

China puts five individuals related to fugitive Guo Wengui on trial

A trial of five individuals related to fugitive Guo Wengui opened Friday in the northeast China city of Dalian.

Qu Long, former executive of Tianjin Huatai Holding Group Ltd., and former Huatai chairman Zhao Yun'an were accused of misappropriation of funds, while the other three defendants, all ex-employees of Guo's company, were charged with embezzlement.

According to the indictment, Zhao's wife approached Guo Wengui through an intermediary to get Zhao out of jail in 2008. After being granted bail, Zhao promised to transfer the assets of Huatai's major shareholder to Guo, so that Guo could take actual control of Huatai.

Without calling a board meeting, Guo directed Qu Long and other people to transfer more than 400 million yuan (about 60 million U.S. dollars) from Huatai to companies controlled by Guo.

The prosecutors also assert that Gao Song, Ma Nan and Cheng Xiuhua, all former employees of Beijing Pangu Investment Company, which Guo Wengui actually controls, forged paperwork and filed a civil lawsuit to help Guo keep the 400 million yuan.

"Through falsified agreements and a civil lawsuit, we transferred the liabilities to a company in Henan which had no loan repayment capacity to help Guo pocket the money," Ma Nan, former legal director of Pangu, said.

The defendants pleaded guilty and expressed remorse.

They asked for leniency, saying their action was on the instruction or suggestion of Guo Wengui.

"I followed the instructions of my boss and was unaware of the hidden risks and consequences. I feel deeply regretful," said Ma Nan.

A pre-trial conference was held, attended by the prosecution team, defendants and their lawyers. Over 40 people, including relatives of the defendants, journalists from domestic and overseas media outlets and members of the public attended the hearing, which was broadcast online.

The verdict will be announced at a later date.

Friday's trial was the third of a series of cases involving Beijing Pangu Investment.

On Aug. 4, one of Guo's companies, Henan Yuda Real Estate Company, was fined 150 million yuan for crimes of defrauding loans and bill acceptance. Two employees of the company were sentenced to prison terms.

Guo fled China under suspicion of multiple crimes in August 2014 and is currently listed under an Interpol “red notice” for wanted fugitives.