



Release valve
Judges to take earlier role in child custody cases to speed process and reduce acrimony

> LEADING THE NEWS A3



Yosemite avalanche
Calls from worried tourists around world flood US park over cases of deadly virus

> WORLD A13



Japan sink six-man HK
Sevens defeat comes after Alex McQueen sin-binned with only a minute to go

> SPORT BACK PAGE



From pets to pests
Growing number of exotic pets dumped as owners lose interest

> CITY C3

South China Morning Post

南華早報

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18TH PARTY CONGRESS

HU'S AIDE AND THE CAR CRASH COVER-UP

How scandal over death of playboy son in a wrecked Ferrari is threatening to scupper career of president's ally ahead of congress

Staff Reporters

A speeding black Ferrari hit a wall on Beijing's North Fourth Ring Road in the early hours of March 19, then rebounded and crushed a railing on the other side of the road.

A half-naked man in his 20s died immediately and two young women – one naked, one semi-naked – were seriously injured.

Photos of the wreckage circulated online and many internet users took it as another drink-driving accident involving the “second-generation rich”.

People speculated that the young man, reportedly surname Jia, was the illegitimate son of Chinese People's Political Consultative Conference chairman Jia Qinglin (賈慶林), who ranks fourth in the Politburo Standing Committee.

Wild stories began to spread that the trio were playing sex games in the car when the accident took place. Different versions of who was driving and who was in the front and back seats became the subject of gossip in Beijing's corridors of power.

But the accident, which happened just three days after Bo Xilai (薄熙來) was sacked as party chief of Chongqing (重慶), has taken on a deeper significance.

It could become a political powder keg in the run-up to this autumn's 18th party congress, set to produce a new generation of leaders for the next decade.

That's because the real father of the victim is not Jia – and the scandal poses a grave threat to another key player in the high-stakes power game.

A mainland official and several Beijing media sources have told the *South China Morning Post* that the young man was actually Ling Gu (令狐), the son of Ling Jihua (令狐華), chief of the General Office of the Communist Party's Central Committee and President Hu Jintao's (胡錦濤) principal aide until last week.

Ling is considered an important member of Hu's camp and was being groomed to become one of the People's Republic's sixth generation of leaders in another 10 years.

In a strong sign that the crash scandal has hurt Ling's chances of securing a seat at least on the Politburo, a reshuffle on Saturday saw him take over as head of the United Front Work Department, a largely symbolic post.

What is at stake is not just Ling's personal career. If the scandal becomes public knowledge on the mainland it will deal a



In a few weeks, more than 2,200 delegates to the 18th National Congress of the Chinese Communist Party will convene in Beijing for the most important gathering in a decade, when a new generation of leaders will be ushered in to guide the world's second biggest economy for the next 10 years. Today sees the start of our pre-conference package on China's leadership transition.

huge setback to Hu's camp amid frenzied jockeying for position ahead of the party congress.

One of the bright spots of Hu's reign as party chief and state president has been his relatively clean image. He has always wanted to be remembered as an honest, graft-fighting leader, intolerant of corruption.

The suspicious circumstances surrounding the death of his most trusted aide's young son threatened to tarnish that image, launched online petitions, Chief Executive Leung Chun-ying re-stated that the government had no motive to brainwash pupils.

And it will only confirm the public belief that the children of senior officials have rich and decadent lifestyles beyond the wildest dreams of the people.

His credibility and prestige would suffer collateral damage.

Ling is also a chess piece in Hu's succession planning as he prepares to step down as party chief, and was expected to hold strategic positions to ensure Hu's continued influence.

It is perhaps for these reasons that the mainland official said an elaborate scheme was painstakingly stitched together to hide the real identity of the tragic young man in the crash.

The name that eventually appeared on the death certificate of the driver was a fake.

It remains unclear if it was a coincidence that the surname used was “Jia” – pronounced the same as the Pinyin word for “fake”. But the choice of the surname led to the online gossip that

> CONTINUED ON A4

Win-win situation



Hong Kong struck gold and silver at the Paralympic Games yesterday after Wong Ka-man (above) overcame teammate Yeung Chi-ka in a thrilling women's Class 11 table tennis singles

final. It was the city's first Paralympic gold in London and marked the first Hong Kong 1-2 in table tennis Games history. Wong won 6-11, 11-7, 8-11, 11-9, 12-10. Photo: Xinhua

EDUCATION

Hunger strikers issue deadline

Activists say they will continue their protest indefinitely if national education not axed today

Stuart Lau, Tony Cheung
Phila Siu and Johnny Tam

Activists camped outside the government offices in Admiralty to protest against the national education programme have vowed to continue their hunger strike indefinitely if the authorities refuse to abandon it by 5pm today.

But the chief executive showed no sign of giving in to the ultimatum.

While 10 students and educationists continued a hunger strike started on Thursday by three teenage activists, and former students of elite schools launched online petitions, Chief Executive Leung Chun-ying re-stated that the government had no motive to brainwash pupils.

“No matter which way people chose to express their opinions, they should act rationally and ex-

press their view with one another,” he said.

Chief Secretary Carrie Lam Cheng Yuet-ngor said in a radio programme the project did not “erupt out of a piece of rock all of a sudden, [as] all school organisations were informed”. She called the hunger strike a “radical” act.

The three-year “introductory period” of the subject begins today as students return to classes for the new school year. Detractors say they fear the subject would be an attempt to indoctrinate students with blind patriotism.

According to the government's plans, the curriculum will be compulsory in primary schools from 2015 and in secondary schools from 2016.

Led by the secondary pupil group Scholarism, activists have camped outside the government offices at Tamar since Thursday. A demonstration on Friday was followed by an evening rally on Saturday.

A stream of well-wishers through the day paid their respects to the 10 hunger strikers, who vowed to extend their fast “indefinitely” unless authorities shelved the subject.

Hungry and tired, Linda Wong Sui-hung, who is also a barrister, made a counter-suggestion to the administration. “What if the government organised a rally for those who support the curriculum? I'd like to see how many would show up,” said Wong, a spokeswoman for the Parents' Concern Group on National Education.

Joshua Wong Chi-fung, Scholarism's lead activist, like dozens of his followers, begins classes as a fifth-former today but will return to the demonstration after school.

Meanwhile, former pupils from several of the city's top

schools are said to have collected thousands of signatures demanding the government put its plans on hold. An online petition organised by former pupils of Diocesan Boys' School submitted 330 signatories by early last night.

Other petitions were organised by graduates of Diocesan Girls' School, St Mary's Canos-

ian College and SKH Lam Wo Memorial Secondary School.

At the City Forum yesterday, housing minister Anthony Cheung Bing-leung says, as the measures revealed last week to boost supply and cool the market will see 16,000 new flats a year for the next few years.

Double the average supply of the past four years. > **CITY C1**

Hongkongers wanting to buy a home should bide their time, housing minister Anthony Cheung Bing-leung says, as the measures revealed last week to boost supply and cool the market will see 16,000 new flats a year for the next few years.

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DIGEST

Beijing ire after Diaoyu survey by Japanese

Beijing has lodged another strong protest with Tokyo after a Japanese boat carrying more than two dozen experts and Tokyo city officials made a nine-hour survey trip around the disputed Diaoyu Islands yesterday. > **CHINA A6**

Loans, bonds to fund Nexen deal, not shares

The funds to finance CNOOC's US\$15.1 billion takeover of Canada's Nexen are not to come from a new share issue, but from US\$5 billion in bank loans, the issuing of US\$5 billion of bonds and from the company's own reserves. > **BUSINESS B1**

Media-shy tycoon attacks glass ceiling

Orient Group's Zhang Hongwei is impatient for Beijing to break the glass ceiling preventing private firms from investing in industries dominated by state-owned firms, a development he says could give the flagging economy a much-needed short-term jolt. > **BACK TO BUSINESS**

Housing supply will double, says minister

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A4 Monday, September 3, 2012

FOCUS

RIGHT-HAND MAN

Ling Jihua started out in the youth league with Hu Jintao, and rose to power as his personal secretary

Keith Zhai
keith.zhai@scmp.com

Around midnight, an observer privileged enough to gain access to the secretive General Office of the Communist Party's Central Committee in Beijing would often find the lights on in the office recreation room.

Inside, one of the country's most powerful but least-known men would likely be engaged in something of a ritual: playing table tennis. After a long day, Ling Jihua (令狐華) liked to release some stress with a late-night match – and Ling had his share of stress.

As chief of the General Office and President Hu Jintao's (胡錦濤) personal secretary until last week, Ling oversaw many of the affairs of Beijing's highest leaders, from their paperwork to their doctor's appointments to, perhaps most importantly, their security. Ling was on Saturday reshuffled to lead the party's United Front Work Department.

