

THE TRUTH BEHIND THE TUNG CHEE HWA 'RESIGNATION'

After having managed to hang onto power by his fingernails for an extension of a further 2 years, it appears that Mr Tung Chee Hwa, the '*elected*' Chief Executive of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is about to admit defeat and throw in the towel.

His '*resignation*' is not one of choice, but of an intricate coup de théâtre, choreographed from Beijing, the Capital City of the PRC.

In Beijing, Mr Tung Chee Hwa has fallen from grace – with a terrible thud.

And there would appear to be no way for him to return.

It has been proved, as far as Beijing is concerned, that Mr Tung Chee Hwa lacks management ability; he is not a good leader of men, although he, himself, is quite capable of being led when called upon so to do; and, he is incompetent with regard to the making of ad hoc determinations.

While there is not a hint of the Chief Executive of the HKSAR, having done anything to tarnish, either his good name or that of the possession of the PRC, over which he has been given the power to administer, time has shown, as far as Beijing is concerned, that he has been unable to make decisions of pith and moment.

In short, his '*resignation*' is not for that which he has done, but for that which he has failed to do.

For **TARGET** subscribers, his departure from the HKSAR political scene is hardly news because this medium had stated, definitively, about 24 months ago, that he was going to leave office '*for health reasons*'.

At the time of that exclusive report, the way in which the Editor of **TARGET**, Mr Raymonde Sacklyn, came into possession of this information could not be told.

Now, it may be told.

The Meeting

Having been invited to a meeting at Shenzhen, just about 30 minutes' drive from the HKSAR, **TARGET**'s Editor met a member of the National People's Congress (NPC) at the Shenzhen Shangri-la Hotel at the Chinese restaurant on the mezzanine floor.

After promising never to reveal the name of this NPC member and not to divulge the circumstances by which this medium came into possession of certain intelligence, documents were produced, all written in Chinese, outlining policy decisions in respect of the HKSAR.

TARGET verified the authenticity of these documents, prior to the publication of **TARGET** Intelligence Report, Volume V, Number 33, published on February 19, 2003.

TARGET was told, at this meeting, that that which this medium had been writing with regard to certain aspects of the Government of the PRC and its policy decisions was not completely accurate.

In fact, in some cases, we were far off the mark.

Beijing, **TARGET** was told, holds the HKSAR very close to its heart and wants, strongly and sincerely, that the Chinese population of the territory feel an affinity with Beijing .

But Beijing learned, only, too late, that Mr Tung Chee Hwa was not up to the task of governing the HKSAR – and for that, certain NPC members are truly sorry and have made admission of this, openly, at certain private meetings at some of the highest levels.

A solution had to be found of the problems, created by Mr Tung Chee Hwa.

Mr Tung Chee Hwa, as far as Beijing is concerned, should have been the best man for the job at the time that he was appointed (July 1, 1997), having the following known attributes:

- He had an impeccable and untarnished history;
- He and his family were of the best character and moral fibre;
- He was a patriot;
- He was personally wealthy and, as such, he was unlikely to be corrupted by any HKSAR mogul;
- He understood that the HKSAR must remain as a capitalistic enclave of the PRC and must remain prosperous at all costs in order to be a showcase for Beijing, leading to the reunification of the former Portuguese Colony of Macau (now known as the Macau Special Administrative Region of the PRC) and, then, Taiwan;
- Mr Tung Chee Hwa had expressed his willingness to take on the task of the First Chief Executive of the HSKAR and to be subservient to Beijing's authority; and,
- Mr Tung Chee Hwa, being a Shanghainese by birth, as is his wife, fitted into the protocol of Beijing, where the North must administer the affairs of the South, but hardly ever to permit a local person to administer in his bailiwick.

From Beijing's point of view, Mr Tung Chee Hwa, having managed and guided the fortunes of Orient Overseas (International) Ltd (listing status transferred from Orient Overseas (Holdings) Ltd) (Stock Code: 316, Main Board, The Stock Exchange of Hongkong Ltd) for many years, it appeared that he possessed all of the necessary management attributes, required to control the HKSAR Civil Service and to administer the affairs of the 416 square miles, over which he would have absolute control.

However, managing a family company, which, in essence, is the hierarchical management structure of Orient Overseas (International) Ltd, is vastly different from managing affairs of state, as well as the HKSAR Governmental organisations over which he would control as Chief Executive.

In addition, without Mr Tung Chee Hwa's family members, standing alongside him, family members to which power could be delegated when required, it meant that he would have to form bonds of loyalty with non-family members within his Cabinet.

It has been determined, conclusively, that Mr Tung Chee Hwa has been unable to accomplish this important task, with some of the most-important members of his inner Cabinet, having rebelled at his method of governing the HKSAR.

Further, it was clear that he has been unable to communicate, effectively, the thinking of Beijing in respect of the affairs of the HKSAR, even to his most important deputies.

