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DICKSON GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 313)

CLARIFICATION

The Board wishes to clarify the information contained in various articles published in various Hong Kong newspapers and in the media on 15 February, 2006 in respect of the delay in the progress of 3 construction projects undertaken by Dickson Construction, a major wholly-owned subsidiary of the Company.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 30 December 2005 pending the release of the Company's interim results for the six months ended 30 September 2005.

The board (the "**Board**") of directors ("**Directors**") of Dickson Group Holdings Limited (the "**Company**") wishes to clarify the information contained in various articles published in various Hong Kong newspapers and in the media (the "**Articles**") on 15 February, 2006 in respect of the delay in the progress of 3 construction projects undertaken by Dickson Construction Company Limited ("**Dickson Construction**"), a major wholly-owned subsidiary of the Company, the revenue of which represents approximately 99.25% of that of the Group for the financial year ended 31 March 2005.

The Articles allege that the Hong Kong Housing Authority ("**HKHA**") will terminate contracts for the Shek Pai Wan Estate Phase II project, the Fanling Area 36 Phase I project and the Fanling Area 36 Phase II project due to the serious delay in the construction progress and the HKHA will claim for related losses. In this respect, the Directors wish to clarify that such statement is misleading as the completion dates for the Fanling Area 36 Phase I project and the Fanling Area 36 Phase II project are in 2007 and thus no delay in completion has occurred in respect of these 2 projects. Besides, the completion date for the Shek Pai Wan Estate Phase II project is in January 2006 and a revised proposal has been submitted by Dickson Construction to the HKHA to extend the completion date for the Shek Pai Wan Estate Phase II project to June 2006 which was subsequently rejected. The Directors confirm that Dickson Construction will submit another proposal to the HKHA to extend the completion date. Although there has been delay in the stages of the projects, there is no serious delay in the construction progress of the project which amounts to termination of the contracts by the HKHA. The management of the Company will attend a meeting of the Building Committee of the HKHA tomorrow to discuss the progress of the projects. As at the date of this announcement, no valid or sufficient notice of re-entry under the contracts has been received by Dickson Construction. HKHA has not indicated in any way to Dickson Construction or the Company that they have decided to re-enter into the sites of the projects on 17 February 2006. The abovementioned projects are still carried out by Dickson Construction.

The Directors wish to further clarify that the progress of the abovementioned construction projects has been affected by the contractual disputes between Dickson Construction and some of the subcontractors over the unsatisfactory performance of their contractual duties in the projects. After the termination of the subcontracts by Dickson Construction in mid 2005, Dickson Construction has to conduct negotiations with various new subcontractors in connection with the terms of the new subcontracts and it takes some time for the new subcontractors to enter into the sites upon the handover and continue the outstanding works. The Directors confirm that new subcontractors were appointed and have been working on the sites since mid December 2005.

The Articles further allege that the Company owed to the construction workers wages of approximately HK\$7.5 million. In this regard, the Directors wish to clarify that such statement is not correct. The wages in the sum of around HK\$2 million as ordered by the Labour Tribunal are owed by Dickson Construction's subcontractors instead of Dickson Construction. However, under section 43C of the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), Dickson Construction as the principal contractor is liable to pay wages up to 2 months on behalf of the defaulting subcontractors. Dickson Construction has been taking action to recover such wages under section 43F of the Employment Ordinance (Cap. 57 of the Laws of Hong Kong). The Directors confirm that they will be in a position to settle the amount when the winding-up petition against Dickson Construction has been withdrawn.

The Articles further allege that there are only a few number of workers working on the projects. The Directors wish to clarify that this statement is not correct as there are currently over 200 workers and staff working for the Shek Pai Wan Estate Phase II project.

The Articles also allege that there is serious delay in various school projects and the Architectural Services Department ("ASD") will consider re-entry into the relevant sites. The Directors wish to clarify that there is delay in a project involving 6 schools under the School Improvement Program and warning letters were received from the ASD. However, there is no indication in any way from the ASD that they will exercise the right of re-entry. The Directors confirm that they will expedite the construction works and improve the progress.

Trading in the shares of the Company (the "Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") was suspended with effect from 9:30 a.m. on 30 December 2005 pending the release of the Company's interim results for the six months ended 30 September 2005.

The Company will reserve its right to take appropriate actions against the responsible parties for the incorrect statements contained in the Articles.

By Order of the Board of
Dickson Group Holdings Limited
Chin Wai Kay Geordie
Executive Director

Hong Kong, 15 February 2006

As at the date of this announcement, Messrs. Lin Xiong and Chin Wai Kay Geordie are the executive Directors; Mr. Leung Chi Ching Frederick is the non-executive Director; Messrs. Lau Sai Chung, Wong Ying Sheung and Mo Wai Bun are the independent non-executive Directors.

"Please also refer to the published version of this announcement in The Standard"