



DARK CLOUDS ON THE HORIZON

Hong Kong's freedom of expression faces new threats

2013 ANNUAL REPORT

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Contents

Introduction and recommendations	2
Section 1	
SECURITY GROWS UNDER NEW LEADER	5
A secret visit to Beijing	5
Hong Kong visits also shrouded in secrecy	6
Too late to make the news	6
More statements and fewer press conferences	7
A legal letter threatens press freedom	8
Government apathy on attacks against journalists	8
UN body calls for press freedom changes	9
Section 2	
MEDIA FACES ACCESS CHALLENGES	11
Ombudsman, Law Reform Commission announce reviews	11
Mixed signals on FOI legislation	12
An archive law is also needed	12
Privacy changes worry journalists	13
Government proposes restrictive new companies rules	13
Stalking law may be tabled	14
Section 3	
CHINA TIGHTENS GRIP OVER HONG KONG	15
Process of co-opting owners continues	15
The internet becomes a balancing force	16
Personnel changes augur badly for Hong Kong	17
Liaison office makes more calls to journalists	18
Arrival of new propaganda head worries journalists	18
Section 4	
ENDLESS BATTLE OVER NEW TV LICENCES	20
TVB's legal bid to block newcomers rejected	20
ATV stages 'propaganda' show	21
ATV fined for airing biased show	22
Court clears way for release of ATV report	22
Section 5	
RTHK DIRECTOR MAKES WAVES	24
RTHK veteran cites 'political pressure'	24
Section 6	
A TROUBLED YEAR FOR DBC	26
Shareholders lose mutual trust	26
Cheng accuses Beijing of interference	26
Mysterious tape points to Beijing role	27
Authority fines DBC over closure	27
DBC founder agrees sale to main shareholder	28
Next Media abandons plan to quit Taiwan	28

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Introduction and recommendations

The year 2013 marks the 20th anniversary of the Hong Kong Journalists Association's (HKJA) initial report on freedom of expression in Hong Kong—"Urgent Business: Hong Kong, Freedom of Expression and 1997". The report looked forward to possible dangers arising from Hong Kong's handover from British to Chinese rule. It called on the outgoing British colonial government to clean up Hong Kong's laws as they affected freedom of expression. It also looked ahead to likely scenarios after the 1997 handover.

This document is also the 20th annual report to come out since the HKJA started publishing these reports in 1994, as a way to pressure the Hong Kong government to improve the environment for press freedom. Recent reports have highlighted the way that successive post-1997 governments have neglected freedom of expression issues—if not actually impeded the development of this vital right, in particular when damaging national security legislation was put forward. The draft legislation was eventually shelved, after half a million people took to the streets to protest against its implementation.

Hong Kong now has a new chief executive—Leung Chun-ying. The 2012 annual report forecast that he would not be good for the protection of press freedom—even though in February 2012 he signed an HKJA press freedom charter pledging to defend press freedom, play an active role in implementing a freedom of information law, and not force implementation of national security legislation without consensus from the public.

There has been no indication yet that the government will act on national security legislation, even though some Chinese officials have indicated that the Hong Kong government cannot shelve the issue indefinitely and that the introduction of universal suffrage—possibly as early as 2017 for the election of the chief executive—may require the enactment of such a law.

The picture is marginally better on freedom of information (FOI) legislation. The ombudsman will examine whether Hong Kong needs an FOI law, and the Law Reform Commission will set up two sub-committees to examine the issue, plus the possible enactment of an archives law. But this latter move may turn out to be a delaying tactic, because the commission takes a long time—invariably years—to produce reports. The government is then under no obligation to act on these reports. Indeed, the government line remains that the existing administrative code on access to information is sufficient to meet public demands—a position totally rejected by the HKJA.

On the general press freedom front, the Leung administration's policies have been far from satisfactory. Mr Leung and his ministers have relied increasingly on press statements—instead of full press conferences—to get their message across, which denies journalists the opportunity to ask questions. There have also been many stand-ups, although often those giving the stand-ups have made only a statement and declined to take questions. Another development in the year under review has been the use of pool arrangements for some visits made by government officials in Hong Kong. Cameramen and photographers are invited, but not reporters, which means that no questions can be asked.

Among other negative trends are secret visits by government officials, which have only come to light when overseas agencies have reported them or the public has tipped off the media, and government apathy towards attacks on Hong Kong journalists or media organizations, either in mainland China or in Hong Kong.

However, of greatest concern was the fact that Mr Leung's lawyers sent a letter to commentator Joseph Lian over an article he wrote in the *Hong Kong Economic Journal* in January 2013, alleging defamation. Journalists and academics criticised the move, saying that it threatened one of Hong Kong's cornerstone freedoms. There were also calls for Mr Leung to withdraw the letter—but this was not done.

So the past year has not been a good year for press freedom, as predicted in a survey carried out by the HKJA in April 2012. This showed that almost 60 percent

of respondents thought that press freedom would be restricted under Mr Leung's administration. They have been proved correct.

There have been other indications of a less than tolerant attitude towards those exercising freedom of expression, including a greater willingness to confront practitioners. The police have arrested more demonstrators—primarily from pan-democrat groups—and the courts have convicted more of them, including some for unauthorised assembly and others for burning the Chinese or Hong Kong flag or in one strange case for whistling at a police officer.

Action has also been taken to remove posters put up by the anti-communist spiritual movement, the Falun Gong, along with counter banners posted by a group called the Hong Kong Youth Care Association, which is thought to be pro-Beijing. There have been suggestions that the association put up its own banners to force the removal of the Falun Gong's posters. It should be noted though that the Falun Gong—which remains legal in Hong Kong but banned on the mainland—still mans stands in Hong Kong to put across its message, often to mainland tourists visiting the territory.

China has also boosted its efforts to tame the Hong Kong media. This happened as demonstrators camped outside the government headquarters in Admiralty in mid-2012 to protest against plans to introduce moral and national education in Hong Kong's schools. Beijing has been trying for many years to influence or control the Hong Kong media. As this report points out, there are now only four newspapers that have escaped mainland or Hong Kong government favour. The rest are either pro-Beijing or in many cases their owners or publishers have been co-opted into the likes of the National People's Congress (NPC) or the Chinese People's Political Consultative Conference (CPPCC).

Chinese leaders have also been sounding ominous warnings about Hong Kong, which could affect freedom of expression in years to come. The warnings were sounded during the annual meetings of the NPC and CPPCC. For example, a Communist Party politburo standing committee member, Yu Zhengsheng, warned against Hong Kong becoming a base and bridgehead for subverting mainland China. He also said that "opposition" and "centrifugal forces" would not be allowed to rule Hong Kong after universal suffrage is introduced for the chief executive—possibly in 2017. Another standing committee member, Zhang Dejiang, said Hong Kong must safeguard national security—a pointer to the need in China's view for Hong Kong to enact anti-subversion laws.

So what on balance is the state of freedom of expression in Hong Kong? It remains true that people can still read critical articles about subjects that are sensitive to China, for example on dissident activities, Taiwan, Tibet and Xinjiang. But the pressure is on—for example from new appointees to Beijing's Liaison Office in Hong Kong—for the media to become more sympathetic towards China and to report more favourably on what is happening on the mainland.

It is clear that Hong Kong journalists were right to be worried about the state of media freedoms under Leung Chun-ying's administration. It is equally clear that the government needs to take a fresh approach to freedom of expression issues—and this could help Mr Leung overcome his dismal popularity ratings. The HKJA therefore calls on Mr Leung to implement the following policies to strengthen the protection of freedom of expression and press freedom and to bring these rights into line with Hong Kong's obligations under the International Covenant on Civil and Political Rights, the Hong Kong Bill of Rights Ordinance and the Basic Law:

- 1) Enact as a matter of urgency freedom of information legislation to ensure that Hong Kong residents, including journalists, have proper access to government information and documents. The legislation should be based on the principles of maximum disclosure, limited and narrowly drawn exemptions and an effective and independent appeal mechanism. Given the urgency of the matter, the government should take the initiative to enact such a law and not pass the issue to the Law Reform Commission, which can take years to consider the matter. The government should simultaneously enact an archives law to ensure that documents which should be available under a freedom of information law are kept in a proper manner.

- 2) Defend press freedom by examining current government policies on the release of official information. In particular, it should ensure that information is announced through open press conferences, and not exclusively through statements, brief stand-ups or off-the-record briefings. It should also allow full access to the media to all government events, instead of making pool arrangements where reporters are excluded.
- 3) Review its policy on law reform, to ensure that freedom of expression concerns are taken into full account in determining the content of new laws or amendments to existing ordinances. This is particularly true for proposals to enact a new stalking law and for amendments to privacy legislation and rules governing the release of personal information relating to company directors.
- 4) Resist Chinese pressure to enact national security legislation—the law that would ban treason, sedition, subversion, secession and theft of state secrets under Article 23 of the Basic Law. There is no pressing need for such legislation and existing laws suffice to prohibit offences contained in Article 23. However, if the government does decide to enact such legislation after securing consensus in the community, then the law must contain safeguards that are robust enough to protect freedom of expression and press freedom.
- 5) Act quickly to open up the free-to-air television market. Three companies have submitted bids to operate free-to-air TV services. The then Broadcasting Authority endorsed their bids, but the Executive Council has failed to make a ruling on the issue—almost four years after the first application was submitted to the government. For the sake of media diversity in Hong Kong, the government should not delay any further in making a decision on the applications.
- 6) Reverse the government's decision to retain Radio Television Hong Kong (RTHK) as a government department. This is particularly important given controversy over comments by RTHK's director, Roy Tang—a government administrative officer and not a member of RTHK's programme staff—that were critical of programme and staffing matters. The government should—as a matter of urgency—launch plans to separate RTHK from the government and relaunch the broadcaster through legislation guaranteeing its independence in clear and unambiguous terms.
- 7) Do all in its power to prevent and solve cases of violence against journalists and media organisations in Hong Kong and mainland China. All too often these cases—especially attacks of an intimidatory nature—remain unsolved. A further concern is the apparent impunity with which mainland authorities intimidate Hong Kong journalists carrying out legitimate journalistic activities on the mainland, even though they have in most cases been given permission to carry out these duties. The Hong Kong government should take a more robust approach in its dealings with the mainland authorities on such attacks and harassment.

