

**GIORDANO INTERNATIONAL LTD:
THIS COMPANY APPEARS TO BE AN ALMOST GUARANTEED WINNER**

At the current share price of about \$HK3.85, one has to wonder as to the reason that one of Hongkong's most successful manufacturers and retailers of clothing of all sorts, from underwear, to shoes, to sports clothes, to ladies' fashion items for the middle-income consumer, has never really received the credit that it, clearly, deserves.

TARGET () is referring to Giordano International Ltd () (Code: 709, Main Board, The Stock Exchange of Hongkong Ltd), a retailer of clothing items, whose trade name is known worldwide.

If the share price of a publicly listed company is to be used as a guide to the esteem (or lack of it) that investors credit a company, then, investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), for the most part, seem to be suffering from a bad case of myopia.

The following table contains some of the highlights of key financial information of Giordano International over the past 5 Financial Years. It is copied, in part, from the database of **TOLFIN** () (The Computerised Online Financial Intelligence Service and Web-Based, Credit-Checking Provider) by permission:

	Financial Year, Ended December 31				
	2005	2004	2003	2002	2001
	All Figures Are Denominated In \$HK millions (unless stated otherwise)				
Turnover	4,413	4,003	3,389	3,588	3,479
Gross Profit	2,243	2,035	1,634	1,677	1,544
Net Profit Attributable To Shareholders	406	387	266	328	377
Cash And Bank Balances Less Bank Loans And Overdrafts	827	689	784	614	494
Shareholders' Funds	2,122	1,954	1,799	1,794	1,695
Earnings Per Share	27.50 cents	26.70 cents	18.50 cents	22.80 cents	26.30 cents

Interim Dividend Per Share	4.50 cents	4.00 cents	1.50 cents	4.50 cents	4.50 cents
Special Interim Dividend Per Share	2.00 cents	1.50 cents	3.00 cents	Nil	Nil
Final Dividend Per Share	5.00 cents	4.50 cents	4.50 cents	4.50 cents	4.50 cents
Special Final Dividend Per Share	15.00 cents	13.00 cents	12.00 cents	10.00 cents	5.00 cents
Return On Average Shareholders' Funds	19.90 percent	20.60 percent	14.80 percent	18.80 percent	23.20 percent
Number of Directly Managed Stores	914	811	550	473	456
Total Number Of Operational Stores	1,694	1,585	1,363	1,256	1,159

On the basis of the share price of Giordano International, being about \$HK3.85, then the dividend, paid to shareholders during the 2005 Financial Year as a percentage of the share price, as at today's date, was about 6.88 percent.

The Dividend Payout Ratio in the 2005 Financial Year was about 97.29 percent (total dividends paid to shareholders [\$HK395 million] divided into the Net Profit Attributable to Shareholders [\$HK406 million]).

Management specifies that it is the policy of the Company to be generous with regard to dividend payments – as is very evident.

Even after paying out the lion's share of the 2005-Year's Net Profit Attributable to Shareholders, the Company, still, retained cash and cash equivalents of about ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*