At first, Ling's subordinates found his nightly ping-pong sessions endearing, something that humanised his demanding work ethic. That was, until they realised that he usually intended to return to his desk after match point.

“Ling never gets rest,” one of his subordinates said. “He always works until midnight and plays table tennis for about half an hour. In the beginning, we thought: ‘That’s the end of a long day. But then he comes back to the office and works for another few hours.”

Despite his powerful position, relatively little was known about the intense, driven man who sat at the right hand of the president.

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South China Morning Post



CONTINUED FROM A1

Crash cover-up threatens career of Hu's top aide

the man who died was Jia's illegitimate son, the official said.

Some have speculated that it was a deliberate choice to throw people off track. But sources said Jia was angry that his name was implicated in the scandal and ordered a secret investigation, which quickly established that the driver was Ling's son.

The investigation report was quietly forwarded to former party chief Jiang Zemin (江澤民) – Jia's political patron and key ally. Jiang, who is retired but still wields a great deal of influence at the highest level, is competing with Hu in deciding the final line-up of the next generation of leadership.

On June 12, a telling development, Jiang reportedly sat on the report for nearly three months before taking it to Hu at a meeting.

Beijing media sources said they had known for a long time that Ling Gu was killed in the accident, but blanket censorship was immediately imposed.

“It was a gag order at the highest level. I have never seen any car accident that deserves an order of this level,” a senior Beijing state media source told the *Post*.

Curiously, the English-language edition of the *Global Times* – run by the party mouthpiece *People's Daily* – did carry a report about the accident on March 19.

It confirmed all the basic details of the accident but stopped short of naming the victim.

It reported there was a blanket gagging order on the media and even quoted a “local resident” as questioning why such great efforts were being made to suppress the information. It quoted the resident as saying it proved only that the victim “must have a special background”.

The two women, one Uyghur and one Tibetan, both attended Minzhu University, for students from ethnic minorities. One was paralysed and the other was seriously injured.

The cover-up is reminiscent of the botched attempt to hide the murder of British businessman Neil Heywood in Chongqing in November.

It led to Bo Xilai's downfall after his top aide, Wang Lijun (王立軍), attempted to seek asylum at the United States consulate in Chengdu (成都), Sichuan (四川) province, in February.

Heywood's murder unleashed the biggest political firestorm on the mainland for decades, with Bo's wife, Gu Kaifan (谷開芳), found guilty of the crime.

Bo, who had been regarded as a strong contender for promotion to the Politburo Standing Committee, saw his own political career cut short.

Another scandal of that magnitude would throw the once-a-decade power transition into total chaos. The leadership appears to be ill-prepared to deal with another crisis.

Whether Hu was informed about the case before his meeting with Jiang is unclear, although one rumour claims Hu was in the late son, political rivals also identified the victim as Ling Gu.

Overseas rumour mills, which have increasingly become platforms for different party factions to throw mud at each other, took different stances.

The overseas Chinese portal Boxun released several articles in June saying the man who died in the crash was Ling Gu.

But several days later, *Yazhou Zhoubkan*, a Hong Kong-based political magazine, published an article denying Boxun's reports.

It said Ling Gu, who allegedly used the pseudonym Wang Ziyun (王子雲) while studying, was still alive. *Yazhou Zhoubkan*'s article was deleted from its website not long after it was published.

lished. Another version of the crash also emerged recently in the Hong Kong media, saying that Ling Gu was indeed killed.

But it went on to report that he was not the driver or the owner of the Ferrari and that no sexual escapades had been going on in the Ferrari before the crash.

Also in June, postings on political gossip websites and magazine articles began to appear alleging that Ling Jihua's wife, Gu Liping (谷麗萍), used a charity to reap profits – contributing to a sudden storm of negative publicity surrounding Ling.

Despite the mudslinging, Hu appears to have made up his mind to back Ling.

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CHINA

Crackdown on subway beggars

Shanghai's railway police use microblog posts to shame repeat offenders > **PAGE A10**



WORLD

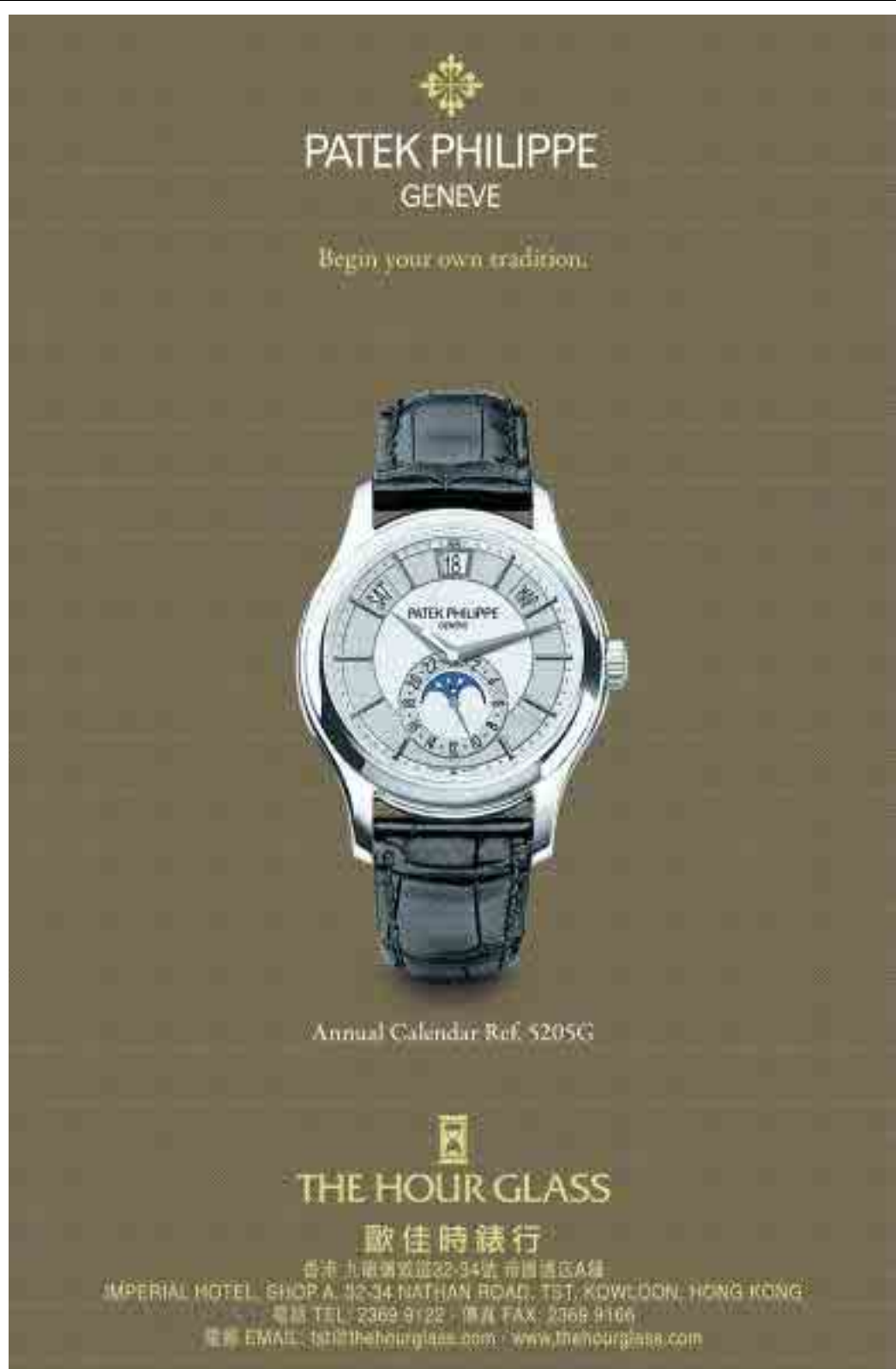
Obama's beer adds honey to campaign

Recipe for White House brew sweetens his pitch for working-class vote > **PAGE A15**

ASIA

Koran girl's accuser arrested

Pakistani imam accused of adding Koran pages to those Christian girl burnt > **PAGE A12**





In rare agreement
Strategies of Obama, Romney to engage and contain China differ only in the detail
> WORLD A12



Good chemistry
Artists drawn by old-world charm of Yau Ma Tei breathe new life into community
> NEIGHBOURHOODS C5



Mainlanders take fright
Two-thirds put plans to buy HK flats on hold over new tax, estate agency's poll finds
> BUSINESS B1



Bound for HK?
After surge to No 2, Hanson mulls stop for UBS Open to topple McIlroy
> SPORT BACK PAGE

