

**DICKSON GROUP HOLDINGS LTD:  
COMING UP: THE END OF THE LINE**

With creditor banks and departments of the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), moving in for the kill, so to speak, the chances of publicly listed [Dickson Group Holdings Ltd \(\)](#) (Code: 313, Main Board, The Stock Exchange of Hongkong Ltd) seeing the year out is quite unlikely.

Last Thursday, Nanyang Commercial Bank Ltd () hit the company and 2 of its subsidiaries – Dickson Construction Company Ltd () and Bright Town Investment Ltd () – with a claim for a little more than \$HK4 million.

The claim of Nanyang Commercial Bank was in respect of money, allegedly due and owing, following the bank, pouncing on one of the pieces of property, formerly owned by the Group and used as security for funds, advanced to the Dickson Group of Companies, that property, eventually sold by the bank under what is known as a Power of Sale in order to satisfy the debt, owed to the bank by companies within the Dickson Group.

But the net proceeds from the Power of Sale were insufficient to retire all of the monies, owed to the bank, and, as a result, Nanyang Commercial Bank issued High Court Action Number 1019 in order to obtain from the Defendants \$HK4,059,365.10 plus interest and costs.

At Page 28 of the Interim Report of Dickson Group, it is stated that, on January 20, 2006:

*'On January 20, 2006, the Group entered into a Cancellation Agreement with the Purchaser to which both parties agree to cancel the Provision Agreement dated December 16, 2005 for the disposal of investment property (the "Property") by the Group. On the same date, the Group surrendered the possession of the Property with the carrying value of \$13,680,000, by signing the Acknowledgement dated February 21, 2006, to the mortgagee for exercising its power of sale the Property without further notice to the Group.'*

The claim by Nanyang Commercial Bank, lodged in the HKSAR High Court, followed another claim, filed in the HKSAR High Court by The Commissioner of Inland Revenue of Hongkong for \$HK3,125,594.

Further, on same day that Nanyang Commercial Bank sued Dickson Group et al, the Hongkong Housing Authority announced that the Dickson Group of Companies had been deleted from its List of Building contractors 'as the contractor had failed to comply with the contractual requirements on progress of works at these two sites and Fanling Area 36 Phase 1.'

The Hongkong Housing Authority ended its formal announcement with the following sentence:

*'Any application from the contractor – stated in the announcement as being Dickson Construction Ltd, but which should have been stated as being, 'Dickson Construction Company Ltd' – for the inclusion into the List will not be considered in the coming five years.'*

The announcement of the Hongkong Housing Authority followed the awarding of 2 building contracts for the completion of 2 sites ('these two sites'), originally awarded to Dickson Construction Company Ltd (), to other contractors.

In essence, therefore, the entire Dickson Group of Companies will not be able to tender for any HKSAR Government jobs because it has, to be trite, burned its bridges behind it.

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