SECTION 1

Secrecy grows under new leader

A survey conducted by the Hong Kong Journalists Association (HKJA) in April 2012 showed that almost 60 percent of respondents thought that press freedom would be further restricted under the new chief executive, Leung Chun-ying. Mr Leung's first year in office has justified these fears—even though he signed a charter prepared by the HKJA pledging that he would defend press freedom.

On the contrary, Mr Leung and his cabinet have been less open and responsible to the public than his predecessors—Tung Chee-hwa and Donald Tsang. This is noteworthy because Mr Leung's approach follows a noticeable deterioration in press freedom since the 1997 handover. There were fewer press conferences—the most fair and open manner for the chief executive and his ministers to face the public through the media. Instead, the government issued more written statements, which preclude journalists from seeking clarifications or challenging government policy.

The government's increasing secrecy has prompted several international organisations to lower Hong Kong's transparency and press freedom rankings. According to the World Competitiveness Yearbook compiled by the International Institute for Management Development, Hong Kong ranked 17th among 60 economies for transparency—a drop of six places from 2012.

Reporters Without Borders ranked Hong Kong 58th in its world press freedom index—a drop of four places against the 2012 ranking—and Freedom House lowered Hong Kong's ranking for press freedom one notch—to 71st with a rating of “partly free”. The US-based group attributed the fall to growing government restrictions on journalists' access to information and several violent attacks against reporters, websites and media organisations.

A SECRET VISIT TO BEIJING

Controversy erupted less than a month into Mr Leung's term as chief executive. The newly-appointed education secretary, Eddie Ng, made a secret visit to Beijing in July 2012. It was secret because the government did not make an official announcement that Mr Ng was making the trip, contrary to traditional practice for visits made by the chief executive or policy secretaries. The visit was of public interest, because of controversy at the time over government plans to introduce national education into the school curriculum. Mr Ng met China's education minister, Yuan Guiren, and other officials during his short visit. Politicians raised questions about whether Mr Ng had been given instructions about how to handle the controversy over national education.

News of the visit only came to light when the official website of the Ministry of Education and official mainland media websites mentioned it. The secrecy surrounding the trip prompted immediate criticism in Hong Kong. Mr Ng's press secretary explained that no prior notice was given because it was a courtesy visit. The HKJA rejected this excuse, saying that previous courtesy trips by policy secretaries were announced beforehand. The association condemned the government's failure to announce the visit, saying it would set a bad precedent, and urged the administration not to repeat the bad example.

Two days after the visit was revealed, the chief secretary, Carrie Lam, said the saga was due to a misunderstanding of rules among government officials. She said that since official trips lasting less than 24 hours did not require any acting arrangement, the education secretary thought there was no need to inform the media in advance. She reiterated that all official trips by secretaries would in future be revealed to the public.

However, the promise was broken one month later—in August 2012—when the police commissioner Andy Tsang made an unannounced visit to Beijing. The visit was only revealed after members of the public discovered that Mr Tsang was in the capital and the media followed up on the news.

The secretary for security, Lai Tung-kuok, told legislators in October 2012 that the police would, as a general practice, issue a press release when substantive achievements had been made during an official visit. The media disagreed with this argument, noting that it implied that no public monitoring was required if there were no results, and in any case it would not be easy defining what is a “substantive achievement”. Journalists also pointed out that the police commissioner is among principal officials who are formally appointed by Beijing and therefore enjoys a special status. They also noted that several previous overseas visits by the police commissioner had been announced beforehand.

Further queries were raised in May 2013 when the Security Bureau disclosed that Mr Tsang made seven overseas duty trips in the 2012/13 fiscal year—at a total cost of HK\$690,000. The cost was 40 percent up on the figure for the previous fiscal year. It was also revealed that the police spent a total of more than HK\$11 million in 2012/13 on various overseas duty trips—the largest amount by any of the disciplinary forces and five times what either the Immigration, Correctional Services or Fire Services departments spend on such visits.

However, the government did not provide any details, making it difficult for the media and legislators to scrutinise the expenditure. Democratic Party legislator James To was unhappy with the answer, saying he wanted a breakdown of the expenditure instead of a lump sum. He said he could not exclude the possibility of a cover-up and would follow up the issue.

HONG KONG VISITS ALSO SHROUDED IN SECRECY

The government has also got into the habit of declining to announce visits made by the chief executive and his policy secretaries in Hong Kong. There were 16 cases in the first month of Mr Leung’s term, in which the government’s Information Services Department released photographs and articles for media use. These included a meeting with retailers by the chief executive, another meeting with young people by the chief secretary, a visit to sites for public housing by the housing secretary, and a visit to various columbariums and a meeting with sector representatives by the secretary for food and health. Most of these visits were made amid controversies over related issues. The absence of journalists meant they were deprived of the opportunity to question the ministers on these issues.

After the media made complaints about such cases, the Information Services Department arranged pool coverage. However, journalists were still unhappy because pools mean that only cameramen and photographers and not reporters are invited, and therefore no questions can be asked. The government claimed it had to make pool arrangements because of space limitations. However, the HKJA found that there were no space problems in many of the 11 pool arrangements made in the first 40 days of the chief executive’s new government. Such arrangements were made for visits to Ocean Park, Tai Po district, Tin Shui Wai, Yau Ma Tei and a bus terminus to view the implementation of concession fares for the elderly.

In one case, in August 2012, a television crew, who interviewed a fisherman close to the scene of a visit by the environment secretary, was asked to leave because they were not members of the pool team. The television crew disputed the order and was finally allowed to complete the interview.

TOO LATE TO MAKE THE NEWS

One of the most blatant cases of media manipulation came in early August 2012. The development secretary, Paul Chan, issued a statement to the media just one minute before midnight on a controversy over his wife’s investment in subdivided flats. The statement supplemented an earlier release. Some news outlets missed the news because their deadlines had already passed. Others—which had later deadlines—might have missed it for technical reasons, since the interface of the Government News and Media Information System (GNMIS) changes when a new day starts. This means that an editor who did not monitor the system within that minute would have missed the news. They could only pick it up on the following day, after the electronic media had carried it for a day. This lowered the news worthiness of the statement.

The Development Bureau claimed that it wanted to send out the statement as soon as amendments had been completed, and had no intention of watering down the news. The media remained unhappy, even after the bureau apologised for the inconvenience caused.

The media were further irritated by government news arrangements in November 2012, when the director of buildings, Au Choi-kai, selectively informed the electronic media about a standup to explain the handling of illegal structures at the chief executive's house, instead of telling all media organisations about the arrangement. The department explained that it only informed journalists waiting outside its office for convenience. The HKJA said this excuse was unbelievable and contradicted the administration's claim of open government. It urged the government not to let such a malpractice happen again.

MORE STATEMENTS AND FEWER PRESS CONFERENCES

Despite repeated criticism, Leung Chun-ying's administration tended to face the media less often and to issue more statements than before. To test this, the HKJA counted the number of press conferences, stand-ups and written statements made by the chief executive and his policy secretaries in the first 11 months of his term, from July 2012. These figures were then compared with the number of such events in the first eleven months of the term of Mr Leung's predecessor, Donald Tsang—from July 2005 to May 2006. The HKJA also asked the Information Services Department for official figures for the same categories. However, the department categorised these events in a different way, so its figures can be used only for reference.

According to the HKJA's research, the most striking finding is the frequent use of written statements, which include blog postings but exclude formal speeches at opening ceremonies. From July 2012 to May 2013, Mr Leung and his ministers issued 182 written statements. This represents 21.5 percent of the total number of statements, stand-ups and press conferences. It is also more than eight times the number of statements issued by the Tsang administration in the first 11 months of its administration—just 22, or 6 percent of the total.

Mr Leung himself took the lead in issuing statements. He issued 44 of them (31 percent of the total), held 94 stand-ups (66.2 percent)—often without taking questions—and attended just four press conferences (2.8 percent) during his first 11 months in office. In the same period, his ministers issued 138 statements, which represents 19.5 percent of the total.

The disadvantage of issuing statements is that journalists are not given a chance to question the chief executive or minister about the contents of the release. This deprives the public of a full understanding of the issues involved. It also allows the government to magnify the merits of a policy, disregard its faults and lobby for public acceptance without obtaining feedback. It also goes against government pledges of transparency.

As we mentioned above, Mr Leung held four press conferences in his first 11 months in office. This is more than the two press conferences hosted by Donald Tsang in the same period in 2005/06. However, it should be noted that two of Mr Leung's press conferences were held with other ministers—with three policy secretaries and at least three department heads in October 2012 following a ferry crash off Lamma Island, and two secretaries in August 2012 on housing and land supply.

The Information Services Department figures show that while the number of interviews given by Mr Leung and his policy secretaries—including participation in phone-in programmes and talk shows—increased in the first 11 months of the new administration compared with those given by the Tsang administration, the proportion as a percentage of total media responses actually declined. Mr Leung and his cabinet gave 532 interviews—7.4 percent—compared with 442 in the first 11 months of Donald's Tsang's administration (7.8 percent of the total). It should be noted that participation in talk-shows has become more prevalent in recent years, therefore boosting figures for the Leung administration.

The same trend is true for the number of background briefings—an area of continuing concern for the HKJA. The Leung administration gave 171 mostly anonymous briefings (20.4 percent of the total), compared with 111 for the Tsang government (24.4 percent). While the relative decline is to be welcomed, the Leung administration has clearly not shied away from the practice of giving anonymous background briefings, which are not conducive to good governance and government accountability.