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DIGEST

Tory rebels humiliate Cameron over EU cuts

Fifty-three rebels in the Conservative party have humiliated Prime Minister David Cameron by delivering his most significant defeat since he came to power in 2010. They rejected the seven-year EU budget freeze he favours and helped pass a parliamentary motion urging him to insist on real cuts. One newspaper described it as a "Halloween horror". > WORLD A14

Appeal for region to help fleeing Rohingya

A search was under way for survivors after a boat carrying 130 Rohingya fleeing persecution in Myanmar sank on the way to Malaysia. The tragedy, with only six survivors by last night, came amid appeals by refugee agencies for the country's neighbours to help fleeing Rohingya. > ASIA A11

The deadly gauntlet of a Syrian cabbie

Abu Mohammed is just one of untold taxi drivers who risk their lives daily ferrying passengers across the front lines of Syria's civil war. On one trip in Aleppo, a sniper's bullet whistled past his head and injured his passenger. He is afraid for himself - and for two sons doing national service with the army. > WORLD A17

Month on, pain of ferry disaster runs deep

As relatives of National Day ferry disaster victims spoke yesterday of their struggle to come to terms with their loss, rescue workers recalled the life-and-death decisions they had to make amid the panic. > CITY C1

FOCUS



THE DEADLY FRONT LINE OF HEALTH CARE

> PAGE A4

WORLD

Row erupts after shark's fin victory

Vancouver activist accused of not understanding his Chinese heritage > PAGE A16

WORLD

The old money of Europe

Salt built fortune of 7,500-year-old town where huge haul of gold found > PAGE A15

LEADERSHIP TRANSITION



Paramilitary policemen on duty near Tiananmen Gate in Beijing, where the 18th party congress will open on Thursday. Photo: AP

OLD GUARD TO DOMINATE PARTY'S INNER COUNCIL

Conservatives show they still hold sway as reform-minded candidates lose out in the latest line-up for Politburo Standing Committee

Shi Jingtiao in Beijing
jiangtao.shi@scmp.com

Conservatives appear poised to dominate the line-up of the Communist Party's new leadership as furious horse trading continues ahead of next week's transfer of power in Beijing.

The latest consensus among outgoing leaders, their immediate successors and influential party elders is that the party's innermost circle may still be subject to last-minute changes ahead of the 18th congress starting on Thursday, according to sources close to the inner-workings of the once-a-decade generational transition.

However, the sources said that the Politburo Standing Committee's likeliest line-up was now packed with conservatives including Vice-Premier and Chongqing party chief Zhang Dejiang (張德江), 65, propaganda chief Liu Yunshan (劉雲山), 65, Shanghai party boss Yu Zhengsheng (俞正聲), 67, and Tianjin (天津) party chief Zhang Gaoli (張高麗), 65.

LIKELY LINE-UP

Xi Jinping Party General Secretary
Li Keqiang Premier
Zhang Dejiang NPC Chairman
Yu Zhengsheng CPPCC Chairman
Liu Yunshan Head of the secretariat of the Central Committee (in charge of ideology)
Zhang Gaoli Executive vice-premier in charge of economic affairs
Wang Qishan CCDI chief (party discipline chief)

(王岐山), 64, long tipped to become China's next economic tsar as executive vice-premier, will be elevated to the Politburo Standing Committee, which has been downsized from the current nine members to just seven, but will be given the lesser job of party discipline chief.

Vice-President Xi Jinping (習近平), 59, and Executive Vice-Premier Li Keqiang (李強), 57, are already Politburo Standing Committee members.

The supposedly conservative make-up of the new leadership has dashed hopes that the party might have been prepared to push for bold political reforms after learning a bitter lesson from the downfall of former Chongqing (重慶) party chief Bo Xilai (薄熙來), a one-time contender for a top leadership post and an advocate of an ultra-leftist approach.

Sources confirmed that due to rifts within the leadership a consensus reached at the secretive summer conclave of current and retired party leaders at the Hebei (河北) beach resort of Beidaihe (北戴河) had to be scrapped following the latest changes to the Politburo Standing Committee line-up.

Analysts said the make-up of the new leadership showed that Hu, 70, has lost out to his predecessor, Jiang Zemin (江澤民), and several other retired party leaders in behind-the-scenes jockeying to secure the promotion of his supporters.

"I guess we can confirm that Hu was a far weaker ruler than we ever knew," said Professor Kerry Brown, a specialist in Chinese

> CONTINUED ON A3

POLITICS

Don't fly colonial flag, Leung urges

Chief executive says there is no need for people to take such action to vent their frustration

Joshua But and Tony Cheung

People unhappy with the government don't need to wave the British flag to express discontent, Chief Executive Leung Chun-ying said yesterday.

His appeal, echoed by some Beijing-loyalist lawmakers, follows heated comments associating the waving of the flag with demands for independence.

Leung, in his second question-and-answer session in the Legislative Council, said the handover in 1997 was "a matter of fact" and "the regional flag of Hong Kong features a bauhinia flower". He added: "It is understandable that the population of seven million in Hong Kong share different opinions on the government. But in any case they do not need to wave the colonial flag to vent their frustrations."

During a stormy session, "Long Hair" Leung Kwok-hung, chairman of the League of Social Democrats, was ejected from the chamber after throwing plastic faeces at Leung to protest at what he said was a lack of integrity among senior officials.

Leung declined to comment on remarks by former secretary for justice Elsie Leung Oi-sie, a vice-chairwoman of the Basic Law Committee, about the city's judiciary. Last month she said the legal profession lacked understanding of the relationship between Hong Kong and Beijing.

Leung said he was working on problems of integration with the mainland. Competition for land, housing and infant milk formula had strained relations.

Lu Ping (魯平), former director of the State Council's Hong Kong and Macau Affairs Office, has called for those who do not recognise that they are Chinese to renounce their Chinese nationality. Communist Party newspaper the *Global Times* has called the notion of an independent Hong Kong a "false proposition".

Analyst Johnny Lau Yui-siu said the pro-independence notion had hit the nerves of some hardliners, but that might not be the mainstream view in Beijing.

Labour party lawmaker Cyd Ho Sau-Ian said: "Hong Kong people are asking for social justice and officials should face the real problem."

But Wong Kwok-kin, of the Beijing-loyalist Federation of Trade Unions, said: "The colonial flag should not be brought out ... you can also express discontent by waving the Hong Kong flag."



Leung Kwok-hung hurls plastic faeces in Legco. Photo: KY. Cheng

mainland. Competition for land, housing and infant milk formula had strained relations.

Lu Ping (魯平), former director of the State Council's Hong Kong and Macau Affairs Office, has called for those who do not recognise that they are Chinese to renounce their Chinese nationality. Communist Party newspaper the *Global Times* has called the notion of an independent Hong Kong a "false proposition".

Analyst Johnny Lau Yui-siu said the pro-independence notion had hit the nerves of some hardliners, but that might not be the mainstream view in Beijing.

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> EDITORIAL, HARRY'S VIEW A20
> CY WONT PRESS LEGISLATORS C1



South China Morning Post

WINE



A couple drink to the opening of the Hong Kong Wine and Dine Festival at West Kowloon Promenade yesterday. Photos: KY. Cheng

Drinkers look for value in Bordeaux

Wine lovers are finding that a good bottle from their favourite region needn't cost the earth

Amy Nip

amynip@scmp.com

Hongkongers are no longer the world's biggest spenders on Bordeaux wines but are opting for more affordable bottles.

The figures show Chinese drinkers are diversifying from the priciest wines to cheaper ones, said the council's president, Georges Haushalter, who is in Hong Kong for the four-day Wine and Dine Festival. The four-day event started on the West Kowloon Promenade yesterday.

"It's a normal process in a mature market. People start to notice there are not only five, but 10,000 chateaux in Bordeaux," Haushalter said.

Since Hong Kong abolished duty on wine in 2006, it has become an auction centre for fine wines. Chinese collectors' passion for Bordeaux wines has pushed up prices, especially for Chateau Lafite Rothschild, to historic highs, but the market has cooled considerably since last year.

The Liv-ex Fine Wine 50 Index, which tracks the price move-

ment of the 10 most recent vintages of Bordeaux first growths, rose fourfold from January 2005 to June 2011. Since then it has dropped by about a third.

Hong Kong used to focus a lot on top wines, Haushalter said. The average price per bottle of Bordeaux wine in the city is now €21, still much higher than the global average of €7.40, he said. It is €5.10 on the mainland.

Haushalter said it was natural to see an adjustment after a rapid, strong price growth over the past three years. To move ahead, merchants would put stronger emphasis on mid-range wines costing from as little as HK\$50.

"We will help people learn about wines so they can discover new chateaux and diversify their tastes," he said.

Meanwhile, mainlanders' passion for Bordeaux has broadened from buying its bottled wines to snapping up chateaux. Only two chateaux were Chinese-owned three years ago. Now there are 30, with 25 transactions over the past two years.

