

POLITICS

XI CALLS ON POLITBURO TO FOLLOW HIS LEAD

President urges top decision-making body to stay loyal to the party in comments analysts say mark the launch of a rectification movement

Cary Huang
cary.huang@scmp.com

China's top Communist Party leaders have been warned to toe the party line and to ensure their family members steer clear of corruption.

President Xi Jinping (习近平) issued the stern warning yesterday, as a Politburo meeting announced that the sixth plenary session of the party's top anti-graft watchdog, the Central Commission for Discipline Inspection, would be held on January 12-14.

"Politburo members should stay in line with the Central Committee," Xi told an earlier meeting of the country's top decision-making group as he urged the 25-man body to "stick to the correct political direction and remain loyal to the party", as well as to "consciously and actively follow the party leaders' instructions".

[Major policy] mistakes are more likely when dissenting views are silenced

STEVE TSANG, PROFESSOR

He also called on them to "strictly educate and supervise" their family members against corruption, advising them "not to feel any superiority in power and position", according to a Xinhua report released late on Tuesday.

Analysts say Xi's call reflects his determination to strengthen his authority through the use of a rectification movement.

Urging the Politburo to toe the party line suggested division among the leaders, they said.

"This marks the launch of a party rectification campaign ... It is a call to all Politburo members to follow the leadership," said Steve Tsang, a professor of contemporary Chinese studies at the University of Nottingham.

In theory, the Politburo proposes policies to be debated within and approved by the Central

Committee, the party's highest organ of power. But in practice, the Politburo and its seven-man Standing Committee is where the real power lies.

Tsang said Xi was now calling on the Politburo to accept and follow his lead on all policy matters. Resistance was expected, but Xi must be confident he would win, or he would not have made his remarks public, Tsang said.

Since taking office three years ago, Xi has embarked on a sweeping campaign against deep-rooted graft, taking down dozens of corrupt top officials.

Analysts say Xi is also trying to unify the Politburo, which has been split into factions under his two predecessors, Jiang Zemin (江泽民) and Hu Jintao (胡锦涛).

Peidong Yang, a postdoctoral fellow with Singapore's Nanyang Technological University, said that as Xi's anti-graft campaign had encroached on vested interests in the party, it was now important for him to unify the party and consolidate his authority.

Xi's remarks were made in a meeting this week for "criticism and self-criticism among comrades", a Maoist practice. He urged the Politburo to hold firmly to their belief in Marxism, socialism and communism.

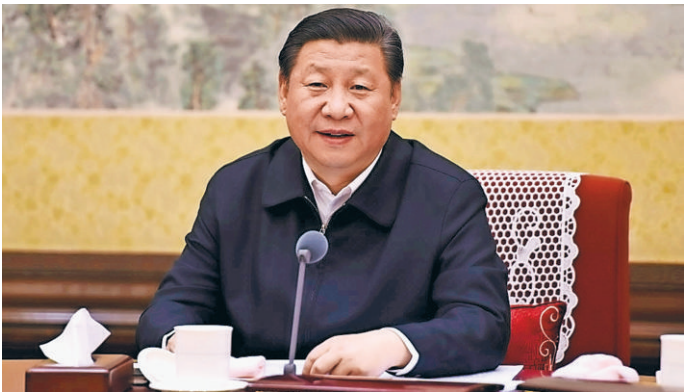
Yang said Xi's emphasis on "mass line" ideology and his use of "criticism and self-criticism" appeared to have been inspired by late leader Mao Zedong's (毛泽东) ideas of party governance.

But while urging party leaders to check themselves was certainly a deterrent against graft, the leadership should rely on institutionalised systems to curb corruption in the long run, Yang said.

Tsang likened Xi's move to Mao's rectification campaign in 1942, in which the late leader consolidated his role within the party and implemented his adaptations of communism as the party's guiding ideologies.

Xi's move would further deter corruption, but its real aim was to ensure that the party would think, speak and act as one under his leadership, the professor said.

"But it will also significantly increase the party's risk of making a major policy error [as] mistakes are more likely when dissenting views are silenced," Tsang said.



Xi Jinping's move is aimed at consolidating his power, analysts say.

POLITICS

Ex-premier Li Peng's daughter quits top power job

Daniel Ren and Eric Ng

Li Xiaolin (李小琳), the daughter of former premier Li Peng (李鹏), has resigned as chairwoman of China Power New Energy Development as the company announced that it had signed a preliminary agreement to acquire State Nuclear Power Technology.