For the above reasons and others, he has to be replaced, but such a move has to be carefully timed without confusing the population of the HSKAR and without causing any turmoil to the HKSAR financial markets.

And that is not to mention the possibility of international condemnation should a brouhaha result in the HKSAR from Mr Tung Chee Hwa's departure from office.

The Report

Following the publication of **TARGET** Intelligence Report, Volume V, Number 33 of February 19, 2003, the offices of **TARGET** were inundated with telephone calls, many of which were of a rather mysterious nature.

To the Subscription Department of **TARGET**, the Manageress was asked questions by non-Subscribers to the effect:

'Is it true?' 'How can you be so sure?' 'Are you making up stories, now?' 'Who wrote the story: What is the reporter's name?' 'How did you get this story?'

Then, a few days later, a very well-dressed Chinese lady came to **TARGET**'s office and asked to meet the person who wrote the story.

The General Manageress of **TARGET** went to see this lady at **TARGET**'s reception area, a lady who refused to state which organisation she represented and refused even to state her name or any details about herself.

She did, however, ask numerous questions about the Tung Chee Hwa report, the details of which she had clearly memorised in great detail.

This very knowledgeable lady was very forceful in her attempted interrogation of **TARGET**'s senior employee and, at times, attempted to intimidate her with veiled suggestions.

This lady, at one point, during her 10 minutes in **TARGET**'s office, asked whether or not there would be further such reports, concerning the affairs of Mr Tung Chee Hwa or any of his close associates.

TARGET's answer was that she could subscribe to **TARGET** if she so desired.

She replied, mistakenly, that she knew all about **TARGET** and that she did not need to subscribe, having access to it, at any time.

This lady left **TARGET**'s office in a huff, having taken a copy of the report, without permission.

This is that which **TARGET** published on February 19, 2003:

IS MR TUNG CHEE HWA GOING ON AN 'EXTENDED HOLIDAY'?

Mr Tung Chee Hwa, the Chief Executive of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is likely to seek, and to be granted, an 'extended holiday'.

According to targetnewspapers.com's usually reliable information, Mr Tung Chee Hwa is suffering from the pressures of his office.

Beijing is looking at 2, HKSAR candidates to replace Mr Tung Chee Hwa, according to our sources.

They are:

- 1. Mr Henry Tang Ying Yen, Secretary for Commerce, Industry and Technology of the HKSAR; and,*
- 2. Dr Arthur Li Kwok Cheung, Secretary for Education and Manpower of the HKSAR.*

Both of Beijing's candidates, thought to be very capable of taking over the office of Chief Executive of the HKSAR, are Ministers, a Minister, being part of the inner circle of the HKSAR Government, reporting directly to Mr Tung Chee Hwa and being accountable to him, solely.

Mr Tung Chee Hwa, now 65 years old, was the First Chief Executive of the HKSAR, having been appointed for his first, 5-year term by the Central People's Government on December 16, 1996.

He assumed his post on July 1, 1997.

On February 28, 2002, Mr Tung Chee Hwa was re-elected as Chief Executive of the HKSAR, unopposed, for a second, 5-year term.

No eligible candidate threw his or her hat into the ring in an attempt to snare the top job of the 416 square miles that constitute the HKSAR, following the outcome of the first 'elections' for the plum job, back in the latter part of 1996.

Mr Tung Chee Hwa has been singularly unsuccessful in his first attempts at being a politician; and, this was made only too evident of late with regard to the controversy over Article 23 of The Basic Law of the HKSAR.

Premier Zhu Rong Ji, last year, was critical of Mr Tung Chee Hwa, referring to him, obliquely, as 'a certain man of Hongkong' who attends fruitless meetings and, when there is some 'fruit', discovered at these meetings, he fails to execute any decisive action.

This was only too evident on January 8, this year, when, after, delivering his 2003 Policy Address, Mr Tung Chee Hwa declined to face the public and be questioned on his deliberations via radio.

Mr Henry Tang Ying Yen

The prime candidate to replace Mr Tung Chee Hwa is thought to be Mr Henry Tang Ying Yen, a 50-year-old Minister, who is the Secretary for Commerce, Industry and Technology.

Appointed to his post in July 2002, Mr Henry Tang Ying Yen is responsible for policies, relating to information technology, telecommunications, broadcasting, film services, innovation and technology, external commercial relations, industry and business support, intellectual protection and inward investment promotion.

He has been a member of the Executive Council since 1997 and, prior to that time, he served on the Legislative Council for 7 years, from 1991 to 1998.

Prior to joining the Government, Mr Henry Tang Ying Yen was an industrialist in the HKSAR.

*Mr Henry Tang Ying Yen is known to be very wealthy and, in March 2002, he sold his house at Number 23, Big Wave Bay Road for \$HK100 million, according to **TOLFIN** (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider).*

He is married with 4 children.