While the purchase of Chateau de Gevrey-Chambertin in Burgundy by Louis Nix-Chi-sing, right-hand man to Macau gambling tycoon Stanley Ho Hung,

caused uproar in the region, Haushalter said Bordeaux always welcomed foreign investment.

There was a cultural difference between the two regions, he said.

"The [Catholic] church used to own the chateaux in Burgundy before the French revolution, while the peasants bought them afterwards. In Bordeaux, the chateaux were set up by entrepreneurs."

Haushalter said efforts were being made to guard against fake wines on the mainland. Bordeaux is now registered as a brand under the State Administration of Industry and Commerce, meaning there is legal basis to prosecute copycats.

LEADING THE NEWS

POLITICS

LAM 'REJECTED OFFER HK\$1m HIGHER FOR FLAT'

Property agent's claim comes as Exco man gives a new version of dealings that led to sale of home before new cooling measures kicked in

Yvonne Liu and Phila Siu

Executive councillor Franklin Lam Fan-keung rejected an offer that was about HK\$1 million higher than the price he finally accepted for one of his Mid-Level flats, a property agent who approached Lam told the *South China Morning Post*.

Meanwhile, Lam gave a new version of his dealings with another agent who sold the flat. Earlier, he said he told the agent he could pocket the difference between the asking price and the price paid for the Casa Bella flat 14B.

Lam said the Centaline agent rejected his offer and suggested the money be given to charity.

Lam said he agreed and planned to donate the difference to the Centaline Charity Fund, set up by Centaline's founder, Shih Wing-ching.

Lam put two Mid-Level flats up for sale just weeks before the government introduced measures to curb property prices.

Hedonies knowing such measures were imminent, but the Democratic Party has filed a complaint with the Independent Commission Against Corruption.

Centaline Property Agency said yesterday it would not accept Lam's donation.

A property agent who requested anonymity said several offers were made for flat 14B, the last one of about HK\$11 million in early September. Lam sold the flat for HK\$9.55 million on Sep-

tember 20. On September 14 secretary for Housing and Transport Anthony Cheung Bing-leung announced the government could bring in more initiatives after the Hong Kong Monetary Authority announced new mortgage tightening measures the day before.

Last Friday the government introduced a stamp duty of 15 per cent on non-permanent-resident and corporate buyers. It also raised and extended the special stamp duty payable on quick resales.

Lam said in a statement last night he had donated "excess proceeds" of HK\$70,000 arising from the sale of flat 14B to a charity for environmental protection.

He said earlier he turned down some offers because they included certain conditions, such as a completion period of around 10 months. He did not disclose the size of the offers.

Ricky Poon, executive director of residential sales at property agency Colliers International, said it was rare for a buyer to ask for such a long transaction period when buying a second-hand flat since the government imposed the special stamp duty in November 2010. Until last Friday, this meant buyers had to pay a levy if they sold the flat within two years. The levies are now payable on resales within three years.

Lam said on a radio show yesterday he offered to let the Centaline agent pocket the difference between the price he asked for and the actual price flat 14B sold for to encourage the agent.

"But the agent suggested the money should be donated to charity," Lam said. He and his wife then decided to donate the HK\$70,000 in difference to the Centaline Charity Fund.

He said he set his asking price for the flat about 2 to 3 per cent lower than the market price, which was HK\$9.88 million.

Lam said he did not write in the contract with the buyer that the difference between his asking price and the selling price would go to his agent or any charity.

He was speaking after Democratic Party chief executive Lam Cheuk-ting made a complaint to the ICAC on Wednesday.

The former ICAC investigator said Lam could have violated the Prevention of Bribery Ordinance if he did not let the buyer of flat 14B know that part of the money would go to an agent.

FRANKLIN LAM, EXECUTIVE COUNCILLOR

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POLITICS

HUNAN BOSS TIPPED TO BECOME TOP JUDGE

Rise of Hu protégé to court president means he is likely to miss out on Politburo seat; analyst cites his mishandling of the Li Wangyang case

Choi Chi-yuk and Keith Zhai

The leader of the province where June 4 activist Li Wangyang (李旺陽) mysteriously died in June is likely to become China's next top judge as part of the leadership transition under way at the 18th party congress, sources said.

Zhou Qiang (周強), party chief of southern Hunan (湖南), is expected to be appointed president of the Supreme People's Court next March when the transition is completed at the annual parliamentary session, four sources told the *Sunday Morning Post*.

Zhou, one of President Hu Jintao's (胡錦濤) top protégés, had



Zhou Qiang

president of the top court, could be among Zhou's rivals for the post, the sources said.

The court posting would almost certainly mean Zhou, who has long been considered a rising political star with a good chance of ascending to the new Politburo, has missed his chance. The new Politburo is expected to be unveiled on Thursday.

Analysts say Zhou's performance in Hunan can be described as "mediocre" at best, and the mishandling of the Li Wangyang case may have damaged Zhou's image and undermined his chances of further promotion.

A public outcry erupted in Hong Kong after Li was found hanging from the window in his Shaoyang (邵陽) hospital room, with his feet still touching the ground, days after giving a defiant interview to Cable TV ahead of the city's June 4 candlelight vigil.

Hunan authorities' verdict that the blind-and-deaf activist had committed suicide only brought further outrage.

"Jockeying for power in the leadership reshuffle was particularly fierce this time, and, if Zhou fails to make it to the Politburo, it's probably because of his bad record in the Li Wangyang case," said Dr James Sung Lap-kung, a City University political analyst.

Tang Jingling (唐荆陵), a Guangzhou-based rights activist who provided legal advice to Li, doubted Zhou was experienced enough to serve as the country's top judge.

As one of Hu Jintao's best-known protégés, Zhou's failure to secure Politburo membership would provide further evidence of the outgoing president's declining ability to get loyalists into key party posts.

"That would mean Hu is not strong or influential enough to get his man in," said Sung.



If Zhou fails to make it in the Politburo, it's because of his bad record with Li Wangyang

JAMES SUNG LAP-KUNG, CITY UNIVERSITY

previously been under consideration for the weighty job of Chongqing (重慶) party chief, a post that would guarantee him a seat on the powerful Politburo.

"Word has changed recently – around one month ago. Party personnel officials said Zhou may become top judge," said a source close to the leadership of Changsha (長沙), the capital of Hunan.

A legal source who is also based in Changsha said local judicial circles were already buzzing with gossip that Zhou was the leading choice to be the high court's president.

Cao Jianming (曹建明), 57, the country's top prosecutor, and Shen Deyong (沈德咏), 58, a vice-

SOCIETY



Gay lawmaker Raymond Chan Chi-chuen (centre) and singer Denise Ho (to his left), who came out at the rally, join other artists on the march from Victoria Park to Central to demand equal rights for people of all sexual persuasions. Photo: Nora Tam

Coming out of the shadows, and proud of it

Joanna Chiu and Christy Choi

When Fanta, 25, from Shenzhen, attended her first Les Pêchés party in a Lan Kwai Fong nightclub last year, she was not even sure she was a lesbian.

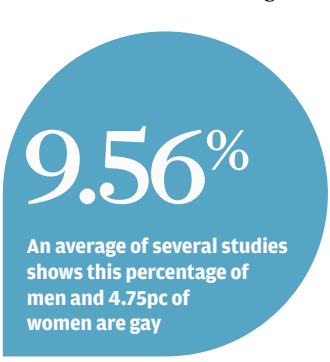
"But the people here are so welcoming, it totally changed my life and I became very comfortable with my sexual identity," she said last week while dancing with local and expat friends at the monthly event.

Party organisers say more gay women from the mainland are coming to Hong Kong to attend LGBT (lesbian, gay, bisexual and transsexual) events.

"We have definitely had many more women from the mainland

come to our parties in the past few years," said Betty Grisoni, co-founder of Les Pêchés, a non-profit organisation that runs social events for lesbians and bisexual and transsexual women.

"Women find out about our events on Facebook and organise



groups to come to Hong Kong together, often staying in the city for a few days," she said.

Connie Chan Man-wai, organiser of the yearly Hong Kong Pride Parade, which took place yesterday, said more mainland lesbians were joining in.

"They're not allowed to organise marches at home, so they see Hong Kong as the only place in China where they can publicly support the LGBT movement," she said.

Yue Li, a sociology doctorate student who volunteered with Beijing-based lesbian rights groups, was among the crowd this year.

"In 2004 police shut down a queer movie festival in Beijing and arrested some of the organis-

ers," she said. "Now it is easier for lesbians to organise public activities as long as we're cautious, but Hong Kong is still a much freer society."

About 4,000 people marched from Victoria Park to Central yesterday, up from 2,500 last year, Chan said. They strutted their way down Hennessy Road wearing tutus, tights and all manner of rainbow-hued clothing.

