SPP Guiding Case No. 251: Case of Sun Moumou for Bribery

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Decided at the 67th meeting of the 14th Procuratorial Committee of the Supreme People's Procuratorate on December 31, 2025; issued on February 4, 2026.

Keywords

Crime of bribery / original shares / expected gains / amount of actual gains

Holding

Where a state functionary takes advantage of his or her authority to seek benefits for the petitioner, and, for the purpose of obtaining the appreciation gains after the listing of the stock, after reaching a bribery agreement with the petitioner, receives the company's original shares provided by the petitioner during the share reform stage before listing with an agreement not to bear capital risk, and sells the shares for profit after the company is listed, and the gains obtained correspond to his or her seeking of benefits for the petitioner, the act constitutes the crime of bribery, and the amount of bribery shall be determined based on the amount of actual gains.

Basic Facts

The defendant Sun Moumou, male, born in 1964, was a former deputy secretary of the Party committee of a certain college in Guangzhou.

From 1996 to 2023, Sun Moumou took advantage of the convenience of his positions as deputy secretary and secretary of the Party committee of a certain district of a certain city of Guangdong Province, as well as the convenience formed by his authority or status, to provide assistance to relevant units and individuals in matters such as enterprise operation, land transfer, and listing preparation, and illegally accepted property given by others, totaling the equivalent of RMB 96.79 million.

Among them, from 1996 to 2015, Sun Moumou took advantage of the convenience of his positions as deputy secretary and secretary of the district Party committee, as well as the convenience formed by his authority or status, to provide assistance to a certain Guangdong Co., Ltd. ("the Co.") actually controlled by Lin Moumou in matters such as obtaining exhibition booths, preferential land purchase, and handling export tax rebates. In November 2010, after the Co. had basically completed the company's due diligence and the pre-listing work such as land and financial compliance, it prepared to increase its registered capital. To thank Sun Moumou, Lin Moumou invited him to subscribe for the new shares, and indicated that the company had entered the share reform stage and that the share price would rise substantially after listing. Sun Moumou then, in the name of a company actually controlled by his wife Wang Moumou, paid RMB 4.62 million to purchase 660,000 original shares of the Co. Lin Moumou and Wang Moumou agreed that if the company's listing failed, the capital contribution would be refunded and certain compensation given, of which Sun Moumou was aware. In March 2015, the Co. publicly issued shares and was listed on the main board of the Shanghai Stock Exchange. After the one-year lock-up period expired, Sun Moumou and Wang Moumou successively sold the shares, obtaining total gains of RMB 64.1142 million.

From 1998 to 2011, Sun Moumou took advantage of the convenience of his positions as deputy secretary and secretary of the district Party committee, as well as the convenience formed by his authority or status, to provide assistance to a certain Guangdong Group Co., Ltd. ("the Group") actually controlled by Cai Moumou in matters such as obtaining land, receiving lenient punishment for illegal occupation of land, and handling land use certificates. In January 2008, after the Group had basically completed the company's due diligence and the pre-listing work such as land and tax compliance, it increased its registered capital for the second

Source: https://www.danyoungcpa.com/spp-guiding-case-251-china/

time, at which point the company's shareholders were only Cai Moumou, his wife, and a relative holding shares on Cai Moumou's behalf, three persons in total. To thank Sun Moumou, Cai Moumou invited him to subscribe for all the new shares of this round, and informed him that the Group had entered the share reform stage and that there would be high returns after listing. Sun Moumou then, through his wife Wang Moumou and in the name of another person, paid RMB 5.005 million to purchase 1.584 million original shares of the Group. Cai Moumou and Wang Moumou agreed that if the company's listing failed, the capital contribution would be refunded and interest paid, of which Sun Moumou was aware. In June 2010, the Group publicly issued shares and was listed on the ChiNext board of the Shenzhen Stock Exchange. After the one-year lock-up period expired, Sun Moumou and Wang Moumou successively sold the shares, obtaining total gains of RMB 19.3667 million.

Procuratorate Performance of Duties

Review for prosecution. On November 2, 2023, the Guangdong Provincial Supervisory Commission transferred Sun Moumou to the Guangdong Provincial People's Procuratorate for prosecution on suspicion of the crime of bribery. The Guangdong Provincial People's Procuratorate lawfully designated the Guangzhou Municipal People's Procuratorate to handle the case. The procuratorial organ held upon review that the evidence on file confirmed that Sun Moumou did not have the qualification to subscribe for the original shares of the companies actually controlled by Lin Moumou and Cai Moumou; that Lin and Cai transferred the subscription rights for the original shares and the expected appreciation gains to Sun Moumou out of gratitude for the assistance provided by Sun Moumou using his authority and the hope of continuing to obtain support, so the characteristics of a power-for-money transaction were obvious; that both parties had clear judgment and definite expectations that the companies' operations were good, the probability of listing was high, and huge appreciation gains would be obtained after listing; and that objectively both companies successfully listed with substantial share price increases, so the expected gains were realized. Sun Moumou, as a state functionary, took advantage of his authority to provide assistance to the companies actually controlled by Lin Moumou and Cai Moumou respectively, and illegally accepted the expected gains of the original shares given by the two, having the subjective intent and objective acts of bribery and satisfying the constituent elements of the crime of bribery, and the amount of bribery was determined based on his actual gains. On December 28, 2023, the Guangzhou Municipal People's Procuratorate initiated public prosecution before the Guangzhou Intermediate People's Court against Sun Moumou for the crime of bribery.

Judgment result. The Guangzhou Intermediate People's Court rendered a first-instance judgment on October 23, 2024. The judgment held that the facts of the procuratorial organ's charge that defendant Sun Moumou had committed the crime of bribery were clear and the evidence was reliable and sufficient, and sentenced Sun Moumou to life imprisonment, deprivation of political rights for life, and confiscation of all his personal property for the crime of bribery. After the first-instance judgment was pronounced, Sun Moumou appealed. On December 30, 2024, the Guangdong Higher People's Court rendered a second-instance ruling dismissing the appeal and affirming the original judgment.

Guiding Significance

(1) Where a state functionary takes advantage of his or her authority to seek benefits for the petitioner, and, for the purpose of obtaining the appreciation gains of the original shares after listing, contributes capital to purchase the original shares provided by the petitioner with an agreement not to bear capital risk, subjectively has a clear judgment and a relatively definite expectation that huge appreciation would be obtained after listing, and objectively the company operates well and successfully lists so that the state functionary realizes the expected gains, and the gains obtained correspond to his or her seeking of benefits for the petitioner, and the petitioner's purpose is also to transfer benefits to the state functionary in this manner, then, according to the principle of consistency between subjectivity and objectivity, the act shall be determined to constitute the crime of bribery in accordance with the law.

Source: https://www.danyoungcpa.com/spp-guiding-case-251-china/

(2) In bribery crimes of the expected original share gains type, where the state functionary actually profits by selling the shares after listing, the crime amount shall be determined based on his or her actual gains. In calculating the actual gains, the capital contribution amount paid by the state functionary when acquiring the shares shall be deducted.

Relevant Legal Provisions

Articles 383, 385, 386, and 388 of the Criminal Law of the People's Republic of China.

Disclaimer: This translation is provided for reference and informational purposes only. In the event of any discrepancy, the official Chinese text issued by the Supreme People's Procuratorate shall prevail. This translation does not constitute legal advice.