

News



Many of our engagements involve matters in which our clients face significant public attention. The following is a list of news stories about the firm, our clients, cases and the results we have achieved.

President of Inter Milan and a Newly Appointed Non-Independent Director of Suning.com, Steven Zhang, Sued for over US\$250 million Owed by Suning Xiaodian

August 4, 2021

According to the court documents filed in the Hong Kong Court on August 2, 2021, Steven Zhang, president of the Italian soccer team Inter Milan, is sued by China Construction Bank (Asia) Corporation Limited as agent of a group of creditors, seeking more than US \$250 million in outstanding debts held by Suning Xiaodian, less than a week after Steven Zhang's appointment as a non-independent director of Suning.com on July 29, 2021.

Mr. Zhang's father, Zhang Jindong (张近东), the founder of Suning Group, one of the largest Chinese conglomerates, and Suning Appliance Group Co., Limited (苏宁电器集团有限公司), the conglomerate's core entity, were also named as defendants in the court papers, which is publicly available.

Court documents revealed that the debt arose from a US \$165 million facility provided to and an US \$85 million note issued by Great Matrix Limited in August 2020. Great Matrix Limited is one of the holding vehicles of Suning Group's convenience stores business, Suning Xiaodian. Multiple events of default within the meaning of the facility agreement and note had occurred by July 5, 2021, according to court documents. Those events included the defendants being named as judgment debtors subject to enforcement proceedings in the People's Republic of China and bank loans owed by Suning.com exceeding US \$1.7 billion. The defendants served as guarantors for the note and facility. At the time of the court filing, no repayment has been made to the creditors.

"The creditors look forward to vindicating their rights in court and will take all action necessary to ensure that the outstanding debt is fully paid," said Jason Kang of Kobre & Kim, a representative for the creditors.

Suning Xiaodian was wholly owned by Suning.com, Suning Group's retail arm listed on the Shenzhen Stock Exchange. In 2019, Suning.com spun off 65% ownership in Suning Xiaodian to Great Matrix Limited and Great Momentum Limited which Steven Zhang controls, to list Suning Xiaodian on an overseas stock exchange. Currently, Suning.com holds 35% of the equity interests in Suning Xiaodian.

Suning Group has just completed its "bailout" of Suning.com, as a result of which Chinese tech giant Alibaba became Suning.com's largest shareholder with over 24% of equity interest in the retail arm.