Singer and actress Denise Ho Wan-sze surprised many by getting on the stage at the Chater Garden venue and declaring she was a lesbian, marking a highlight of the event.

As the crowd gathered after their hour-long march, they had a message for legislators who

> CONTINUED ON PAGE 3

INSIDE

China's newest drone set for public debut

China is set to unveil its latest drone, expected to rival US and Israel models, at this week's air show in Zhuhai (珠海). The 1.1-tonne, HK\$1 million unmanned craft costs much less than a US drone but can perform the same civilian or military tasks.

> LEADING THE NEWS PAGE 3

Free ride is over for Clockenflap fans

After allowing music fans to come for free last year, organisers of the Clockenflap music festival have won government approval to charge for the event, with tickets as much as HK\$590.

> HONG KONG PAGE 6 > THE REVIEW PAGE 4

Trailwalker race loses army for 2012 leg

The People's Liberation Army, which has dominated Oxfam's Trailwalker and raised the event's profile since 2009, will not be joining this year. But this does not mean the 100-kilometre race on Friday will be less of a battle for some 5,000 participants.

> HONG KONG PAGE 8 > SPORT PAGE 4

Mo Yan works on moves for Nobel event

Mo Yan (莫言) is looking to put his best foot forward at the Nobel awards ceremony in Sweden next month by learning ballroom dancing with his wife to "fit in" to the grand occasion, his older brother has disclosed.

> CHINA PAGE 11

COURTS

HK fugitive in Spanish prison 'could be freed'

Lawyer for the former Grant Thornton partner says the city has no power to order extradition

Niall Fraser and Miguel Carbonell in Madrid

A former top Hong Kong accountant who has spent the past two years battling extradition to the city from Spain could be freed from prison "within two or three months", according to one of his lawyers.

Gabriel Ricardo Dias-Azedo, 66, a former Grant Thornton partner who fled Hong Kong in 2009 after allegedly fleeing clients of HK\$94 million, has been held in a Spanish jail since 2010.

He is waiting for the country's highest court to rule on a claim by his legal team that he cannot be sent back to the city to face fraud charges because only Beijing has the power to issue extradition orders and his safety cannot be guaranteed on the mainland.

One of Azedo's lawyers, Rodrigo Martin, told the *Sunday Morning Post* that Spain's Constitutional Court "has no other choice but to rule in their favour because there is no possible extradition to an 'almost state' like Hong Kong".

He said that Azedo could be out of jail within "two or three months".

Hong Kong officials reject this claim and say he can be returned under the United Nations Convention against Corruption, which has been signed by both jurisdictions.



Gabriel Azedo

Martin's claim comes ahead of a visit to Madrid on Thursday by Chief Secretary Carrie Lam Cheng Yuet-ngor, during which she is due to finalise an agreement between Hong Kong and Spain on the return of sentenced prisoners between the two jurisdictions.

While the agreement is unlikely to have a concrete effect on Azedo's case, the fugitive accountant's return to Hong Kong is expected to be discussed by Lam and Spanish legal officials.

Macau-born Hong Kong resident Azedo, a racehorse owner and former president of the Hong Kong Portuguese community's Club Lusitano, is being kept in the Estremera prison near Madrid after being arrested in Salamanca, Spain, in 2010.

Documents seen by the *Post* this year, which were presented to the Spanish courts by Hong Kong police, show that Azedo allegedly funnelled millions into bank accounts and offshore companies linked to his wife and himself.

He is also suspected of using millions more to pay off credit card debts and money owed to, among others, Betty da Silva Fei Po-ki, the wife of Archie da Silva, owner of what is arguably Hong Kong's most famous racehorse, Silent Witness.



FOCUS

MAO SYMPATHISER, CONTROVERSIAL WRITER, ICON: HAN SUYIN'S MANY-SPLENDOURED LIFE

> PAGE 4

SCIENCE

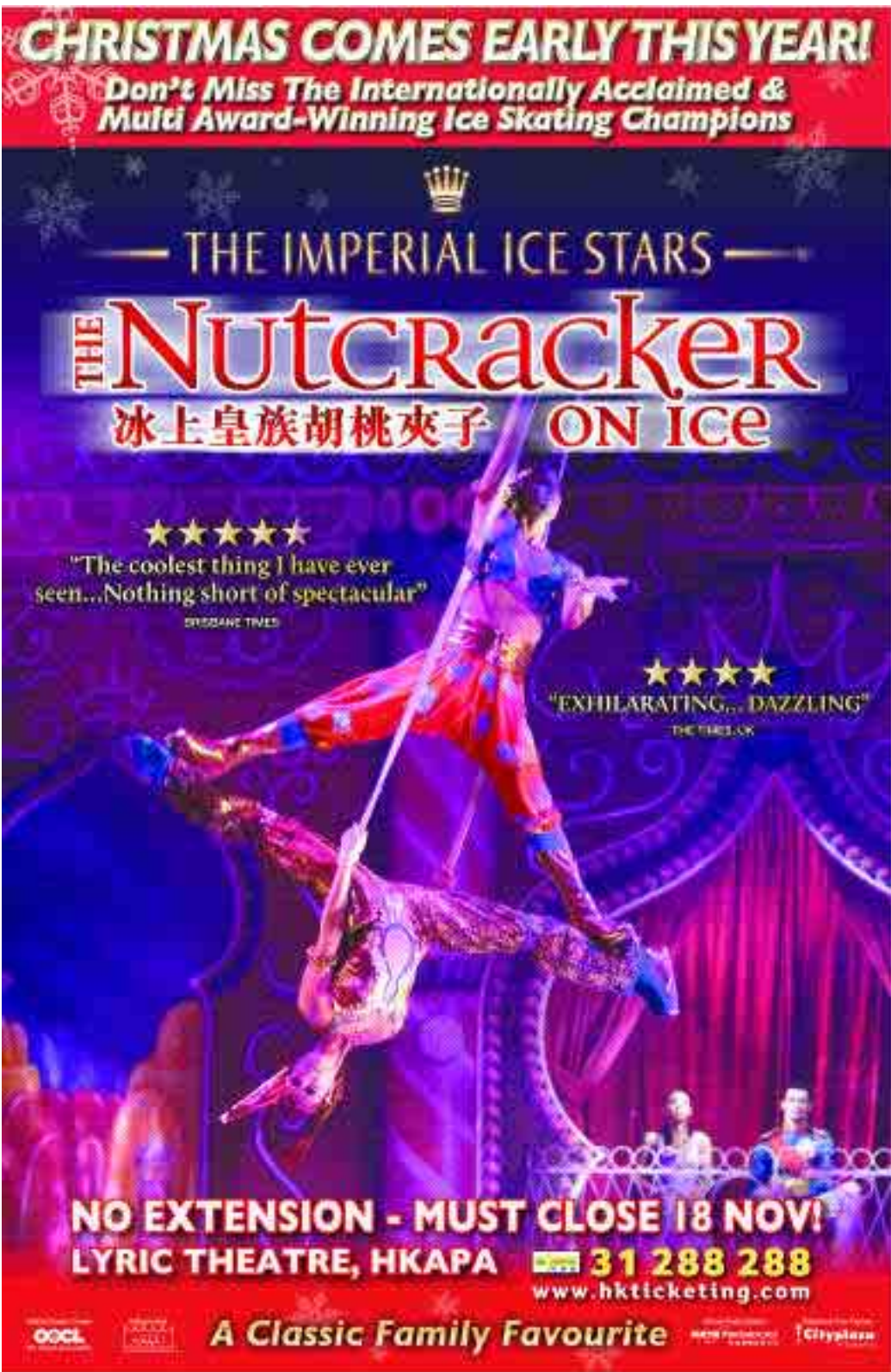
A matter of life and death in Lung Mei

Conserving this beach, and many like it, is vital to our planet's survival > PAGE 15

WORLD

Pitfall for Chinese coal project

Canada mounts review after job ads favour Chinese over local workers > PAGE 14



LEADING THE NEWS

ECONOMY

YUAN SCHEME QUOTA TO BE TRIPLED

Policymakers agree to allow more foreign institutional investors to take part in mainland stock markets, but capital flow restrictions to stay

Jane Cal in Beijing
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China will soon more than triple the quota for the renminbi qualified foreign institutional investor scheme to accommodate rising demand from Hong Kong investors, but restrictions on capital inflows and outflows will remain.

Policymakers have "agreed in principle" to expand the quota of the RQFII programme by 200 billion yuan from the current 70 billion yuan, said Guo Shuqing (郭树清), China Securities Regulatory Commission's chairman, at

a press conference on the sidelines of the 18th party congress. The pilot programme, launched last December, allows for yuan-based funds raised in Hong Kong to be invested in the mainland's stock and bond markets within a certain quota.

