wondering where the opportunity for Taiwan could be. Now, I finally see the light at the end of the tunnel! I look forward to partnering with TAICCA. We will grasp the opportunity to power the industry engine in full and to bring the film and television industry to a new horizon.



Dennis Yang (楊志光)
Studio76 CEO



Stage photo of 76 Horror Bookstore-Tin of Fear

100,000+ views of each episode premiere on myVideo
Aim: 30 dramas in **3** years

minute. In 2020, Studio76 made its "debut" – miniseries 76 Horror Bookstore (76号恐怖书店之恐懼罐頭), adapted from a popular web fiction, was released. The premiere of each episode on myVideo attracted over 100,000 views. Studio76 has successfully demonstrated how content development and film production can reflect the trend, thus making lucrative profits.



May 18, 2020, the press conference of "TAICCA x Backer-Founder Joint Venture"

Because of the intrinsic quality of cultural content industry, it is more difficult for creators to raise funds in conventional ways and many good projects often fall short of startup capital. Angelic-Founder helps creators ease their financial stress, particularly in the startup stage, through its professional services in financial audits, legal consultation and so on. The creators could therefore fully devote themselves to the process of creation, and this in turn will lead to a thriving cultural content industry.



Eva Liao (廖慧淳)
Angelic-Founder CEO

No Longer Is the Angle Afar

TAICCA Assists More Creators to Obtain Startup Capital

In the course of turning creative ideas into entrepreneurship, startup capital often holds the key to success. In order to solve such funding problem, TAICCA and the leading crowdfunding agency Backer-Founder (貝殼放大) join hands to invest in Angelic-Founder (天使放大), a financial consulting firm dedicated to serve the cultural content industry.

As TAICCA's working partner in managing NDF joint ventures, Angelic-Founder's main tasks are to provide startup funds to creators dedicated to cultural contents and to help them catch angel investors' eyes on their works. With sufficient capital injection, creative teams can achieve financial security and thus fully devote themselves to creation.

Angelic-Founder adopts revenue-based financing (RBF), a type of profit-share investment which allows investors to inject capital into a project in return for a certain percentage of ongoing business revenues, such as the royalty of published works. This method provides pivotal support to the creative teams, and considerably reduces investment risks for the investors.

Fund Raising
 +
 Profit Sharing



various TAICCA mechanisms to repair the fractured value chain of the industry and to promote film production



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- 1 76 Horror Bookstore First Series-Tin of Fear by Studio76 @Studio76
- 2 immersive work *The Great Tipsy: 1980s* @ Surprise Lab
- 3 76 Horror Bookstore First Series-Tin of Fear by Studio76 @Studio76
- 4 role-playing game *A Man Without a Country (沒有國家的人)* by Clubon @Clubon Creativity
- 5&6 *The Making of an Ordinary Woman 2* ©2021 Chinese Television System, SCREENWORKS and Variety Shows Film Production Co.
- 7 A painting and chatting reality show moderated by Lulu (畫說Lulu) funded by Angelic-Founder and myVideo @SELPICK
- 8 *The Magician on the Skywalk* by Taiwan Public Television Service @Taiwan Public Television Service