Li, dubbed China's "power queen", quit her job as a result of personnel rearrangement by the State Assets Supervision and Administration Commission (Sasac), the company said.

The resignation took effect yesterday and Wang Binghua would take on the role as the company's chairman, it said.

It is believed the personnel changes at China Power New Energy Development will pave the way for a back-door listing, under which the mainland leadership hopes to publicly trade the coun-

try's key nuclear power assets, according to Shanghai-based online news portal Thepaper.cn.

Li, 54, former vice-president of China Power Investment Corporation (CPI) was transferred to China Datang Corporation after CPI merged with State Nuclear Power Technology—the country's sole importer of foreign third-generation nuclear technology—in July to form the State Power Investment Group.

It came as a surprise to industry insiders when Sasac did not assign Li a senior management role in the State Power Investment Group as she had been widely expected to lead the new entity.

She was also chairwoman of China Power International Development, a sister firm of China Power New Energy Development.

Li's departure from the Hong Kong-listed China Power New Energy Development marks her complete departure from the

TRANSPORT



Futian Railway Station in Shenzhen impressed travellers on its first day of operations – and raised questions about Hong Kong's section of the railway network. Photo: Dickson Lee

New station slashes travel time to Guangzhou

Eddie Lee
eddie.lee@scmp.com

The largest underground railway station in Asia is up and running, and will help to cut travel time in half from Hong Kong to Guangzhou while piling more pressure on Hong Kong to speed up work on its segment of the express link.

Futian Railway Station, in Shenzhen's central business district, began operations yesterday, with 11 Guangzhou-bound departures scheduled every day at the initial stage.

A train that left Shenzhen at 9.21am sharp and travelled at speeds ranging from 250 to 290km/h – and even topped

300km/h for brief stretches – arrived at Guangzhou South station at 10.13 am.

It stopped at Shenzhen North and Humen stations for a few minutes, taking about 50 minutes for the full journey, as scheduled. Travel by train between Shenzhen and Guangzhou via other routes could take up to 35 minutes more.

On the Guangzhou-Shenzhen-Hong Kong Express Rail Link, once the Hong Kong section is finally completed, the journey time between Hong Kong and Guangzhou will be reduced from about 100 minutes at present to 48 minutes, excluding waiting time.

A family of three from Shenzhen said they were impressed by the network's speed and convenience.

Emily Chen, accompanied by husband Gary Shek and their two-year-old daughter, Sophie, said she hoped the Hong Kong section would open soon: "So that we don't have to change trains in Sha Tin when we visit the major shopping areas in Hong Kong in future."

Linch Luo, from Sichuan (四川), said he rode the high-speed railway network about two or three times a month. "The express rail system is better than buses in terms of punctuality," he said.

The fares, ranging from 82 to 108 yuan (HK\$98-HK\$129), were reasonable, he added.

But he was disappointed that construction work on the Hong Kong section was lagging behind.

"I will ride the express train bound for Hong Kong when the service starts," Luo said.

Under an agreement last month, the Hong Kong section will be completed in the third quarter of 2018, with the cost revised to HK\$84.42 billion. But the government must persuade sceptical lawmakers to approve the HK\$19.6 billion in extra funding.

Not everyone was excited about the network. Andy Ngai and Terence Yeung, who live in the New Territories and work in Guangzhou, said they might not use the West Kowloon station – the Hong Kong stop under construction – when it opens.

"The terminus is too distant from our homes," said Ngai, adding that he was put off by the Futian station's service. "I saw oil streaks on the escalators and on the floors in the waiting area, which could be dangerous."

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Journey time in minutes from Shenzhen to Guangzhou via the new station

> TRIP BACK IN TIME C1

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Further drop in flat prices feared as government set to beat homes target

because of short-term fluctuations and it is also inappropriate for us at this preliminary stage to make any significant policy adjustment."

He also pledged to look at development of brownfield sites, or misused land, in the city as a "definite option".

The government's latest 10-year housing supply target is 460,000 units, of which 40 per cent will come from the private sector.

Louis Chan Wing-kit, managing director of Centaline Property Agency's residential department, expected the news would deal a severe blow to home-buying confidence.

"Why buy today if abundant supply is coming and prices will be lower tomorrow and the day after tomorrow?" he said. "When home prices are falling, people will stay away from buying."

The Centa-City Leading Index,

which tracks secondary home prices, fell 0.32 per cent week on week to 136.86 for the week to December 20. It represents a 6.8 per cent drop in home prices after peaking in September.

"With the cooling measures remaining in place, sales in the primary and secondary market will continue to be sluggish," Chan said.