The increase was initiated by the Hong Kong authorities, Guo said, because the current quota did not match demand.

"Last week, before the 18th party congress started, three main Hong Kong government officials in charge of financial issues raised the issue," he said. Institutional investors were most wel-

come, he said, as they were more mature and had more expertise than individuals, who make up 84 per cent of the mainland's stock market participants and whose irrational transactions exacerbated price fluctuations.

"We are loosening restrictions to allow more institutions to take part in the RQFII scheme," said Guo. "But it is unrealistic to expect all restrictions to be removed."

The regulator also said the quota for the RQFII scheme – the original dollar-denominated programme – could be lifted if its 80 billion yuan limit was reached.

General secretary and president Hu Jintao (胡锦涛) had said on Thursday that China would "gradually achieve" full yuan convertibility under capital accounts and develop a "multi-level" capital market.

But the international board, allowing foreign companies to list yuan-denominated A shares, would not be launched in the near future, Guo said.

Beijing had in 2009 announced it would establish an international board on the Shanghai Stock Exchange, allowing foreign corporate giants such as HSBC Holdings to list A shares.

But worries of a market downturn prevented the CSRC from giving the go-ahead, sources said. Guo dismissed rumours that

¥200b
Amount by which the RQFII quota would be expanded from the current 70 billion yuan

It would take time to solve the problems," he said.

While the economy expanded 7.7 per cent in the first nine months of the year, the Shanghai Composite Index lost 5.8 per cent as chronic problems including corruption, insider trading and weak protection for small investors remained unattended.

Guo said he launched investigations after receiving complaints about cadre corruption.

"I've heard rumours that you have to pay 300,000 yuan to invite an IPO division head of CSRC to dinner, and 500,000 yuan to treat an IPO bureau head," he said. "I have probed into the finding is most of our staff are clean."

> STUCK IN A RUT? A3



The former CIA director David Petraeus, who has now quit

Lover's emails led FBI to Petraeus

Affair exposed after probe into mistress's harassing messages to her apparent rival

Associated Press in Washington

The plot surrounding the resignation of CIA chief David Petraeus over an extramarital affair thickened yesterday with reports that his alleged lover had sent e-mails to a second woman seen as a threat to her love interest.

The scandal started with harassing e-mails sent by Petraeus's biographer and paramour, Paula Broadwell, to another woman, who was reportedly so frightened that she went to the FBI several months ago for protection and to help track down the sender.

An FBI probe led agents to Broadwell's e-mail account, which uncovered the relationship with Petraeus, 60, a former four-star general who earned acclaim for his leadership of the wars in Iraq and Afghanistan. However, the e-mails indicated that Broadwell saw her as a threat to her relationship with the spymaster, the paper said.

Concerned that the e-mails Petraeus exchanged with Broadwell raised the possibility of a security breach, the FBI brought the matter up with Petraeus directly, according to an official. The FBI approached the CIA director because his e-mails in the matter were in most instances sent from a personal account, not his CIA one.

Petraeus quit on Friday, ending a high-profile career that might have seen a run for the presidency, a notion he was believed to be considering. The House Intelligence committee chairman, Mike Rogers, and the ranking Democratic member, Dutch Ruppersberger, will meet the FBI deputy director, Sean Joyce, and the CIA's acting director, Michael Morell, on Wednesday to ask questions. Including how the investigation came about, according to a senior congressional staffer.

Petraeus has been married for 38 years to Holly Petraeus, the daughter of the West Point superintendent when he was a student at the New York school. Steve Boylan, a retired army officer and former Petraeus spokesman, said: "He is truly remorseful about everything that's happened. He screwed up, now he's got to live with it and get past this with his family and heal."

Additional reporting by Agence France-Presse

> GENERAL LET GUARD DOWN A3



BBC faces radical overhaul
Broadcaster in turmoil after 'shoddy' journalism forces director general to quit

> LEADING THE NEWS A3



Hungry for energy
Lured by Canada's stability and openness, Chinese investors buy into oil sands

> BUSINESS B1



Olympic about-turn
Hongkongers headed for Rio after windsurfing restored to 2016 Games programme

> SPORT BACK PAGE

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DIGEST

China to boost foreign investor scheme quota

China is to increase the quota for the renminbi qualified foreign institutional investor scheme from 70 billion yuan to 200 billion yuan to satisfy rising demand from Hong Kong investors. "We are loosening restrictions to allow more institutions to take part in the RQFII scheme," China Securities Regulatory Commission chairman Guo Shuqing said. "But it is unrealistic to expect all restrictions to be removed."

> LEADING THE NEWS A3

Appeal for aid to hearing impaired

A group representing students with impaired hearing urged the government to subsidise maintenance of the external devices used with cochlear implants, which could cost up to HK\$60,000. While the Education Bureau provides hearing aids for schoolchildren, it says the Hospital Authority should be responsible for the maintenance of the devices used with cochlear implants because it carries out the implant surgery.

> CITY C1

Strong quake rocks northern Myanmar

About 12 people were feared dead after a 6.8-magnitude earthquake struck northern Myanmar 120 kilometres north of the country's second city, Mandalay. The underdeveloped region is a centre for minerals and gemstones and several mines were reported to have collapsed.

> ASIA A9

HTC, Apple seal deal that ends all litigation

A deal that includes a 10-year licensing agreement over patents has brought to an end all litigation between Taiwanese smartphone maker HTC and technology giant Apple. HTC chief executive Peter Chou said, without providing any further details.

> BUSINESS B1

EDUCATION

ESF chief to retire as subsidy row drags on

Phila Siu
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The chief executive of the English Schools Foundation, Heather Du Quesnay, will leave her post next year at a time when the foundation is struggling to press the government to continue its HK\$284 million-a-year subsidy.

An ESF spokeswoman confirmed Du Quesnay would leave after her contract ends in August. The spokeswoman stressed it had nothing to do with parents' dissatisfaction at the progress of negotiations on the subsidy with the Education Bureau.

"It's not because of that. She is simply retiring," she said. The Education Bureau insists it will phase out the subsidy, or



Heather Du Quesnay

subvention, to the ESF, which has been in place since the ESF was established by the government in 1967. Parents have criticised ESF's management for failing to strike a deal with the government.

ESF chairman Carlsson Tong Ka-shing stressed that Du Quesnay was retiring because she will be 65 when her contract ends.

"Our normal retirement age is 60 but it can be extended on a case-by-case basis up to 65. Heather's contract was renewed last year by the board for a two-year term to August 2013 when she reaches 65," Tong said.

The board has already formed a selection panel, chaired by

Tong, to recruit a new chief executive officer.

Some ESF parents were happy about Du Quesnay's impending exit, saying it was mostly her fault that the ESF had failed to press the government for the continuation of the subvention. "I'm happy about it. I hope the

person replacing her will be more reasonable," parent Christian Mueller said.

A member of the ESF Concerned Parents Group, who asked not to be named because his child still studies at ESF, said there had been many mismanagement issues under Du Quesnay. He criticised the management for offering ESF teachers high pay rises while at the same time increasing fees.

Before joining ESF in 2005, Du Quesnay was chief executive of the UK's National College for School Leadership. She was also director of education for Hertfordshire County Council and the London Borough of Lambeth.

> INSIGHT A3

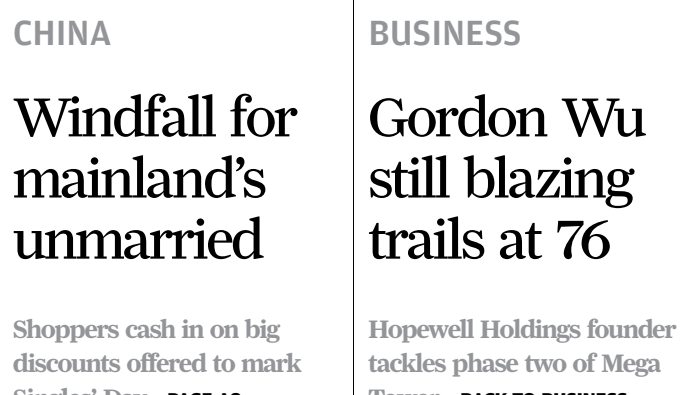
> MONITOR, BACK TO BUSINESS



FOCUS

SHANGHAI'S JAUNDICED EYE ON THE SKY

> PAGE A4



CHINA

Windfall for mainland's unmarried

Shoppers cash in on big discounts offered to mark Singles' Day

> PAGE A8



BUSINESS

Gordon Wu still blazing trails at 76

Hopewell Holdings founder tackles phase two of Mega Tower

> BACK TO BUSINESS

They're all toast

Japanese inventions that never saw success

> ASIA A9



TAXATION

HK and Canada in deal to end tax double whammy

Trade and investment expected to be boosted as city signs agreement No 26 on taxation

Colleen Lee
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Hongkongers working in Canada and Canadians employed in Hong Kong will have their tax burdens eased after the two governments signed a deal to avoid double taxation.