Mr Henry Tang Ying Yen appears to have all of the attributes that Beijing requires for a person to assume the post of Chief Executive of the HKSAR:

- 1. He is independently wealthy;*
- 2. He has a history in business;*
- 3. He has rarely been outwardly critical of the HKSAR Government or of the PRC Government;*
- 4. He is a university graduate (Mr Henry Tang Ying Yen holds a Bachelor of Arts Degree from The University of Michigan, the USA); and,*

5. He is squeaky clean, having never been known to have been involved in unseemly litigation; and, he has led, what Beijing would consider to be, an exemplary lifestyle, also preferring to be very low key.

Dr Arthur Li Kwok Cheung

Dr Arthur Li Kwok Cheung is a member of one of the richest and most prominent families of the HKSAR: The Li Family.

The Li Family comprises:

Mr David Li Kwok Po, the Chairman of The Bank of East Asia Ltd (Code: 23, Main Board, The Stock Exchange of Hongkong Ltd);

Mr Simon Li Fook Sean, a Hongkong Affairs Adviser to the PRC Government and, formerly, a Vice President in the Court of Appeal in the old Hongkong; and,

Mr Andrew Li Kwok Nang, Chief Justice of the HKSAR Court of Final Appeal.

Dr Arthur Li Kwok Cheung is the brother of Dr David Li Kwok Po and, presently, holds the post of Minister and Secretary of Education and Manpower.

Before taking up his present post, he was Vice Chancellor of The Chinese University of Hongkong.

As Professor Arthur Li, he served as Professor of Surgery and Dean of the Faculty of Medicine, The Chinese University of Hongkong.

*He is a large shareholder of The Bank of East Asia Ltd, owning, in his name, 7,594,363 shares, equivalent to a little more than one half of one percent of the Issued and Fully Paid-Up Share Capital, according to **TOLFIN**.*

At today's stock-market quotation of The Bank of East Asia , this parcel of shares has a market value of not less than \$HK110 million.

Beijing may consider that Dr Arthur Li Kwok Cheung's uncle, Mr Ronald Li Fook Shiu, is a bit of a black mark for this illustrious Family since Mr Ronald Li Fook Shiu went to prison in 1988 for corruption.

Mr Ronald Li Fook Shiu, however, founded Far East Exchange in 1969 in defiance of the dominance of the British-controlled, Hongkong Stock Exchange, as it was then called.

However, greed got the better of this multi-billionaire who, in 1988, was jailed for corruption offences. He spent about 18 months in Stanley Prison.

He is, now, thought to be living in Toronto, Canada, and Bangkok, Thailand.

However, that would be the only possible objection that Beijing would have in respect of Dr Arthur Li Kwok Cheung, being a prime candidate for the top job of the HKSAR:

- 1. He is an intellectual;*
- 2. He is immensely wealthy;*
- 3. He is squeaky clean; and,*
- 4. He has extensive experience in managing large and complex institutions, including non-academic organisations.*

The Hierarchy

When one looks at the structure of the HKSAR Government on its website, one notes that, flowing down from the Chief Executive is Mr Henry Tang Ying Yen, with Dr Arthur Li Kwok Cheung, appearing in the next tier of Government bigwigs.

It gives on the appearance of the pecking order of Government, in fact.

This is, often, the way that the PRC Government delineates and distinguishes the most important persons within a level of government.

It is highly unlikely that Mr Henry Tang Ying Yen was given such prominence over Dr Arthur Li Kwok Cheung by accident: That is not the way that Beijing arranges things.

When Mr Tung Chee Hwa stood for 'election' to be the First Chief Executive of the HKSAR on December 11, 1996, he was placed in the middle of the other 2 candidates for the post in the Convention Centre, Wanchai.

Mr Tung Chee Hwa's position was underneath the logo of the HKSAR: The bauhinia flower, now widely accepted as the national flower of the HKSAR.

It was not by accident that he was placed in that prominent position.

When he rose to take his place on the podium of the Convention Centre in order to deliver his election speech, the then PRC Director of The Hongkong and Macau Affairs Office, Mr Lu Ping, clapped loudly and ostentatiously, causing all of his sycophants to follow suit.

Long before the elections for the First Chief Executive of the HKSAR, it was widely known that Mr Tung Chee Hwa would get the job.

That is the way of the PRC Government.

As Mr Chris Patten, the last white Governor of Hongkong, noted: The PRC Government does not hold elections unless the outcome is known, well in advance.

No surprises, if you please.

One thing that Beijing has made very clear of late is that existing advisors and delegates to the National People's Congress (NPC) must retire at the age of 70 years.

Mr Henry Tang Ying Yen is the younger of the 2 candidates for the post to replace Mr Tung Chee Hwa.

That, alone, gives him a slight edge over Dr Arthur Li Kwok Cheung.

Mr Tung Chee Hwa, in any event, would not have been 'elected' for a third term as Chief Executive of the HKSAR due to his age, which would be, exactly, 70 years in 2007.

Ah, well, all's well that ends well!

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