



PRESS RELEASE

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Innovation in the Wireless Communications Sector Brings in a Robust Flow of Opportunities

HONG KONG, March 7, 2002 -- Wireless communications technology investment company imGO Limited (SEHK: 0067), has announced an operating profit of approximately HK\$20 million for the six months through to December 31, 2001. While the loss attributable to shareholders of approximately HK\$39 million was incurred for the current period versus HK\$59,587,000 profit recorded for the corresponding period last year, the interim results reflects primarily a loss on disposal of the properties. The Group's cash holdings increased to HK\$2.2 billion after the property disposal.

Chief Executive Officer, Michael Ricks, says imGO's current portfolio of wireless technology investments has been valued conservatively, in line with global market conditions. With the disposal of its real estate interests, the Group will now be able to concentrate entirely on identifying potential wireless technology investments.

"Our activities over the six month period have focused primarily on supporting and positioning our investments in this difficult market. I am confident that we have now developed a sound financial and business foundation for future investments in the wireless communications sector," he continues.

The Group is continuing to source investment opportunities in China, Japan, South Korea and the West Coast USA.

InfoTalk and **iSilk** are two companies that have benefited from imGO's funding interest. Both launched new products in the Greater China region during the past year to wide acclaim. Banks and telecommunications firms that require high levels of access security are using InfoTalk's latest voice authentication software. With the advent of InfoTalk-Recognizer 8.0, the recognition accuracy for calls from wireless and noisy environment is greatly enhanced.

At the same time, imGO has targeted new technology based companies, injecting funds into **IP Infusion**, a leading provider of advanced networking solutions. Its Zebos Advanced Routing System is regarded as one of the most advanced network solutions - and **NESS Display Corporation**, a high-tech Korean company recognized for its cutting edge research and development in the area of Organic Light-Emitting Diode Display (OLED) technology.

Mr. Ricks says, "The recent launch of the first major 3G wireless network in Japan and similar launches being planned in other major markets will benefit the Company. These networks and the services that they enable are expected to provide greater business opportunities for the Company's invested companies."

Note to editors: imGO Limited is an investment holding company that focuses on the emerging wireless communications area in Asia. Its major shareholders are investor AB, Sweden's largest holding company; Ericsson, a global leader in telecommunications; Hutchison Whampoa, a leading Hong Kong-based conglomerate with extensive wireless networks; and Guoco Group, a leading Asian financial conglomerate. imGO leverages the expertise and presence of its major shareholders and the experience of its management team to provide exceptional partnership and growth opportunities to its investee companies. imGO is listed on the Stock Exchange of Hong Kong (SEHK: 0067). For more information, please visit www.imgo.com

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imGO Limited
Announcement of interim results for the
six months ended December 31, 2001

RESULTS

The Board of Directors of imGO Limited ("the Company") announces the unaudited consolidated results of the Company and its subsidiaries ("the Group") for the six months ended December 31, 2001 as follows :

The Group's profit from operations was HK\$19,960,000 as compared to HK\$59,587,000 for the corresponding period last year. Loss attributable to shareholders for the current period amounted to HK\$39,368,000 after taking into account HK\$40,297,000 loss on disposal of properties and HK\$18,467,000 impairment losses incurred in wireless investments.

The consolidated shareholders' funds of the Group amounted to HK\$2,348,869,000 as at December 31, 2001, representing a net asset value per share of HK\$0.77 (at June 30, 2001 : HK\$0.78).

Consolidated Profit and Loss Account
For the six months ended December 31, 2001 - Unaudited

		Six months ended December 31	
		2001	2000
	<i>Note</i>	HK\$'000	HK\$'000
Turnover	1	11,954	20,550
Direct expenses		(603)	(742)
		11,351	19,808
Other revenue	2	30,938	53,697
Other net (expense)/income	2	(622)	739
Administrative expenses		(21,398)	(14,418)
Other operating expenses		(309)	(239)
Profit from operations	3	19,960	59,587
Loss on disposal of properties	4	(40,297)	-
Impairment losses on investments in securities	5	(18,467)	-
(Loss)/profit from ordinary activities before taxation		(38,804)	59,587
Taxation	6	(564)	(1,505)
(Loss)/profit attributable to shareholders		(39,368)	58,082
(Loss)/earnings per share		HK cents	HK cents
Basic and diluted	7	(1.29)	1.90

Notes :

1. Turnover and segmental information

Business segments

Business segment analysis is chosen as the primary reporting format as the Group's operating results during the current and previous interim periods were principally affected by the wireless technology investment and property investment activities. As wireless technology investment is the only operation of the Group after the properties were disposed of in November 2001, analysis of assets position as at December 31, 2001 by business segments is not shown below.