Currently, income earned by Canadians in Hong Kong is taxable both here and at home. Under the deal, the tax they pay here can be offset against tax payable in Canada.

The same applies for Hongkongers working in Canada and Hong Kong companies with a permanent base in Canada. The taxes they pay will also be allowed as a credit against tax payable in Hong Kong. Currently, they are taxed in both places if the income is Hong Kong-sourced.

The pact was sealed yesterday during Canadian Prime Minister Stephen Harper's visit to the city. It was Hong Kong's 26th such deal. Professor Chan Ka-keung, Secretary for Financial Services and the Treasury, signed the pact with Canada's trade minister Edward Fast.

Harper, who witnessed the signing ceremony with Chief Executive Leung Chun-ying, said: "This will increase trade and investment flows while reducing incidents of double taxation and tax evasion."

Harper, Pacific said such pacts had "a positive impact on the business environment".



Hu decision enables a smoother transfer

> CONTINUED FROM A1

congress. Many previously believed the key reason for Hu to retain the top military job was his much-rumoured failure to secure the promotion of his allies in the battle for top office that will effectively decide the country's direction in the next decade.

"For whatever reasons Hu chooses to relinquish his power, it would be an important incremental step that helps set a new precedent pointing to smooth transfer of power," said Chen Ziming (陳子明), a Beijing-based political observer.

Despite talk of the institutionalisation of the succession process since the days of Deng in the 1980s, the leadership shake-up in the battle for top office that will effectively decide the country's direction in the next decade.

"This is definitely Hu's boldest push for political reform, which has been stuck in an impasse during his tenure."

Apart from securing his place in history, Hu's move would also help salvage the image of the scandal-plagued party, which has been mired in the worst political crisis in decades unleashed by the downfall of former Politburo member Bo Xilai (薄熙來) and the blanket of secrecy surrounding generational leadership changes.

Both Chen and Zhang Lifan (張立凡), a Beijing-based historian, believed the retirement decision was more to do with personal reasons, such as the possibility that Hu may have lost his fighting spirit, than another much-s speculated scenario that he had been upset about his defeat by per-

sonal rivals, such as Jiang. "[Jin-ke Jiang] Hu has never been a very ambitious leader who aggressively promotes personal agenda," Chen said.

Zhang also said Hu appeared to have been exhausted after a decade in power.

"I don't think Hu is really competent to be a supreme leader, but back then he had little option as he was hand-picked by party elders to take up the demanding job," he said. "Hu may have been fed up with the seemingly endless intrigue and power struggle and just wanted to ensure a safe landing for himself."

Analysts said while Hu may use his full retirement to broker better deals for the promotion of his allies, the impact of his departure on the balance of power among various party factions remains unclear at the moment.

"But I think the implied message behind his move is loud and clear: he will fully retire and so should other party leaders of his generation, and particularly Jiang and other party elders who constantly try to wield their influence long after their retirement," Chen said.

But there is little doubt that Hu's departure would be good news for incoming leaders. The full retirement of Hu and other leaders will help strengthen the scope for their successors to run the country the way they intend, Zhang said.

BROADCASTING



Major ATV shareholder Wang Zheng and the gang get in the groove during the televised rally staged to fight new free-to-air licences. Photo: Felix Wong

ATV makes a song and dance about licences

Private guards block lawmakers from Tamar while major investor rails against new operators

Stuart Lau, Colleen Lee and Lo Wei

ATV rallied its staff outside the Admiralty government headquarters yesterday for a live broadcast to oppose a "disastrous" pledge by the former administration to issue new licences for free television broadcasting.

ATV staff were reportedly forced to join the protest, for which the station deployed its own security guards to keep out the number of participants at 400, about the same estimate as given by police.

The station's artists sang 1990s Canto-pop songs while Mr

what they called a "private event".

Pan-democratic lawmakers tried to walk into the crowd. But as Claudia Mo Man-ching, of the Civic Party, approached key Asia Television investor Wong Ching, a dozen Mr Asia contestants, all in tight T-shirts, formed a human wall in front of him.

MoaskedHATVhadbreached the protest, which was "purely based on political messages".

Asia Club, an ATV subsidiary that organised the rally, put the number of participants at 400, about the same estimate as given by police.

The station's artists sang 1990s Canto-pop songs while Mr

Wong, surrounded by a sea of reporters, said: "To issue new licences means the start of a disaster."

He said "Taiwanisation" and "politicisation" of the media should be avoided.

Wong dismissed suggestions

that ATV's resistance stemmed from its position as an also-ran in the market. "Should there be [television stations] weeded out, ATV will be the last one I'm not afraid of losing money. I'm prepared to make profits."

ATV is the lesser-watched of the two free stations, behind TVB.

Shing said issuing new licences went against the development of new media. "Why don't [the other companies] develop the online platform instead?" he said.

He questioned whether the market could accommodate more than two free-to-air stations, citing the failed Commercial Television in the 1970s.

The rally was organised after City Telecom (HK) said last week that it might seek a judicial review on the government's delay in issuing new licences.

WONG CHING

> GENERAL LET GUARD DOWN A3

MEDIA

Patten says BBC must have 'thorough, radical overhaul'

As director general steps down after 'shoddy' journalism, head of ruling body seeks changes

Reuters in London

Britain's BBC must undergo a radical overhaul in the wake of "shoddy" journalism which led to the resignation of its chief or its future will be in doubt, Chris Patten, the head of the state-funded broadcaster's governing body, said yesterday.

Patten, chairman of the BBC Trust, said opponents of the BBC, especially Rupert Murdoch's media empire, would take advantage of the turmoil to increase the pressure on its long-term rival.

A senior figure in the Conservative Party, and the last governor of Hong Kong, Patten told the BBC: "Does the BBC need a thorough structural radical overhaul? Absolutely it does and that is what we will have to do."

The BBC director general, George Entwistle, resigned late on the job, after the corporation's flagship news programme last week mistakenly alleged of child sex abuse against a former leading politician.

Entwistle was already under pressure after revelations that a

long-time star presenter had been a paedophile. In his departure statement he said the unacceptable standards of the *Newsnight* report had damaged the public's confidence in the 90-year-old BBC.

"As the director general of the BBC, I am ultimately responsible for all content as the editor-in-chief, and I have therefore decided that the honourable thing for me to do is to step down," he said.

Patten joined critics who said a complex hierarchical management structure at the BBC was partly to blame. One of the BBC's most prominent journalists, Jeremy Paxman, a *Newsnight* presenter, said that in recent years management had become



George Entwistle and Chris Patten at BBC headquarters Photo: AP

bloated while cash was cut from programme budgets.

Paxman said Entwistle "was brought low by cowards and incompetents."

Patten, in charge of finding Entwistle's successor after describing the *Newsnight* journalism as "shoddy", said changes needed to be made. "One of the jokes I made, and actually it wasn't that funny, when I came to the

BBC was that there were more senior leaders in the BBC than there were in the Chinese communist party," Patten said.

Entwistle succeeded Mark Thompson only in September and almost immediately faced one of the biggest crises in the history of the BBC.

This was the revelation by rival broadcaster ITV that the late Jimmy Savile, a major television

personality in the 1960s, 1970s and 1980s, had sexually abused young girls.

Suggestions then surfaced of a paedophile ring inside the BBC at the time, and a cover-up. Police have launched an inquiry.

The knives were out for Entwistle on Friday after the BBC apologised for the mistaken allegation that an ex-politician had abused children.

The last straw came when Entwistle was forced to admit that he had not been told about the *Newsnight* report before it aired, nor known or asked who the alleged abuser was until the name appeared in social media.