A LEGAL LETTER THREATENS PRESS FREEDOM

Mr Leung has a history of hitting out at newspapers over what they have written. In December 2011 he accused *Sing Tao Daily News* of using smear tactics to undermine his image. Then in April and May 2012 he issued four letters to two media outlets—the *Hong Kong Economic Journal* and *Apple Daily*—to complain about their reporting after his election as chief executive. He took action of a more serious nature in February 2013 following the publication of a critical article by commentator Joseph Lian in the *Hong Kong Economic Journal*.

It emerged that Mr Leung threatened legal action against Mr Lian in a letter issued through his solicitors over the contents of the article, which repeated claims made by Lew Mon-hung—a former leading supporter of the chief executive—who alleged that triads played a role in Mr Leung's election. Mr Lian queried whether Mr Leung should therefore face an internal Chinese Communist Party investigation known as “shuanggui” which can lead to expulsion from the party or judicial action. The letter issued by Mr Leung's solicitors said the contents of the article had defamed him and it should therefore be withdrawn.

The legal threat prompted immediate criticism from journalists, legislators and other commentators. The dean of the law faculty at the University of Hong Kong, Professor Johannes Chan, concluded that Mr Leung's action had weakened Hong Kong as a free society and urged Mr Leung to withdraw the letter. Professor Chan said that government officials had many ways to clarify allegations and channels for monitoring administrative malpractice would be blocked if legal threats were made so easily.

Mr Lian said he was shocked by Mr Leung's action and refused to withdraw his article. He said he was not intimidated by the move, and himself accused the chief executive of defaming him because he had no intention of asking Mr Leung to step down.

The HKJA expressed regret over the legal threat and urged Mr Leung to withdraw the legal letter and clarify the allegations made by Lew Mon-hung publicly. The News Executives' Association described Mr Leung's action as inappropriate, and even the pro-Beijing Hong Kong Federation of Journalists urged Mr Leung to take a positive approach towards media monitoring.

The *Hong Kong Economic Journal* later issued a statement apologising to its readers over the affair. The chief executive said he accepted the apology.

GOVERNMENT APATHY ON ATTACKS AGAINST JOURNALISTS

Another worrying trend has emerged in the year under review—an increase in the number of attacks against journalists and media outlets in Hong Kong and in mainland China. There were at least 18 assault or harassment cases. This compares with an average of one or two serious assault cases per year in recent years.

Among the 11 cases that took place in Hong Kong, only two ended with the attackers facing punishment. The defendants were convicted of common assault and fined HK\$1,000 and given community service orders over an attack on a *South China Morning Post* photographer while she was covering a story on parallel importers and the beating of a now TV cameraman by a participant at a pro-government demonstration.

There were no arrests over the threatening of a New Tang Dynasty Television reporter with a knife in July 2012, separate attacks on Sing Tao group offices in August and September 2012, an attack on the publisher of the political weekly *iSun*

Affairs in June 2013 and five incidents involving Next Media in the same month—the ramming of a car into the front gate of the home of the group's owner Jimmy Lai, an assault on a *Sharp Daily* reporter in Central and the burning of copies of *Apple Daily* in separate incidents in Hung Hom and Central. The HKJA is concerned that such cases are likely to follow past examples where the crimes have remained unsolved.

However, more disturbing was the inaction of the Hong Kong government over seven assault and harassment cases involving Hong Kong journalists that took place in mainland China. The chief executive only commented when he was pressed by journalists, saying that the government would follow up the cases.

This apathy became apparent in the most serious case—an attack by unidentified men on journalists who were covering an attempt in Beijing in March 2013 by Hong Kong-based activist Yang Kuang to visit Liu Xia, the wife of jailed Nobel Laureate Liu Xiaobo. Two cameramen—working for TVB and now TV—were attacked in the incident.

The chief executive reacted only two days after the attack when journalists put questions to him. He said he had asked the concerned departments to follow and understand the progress of the case and would closely monitor its development. Journalists questioned whether the Hong Kong government respected press freedom, and why it did not react on the day of the attack.

However, there was no reaction from the government over the detention of two *Ming Pao Daily News* reporters for 44 hours by the authorities in Hunan province in September 2012, the obstruction of four reporters who were covering the flag-raising ceremony in Tiananmen Square on the morning of June 4th 2013—a politically sensitive date given the suppression of the Chinese pro-democracy movement on that day in 1989—and the detention of an RTHK reporter and a cameraman in Jiangxi province in June 2013.

Irrespective of the reaction of the government—or the absence of reaction—the end result was nothing definite. The HKJA complained that “appeals have been largely ignored. No attacker of journalists has ever been punished. No explanation has ever been given.”

To press the Hong Kong government and Beijing's Liaison Office to take such cases seriously and following the assault case in Beijing in March 2013, the HKJA held a march and initiated a one-man-one-email campaign targeting the two offices. Sticking to tradition, there was no response from the government or the Liaison Office. The HKJA's then chairperson, Mak Yin-ting, hit out at the Hong Kong government's attitude, saying the administration was failing to ensure the personal safety of residents and was encouraging further attacks on journalists.

It should also be noted that most of the journalists who were attacked on the mainland were accredited by the Chinese central authorities. Yet that did not prevent officials or individuals from obstructing their work. This brings into question the effectiveness of the accreditation system, which—in the view of the HKJA—should be scrapped.

UN BODY CALLS FOR PRESS FREEDOM CHANGES

The HKJA expects little from the Leung Chun-ying administration in protecting press freedom. However, it continues to lobby for the introduction of effective measures to safeguard this right, both in Hong Kong and overseas. To this effect, the HKJA's then chairperson, Mak Yin-ting, joined hands with politicians and representatives from other non-government organizations to reflect the deterioration in human rights protection in Hong Kong to the United Nations Human Rights Committee in Geneva in March 2013. The committee was holding a hearing on the Hong Kong government's third periodic report on its implementation of the International Covenant on Civil and Political Rights. It released its concluding observations in late March 2013.

The committee expressed concern over reports that Hong Kong had seen a deterioration in media freedom, including arrests, assaults and harassment of journalists. It went on to say that Hong Kong should, “in line with the

Committee's general comment No. 34 (2011) on freedoms of opinion and expression, take vigorous measures to repeal any unreasonable direct or indirect restrictions on freedom of expression, in particular for the media and academia, to take effective steps including investigation of attacks on journalists and to implement the right of access to information by public bodies."

Pan-democratic legislators questioned the government about the committee's observations at a panel meeting in May 2013. The government replied in formulaic fashion—that police arrangements for media coverage are carried out in a balanced way to ensure that activities take place in a safe and orderly manner. Officials also failed to promise to enact legislation on access to information. (See more in Section 2.)

This mentality will not help create an open and liberal environment allowing freedom of expression and press freedom to flourish. On the contrary, it may presage further erosion which may lead to further declines in Hong Kong's press freedom and transparency rankings.

SECTION 2

Media faces access challenges

The Hong Kong Journalists Association (HKJA) has for many years been calling for the enactment of a freedom of information (FOI) law, to replace the administrative code on access to government information put in place by the British colonial authorities in 1995. Shortly before he was elected chief executive, Leung Chun-ying signed an HKJA pledge to play an active role in the implementation of an FOI law. The HKJA is waiting for action on this long-neglected front. At the same time, though, the chief executive has faced controversy over proposals that would curtail access to information through amendments to existing laws governing privacy and the regulation of companies.

In August 2012, the HKJA met the Chief Secretary for Administration, Carrie Lam, to express its concern about the system governing access to government information and to urge the administration to formulate a freedom of information law to safeguard the public's right to know.

The HKJA's then chairperson, Mak Yin-ting, pointed out that the Code on Access to Information was problematic in that it could not be enforced legally. She pointed to the large number of exemptions—16 in all—which include disclosure of information which would inhibit the frankness and candour of discussion within the government and information that is premature to disclose. Such exemptions allow the government to withhold almost all information.

Mrs Lam told the HKJA delegation that the government had no stance on formulating an FOI law and would seriously examine the issue, including understanding the thoughts of the chief executive on the matter.

OMBUDSMAN, LAW REFORM COMMISSION ANNOUNCE REVIEWS

In January 2013 the Ombudsman announced that he would re-examine the system governing access to government information. He had earlier released a report in 2010 that was highly critical of the way the government was implementing its administrative code. The ombudsman noted in his latest pronouncement that more than 88 jurisdictions have passed freedom of information ("FOI") laws to protect the people's right to access information. He also pledged to examine whether Hong Kong needs a law to ensure proper records management.

Indeed, it should be noted that there has been an increase in the number of complaints received by the Ombudsman about the implementation of the administrative code—from 24 cases in the fiscal year 2008/09 to 59 in 2012/13. This would suggest that there is growing unhappiness about the existing administrative system.

Ten days after the Ombudsman made his announcement, the chairman of the Law Reform Commission, Secretary for Justice Rimsky Yuen, announced that the commission would set up two sub-committees to study access to information and a possible archives law. He said it would look at related laws in overseas jurisdictions. However, no sub-committees had been formed by press time. The HKJA's then chairperson, Mak Yin-ting, expressed doubts about whether the studies by the Ombudsman and the Law Reform Commission were genuine, saying the moves might be a delaying tactic.

There are strong legal grounds for enacting freedom of information legislation. The Hong Kong Bill of Rights Ordinance enacted in 1991 affirms the people's right to seek, receive and impart information—in line with a similar provision in the International Covenant on Civil and Political Rights (ICCPR). Hong Kong's constitution, the Basic Law, enshrines the ICCPR's provisions.

But Hong Kong has no legal instrument that makes access to information a statutory right. An FOI law is a legal instrument that grants citizens a right to access government-held information. Freedom of information is a cornerstone of democracy and transparent and accountable government. It is also an essential tool

for the media and others to check and monitor the performance of government and other public bodies, and to expose corruption and mismanagement.

