

The Financial Post Pullout

Changing communities:
A wave of Chinese immigration is changing the face of many communities across the country.

The Chinese in Canada

Recipe for success
Anita Lee came to Canada in search of scrap metal. What she found was a raft of new opportunities, including a successful bakery chain. C3

Hollywood East
Chinese film-makers regard Toronto and Vancouver as good locations, because the cities add an exotic touch to their films. C9

Media opportunity
Maclean's and Toronto Life recently began publishing Chinese editions of their magazines to try to tap a lucrative new market. C12

加拿大華人

Friday, November 24, 1995, *The Financial Post*

Chinese media mogul diversifies his empire

BY DAVID THOMAS
For *The Financial Post*

VANCOUVER—Thomas Fung may have had plans to become a Chinese-language media baron, but he had no idea it would happen as fast as it did.

"We're a little bit ahead of schedule," the 45-year-old millionaire admits.

"It happened a lot faster than I anticipated."

Through his company **Fairchild Group**, Fung began his venture into the media in 1992 when he bought CJVB, an AM multicultural radio station in Vancouver. The following year, he bought up Toronto-based Chinavi-

sion's assets for \$9.25 million and renamed it Fairchild TV. Chinavision had operated for 10 years, broadcasting nationally since 1985 before falling into receivership. Fairchild TV is the only national Chinese-language TV station in Canada.

The next acquisition was CathayTV, which had also failed in a decade-long attempt at profitability. CathayTV was \$2 million in debt when Fung snapped it up in 1993 for \$3.8 million. CathayTV was renamed Talentvision and now broadcasts multilingual programming to British Columbian viewers.

Fung succeeded where the previous owners had failed. "Both stations were in the red for 10 years when I took them over," Fung says. "Within three months, they were profitable." Fairchild has recently agreed to sell Talentvision to Rogers Communications in order to concentrate on one national station. "We were doing OK fi-

nancially on both stations, but we figure we can be more efficient just doing one," he says.

Fairchild TV has a paid subscriber base of 25,000 in each of both major centres, Toronto and Vancouver. The station is also broadcast in Calgary and Edmonton and boasts a total viewership of about 350,000, says Joseph Chan, chief operating officer for the company's television stations.

Chan says Chinese-language broadcasting has been given a huge boost by a recent province-wide marketing study called the Chinese Media Index. "We've now got the figures in hand to show how we're doing and to prove to advertisers that we have a viable market," he says. At present, revenue to the TV stations is derived equally from subscribers and advertising but the study is expected to help Chan tilt the balance in favor of ads. Plans to expand Fairchild TV to markets in Ottawa, Winnipeg and Montreal are on hold as the company assesses the economics of direct-to-home satellite broadcast, Chan says.

On the radio front, Fairchild expanded its network through brokerage agreements with one station in Calgary and two in Toronto. The agreements work like a lease, where Fairchild rents out blocks of broadcast time without owning the stations, Fung explains. The company is negotiating with Montreal-based Telemedia Inc. to purchase AM 1430, a Toronto station with which it has a brokerage arrangement.

Fung's radio holdings will double in size if the Canadian Radio-television & Telecommunications Commission gives him the nod in three new licence applications. Fung has formed bids for new FM stations in Vancouver and Calgary and a new AM station in Toronto. The pace of expansion wasn't part of the Fairchild marketing plan, but the company couldn't afford to ignore the opportunities, Fung says.

The proposed Calgary station, which is a joint venture with Roger Charest of the Edmonton-based OK Radio Group Ltd., basically fell into Fairchild's lap, he says. "We actually had no intention of going into Calgary



Fung: "We were doing OK financially on both stations, but we figure we can be more efficient just doing one."

at this point until we were approached by Charest."

The building of a media empire follows a series of entrepreneurial successes for Fung. He emigrated with his family from Hong Kong to Vancouver in 1967. After going to university in New York, he went back to Hong Kong and worked in banking and the securities industry for 10 years. In 1984 he returned to Vancouver and opened the first of a chain of bakeries called Saint Germain, which specialize in an eclectic mix of French, Chinese and Japanese pastries.

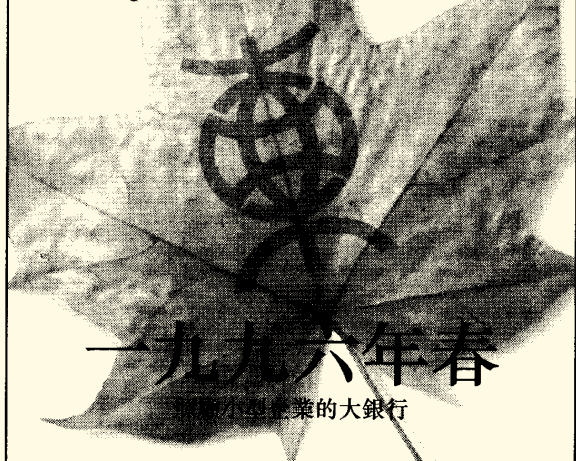
Fung is best-known for developing two Asian-themed shopping malls — Aberdeen Centre and Parker Place — in Richmond, B.C. Now known as Little Asia, the successful project has since been joined by Yaohan Centre, a Japanese grocery superstore, and by President Plaza, a Taiwanese-financed mall.

In a new venture announced this spring, Fairchild is teaming up with Hong Kong-listed Stone Group Corp. Stone Group is active in several sectors, but the Fairchild partnership will be restricted to the manufacture and export of pharmaceuticals. The venture is now a public company called Fairchild Investments Inc. and is listed on the Vancouver Stock Exchange (FIC/VSE). The company says it intends to seek future listings on the Toronto Stock Exchange and Nasdaq.

This coming spring, Fung will get the word from the CRTC on his applications for the three new radio stations. In the meantime, he is keeping an eye out for more acquisitions. "When the opportunity comes, if the price is right, I think we'll definitely pick up more," he says. "We're gaining more confidence as we go along." Fairchild shares have been trading in the 92¢ range.

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