> 54 DAYS OF SCANDAL A10



Calls for Patten's head
BBC chairman faces growing anger over child-sex scandal and director's £1.3m payout

> LEADING THE NEWS A3



Rocky path to power
Row with Rothschilds could derail Indonesian Aburizal Bakrie's presidential hopes

> ASIA A10



Renhe, Lampard in talks
Chairman of high-flying Guizhou club confirms contact with Chelsea star

> SPORT BACK PAGE



Frozen passion
Lack of facilities chokes ice hockey's expansion

> HEALTH POST PAGE 6

South China Morning Post

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DIGEST

Blue Book takes fire for British Council claim

Already under investigation for a claim about Chinese University, the Baptist University-initiated publication *Blue Book of Hong Kong* is under fire for another claim. It says the native English-speaking teacher scheme should be abolished because the British Council's role in hiring teachers for it from overseas has altered the city's social and political landscape. The council ceased that role in 1997. > **CITY C1**

Veterans turn on Ma over plan to cut bonus

Taiwan's veterans have threatened to unseat President Ma Ying-jeou as Kuomintang chairman and not to vote for KMT candidates in elections until a cabinet plan to cut year-end bonuses for retired military staff is dropped. > **CHINA A7**

Mainland lending hits 13-month low

New lending by banks on the mainland was down last month by 13.9 per cent on a year ago, the lowest level in 13 months and below the median estimate of 28 analysts, but monetary policy is unlikely to be eased further as the recovery gathers pace. > **BUSINESS B1**

Blackrock seeks safe Asian healthcare stake

Blackrock, keen for exposure to the Asian healthcare sector but wary of stocks' volatility and vague corporate governance, plans to gain access indirectly by investing in US and European firms with stakes in the Asian healthcare sector. > **BUSINESS B4**

CITY

Big jump in commercial e-mail fraud

Companies conned out of HK\$113 million as number of cases quadruples > **PAGE C3**

WORLD

Protesters to occupy Starbucks

Hijacking of British outlets to highlight tax avoidance by American chain > **PAGE A12**



CITY

Mobile firm refuses billing transparency

CSL fights customer's bid to force it to charge only its published rates > **PAGE C4**

Room to move



An estate agent marks down the asking price of a flat in Quarry Bay yesterday. Sales have slumped since cooling measures kicked in, despite owners cutting prices. Photo: Sam Tsang

HOUSING

Mid-Levels Gehry flat sets price record for Asia

Luxury Opus Hong Kong apartment goes for HK\$455 million, or HK\$68,000 a square foot

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A buyer has paid HK\$68,083 per square foot for a luxury flat at Opus Hong Kong, the new Frank Gehry-designed residential building in Mid-Levels East, a record for an apartment in Hong Kong and Asia in terms of price per square foot.

Data from the Lands Registry show the flat, on the 9th floor of the building at 53 Stubbs Road, was sold for HK\$455 million on October 17, nine days before the government announced measures to curb property speculation. There is no information on the buyer.

The 6,683 sq ft flat offers a view of the city and Victoria Harbour.

The price beat the previous record, set by a duplex flat at 39

Conduit Road in Mid-Levels West, which sold for HK\$360.7 million, or HK\$63,999 per sq ft in April last year.

Ricky Poon, executive director of Colliers International's residential sales department, believes the buyer was willing to pay a record-breaking price because there is a lack of flats bigger than 6,000 sq ft and it is the latest luxury development in the city.

The price is almost 6 per cent higher than that paid for a flat on the 8th floor at Opus Hong Kong, which sold for HK\$430 million or HK\$63,657 per sq ft in August.

The 12-storey Opus Hong Kong, developed by Swire Properties, provides 10 flats and two double-level garden apartments with private swimming pools. The flats are 6,000 to 6,900 sq ft. Gehry's previous designs include the Guggenheim Museum in

Spain and the Walt Disney Concert Hall in Los Angeles.

Despite the luxury residential market taking a hit from the government's new measures since the record-breaking deal was signed, Poon said he did not expect the buyer to cancel. "I don't think Swire would cut their asking prices for the remaining flats. They would rather keep the flats for leasing. And luxury residential prices have dropped a few per cent only and the buyer did not need to pay the new buyer's stamp duty and new rate of special stamp duty," he said.

However, Poon said, sales of luxury flats have dropped significantly since the end of October as the new stamp duty had kept many mainland buyers away. "Transaction numbers will drop a further 30 to 40 per cent in the coming three to six months and prices will fall 10 to 15 per cent in the coming six months," he said.

> **SALES SLUMP A3**



Opus Hong Kong, outside and inside: the costliest per square foot in Asia. Photos: Nora Tam, Felix Wong



EDUCATION

Public exams being devalued, principals warn

Linda Yeung
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School principals fear Hong Kong universities will take in more pupils who have studied international curriculums at the expense of those who take local public exams.

The University of Hong Kong reserves about 20 per cent of its first-year degree places for those taking non-local exams, while the Hong Kong University of Science and Technology has stuck to a figure of 15 to 20 per cent.

Students who study international curriculums do not go through the local Joint University Programmes Admissions System (Jupas) and are known as non-Jupas students.

"How many families can afford to send their children to

international schools or give extra tutorial support for their children to take international examinations?" the chairman of the Grant Schools Council, George Tam Siu-ping, said.

He said that ultimately the government should provide more university places.

Tam, who is also the principal of Wah Yan College, said a sixth-

former at his school was admitted to HKU's faculty of medicine this year on the strength of his GCSE A-level results.

HKU registrar Henry Wai Wing-kun said the university's percentage of first-year degree places reserved for non-Jupas applicants had been stable for five years "but it has gone up from a decade ago, when there were fewer international schools and students doing international curriculum".

Besides those in international schools, non-Jupas candidates include those who take associate degree programmes and students in local schools who have taken international exams such as the General Certificate of Secondary Education (GCSE) or International Baccalaureate (IB) curriculum offered at some direct subsidy scheme schools.

Almost a quarter of English Schools Foundation graduates this year went on to local universities.

Students are worried about their chances of getting into university under new admission requirements since the launch this year of the Hong Kong Diploma of Secondary Education exam.

"Parents find it more viable for their children to do the GCSE and come back via non-Jupas," said Ronnie Cheng, principal of the elite Diocesan Boys' School (DBS), echoing Tam's concern.

Kenneth Fung, a fifth-former at DBS, is studying to take GCSE A Level exams early next year, as are a number of other pupils in his class.

"It seems hard to get good grades in the diploma," he said.

> **FOCUS A4**

18TH PARTY CONGRESS

FERRARI SCANDAL MAY COST HU ALLY TOP PARTY POST

Competitive elections to Central Committee cast more uncertainty over future of Ling Jihua, the president's tainted ex-chief of staff, say sources

Staff Reporters

The ruling Communist Party is set to make the election of its elite Central Committee more competitive, which may cast further doubt over the political futures of several controversial candidates, including Ling Jihua (令計劃), outgoing President Hu Jintao's (胡锦涛) former chief of staff, sources said.

Nine per cent of the nominees are expected to be eliminated during the primary elections for full membership when the congress Presidium announces the exact margin today, the sources familiar with the party's inner-workings said.

According to delegate Han Guiping (韓貴平), president of the Agricultural Science Institute in Heilongjiang (黑龍江) province, who was speaking on the sidelines of the party congress, 19 candidates were eliminated in the primary elections yesterday. The current Central Committee has 204 full members and 163 alternate members.

Competitive voting margins for the Central Committee at the previous two party congresses were 8.3 per cent in 2007 and a little over 5 per cent in 2002.

The 247-member Presidium will review the results of the primary elections and decide the candidates who will enter the formal vote tomorrow at the concluding session of the congress.

The sources said Ling, once one of China's most powerful men, was in danger of being edged out because of dissatisfaction among more than 2,200 party delegates about the alleged cover-up of a Ferrari crash that killed his son on Beijing's North Fourth Ring Road and seriously injured two young women. Although the accident occurred in March, the news emerged only in September. Despite persistent rumours Beijing has swept the scandal under the carpet, ignoring calls for an inquiry into Ling's role in the incident and its subsequent cover-up.

This is largely for fear of its potentially damaging impact on



Ling Jihua, whose son was killed in a crash involving a sports car.

the once-in-a-decade leadership succession, especially in the wake of the downfall of ex-Politburo member Bo Xilai (薄熙來).

Although the prospects of Ling, once tipped as a contender for a seat at the top table of power, were dimmed when he was transferred to head the party's United Front Work Department, he has so far been exempt from formal investigation.

Party elders and Bo's supporters argue that Ling and Bo, who was expelled from the party and is facing criminal charges, should not be treated differently.

"Hu has been put in a delicate situation," one said.

Even if Hu uses his influence

to help get Ling re-elected as the Central Committee member, Ling may still face internal investigation and have to deal with harsh criticism within the party. But if Hu decides not to help, it will leave an embarrassing impression that, after staying in power for a decade, he cannot protect his own protégé.

Analysts say the increased competitive margins in the primary elections of the Central Committee were a step in the right direction, but they also noted the formal election of the Central Committee tomorrow was unlikely to be competitive. More importantly, there is no sign that the party will extend the competitive elections to the Politburo and its Standing Committee.

Beijing-based analyst Chen Ziming (陳子明) said that without sufficient transparency and openness, the significance of such progress was not great.

"Although it is nominally competitive elections, they are held separately and behind closed doors among dozens of delegations and the results will not be made public before they are approved by the Presidium. What's more, no one knows how the Presidium works or whether it will overrule the primary election results," he said.

> **MORE REPORTS A5-6**



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