It is increasingly recognised that governments are under an obligation to take practical steps, including the enactment of legislation, to give effect to the right of individuals to access government information. The spirit of the law is that government documents must be available to the public unless they fall under a set of narrowly defined and justifiable exemptions.

Since the government's administrative code was announced in 1995, many jurisdictions have enacted freedom of information legislation. The UK—which turned down the HKJA's call for such a law before the 1997 handover—enacted its own law in the year 2000. China passed the Provisions on the Disclosure of Government Information in 2008. That is an achievement, even though critics say the law has too many exemptions and the mainland has a bad record on the rule of law.

MIXED SIGNALS ON FOI LEGISLATION

A Legislative Council debate on freedom of information held in June 2013 showed opposition to FOI legislation. While the original motion calling on the Hong Kong government to safeguard freedom of information was passed, several amendments specifically calling for the enactment of FOI legislation and an archives law were voted down. One such amendment—from Democratic Party chairperson Emily Lau—called on the chief executive to abide by the HKJA charter which he signed in February 2012 and which included the commitment to play an active role in implementing an FOI law. The HKJA expressed concern that the votes would send the wrong message to the community and the international community that Hong Kong was paying only lip service to the safeguarding of press freedom and would not honour it with concrete measures.

Interestingly, the votes came after the United Nations Human Rights Committee urged the government to implement the right of access to information by public bodies so as to in line with its general comment number 34 of 2011. The comment states that: "To give effect to the right of access to information ... States parties should also enact the necessary procedures, whereby one may gain access to information, such as by means of freedom of information legislation." The call was made after the committee held hearings in Geneva on Hong Kong's implementation of the ICCPR in March 2013. Failure to enact FOI legislation will be a further black mark for the government in implementing the ICCPR.

AN ARCHIVE LAW IS ALSO NEEDED

An archive law is another tool for the public to gain access to government information. An archive law in fact goes hand-in-hand with a law on access to information. It would be meaningless to have an FOI law if public records have been destroyed.

Destruction has been taking place. It emerged in October 2011 that the government had destroyed 1,181.7 metres of records in a six-month period before it moved to its new headquarters in Tamar. This was three times the height of Two IFC—the tallest building in the Central business district. More bad news later emerged. The director of the Government Records Service gave permission for the destruction of 23,189 metres of documents in the second half of 2012—the equivalent of 55 Two IFC buildings.

Meanwhile, the proportion of declassified files for public viewing is decreasing. A *South China Morning Post* investigation found the release rate had dropped from 61 percent in 2008 to 46 percent in 2010, and then 41 percent in 2012. The HKJA believes an archive law is urgently needed as a bedrock for freedom of information legislation.

PRIVACY CHANGES WORRY JOURNALISTS

While obstructing the right of Hong Kong people to access government information, the government has also extended the scope of Hong Kong's privacy law—the Personal Data (Privacy) Ordinance. Changes to the law, which were endorsed in June 2012, make it an offence for an individual to disclose any personal data without that person's consent, with the intent of either making money or making the data subject lose money. Most media organisations would be caught by the profit stipulation, as they are businesses.

There is also a provision that the disclosure should cause psychological harm to the data subject. There is a defence for journalists, who must argue that the disclosure was made for the purpose of a news activity and that he or she had reasonable grounds to believe that publication was in the public interest.

The changes were introduced in response to an admission by the operator of Hong Kong's travel card, the Octopus, that it had had sold the personal particulars of more than one million customers to business partners. But the HKJA felt that the change could limit the activities of investigative journalists, especially when they reveal information about celebrities, who may use the "psychological harm" argument. Then chairperson Mak Yin-ting said: "it will cast a big shadow on the media industry". She added: "It is hard to define what the public interest is. 'Psychological harm' has no objective standard either."

The privacy commissioner, Allan Chiang, said that people should consider before any disclosure whether the person involved would agree to his or her personal data being revealed. However, if a journalist is unable to establish a public interest defence, he or she could—if convicted—face a HK\$1,000,000 fine and a five-year jail term. These stiff penalties may well prompt a journalist to think twice before publishing a story—even if he or she believes the public has a right to know the information.

GOVERNMENT PROPOSES RESTRICTIVE NEW COMPANIES RULES

In January 2013, the HKJA launched a campaign against new rules that would hide details of company directors. They would bar journalists from accessing the residential address and full identification card or passport number of company directors. Previously this information was freely available from the Companies Register. The registry would still keep this information; it would just not be available to the general public, including journalists.

The HKJA warned that secrecy would breed corruption. It said the subsidiary regulation, if implemented, would seriously curb the media's ability to uncover wrongdoing and corruption and would prevent journalists from breaking such stories as vote-rigging in the 2011 district council elections and a scandal over subdivided flats involving the Development Secretary Paul Chan.

It was company records that allowed *Apple Daily's* journalists to establish that Mr Chan's wife, Frieda Hui, was—until Mr Chan joined the government—the director of a company that owned the unit where the subdivided flats were found, said Alex Lam, one of the reporters involved in the investigation.

Company records were also vital in breaking the vote-rigging story. Reporters used company records to confirm the identity of a property owner whose flat in Mei Foo had 13 registered voters, with seven different surnames.

Hong Kong's Companies Register is also a valuable database for overseas journalists investigating financial scandals on the mainland. Since anyone who wants to open a company in Hong Kong is obliged to provide personal information, the registry is a reliable and detailed source that helps to shed light on the murky world of mainland companies—as long as they have branches or subsidiaries in Hong Kong. Company records in Hong Kong played a crucial role in *The New York Times* investigation into the vast wealth accumulated by former premier Wen Jiabao's family, and a Bloomberg report on the business relationships and wealth of President Xi Jinping's family.

Different sectors of society also expressed opposition to the changes. Some said the move would have a bad impact on the rights of minority shareholders and employees. Others were concerned that it would prevent ordinary people from protecting their interests by getting the right kind of information from the Companies Register.

The Office of the Privacy Commissioner for Personal Data insisted that the existing system was privacy-intrusive and needed to be changed, although he accepted that a balance needed to be struck between privacy and freedom of information concerns. However, the HKJA is concerned about apparent government hypocrisy—in that it has established a statutory institution to handle privacy concerns, while shying away from creating a legal framework to protect freedom of information.

The government decided in late March 2013 to postpone the tabling of the new rules. It floated the possibility of allowing journalists to access all personal details of company directors, according to procedures in the Personal Data (Privacy) Ordinance—that is where a news activity and public interest are involved. This is a step in the right direction, but it does not completely allay the concerns of the general public. The HKJA urges the government to scrap its proposal completely to ensure that journalists may—as now—make use of full Companies Register records.

STALKING LAW MAY BE TABLED

Reports have been circulating that a bill to outlaw stalking may be tabled in the Legislative Council by the end of 2013. This follows the release in December 2011 of a controversial consultation paper on a proposed stalking law. The HKJA agrees that innocent people should be protected from harassment in the form of stalking. But it says a new law, if implemented, will have an adverse impact on legitimate journalistic activities and could be abused to block genuine investigative activities by journalists.

It is common for journalists to repeatedly press for answers from interviewees if questions remain unanswered, wait around premises for interviewees who refuse to clarify points, and even follow individuals who may wish to hide from the public because they have engaged in malpractice. These legitimate journalistic activities, which are not always welcomed by interviewees who do not want to be held responsible to the public, can easily become criminal activities as defined in the government consultation paper.

Overseas experience suggests that an anti-stalking law can be used as a replacement for libel claims, particularly when claimants are not interested in substantial damages, but want to stop defendants expressing themselves. The HKJA made its position clear in March 2012 in a submission to the Legislative Council. Instead of an entirely new law, it called for narrowly defined anti-stalking provisions to be included in related ordinances. These could include the existing Domestic and Cohabitation Relationship Ordinance, which deals with domestic violence issues; the Landlord and Tenant (Consolidation) Ordinance, which deals with eviction from old buildings; and the Money Lenders Ordinance, which touches on excessive debt collection methods employed by loan sharks.

SECTION 3

China tightens grip over Hong Kong

Hong Kong's press freedom is now under attack on two fronts. On the one hand, the chief executive is tightening the screws. (See chapters 1 and 2). On the other hand, the new Chinese leaders are exercising tighter control over the media, both on the mainland and in Hong Kong.

Despite its promise to abide by the "one-country two-systems" principle, China has placed greater emphasis on "one-country" since the end of 2003, and exerts greater influence on Hong Kong affairs. The media is no exception. However, this influence rose again in early 2012—a few months before the election of the chief executive, Leung Chun-ying, and even more so since new Chinese leaders were chosen at the 18th Communist Party Congress in Beijing in November 2012.

The policy "to regain the Hong Kong media"—a Chinese expression which means having a controlling influence over the media so that the latter can be used by the Chinese government as its mouthpiece—has been adopted three times in the past 25 years. The first was in late 1989, following the crackdown against the pro-democracy movement in Beijing in June that year; the second was after a half-million-strong march in 2003 against national security legislation.

The third time followed big protests outside the Hong Kong government headquarters against plans to introduce moral and national education, which the government shelved in September 2012. Chinese officials blamed the Hong Kong media for backing opponents of the plan and therefore wanted to exert greater control over media outlets, in a bid to prevent or minimise the publication or broadcast of negative news about China and to magnify what the country had achieved.

PROCESS OF CO-OPTING OWNERS CONTINUES

The HKJA has argued in past annual reports that the most effective way to increase control over the Hong Kong media is through ownership. The 2007 report stated that over half of media owners had been appointed to the two national bodies—the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC). This is a process similar to elite integration in the West. The latest appointments were made in the run-up to the annual sessions of the two bodies in March 2013. The percentage of media owners remained about the same. However, in general, the influence of the Chinese and Hong Kong governments over the 30 major news outlets in Hong Kong is on the rise.