He expected developers

15%

Centaline's Louis Chan's prediction of how far flat prices will fall in the first quarter of 2016

would turn cautious when submitting their bids for land in view of the poor market sentiment.

"Negative land sale outcome will hurt buying demand as well," said Chan, who forecast home prices would fall 15 per cent before the end of the first quarter of next year.

Thomas Lam, head of valuation and consultancy at Knight Frank, said the government should react promptly to arrest a sharp downturn, and banks could look at relaxing restrictions for mortgage loan applications. The Hong Kong Monetary Authority tightened the loan-to-value ratio to 60 per cent from 70 per cent in February to curb excessive price growth for small flats.

Lam said the government could achieve its housing target until 2020, but it was hard to forecast beyond that.

SOCIETY

Elderly residents spared homeless winter at 11th hour

White knight intervenes to keep cash-strapped home open and avert misery for 49 old people

Phila Siu and Jennifer Ngo

Almost 50 desperate senior citizens were spared the trauma of being kicked out of their cash-strapped elderly home in the middle of the festive season, thanks to the last-minute intervention of a white knight.

The Tsuen King Home For The Aged in Tsuen Wan managed to secure fresh funds to stay afloat yesterday morning, hours before an auction house was due to sell off some of its assets as instructed by the District Court.

On Monday, staff told the 49 residents they would have to move out within four days as the home would be shut down by then, with the operators owing the landlord months of rent arrears.

Families of the hapless residents were outraged.

off – and the centre's majority shareholder, who only gave his name as Hui, said he had secured new investment from a white knight early yesterday.

"I understand the incident has caused inconvenience and worries for some people. I apologise for that," he said. He also revealed that the centre had incurred a loss of HK\$7 million because the business was not run properly.

Labour Party community officer Chiu Yan-loy, who assisted Hui, said the centre had promised to waive one month's fee of about HK\$8,000 each for residents. Those who insisted on moving

"I definitely will not let my family members stay here any more. It seems to be in so much trouble now. Would you still have confidence in this care home if you were me?" said a woman with relatives living there.

"What if it tells us again in the future that it will still be closing down? I definitely will not let my father live here any more," another woman said.

The centre was registered as a "care and attention home", which is on the top level of a three-tiered system that determines how much care the elderly living there require. Such centres are home to senior citizens who are weak and suffering from a functional disability to the extent they require more help in daily activities.

A notice posted at the centre's door by an auction house said its assets, including heating stoves and wooden cabinets, would be auctioned at 11am yesterday.

The auction was later called

I understand the incident has caused worries for some, and I apologise

MR HUI, MAJORITY SHAREHOLDER

out would be able to get their deposits back, Chiu added.

Secretary for Labour and Welfare Matthew Cheung Kin-chung said existing rules required elderly homes that planned to shut down to inform residents 30 days in advance.

But Labour Party lawmaker Fernando Cheung Chiu-hung was unconvinced. He said legislation should be amended to regulate care homes better, since the rules were weak and not legally binding.

Care homes should inform the residents three months in advance if they planned to shut down, he said, and offenders should be prosecuted.

State Power Investment Group and an official start of a restructuring of the group as Wang, also chairman of the new power giant, will have full authority in directing revamps, including a back-door listing in Hong Kong.

China Power New Energy Development said in a separate stock exchange filing that it had inked a preliminary agreement to acquire State Nuclear Power Technology, in what would be a major reverse takeover deal that would see the latter become publicly listed.

No purchase price was disclosed. It will be paid for by the issuance of an unspecified number of China Power New Energy shares at no less than 57 HK cents each, compared with the last-traded price of 62 cents before trading was suspended.

"The personnel changes make sense because there was no role for Li to play at State Power Investment Group," said a private

The personnel changes make sense because there was no role for Li to play

A PRIVATE EQUITY FUND MANAGER

Li Xiaolin

equity fund manager who declined to be named.

"It is obvious that Wang will be the key figure in restructuring all assets owned by the group."

Li worked at CPI for 12 years and was highly influential within the company given her family background.

After the merger, State Power Investment Group operated with combined assets worth nearly 700 billion yuan (HK\$836 billion).

Datang is also one of the country's largest power generators.

In July, Sasac described Li as a highly disciplined cadre with a strong sense of responsibility and who had high expectations of herself.

Her elder brother, Li Xiaopeng (李小鹏), who is now governor of coal-rich Shanxi (山西) province, was also a key player in the energy industry. He once served as the chairman of Huaneng Power International.