

# Extension of term of Inspector appointed by Financial Secretary to investigate into affairs of Next Digital Limited

The Government announced today (January 28) that the Financial Secretary, Mr Paul Chan, has extended the appointment of Mr Clement Chan Kam-wing as the Inspector to investigate into the affairs of Next Digital Limited (NDL) by three months up to April 27, 2022.

Pursuant to the power conferred on him by sections 841(2) and (3) of the Companies Ordinance (Cap. 622), the Financial Secretary appointed Mr Chan on July 28, 2021, as the Inspector to investigate into the affairs of NDL, with a view to submitting a Final Report to the Financial Secretary in six months.

On September 14, 2021, the Inspector submitted to the Financial Secretary an Interim Report which revealed, among other things, that NDL had been conducting its affairs in a manner unfairly prejudicial to the interests of its members generally. The Inspector also found NDL financially insolvent. Having regard to the above, the Financial Secretary, in consideration of the public interest, presented a petition on September 29, 2021, to wind up NDL. The Court subsequently appointed the requisite Provisional Liquidators and granted a winding up order against NDL on December 15, 2021.

The Inspector recently reported to the Financial Secretary that information relevant to the investigation had yet to be fully obtained and scrutinised for preparing a comprehensive Final Report. The Financial Secretary considered it of utmost importance that the investigation be thoroughly conducted for the purpose of the Final Report. He has therefore decided to extend the Inspector's appointment by three months up to April 27, 2022, by which time the Final Report will also be submitted.