The publishers of the four pro-Beijing newspapers—*Ta Kung Pao*, *Wen Wei Po*, the *Hong Kong Commercial Daily*, which is owned by the Shenzhen Press Group, and the Hong Kong edition of the *China Daily*—are routinely appointed to one of the two national bodies.

However, there has been one significant development affecting these four newspapers in recent years. Control has increased through the establishment of special groups—whose members come largely from the mainland—which vet the publications' articles. This is in line with what has happened in the mainland Chinese media over the past decade.

The four pro-Beijing newspapers make up 13.3 percent of news outlets in Hong Kong. The owners of a further 36.7 percent of outlets have been appointed to Chinese bodies. They are Charles Ho of the Sing Tao group; Richard Li—who owns now TV and indirectly the *Hong Kong Economic Journal*; Victor Li, whose group owns Metro Radio; Peter Woo, whose group controls i-Cable; Wong Ching (known in Putonghua as Wang Zheng), who controls ATV; Bill Wong, who is the largest shareholder of the digital broadcaster DBC; and Fung Siu-por, who is the chairman of the *Hong Kong Economic Times*. Mr Fung was a member of the CPPCC for 10 years, but was not re-appointed probably because of his age.

There are six others who cannot be appointed because they are not Chinese nationals or because of their background. They include *Ming Pao's* Zhang Xiaoqing, the *South China Morning Post's* Kuok family and TVB's Cher Wang.

One significant development has been the appointment of a veteran Xinhua News Agency journalist, Tian Bingxin as publisher of *Sing Pao Daily News* in December 2012. Mr Tian took over from mainland Chinese businessman Xie Haiyu, who became the group's honorary chairman. However, there was no announcement of any change in the group's shareholding. It is uncertain whether this will presage *Sing Pao* becoming a fully controlled pro-Beijing newspaper.

According to Cheng Yizhong, the former chief editor of the mainland newspapers *Nanfang Metropolis Daily* and *Beijing News*, China has been tightening control of the mainland news media over recent years by appointing veteran Xinhua personnel to head municipal and provincial propaganda departments. The propaganda head is often then appointed to head a newspaper. This ensures that the central government's line is followed. The appointment of Tian Bingxin may be following this trend.

It is also notable that *Sing Pao's* website uses simplified Chinese rather than traditional Chinese characters, which are used by the four pro-Beijing newspapers. In *Sing Pao's* case, Hong Kong readers are able to switch to traditional characters on the web page, but the move raises questions about whether the newspaper is serving mainland or Hong Kong readers.

It is also interesting to note the revival of a former pro-Beijing newspaper called the *New Evening Post*, which closed in July 1997 after publishing for almost 50 years. It resumed publication in August 2012 as a free newspaper. There have been reports that Beijing's Liaison Office in Hong Kong was mainly behind the plan and that *Ta Kung Pao* would help in the production process. But it appears that the plan changed—and the free newspaper's publisher, Ha Ping, has been stressing that the publication is independent of *Ta Kung Pao*.

Another way of co-opting media owners or news heads is for the Hong Kong government to grant them honours. Those who have benefited include Fung Siu-por of the *Hong Kong Economic Times*, who received a Gold Bauhinia Star in 2003; and the president of the Oriental Press Group, Ma Ching-fat, the controller of Commercial Radio's news department, May Chan, Lo Wing-hung of the Sing Tao group, and Eric Chan of the *Hong Kong Economic Times*, who all received bronze bauhinia awards between 2000 and 2007. There is no need for honours for those heading Radio Television Hong Kong: Its director is an administrative officer, who therefore automatically owes his allegiance to the government.

However, it should be noted that the Hong Kong government's elite integration is less influential than that of the central government in Beijing.

THE INTERNET BECOMES A BALANCING FORCE

These owners or news heads hold leading positions in 86.7 percent of major media outlets. Only four outlets, 13.3 percent of the total, escape mainland or Hong Kong government favour. The latter include two newspapers published by the Next Media Group—*Apple Daily* and the free publication *Sharp Daily*—plus two other free newspapers, *AM730* and *Metro Daily*. The fact that three of these media outlets are given out free of charge highlights the importance of readership and the role of market forces in balancing out pro-Beijing or pro-Hong Kong government outlets.

Although the number of comparatively independent news outlets is small, their readership is not. The readership of these four newspapers stood at 1.5 million at press time. In addition, readers who are not satisfied with the traditional media often seek news from the internet. According to polls conducted by the Public Opinion Programme of the University of Hong Kong, those reading news from the internet rose from 5.7 percent in 2000 to 20.8 percent in May 2013. The internet has become the third main source of news—behind television (32.7%) and newspapers (25.4%), according to survey results.

It will be interesting to see the extent to which the internet will counter the Chinese government's attempt to "regain the Hong Kong media". The first

attempt—in late 1989 in the wake of the June 4 massacre—saw the then director of the State Council's Hong Kong and Macau Affairs Office, Ji Pengfei, stating that Hong Kong could not be used as a base to subvert China. The campaign to control the media was mainly implemented through so-called united front tactics, and the outcome was not good. One of the major successes in the run-up to the 1997 handover was the turning of the then pro-Taiwan *Sing Tao Jih Pao* (now *Sing Tao Daily*) into a newspaper with sympathies towards Beijing.

The second attempt to bring Hong Kong publications to heel came after half a million people took to the streets to oppose national security legislation in July 2003. The influence exerted this time was more direct, with several well-known radio talk show hosts being silenced in the following year. The second campaign was far more successful than the first, with half of major media owners being appointed to Chinese bodies.

Since then, self-censorship has become more prevalent. According to industry-wide surveys conducted by the HKJA in 2007 and 2012, more than 30 percent of respondents admitted that they had practiced self-censorship—mainly related to news that they second-guessed was sensitive to the Chinese government. These are alarming figures, and the HKJA fears that they should be higher, as many respondents doubtless do not want to admit that they carry out self-censorship.

Yet the Chinese government was clearly not happy with its efforts, and tried to “regain the Hong Kong media” for a third time. Its officials were more resolute this time, with important personnel changes taking place in Beijing's powerful Liaison Office in Hong Kong at the same time that China's new leaders were tightening control over the mainland media.

PERSONNEL CHANGES AUGUR BADLY FOR HONG KONG

The new head of Beijing's Liaison Office, Zhang Xiaoming, arrived in Hong Kong in December 2012. Less than a month before his arrival, Mr Zhang—in his capacity as deputy director of the Hong Kong and Macau Affairs Office—published a long article which hinted at a tightening of Beijing's policy towards Hong Kong.

In the article titled “To Enrich the Implementation of ‘One-Country Two-Systems’”, Mr Zhang stated that “one-country” (China) is the precondition and foundation for “two-systems”. He further said that the system for the chief executive to report to Beijing and the reporting of legislation passed by Hong Kong's legislature to the National People's Congress should be reinforced, the high autonomy enjoyed by Hong Kong does not equate to full autonomy, referendums and the promotion of Hong Kong's autonomy are not compatible with the concept of “one-country”, and that Hong Kong should complete national security legislation “in due course”. All these comments hint at Beijing wishing to exert tighter control over Hong Kong.

Mr Zhang's status in the Chinese Communist Party also indicates that it will be easier for Beijing to impose its will on Hong Kong. Mr Zhang is an alternate member of the party's central committee, one rank lower than his predecessors who were all full members at the time they headed the Liaison Office. He is also one rank lower than his counterpart in Beijing—Wang Guangya, who is the director of the Hong Kong and Macau Affairs Office. This all points—according to the way that the Chinese bureaucracy works—to the lowering of the status of the Liaison Office in its dealings with Beijing, or the lowering of Mr Zhang's ability to counter instructions from the central government, given that he has experience only in the Hong Kong and Macau Affairs Office and not other government organs, where he could have built up wider connections.

Hong Kong Human Rights Monitor issued a statement countering the arguments made in Mr Zhang's article and its implication that Beijing would intensify interference in Hong Kong affairs. The group expressed concern that what it called the leftist stance of the Beijing government would increase the suppression of the Hong Kong system and erode the territory's high degree of autonomy.

In January 2013, Mr Zhang rejected the criticism. He told journalists—in his first comments since arriving in Hong Kong—that “Western” (a common name given to the Liaison Office, which is located in the Western district of Hong Kong Island)

would not govern Hong Kong, but would perform its duty with due diligence. He also denied that the central government was tightening its policy towards Hong Kong. However, he reiterated Hong Kong's constitutional responsibility to enact national security legislation and claimed that this should not be a taboo subject.

LIAISON OFFICE MAKES MORE CALLS TO JOURNALISTS

The HKJA has learned that the Liaison Office has been making more calls to journalists since March 2013—in line with a similar trend by officials from the Hong Kong and Macau Affairs Office. Further, some journalists report that they receive fewer calls than other news workers if they reject requests for further communication. They welcome this because there is then less interference. They also think—unlike journalists who attend such meetings—that they gain little information from mainland officials.

One journalist working for a television station told the HKJA that not only has the frequency of contact increased, there has also been an intensification of what he called soft warnings. He said he received calls from an official in Beijing who mentioned an interview he planned to conduct. He learned that this was a warning meaning that he was “being watched” and that he should not conduct sensitive interviews. He was not threatened by the caller, but was worried about how he could set a new interview with the same interviewee without Chinese officials knowing about it and how they had found out about his plans.

Indeed, such warnings were stepped up in Beijing ahead of the 24th anniversary of the 1989 June 4th Tiananmen massacre. Journalists could see that they were being followed by cars—an old tactic that had not been used for several years. Moreover, warning calls were made not just by officials from the State Council Information Office or the Ministry of Public Security, but also from the more secretive Ministry of State Security. On June 4th itself, four Hong Kong reporters were barred from entering Tiananmen Square to cover the early morning flag-rising ceremony.

