

Shanghai Volkswagen boss in suicide riddle

From **GEOFFREY
CROTHALL**
in Beijing

THE managing director of China's most prestigious joint venture, Shanghai Volkswagen, has reportedly committed suicide.

Sources at the company confirmed yesterday that Mr Fang Hong, 58, fell to his death from his fifth floor office window on Tuesday during a break in an executive meeting.

The incident is still being investigated but personal problems have been cited as the probable cause.

Unconfirmed reports in Shanghai said Mr Fang was involved in a major "financial scandal" and that he was about to be investigated by the Shanghai procuratorate.

It is alleged that Mr Fang personally sold 15 Volkswagen Santana sedans each month to private clients and

that he did not keep proper records of the transactions.

It is further alleged that he wrote a company cheque for 100,000 yuan (HK\$134,700) as a donation to Shanghai's Liqueur Hospital where his wife works.

Mr Fang, who was one of the most powerful businessmen in Shanghai, was informed by a senior official in the procuratorate that he was about to be investigated and that there was very little chance the investigation could be kept secret, one source said.

These allegations have not been confirmed and the company has refused to comment publicly on the incident. An official statement might be issued today, a company spokesman said.

Whatever the reason behind Mr Fang's death, it will cause considerable embarrassment to both the local Shanghai Government and

the central Government in Beijing.

Shanghai Volkswagen, the single largest German investment in China, is a show-case joint venture which has often been praised in the official media as a model of Sino-foreign co-operation. The company was ranked as China's most productive joint venture in 1991.

It has been reported that Communist Party General Secretary Mr Jiang Zemin, who was formally head of the Shanghai municipal party, has been informed of the incident and that he has ordered a detailed and wide-ranging investigation.

The former mayor of Shanghai, Vice-Premier Mr Zhu Rongji and the current municipal party secretary Mr Wu Bangguo have also been informed and are said to be very concerned.