

## 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 Suning Founder's Son, Steven Zhang, Liable for over US\$255 million in Hong Kong judgment and Sued in Italy Alongside Inter Milan**

July 21, 2022

On 19 July 2022, the Hong Kong High Court handed down its decision granting summary judgment against Steven Zhang, president of the Italian football club Inter Milan and son of Suning Group's founder Zhang Jindong, for over US\$255 million in outstanding debts held by Suning Xiaodian.

According to the judgment, which is publicly available, the claim was brought by China Construction Bank (Asia) Corporation Limited, as agent of a group of offshore creditors, for a sum in excess of US\$255 million under a US\$165 million facility provided to and an US\$85 million note issued by Great Matrix Ltd, to refinance Great Matrix's borrowing for the spin-off of Suning Xiaodian from Suning.com. Steven Zhang is contractually liable under an Intercreditor Agreement and two personal guarantees.

Zhang did not dispute that the debt was due. Rather, his defence was that his signatures which appeared on the financial agreements were forged, which the judge rejected as "contrary to inherent probabilities and common sense".

The judge took into account Zhang's position in Suning Group and Inter Milan, his majority shareholding in Suning Smart Life and Suning Xiaodian's immediate shareholder and his participation in a meeting with the creditors to discuss the default, and found that Zhang "plainly had a material interest" in the refinancing transaction and any allegation to the contrary "carries little conviction or credibility". The judge also remarked that Zhang's "last minute gambit" to adduce expert handwriting evidence also "backfired" because the report confirmed that the signatures were written by Zhang.

"The creditors were extremely disappointed that instead of working on repaying his debt, Zhang attempted to evade his responsibilities and chose to advance defence which was clearly not credible and against common sense," said Jason Kang of Kobre & Kim, who represents the creditors. "This is the first judgment against Zhang obtained by creditors outside mainland China. The creditors will take all necessary legal actions in multiple jurisdictions to enforce this judgment."

Indeed, proceedings were commenced in Italy by China Construction Bank (Asia) Corporation Limited on 7 July 2022 against Zhang and Inter Milan for invalidation of the club's shareholder resolutions waiving payment of Zhang's remuneration as president of Inter Milan on the ground that they undermine CCBA's entitlement to repayment of the debt from such remuneration.

The Kobre & Kim team representing the creditors is led by Jason Kang and Francesca Ip.