ARRIVAL OF NEW PROPAGANDA HEAD WORRIES JOURNALISTS

Adding to fears about stepped-up control was the arrival in Hong Kong in late May 2013 of Yang Jian—a new deputy director of the Liaison Office, who took over responsibility for culture and propaganda affairs, including the media. His arrival was sudden. Only two months previously, Mr Yang had been named chairman of the board of the Nanfang Media Group in Guangdong province.

Senior China beat reporters pointed to the past experience of Yang Jian in expressing their fears about his role in Hong Kong. Mr Yang—as deputy director of the Guangdong propaganda department—played an important role in the controversy over a 2013 New Year's Day editorial in the *Southern Weekly* newspaper, which was radically changed after propaganda officials took offence at its support for proper adherence to the country's constitution.

Journalists in pro-Beijing news outlets tended to believe that Mr Yang came to Hong Kong to rectify their work with the aim of increasing the influence of their publications in Hong Kong. Workers from other news outlets were afraid that he was going to tighten Beijing's grip on the media in general. However, Mr Yang called himself a bridge to enhance communication between Hong Kong media and mainland China and further expand Hong Kong media reports about the mainland.

More significantly, his appointment as propaganda head in Hong Kong coincided with the establishment of a stronger controlling system in mainland China and came despite fears that his work may erode Hong Kong's autonomy.

Further, Mr Yang became the first head of the Hong Kong propaganda department to actually come from a mainland propaganda arm. He had worked in different branches of Xinhua News Agency for 23 years before being assigned—for four years—to provincial propaganda departments. He was following the path disclosed by Cheng Yizhong above, namely he became the head of the propaganda department in Hong Kong to ensure tight control over the media's news reporting.

Mr Yang's media expertise and knowledge of Hong Kong during 13 years of work in Guangdong province should make him more adept at influencing or controlling the media in Hong Kong. The central leadership's approval of the way he handled the Southern Weekly editorial—through his promotion to Hong Kong—also implies that Beijing will take a more aggressive approach towards the Hong Kong media.

SECTION 4

Endless battle over new TV licences

The government's indecision on whether to issue new free-to-air television licences continues to spark exchanges of fire among current TV operators, potential new operators and community leaders.

In 2009—almost four years ago—the government appeared to open the door to greater competition in the free-to-air television market. However, up to press time the government had not shed any light on whether it would issue more licences, and if so, how many. The government has repeatedly stated that it has been tackling the complicated issue and would not set a deadline for such a decision.

This is an important issue for media diversity because at the moment there are only two free-to-air operators—the dominant Television Broadcasts Limited (TVB) and the minority Asia Television (ATV). Three other companies have submitted bids to run their own services—City Telecom-owned Hong Kong Television Network, i-Cable Communications subsidiary Fantastic Television, and Hong Kong Television Entertainment Company, which is a unit of the telecoms firm PCCW.

The general public appears to support greater media diversity in the free-to-air TV arena. Two university surveys commissioned in late 2012 suggested that more than four out of five Hong Kong people want to see more free-to-air TV stations, saying they are unhappy with existing programme quality. A Chinese University poll found that nearly 76 percent of almost 1,000 respondents backed the issue of more licences, while a University of Hong Kong survey commissioned by a think tank called the Community Development Initiative found that 85 percent of 525 respondents backed more licences. More than 70 percent said they were unhappy with delays in issuing new licences.

There was also public unhappiness with the existing news programmes presented by TVB and ATV. The Communications Authority conducted a public engagement exercise in early 2013, gathering 7,600 submissions. One of five major suggestions emerging from the submissions was that “news reports and personal view programmes of both broadcasters should avoid being partial, unfair, misleading and the exercise of self-censorship.”

TVB'S LEGAL BID TO BLOCK NEWCOMERS REJECTED

In the year under review, the two existing free-to-air television operators have tried very hard to push the government not to issue more licences. As mentioned in our 2012 annual report, TVB and ATV have expressed strong opposition to the issue of further licences, which they say may erode their market share. TVB's Group General Manager, Mark Lee, warned that more competition in the small local market could drive some TV stations out of business.

The issue went to court. In January 2013, TVB applied for a judicial review of a government agency's decision to recommend the granting of new free-to-air television licences, in an apparent effort to avoid increased competition in the terrestrial television market. In court filings, TVB said the Communications Authority had made an “unlawful” recommendation, when it supported the granting of new licences, saying the judgment was replete with both factual and legal errors.

The broadcaster asked the High Court to stop the policy-making Executive Council from granting licences to the three applicants—against the recommendation of the Communications Authority. TVB argued that the authority had failed to take into account the fact that the quality and originality of television programmes would worsen if the pool of available content producers and artists was spread among five companies. TVB was also unhappy at not being consulted before the authority made its recommendation.

ATV said it “understands and supports TVB seeking a legitimate judicial review”, adding that its position has always been clear—that ATV opposes the granting of additional licences. Indeed, ATV lost a similar court action in April 2012.

In May 2013, the High Court rejected TVB's bid to block the issue of new licences. The court said TVB had not suffered from any unfair treatment or irreversible damages. Mr Justice Thomas Au wrote in his judgment: "The chief executive and Executive Council have yet to make a decision whether to approve the applications or not. The recommendation is only advisory in nature and the Chief Executive in Council is not bound to follow it."

Mr Justice Au added: "TVB simply cannot show that, at this stage, its interest has already been seriously affected or prejudiced." He added that it would be inappropriate for the court to step in at the present stage when the Executive Council has not yet decided on the matter.

The Commerce and Economic Development Bureau welcomed the ruling, saying it would handle the three free-to-air television licence applications prudently as soon as possible.

A few days later TVB filed an appeal against the High Court decision not to grant a judicial review. The appeal addresses among other matters whether the chief executive would "be acting unlawfully in making a decision on additional free-to-air TV licences" without a recommendation from the Communications Authority. But the broadcaster declined to say whether it would take the case to the Court of Final Appeal if it lost again.

ATV STAGES 'PROPAGANDA' SHOW

ATV caused consternation in November 2012 when the station rallied about 400 staff outside the government headquarters in Admiralty for a live broadcast to oppose any government decision to issue new television licences. ATV staff were reportedly forced to take part in the protest, for which the station deployed its own security guards to keep order.

The private guards barred pan-democratic legislators and backers of more free-TV licences from entry to what they called a "private event". As one of the legislators, Claudia Mo of the Civic Party, approached key ATV investor Wong Ching—a mainland tycoon also known as Wang Zheng in Putonghua—a dozen Mr Asia contestants formed a human wall in front of him. Mr Wong was more open to reporters, declaring: "To issue new licences means the start of a disaster.....Should there be [television stations] weeded out, ATV will be the last one.....I'm prepared to make profits."

ATV's executive director, James Shing, insisted the live broadcast of the protest was legitimate. He said the rally was organised to express the broadcaster's views in an entertaining way.

The public took a different tack. The Communications Authority received 2,200 complaints. Most argued that the broadcast of the protest was misleading and an abuse of the public airwaves. The broadcast also prompted about 500 people to join a Facebook group called "ATV Please Fold".

On the following day, more than 200 culture and media professionals, along with lawmakers and academics, published a petition against the delay in approving new licences. The petition was signed by renowned filmmakers Johnnie To, Wai Ka-fai and Benny Chan, as well as the Legislative Council's sports and culture representative Ma Fung-kwok. Mr Ma said he supported more competition in the television industry. "The government should come out and explain if there are other considerations for issuing new free TV licences."

At the same time, one of the applicants for a new licence, City Telecom, expressed frustration over the continuing delays—more than 1,000 days after it submitted its original bid. The group's chairman, Ricky Wong, called this "infuriating". The firm has invested more than HK\$300 million to set up a new broadcasting station, and sold its telecoms business to fund the new venture.

In November 2012, the Legislative Council passed a non-binding motion urging the government to grant additional free-to-air TV licences by the end of March. The motion also pressed the government to ensure the vetting process for applications is open and transparent. In reply, the Secretary for Commerce and

Economic Development, Greg So, who is in charge of broadcasting policy, said the government had never agreed not to issue new free TV licences before the expiry of TVB and ATV's current licences in November 2015.

Mr So went on to say that careful handling of new licences was needed to ward off any legal challenges. He reiterated that it was legitimate for the government to give out new licences at any time. He said the Broadcasting Ordinance does not restrict the number of licences and that it can consider applications as they are submitted.

The chief executive, Leung Chun-ying, was asked whether people would have "more free TV choice before March". He would only say: "We will work as quickly as we can to come to a decision." However, there have been reports that the issue might not be settled until 2015, when the licences of the existing operators expire and they have to apply for renewal. PCCW and i-Cable have accepted this arrangement, but City Telecom says new licences should be issued as soon as possible.

ATV FINED FOR AIRING BIASED SHOW

In February 2013, the Communications Authority announced its decision to fine ATV a total of HK\$260,000 for several breaches of broadcasting codes, mostly for broadcasting biased programmes on the issue of new free-to-air television licences.

The breaches included the show filmed outside the government headquarters, for which ATV was fined HK\$50,000. The authority regarded the event as a "personal view programme". The authority said the show breached multiple provisions of the television programme code by failing to preserve impartiality on the licence issue and for giving a misleading representation of a study on its audience share with rival TVB. However, an ATV spokesman insisted that the station had done nothing wrong in the way it presented its audience data.

ATV also fell foul of the Communications Authority over a news commentary broadcast in September 2012, which attracted a record 42,000 complaints for claiming opponents of controversial national education proposals were manipulated by "destructive" politicians who had the backing of London and Washington.

The authority's code of practice says free-to-air television licensees shall ensure their programmes are accurate and impartial. Shows that air personal views should allow a broad range of opinions to be expressed.

