

IS THE SITUATION IN TIN TIN DAILY NEWS GETTING WORSE ?

It appears that one of the oldest, Chinese-language daily newspapers of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) is in very serious financial trouble.

The newspaper is the Tin Tin Daily News, which was acquired from publicly listed Culturecom Holdings Ltd (Code: 343, Main Board, The Stock Exchange of Hongkong Ltd) by what was described in the 2000 Annual Report of Culturecom as *'our parent company, ViaGOLD Capital Ltd ... in November 1999'*.

However, the *'ghosts'* of Tin Tin appear to have come back to haunt Culturecom, the former publisher of Tin Tin Daily News, as Times Ringier (Hongkong) Ltd issues legal proceedings against Culturecom, Tin Tin Publication Development Ltd, Televerse International Ltd, and Messrs Benjamin Lau Shun Chi and Henry Woo Kwok Hang.

In High Court Action Numbers 1369 and 1370, Times Ringier is seeking a total of nearly \$HK25 million.

However, there appears to be a number of twists to this matter as the 2 Statements of Claim make very apparent.

In High Court Action Number 1369 of 2001, Times Ringier alleges that there was an agreement, dated September 22, 1999 (*the "Printing Agreement"*), made between Times Ringier, Culturecom and Tin Tin Publication, whereby it was agreed that Times Ringier should print and produce the Tin Tin Daily News.

It is alleged, at Paragraph 3, that Tin Tin Publication failed to pay to Times Ringier \$HK11,966,523.72, *'being the amount outstanding from March 2000 to 2nd June, 2000 of the price of the Publication (Tin Tin Daily News) printed and produced by the Plaintiff at the 1st Defendant's requests and for the 1st Defendant's account ...'*

Paragraph 5 of the Statement of Claim, attached to the Writ of Summons, alleges:

'By the Printing Agreement, the 2nd Defendant, in consideration of the Plaintiff's entering into the Printing Agreement, thereby agreed that she shall indemnify and keep the Plaintiff indemnified fully of any loss and damage the Plaintiff may suffer as a result of the breach of the Printing Agreement by the 1st Defendant and/or as a result of the 1st Defendant's failing or refusing to perform its obligations and/or discharge its liabilities thereunto.'

Culturecom appears to have been caught in the *'fishing net'* of Times Ringier, as a dolphin may be caught by the commercial fisherman, trawling for tuna.

According to the Annual Report of Culturecom for the Financial Year, ended March 31, 2000, it is stated at Page 8, inter alia: *'... With a view to protect its investment and support Culturecom, our parent company, ViaGOLD Capital Limited, acquired Tin Tin Daily News in November 1999 ...'*

Prior to this sentence, Chairman Cheung Wai Tung told his shareholders that the world of the Chinese newspaper industry had gone mad *'without respect for rules and norms of professional ethic (sic?)'*.

The Tin Tin, he said, had been suffering losses, *'amounting to approximately HK\$3 million per month ...'*

Notwithstanding those tidbits of intelligence, Times Ringier, in its High Court Action, Number 1370 of 2001, after a similar recital, as contained in High Court Action Number 1369, alleges that as at August 14, 2000, it was

owed \$HK12,937,265 in respect of the Printing Agreement, entered into between Culturecom, Tin Tin Publication and Times Ringier.

Tin Tin Publication is alleged to have failed to pay to Times Ringier that which is claimed it is owed, *'being the amount outstanding as from 3rd June 2000 to September 2000 of the price of the Publication printed and produced by the Plaintiff ...'*

In this Writ of Summons, the Defendants include: Televerse International Ltd; Mr Benjamin Lau Shun Chi; and, Mr Henry Woo Kwok Hang.

Paragraphs 4 and 5 of the Statement of Claim, attached to this Writ of Summons, then goes on to allege:

'4. Despite repeated demands and requests by the Plaintiff, the 1st Defendant has wrongfully failed and/or refused and still fails and refuses to pay to the Plaintiff the said sum of HK\$12,937,265.00 or any part thereof.

'5. By a Deed of Release and Guarantee dated 3rd June 2000, the 2nd, 3rd, and 4th Defendants, in consideration of the Plaintiff's releasing and discharging Culturecom Holdings Limited from the Printing Agreement (subject to the terms and conditions contained therein), thereby agreed that as from the date thereof, they shall jointly and severally guarantee the due observance and performance by the 1st Defendant under the Printing Agreement and shall indemnify and keep the Plaintiff indemnified fully of any loss and damage the Plaintiff may suffer as a result of the breach of the Printing Agreement by the 1st Defendant and/or as a result of the 1st Defendant's failing or refusing to perform its obligations and/or discharge its liabilities thereunto.'

Paragraph 7 of the Statement of Claim alleges all of the Defendants, other than Tin Tin Publication, *'have wrongfully failed and/or refused and still fail and refuse to pay ... HK\$12,937,265.00 or any part thereof.'*

These Proceedings are, of course, sub judice, and, as such, TARGET may not comment on them, but, if the Statement of Claim in High Court Action Number 1370 is anywhere near the mark, it would appear that the Tin Tin continues to lose oodles and oodles of money.

And its printers are tired of waiting to get paid.

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