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Computershare Communications Services is a leading global provider of specialized one-to-one communication solutions that integrate print and mail with e-commerce and other e-delivery channels

Gas-fired fortunes up in B.C.

International attention focused on the province's natural gas conversion technology as alternative energy demand grows

KRISINDRA BISSETT

A worldwide thirst for cleaner alternative fuels has everyone from global energy giants and transit operators to vehicle manufacturers turning to B.C. for answers.

The push for alternatives to gasoline has catapulted IMW Industries Ltd. from relative obscurity a few years ago to the limelight as one of only a handful of companies in the world providing the machinery that literally drives the new impetus.

Aimed at increasing environmental concerns and worries over the affordability of gasoline as the price of oil continues to surge, IMW has seen its business grow by 40% in less than two years, said company president Brad Miller. The company, which has reached a pair of manufacturing and export awards and recently moved into a new 300,000-square-foot building in Chilliwack, manufactures compressed natural gas (CNG) equipment for vehicle fueling and industrial applications such as buses and taxi fleets.



Brad Miller, IMW Industries Ltd. president: "Canada, interestingly enough, is the only place [where] it hasn't really taken off"

Business is also heating for Vancouver-based Westport Innovations Inc. (TSX:WPT), which provides technology that enables vehicles to operate on clean-burning alternative fuels. It recently secured a series of contracts with U.S. transit authorities and truck manufacturers.

"One of our strongest advantages in the market for garbage trucks or transit buses is the economics behind the fuel costs, and the fuel savings provided by natural gas vehicles," said Westport spokesman Darren Seal.

It's also one of the few manufacturers to ship finished goods to China, which is rolling out a natural gas infrastructure to help improve air quality ahead of August's summer Olympic Games. Beijing plans to put 4,000 natural gas buses into service.

Two weeks ago, Miller said he met with U.S. executives of Waste Management Inc. after the company said it would convert 50 of its diesel-powered garbage trucks in Seattle to run on clean-burning fuel.

Waste Management has one of the largest fleets of natural gas-powered heavy-duty trucks in America.

But Miller said he's baffled as to why Canada, which has ploughed millions into its much vaunted hydrogen highway plan, is a laggard when it comes to clean technologies using natural gas.

While he said that hydrogen is a "nice concept," Miller pointed out that natural gas has better economics and, unlike hydrogen which has to be made by burning electricity, coal or natural gas, is a ready resource.

Growing overseas demand has increased IMW's revenue about fourfold to approximately \$52 million this year, said Miller.

The 44-year-old mechanical engineer also owns Advanced Bending Technologies Inc., a Langley-based specialist in pipe, tube and structural steel shapes, and is finishing a buy-out of Massey Marine, a struggling North Vancouver manufacturer of doors, windows and hatches for the shipping industry.

The cost of each CNG unit IMW has 1,000 already installed worldwide varies anywhere from \$10,000 to \$100,000, although a project it has under way in Nigeria is worth more than \$1 million. The "bulk gas" project takes the natural gas, compresses it and then trucks

Beijing plans to put 4,000 natural gas buses into service

in Canada," said Miller. IMW's Chilliwack worksheds are staffed to 50 employees, and another 100 people have been added in subsidiaries in Colombia, Bangladesh and China. It exports 80%

16 PROFILE
Thomas Fung
By Glen Korstrom

Mall mogul

Thomas Fung's growing Fairchild Group empire includes major retail and media properties

One of Metro Vancouver's richest men is walking between stores at Aberdeen Centre.

Thomas Fung owns dozens of stores in the mall that he spent \$100 million on in 2003, but shoppers pay him little notice. This suits him just fine. He prefers to avoid the spotlight.

Fung's Fairchild Group empire includes an impressive list of media holdings, wholesale and retail arms and, as of a couple months ago, the new Boundary Bay Airport flying school, Sealand Air.

Some have described Fung as a billionaire. His company's website acknowledges that Fairchild's holdings are worth more than \$400 million, yet Fung remains humble and unpretentious.

