



Jason Kang on What Next for Suning.com Founder Zhang Jindong's Debt Troubles

September 14, 2021

Publication: ***South China Morning Post***

Zhang Jindong, billionaire founder of Chinese retailer Suning.com, is struggling to delay repayment of a US \$600 million bond, even after a US \$1.4 billion rescue plan led by the Jiangsu provincial government. Kobre & Kim's Jason Kang, who focuses on claim monetization efforts in China, told the *South China Morning Post* what international investors will be keeping an eye on.

Mr. Zhang's troubles began in June, when a Beijing court granted an order to freeze his interest in Suning.com shares. In July, the Jiangsu provincial government led a rescue of Suning.com, diluting Zhang's controlling stake.

Mr. Kang pointed out that how Jiangsu will handle Suning's debt issues, and which creditors would be given priority in repayment, will have consequences for foreign investors and Chinese companies. "If it shows clear favor of state-owned or onshore creditors and discriminates against private or offshore creditors, it could significantly increase the financing costs in overseas markets for other private companies from the province," he said.

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