In December 2012, the Communications Authority issued a warning to ATV after ruling that a series of ATV Focus commentaries had contravened the TV programme code. It said the programmes—which featured a voice-over making harsh comments on the Scholarism student group which campaigned against national education—failed to provide an opportunity for response and to allow a broad range of views to be expressed on the issue. It also said the episodes contained factual inaccuracies.

This was not the first time that ATV had got into serious trouble. In December 2011, the Broadcasting Authority—which later became the Communications Authority—fined ATV a record HK\$300,000 over a false report broadcast in July of that year stating that former Chinese President Jiang Zemin had died. The incident exposed the dangers arising from management interference in editorial operations. Although the authority did not find any direct evidence that the station's major investor, Wong Ching, was involved in the broadcast of the report, it did carry out an investigation into Mr Wong's role in the control and management of the station.

COURT CLEARS WAY FOR RELEASE OF ATV REPORT

In May 2013, the Court of Appeal cleared the way for the Communications Authority to publish details of how Mr Wong intervened in the broadcaster's day-to-day operations. The case centers on a report compiled by the authority, which found that Mr Wong broke broadcasting rules by controlling ATV's operations, even though he had no formal management position.

The finding was based on the minutes of management's weekly meetings and other documents, and supported by evidence from present or former employees of the broadcaster, who gave the information on condition that they remained anonymous.

Madam Justice Susan Kwan wrote in her judgement: "The authority has carried out a proper balancing exercise of the competing interests between ATV's right to know and to respond, the right to protection of the interviewees, the public interest in securing information from the interviewees and the need to conduct the investigation efficiently."

Madam Justice Kwan added: "It is readily understandable and reasonable for employees and former employees of ATV to have fear of adverse consequences if their identities were disclosed...One must also take into account the possibility of reprisal in the form of legal proceedings taken by the subject of an investigation against the witness."

The authority began its investigation into whether Mr Wong had been exercising de facto control of ATV after a group of employees alleged that he had interfered with the news department, changed programming schedules and altered marketing and advertising plans.

An earlier ruling—in October 2012—found in ATV's favour. A lower court found that the non-disclosure of witness identities had prevented ATV from verifying their accounts, and ordered that the report should not be released. ATV said the authority's refusal to provide information and documents supporting its investigation hindered a fair opportunity for it to respond without the evidence provided by unidentified witnesses. The Communications Authority appealed against the lower court judgement. The Court of Appeal agreed with the authority that a summary of relevant testimony provided to ATV would be sufficient to confirm or rebut any accusations.

The Communications Authority report criticized ATV management, ruling that its executive director James Shing was unfit to hold a broadcast licence. It found that Mr Shing had improperly ceded much of his day-to-day responsibilities at the station to Wong Ching, whom he passed off as a personal consultant. The report, which has not been released, reportedly proposed fining the station a record HK\$1 million.

SECTION 5

RTHK director makes waves

In September 2011, when the government appointed administrative officer Roy Tang to run Radio Television Hong Kong (RTHK), it prompted an immediate wave of criticism not only from the RTHK Programme Staff Union, but also academics and pan-democrat lawmakers. The veteran civil servant, who was seen as a rising star among administrative officers, was greeted on his first day at work on September 15th 2011 by a black carpet and protesters at the broadcaster's Kowloon Tong headquarters.

Concern over Mr Tang's role as director of broadcasting peaked in March 2013, when controversy erupted over programme and staffing matters. Many employees accused Mr Tang of meddling with editorial independence and censoring their programme ideas. However, Mr Tang hit back at accusations that he had interfered in the broadcaster's editorial independence and tried to damage the career of an employee he allegedly did not like.

There were reports that Mr Tang had decided not to promote acting assistant director of TV and corporate business Forever Sze to the job permanently after the pair clashed. There were allegations that the pair argued over the decision to put empty chairs at a City Forum panel, mocking the absence of two guests in a discussion on the government's controversial proposal to introduce national education into the school curriculum. They were Secretary for Education Eddie Ng and Anna Wu, who was then leading a committee on the implementation of moral and national education.

Mr Tang was also reported to have clashed with Mr Sze after he became outraged at the idea of introducing Nazi characters into the satirical RTHK television show *Headliner*, which has long been a focus of controversy. Mr Tang denied all the accusations and defended the right to question the use of Nazi characters, including Adolf Hitler, in the show. It was subsequently confirmed that Mr Tang was the author of a leaked e-mail expressing "serious concerns" about the use of Nazi characters. Mr Tang also asked Mr Sze to prepare a report detailing how the idea came about and how staff planned to dispose of the Nazi costumes or any photos that were taken.

There were also allegations that Mr Tang wanted to move *Headliner* from its Saturday night slot on TVB to ATV, which attracts far fewer viewers. However, an RTHK spokeswoman denied that Mr Tang had such a plan.

A spokeswoman for the RTHK Programme Staff Union, Choy Yuk-ling, said Mr Tang was shifting the focus in the *Headliner* controversy to the idea about using Nazi characters. What really mattered, she said, was that the production team was asked to explain why it had the idea.

RTHK VETERAN CITES 'POLITICAL PRESSURE'

RTHK was plunged deeper into controversy when Mr Sze broke his silence, saying he "had the feeling" he was being assigned political missions. He said he was facing "the biggest pressure ever" since he joined RTHK over 30 years previously. But Mr Sze would not go into detail about the political missions he claimed he was assigned by Mr Tang. Mr Sze said: "My colleagues are telling me they are feeling the pressure, the political pressure... and diversity (in production) is weakening... This is a very serious matter for a public broadcaster." However, an RTHK spokeswoman denied that Mr Tang had asked any of his staff to carry out political missions.

The executive producer of *Headliner*, Liu Wai-ling, told Commercial Radio that Mr Tang's actions had plunged RTHK into a state of internal friction. The then chairperson of the RTHK Programme Staff Union, Janet Mak, said it was "unprecedented" for management to require staff to explain a preliminary idea. She said this was suppressing creative freedom.

A number of former radio staff also joined in to criticise Mr Tang. The former head of RTHK's TV current affairs section, Benny Cheung, called on staff to refuse to co-

operate with Mr Tang and to force him to resign. And former deputy director of broadcasting Raymond Ng, who retired in 2006, said the way Mr Tang was handling the issue was “inconceivable”. He said this had thrust RTHK into mayhem not seen in the past three decades. Mr Ng also threw his support behind his former subordinate, Forever Sze.

City Forum host Joseph Tse also fired a warning shot at Mr Tang in an open letter published in a Chinese-language newspaper. He said: “We do not stir up trouble but we are not timid.” He wrote that the recent incidents showed Mr Tang was unsure about editorial matters and did not trust his staff. To solve the problems, Mr Tse said Mr Tang should simply stay out of editorial decisions.

Former RTHK producer Ng Ming-lam, who was involved in founding Headliner, said the station should have editorial independence to serve the public's interests. He said: “RTHK is not funded by the government, but by taxpayers. The government is also a target for monitoring.”

Mr Sze threatened to blow the political interference scandal wide open with more allegations if legislators set up a special select committee—that would give him immunity from legal liability if he testified. The Legislative Council's broadcasting panel voted to do just this, but the full council was expected to block the move. In the meantime, Mr Sze had his period as acting assistant director extended until further notice. Mr Sze was reluctant to speculate on whether this arrangement was related to the row.

Earlier, Mr Tang made a public apology after what he described as an “excellent” two-hour meeting with staff. However, he refused to step down and said he was carrying out his duty “as appointed to do so by the Civil Service Bureau”.

He apologised for “discomforting staff, who regarded me as querying their attitude to work or professional judgement”. But he skirted at least three media questions on whether he would issue a wider apology to RTHK.

Mr Tang admitted that he had “gone into too much detail” when he initially spoke to the media about the proposal to use Nazi characters in Headliner, and about “contradictory” reasons given by City Forum producers for leaving empty chairs at the City Forum discussion.

The director, however, insisted: “No one ever required me as director of broadcasting to ... get involved in any political missions.”

Other public figures weighed into the controversy. The Executive Council's convenor, Lam Woon-kwong, advised Mr Tang to exercise caution in his role as it is different from heading up other government departments. The Exco convenor said the director should attend to RTHK's duties as the territory's public broadcaster, which is free to comment on the government. Mr Lam urged Mr Tang and RTHK employees to open lines of communication and improve their relationship. The chief secretary Carrie Lam took a similar approach. She said it was an internal issue best resolved by communication between management and staff, and that external forces should not become involved.

However, the RTHK Programme Staff Union said that Mr Tang was not fit to head the broadcaster, as show by what it called several “irrational and unprofessional decisions” he had made. It said: “We strongly urge the government to stop appointing administrative officers to RTHK.”

Meanwhile, the Hong Kong Journalists Association (HKJA) condemned what it called Mr Tang's “violent intervention” in editorial work, and called for a formal Legislative Council inquiry. It also reiterated its call for RTHK to be separated from the government to become an independent corporation. It emphasised that RTHK would always come under political pressure if it remained a government department.

SECTION 6

A troubled year for DBC

The year under review has been stormy for Digital Broadcasting Corporation (DBC), which is one of three operators granted licences to run digital radio services. It suffered from internal conflicts among board members, insufficient funding, suspension of programmes and alleged political interference from Beijing. Indeed the survival of DBC, which was co-founded by talk-show host Albert Cheng, has—some have suggested—become a political barometer to measure the degree of press freedom enjoyed by broadcasters in Hong Kong.

After a long period of painful struggles, DBC, which began full operations in May 2012, resumed service in January 2013 after one of the shareholders, Beijing loyalist Bill Wong, took control. The station's head, Francis Mak, pledged a neutral stance—which he said included continued criticism of the government.

SHAREHOLDERS LOSE MUTUAL TRUST

DBC was granted a 12-year licence to run seven digital radio channels in 2008. However, problems started to emerge in mid-2012. The broadcaster's future became uncertain when Mr Cheng announced after a board meeting in July 2012 that shareholders had “lost mutual trust”.

