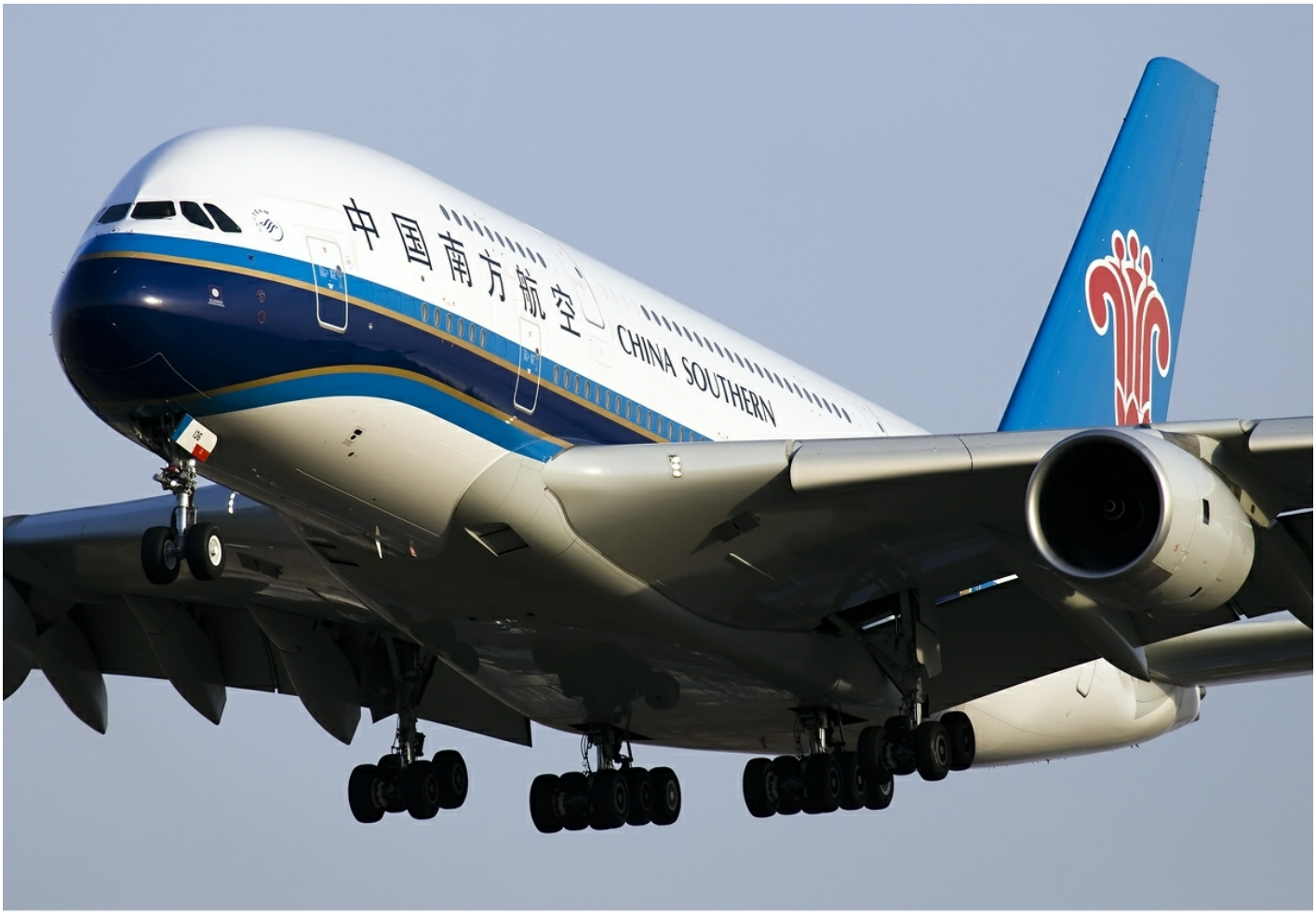
CHINA SOUTHERN AIR FALLS AFTER CHAIRMAN SI PROBED FOR VIOLATIONS

News / Airlines



China Southern Airlines Co. dropped to its lowest in two weeks after a Communist Party body said it's investigating the carrier's chairman for "serious" discipline violations.

The carrier, Asia's largest by passengers and fleet size, fell Thursday by as much as 1.9 percent to HK$6.10 in Hong Kong trading, its lowest on an intraday basis since Oct. 22. Shares were down 0.5 percent to HK$6.19 as of 9:39 a.m. in Hong Kong and declined 1.3 percent to 8.33 yuan in Shanghai.

The Communist Party has intensified efforts to root out corruption since Chinese President Xi Jinping became general secretary in late 2012. The crackdown has targeted both government officials and corporate executives. Earlier this week, Dongfeng Automobile Co. said in a statement to the Shanghai stock exchange that Chairman Zhu Fushou was being probed for suspected discipline violations.

The Guangzhou-based carrier announced in December that several officials were removed from

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their positions because of an investigation. Si is suspected of having "severely violated the rules," the Communist Party's Central Commission for Discipline Inspection said in a short statement Wednesday. The company said Oct. 16 it also had removed an executive vice president being investigated on suspicion of bribery.

"The company continues to conduct operations in the usual and ordinary course of its business," China Southern said Thursday in a filing to the Hong Kong stock exchange, adding it will make further announcements when appropriate.

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