

**GIORDANO INTERNATIONAL LTD:
SOUR GRAPES OR SOUND JUDGEMENT ?**

According to the Chairman, President and Chief Executive Officer of the Japanese giant clothing retailer, Fast Retailing Company Ltd, senior management of [Giordano International Ltd \(\)](#) (Code: 709, Main Board, The Stock Exchange of Hongkong Ltd) *'have (sic) been reluctant to enter into any meaningful dialogue with FAST RETAILING ...'*.

Mr Tadashi Yanai's comments were, clearly, his opinion, only, of some of all of the senior management of Giordano with regard to dissimulation, following his publicly listed company's determination to consider, making *'an offer for Giordano'*, subject to a cursory investigation of Giordano's business and finances.

This gentleman from Japan, to coin a phrase, accredited to Sir William Schwenck Gilbert (1836-1911), also, stated that the present share price of Giordano *'is not truly reflective of the operational state and thus the inherent value of the company'* (meaning Giordano).

Another factor, mentioned in last Monday's announcement of Fast Retailing, was the matter of the Interim Report of Giordano, which showed a decline, Year-On-Year, of about 25.20 percent in the Operating Profit for the 6 months, ended June 30, 2006.

One has to wonder, at this point, whether or not Mr Tadashi Yanai's comments were sour grapes or very sound judgment.

TARGET () telephoned the Chairman of Giordano, Mr Peter Lau Kwok Kuen (), and tried to elicit a comment on his interpretation of the Fast Retailing official release.

To **TARGET's** many questions, Mr Peter Lau Kwok Kuen would only repeat the words: *'No comment'*.

The Interim Report

Giordano's Interim Report was, definitely, not suggestive of a very dynamic management, to be sure, but one has to wonder whether or not the Interim results were in line with companies within its industry and with regard to the regions in which Giordano operates.

On a Turnover of about \$HK2.02 billion (down about 6 percent, Year-On-Year), the company logged in a Net Profit Attributable to Shareholders of about \$HK154 million (down about 24 percent, Year-On-Year).

At Page 3 of the Interim Report, the following breakdown is given in respect of the company's Interim Turnover:

	Six Months, ended June 30	
	2006	2005
	All Figures Are Denominated In \$HK'millions	

The People's Republic of China (PRC)	496	474
The Hongkong Special Administrative Region (HKSAR) of the PRC	451	462
Taiwan	346	391
Singapore	192	208
Australia	110	112
Japan	63	96
Korea	91	90
Others	272	319
TOTAL	2,021	2,152

The ... [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.*