"This shirt, I'm wearing," he says while touching the collar of his pink pin-stripe shirt. "We sell it for \$9 at Price Just 4 You."

That's just one of his many fashion stores.

Fung then goes back to sipping some soda water mixed with plum bits at his Seventh Heaven Café.

"I live a very simple life. I don't have luxury homes all over the world. I never travel first class."

He also never takes vacations, except for a few days around Christmas.

"I enjoy what I do so much because every day there's something new," he said. "I resolve problems every day. It's kind of a game. It's a challenge, but it's a manageable challenge."

Fung launched his flying school when he realized that there was a worldwide pilot shortage and a growing demand from North American baby boomers for recreational pilot licences.

He invested \$1.5 million to buy five new single-engine planes and an unspecified amount on a hangar. He claims to offer training on newer planes than his competition owns.

Fung understands the flying business from different perspectives. When the 56-year-old was younger, he earned his own pilot's licence and flew around Canada and Asia.

That personal connection with his businesses' products is one of the few common threads that run through his empire.

The Magee high school graduate took baking courses in Japan during his 20s. When he returned to Vancouver in 1984, he founded the first of four Saint Germain Bakery outlets. Now, as the Canadian master franchisee for the popular Japanese chain Beard Papa, Fung also operates the cream puff store at Aberdeen Centre that is well known for hour-long line-ups on weekends.

Fung took film-making courses in New York in the late 1970s while completing a business degree at New York University. His Fairchild Films now distributes Paper Moon Affair, which Fung wrote and filmed on Bowen Island.

Finally, Fung is also an avid non-fiction reader and diarist. So it's no surprise that he operates an extensive media empire and sometimes contributes articles to his Popular Lifestyle magazine.

That media empire is growing. In January, Fung surprised observers by spending an undisclosed amount to partner with Sing Tao Daily to buy Toronto's Chinese language AM1540, a radio station that will compete with one of Fung's six Fairchild Radio stations across Canada.

Other media holdings include Fairchild TV, which broadcasts across Canada, and the Internet portal and web host venture Eseeent.com.

"He combines business acumen with creativity," said Richmond mayor Malcolm Brodie. "He doesn't think within the regular boxes that most of us think within. He's pushing boundaries all over the place. Then, once he sees his vision, he is very determined in pursuing that vision even though very large investments are on the line."

Longtime acquaintances agree, but say his biggest talent is turning businesses around.

These attributes coincided when Fung tore down the original Aberdeen Centre, which he built in 1990 for \$10 million. He then rebuilt a mall three times the size on the same site.

"A lot of people told him he would not succeed, but he went ahead anyway," said S.U.C.C.E.S.S. CEO Tung Chan, who has known Fung for decades.

"He has deep pockets. So at the beginning, when rental wasn't going as well, he just opened his own stores. You don't see that in any other development."

Fung confirmed that Henderson Development, owners of the long-struggling International Village shopping centre, has asked him to help it transform its largely empty facility,



DOMINIC SCHAEFER

Mission: To expand Fairchild Group and continue to have fun launching a new business on average every two weeks

Assets: Determination, creative thinking, deep pockets and an insatiable passion for business

Yield: A business empire worth more than \$400 million

which houses the Cinemark Tinseltown theatres.

Chan believes Fung's financial resources and local presence are the big differences between the two retail centres.

"International Village has a local manager who can't get resources as readily as Thomas can. Thomas can say, 'It's my money. I write the cheque.'"

Accolades aside, Fung is the first to admit that he has made mistakes. He points, for example, to a joint venture project in China in pharmaceuticals.

"I was not one of the controlling shareholders, and I didn't manage the company," he said of the 1990s venture.

The company flopped, and even though Fung believed he knew how to turn things around, he was ignored by majority shareholders and management.

From then on, he vowed to either be a controlling principal or manager.

Fung travels extensively, but finds time to take his wife, Amy, dancing at Seventh Heaven Café on weekends. The couple have one son, Joseph, who works in Hong Kong.

Earlier this year, the Vancouver Board of Trade honoured Fung with its Spirit of Vancouver leadership award. ■ gkorstrom@biv.com