DBC said in a statement after the board meeting that some shareholders were split on issues related to “the injection of capital and the operational direction”. Mr Cheng said the differences were not related to money but about “the ways of running a business”.

Mr Cheng, a former lawmaker and veteran radio host, gained his reputation for bitterly criticising the administration of then chief executive Tung Chee-hwa while hosting Commercial Radio's *Teacup in a Storm* from 1995 to 2004. He was close to Mr Tung's successor Donald Tsang—and in 2008 was granted a 12-year licence to run a 24-hour Cantonese-language radio station. However, Mr Tsang's chosen successor, Henry Tang, failed to become the new chief executive, following controversy over illegal additions to a house owned by his wife. The political environment then started to change.

DBC shareholders included executive councillor Professor Arthur Li, former Exco convenor Ronald Arculli, Bank of East Asia chairman David Li and businessman Bill Wong, who is a member of the Chinese People's Political Consultative Conference.

One day after the July board meeting, Mr Cheng accused Bill Wong of putting DBC at risk of liquidation by refusing to pump in more money. Mr Cheng said: “This is all politically motivated. This government seems to want to go all out to suppress the opposition and get those who refuse to toe the line.” However, Mr Wong countered that his decision not to put more money into the broadcaster was “purely out of business considerations and to fulfil the legal responsibility of a board director”.

CHENG ACCUSES BEIJING OF INTERFERENCE

The war of words continued. Mr Cheng accused Bill Wong of attacking free speech in Hong Kong at Beijing's behest. Mr Cheng alleged that Mr Wong had refused to invest more in the station after receiving instructions from an official at Beijing's Liaison Office in Hong Kong, whom he did not name. He claimed that Mr Wong had told him: “I have a mission: the Liaison Office wants you off the air.”

A lobby group, Hong Kong Human Rights Monitor, expressed concern over what it saw as an apparent political move to suppress DBC. However, the Secretary for Commerce and Economic Development, Greg So, who handles broadcasting matters, said the controversy was not related to freedom of speech and the government would not intervene as long as DBC could maintain its services.

However, DBC was unable to maintain its services. The station went off the air in the evening of October 10th 2012, following the failure of a last-ditch deal for a

change of ownership. This raised questions about whether the Communications Authority would take action against DBC for failing to meet licence conditions. Mr Cheng insisted that he had tried his best to comply with the conditions, but decided to stop broadcasting due to a lack of funds. However, Mr So said appropriate steps would be taken if DBC failed to provide round-the-clock programming on seven channels. In the meantime, DBC resumed broadcasts for what it called a seven-day “voluntary broadcasting campaign” in a bid to prevent government action.

MYSTERIOUS TAPE POINTS TO BEIJING ROLE

Activists and DBC hosts began a three day sit-in on October 19th 2012 in front of the government headquarters in Admiralty. Speakers said the station's imminent closure was a result of political suppression. Mr Cheng vowed on stage that he would continue to solicit public donations to fight the legal disputes and find ways to keep the station operating.

The emergence of a leaked tape put forward as proof that DBC was a victim of political interference by Beijing sparked renewed controversy over the broadcaster's future. The tape, understood to be records of conversations between DBC shareholders, was posted on YouTube on October 20th. It was played by station staff at the three-day rally.

A station spokeswoman said the recording, which lasts just over four and a half minutes, concerns two meetings of DBC directors, the first in May 2011 and the second in February or March 2012. In them, a man DBC says is Bill Wong can be heard saying “Ah Peng” had told him that Beijing's Liaison Office would not want DBC to hire radio host Lee Wai-ling—an outspoken government critic . The Liaison Office director at the time was Peng Qinghua.

In the second part of the tape, a man said to be Bill Wong said he would not invest any more money in the station. However, Mr Wong insisted that he had never discussed the hiring of Lee Wai-ling with the Liaison Office. Questions were subsequently raised over whether Mr Cheng might have bowed to pressure by not hiring Ms Lee, if that was ever his intention.

The commerce secretary Greg So played down the issue during a Legislative Council panel meeting in late October. He said the recording was far from conclusive evidence of any meddling. He also questioned the authenticity of the tape, saying that he would not comment on “something that was someone commenting on someone's opinion.”

AUTHORITY FINES DBC OVER CLOSURE

The Communications Authority took action over a five-day shutdown by DBC in mid-October. This was before the station resumed services for one week on a voluntary basis, before once again dropping regular programming in favour of playing music in a bid to stave off government action.

The authority fined DBC HK\$80,000 over its five-day shutdown, saying that DBC had breached the conditions of its sound-broadcasting licence by interrupting its service between October 10th and 15th. The authority said DBC was required to transmit seven 24-hour sound broadcasting service channels of specified genres every day. It said the interruption of service was a “serious breach” of licensing terms.

The authority took further action in December. It announced a more stringent sanction—a 30-day licence suspension due to disruptions and the cessation of its service from October 21st. It criticised the corporation for failing to fulfil its obligation as it broadcast only music and repeats. It said it would consider an alternative sanction if DBC could resume a proper service within the suspension period.

DBC FOUNDER AGREES SALE TO MAIN SHAREHOLDER

In December, a breakthrough was finally achieved in the months-long dispute, with Mr Cheng announcing that he would sell his stake to the Beijing loyalist Bill Wong. Mr Cheng told Cable TV that a contract to be signed by the end of December would not set any conditions that would curtail its radio hosts' freedom of speech.

The Communications Authority confirmed that it had received an application from DBC to resume broadcasting, which took place in late January 2013. The station's new head, Francis Mak, said the station was not banned from criticising the government and the only instruction from Bill Wong was to maintain freedom of expression. Mr Mak said: "Whether to be moderate or radical is the choice of individual hosts... Basically, our station's stance is neutral."

The authority gave approval for DBC's shareholding changes, but at the same time imposed a HK\$200,000 fine for further service disruptions from October 21st to January 11th. The authority dropped its plan to suspend the broadcaster's licence, saying that such a move would be against the listening public's interests after DBC guaranteed to resume full service from January 28th.

Mr Cheng remained an adviser to DBC, even though he launched an online radio station called D100 in late 2012, taking many former DBC staff with him. However, the developments raised questions about the viability of digital radio broadcasting. Two other stations—traditional broadcaster Metro and newcomer Phoenix U Radio—were granted licences. The government broadcaster RTHK is also offering digital services. Another traditional broadcaster, Commercial Radio, withdrew an application to run a digital service in 2010, opting instead to offer interactive services.

NEXT MEDIA ABANDONS PLAN TO QUIT TAIWAN

In March 2013, the Hong Kong-listed Next Media group gave up its bid to sell its assets in Taiwan. The group's owner, Jimmy Lai, pledged never to put his Taiwan print business on sale again. However, Mr Lai did sell his TV business in Taiwan.

Mr Lai established his group in Hong Kong in the 1990s, with the creation of *Next Magazine* and the *Apple Daily* newspaper. He set up operations in Taiwan in 2001, with the publication of a Taiwan edition of *Next Magazine* and later *Apple Daily*. Mr Lai is highly critical of the government in Beijing and has given prominent support to the pan-democratic movement in Hong Kong, which has attracted the anger of mainland Chinese officials.

In October 2012, Next Media unveiled its plan to sell its entire Taiwan business, including Next TV, two newspapers and *Next Magazine*, for NT\$17.5 billion (HK\$4.65 billion) in cash to Jeffrey Koo Junior, who chairs Taiwan-based Chinatrust Financial.

It was earlier reported that Mr Koo would lead a consortium that would include Formosa Plastics Group chairman Wang Wen-yuan and a Singaporean private equity fund.

In November 2012, media activists, supporters and employees of Next Media's Taiwanese outlets staged a demonstration outside the group's headquarters in Taipei, accusing management of lying while urging the prospective buyers to respect editorial independence. Next Media employees were particularly worried about interference in news reporting after learning that Tsai Eng-meng would be one of the new owners, given his pro-Beijing stance and record with media outlets under his Want Want China Times Media Group.

Critics in Taiwan were also concerned that the sale—if it went ahead—would harm media diversity. The Association of Taiwan Journalists and other groups staged rallies to try to block the sale.

Next Media disclosed more details of the sale in December 2012, following changes to the consortium's composition. The firm revealed that the sale would net the group HK\$2.28 billion. It added in a filing with the Hong Kong Stock Exchange that Next Media "will no longer be engaged in the print business, as well as

television programmes and the sale of advertising in its television operation in Taiwan. The disposal allows the company to focus on profitable operations." It said the chairman of Formosa Plastics Group, Wang Wen-yuan, would lead the buyout instead of Mr Koo. Mr Wang would hold the biggest stake of 34 percent.

The controversial deal was supposed to be completed by March 27th 2013, but one of the Taiwanese buyers reportedly walked away at the last minute, prompting Mr Lai to decide to keep the Taiwanese print business and to sell the money-losing TV operation.

Mr Lai said he would do all he could to develop Next Media's print business on the island, especially the Taiwan edition of *Apple Daily*, which he said, could last at least eight to 10 years despite the global decline of print media.

Shares of Next Media lost more than a quarter of their value on April 2nd after the deal to sell the company's Taiwan assets fell through.

In mid-April, Next Media said in a filing to the Hong Kong Stock Exchange that it would sell its Taiwanese television unit to ERA Communications chairman Lien Tai-sheng for NT\$1.4 billion (HK\$361.8 million). The move marks the final step for Next Media in offloading its loss-making television business on the island.

HONG KONG JOURNALISTS ASSOCIATION

The Hong Kong Journalists Association (HKJA) is the only industry-wide union of journalists in Hong Kong.

The HKJA promotes the right to freedom of expression and actively focuses on a range of press freedom and ethics concerns. As a trade union, the HKJA focuses on labour rights, pay issues, health and safety, and training.

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