	Six months ended December 31					
	Wireless technology investment		Property investment		Consolidated	
	2001	2000	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	-	-	11,954	20,550	11,954	20,550
Segment results	(11,060)	(3,699)	8,655	17,079	(2,405)	13,380
Interest income					30,783	53,634
Unallocated administrative expenses net of other income					(8,418)	(7,427)
Profit from operations					19,960	59,587
Loss on disposal of properties	-	-	(40,297)	-	(40,297)	-
Impairment losses on investments in securities	(18,467)	-	-	-	(18,467)	-
Taxation	-	-	(564)	(1,505)	(564)	(1,505)
(Loss)/profit attributable to shareholders					(39,368)	58,082

Negative segment results for the wireless technology investment activity, which has not generated any revenue, are attributable to direct operating expenses including remuneration of investment staff.

Geographical segments

No geographical analysis is provided as all property investment activity was carried out in Hong Kong, whereas the wireless technology investment segment has not generated any revenue during the current and prior financial periods.

2. Other revenue/other net (expense)/income

	Six months ended December 31	
	2001	2000
	HK\$'000	HK\$'000
Other revenue		
Interest income	30,783	53,634
Sundry income	155	63
	<u>30,938</u>	<u>53,697</u>
Other net (expense)/income		
Net foreign exchange (loss)/gain	(622)	739

3. Profit from operations

Profit from operations is arrived at after charging :

	Six months ended December 31	
	2001	2000
	HK\$'000	HK\$'000
Depreciation	616	178
Loss on disposal of fixed assets	433	-
	<u>433</u>	<u>-</u>

4. Loss on disposal of properties

Pursuant to a resolution passed at the extraordinary general meeting held on November 17, 2001, the Company exercised its rights under the put option agreements entered into with Guoco Group Limited whereby the Company was conferred rights to dispose of its interest in each of three wholly-owned subsidiaries, Supreme Goal Investments Limited, W.C.H. Limited and Wanchai Property Investment Limited, owning the Group's investment properties, for consideration of HK\$286,740,000, HK\$181,488,000 and HK\$138,517,000 respectively.

A loss of HK\$40,297,000, attributable to the difference between the total consideration received of HK\$606,745,000 and the net book values of the property-owning subsidiaries net of transaction costs, was incurred upon completion of exercise of the put options.

5. Impairment losses on investments in securities

Impairment losses on investments in securities represent write downs in fair value of the Group's equity interest in a technology company and convertible debt advanced to the technology company due to impairment of the investment.

6. Taxation

	Six months ended December 31	
	2001	2000
	HK\$'000	HK\$'000
Hong Kong taxation	564	1,505
	<u>564</u>	<u>1,505</u>

Taxation in the consolidated profit and loss account represents provision for Hong Kong profits tax, calculated at 16% of the estimated assessable profits for the six months ended December 31, 2001.

7. (Loss)/earnings per share

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to shareholders of HK\$39,368,000 (2000 : earnings of HK\$58,082,000) and the weighted average number of 3,051,438,765 shares (2000 : 3,051,438,686 shares) in issue during the period.

(b) Diluted (loss)/earnings per share

The potential issue of ordinary shares in connection with the Company's share options would not give rise to an increase in loss per share (2000: a decrease in earnings per share) and therefore had no dilutive effect on the calculation of the diluted (loss)/earnings per share.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF ACTIVITIES

The major venture capital markets around the world experienced sharp downturns during 2001 and the outlook for 2002 remains uncertain. As a result, the Company has been conservative in valuing its current portfolio. Portfolio companies have been written down if their progress is not in line with earlier projections or if their future performance is difficult to predict. The Company management has focused activities relating to existing investments on supporting and positioning relevant companies in this difficult market. New investment activity is continuing with a robust flow of opportunities and attention being paid to risks inherent in uncertain markets. The Company continues to mainly source investment opportunities in China, Japan, South Korea and the US West Coast.

The Company believes that the pricing of investments in the wireless communications sector continues to be favorable and that innovation in this sector brings with it a number of high quality investment opportunities. The Company is being conservative, selecting opportunities that it believes represent substantial value growth potential and on terms that are in accordance with the current business environment.

Wireless Technology Investments

InfoTalk continues to consolidate its position as the leading supplier of speech recognition technology in Asia, with new product releases and substantial revenue growth. Its newly-launched voice authentication software is used to verify information or to identify callers by banks and telecommunications firms that need a high level of access security. With the advent of InfoTalk-Recognizer 8.0, the new version of the company's award-winning speech recognition software, the recognition accuracy for calls from wireless and noisy environment is greatly enhanced. The company's recent developments range from a virtual receptionist system for Taiwan's Sunny Bank to speech activated inquiry systems for Mainland China, including a public inquiry service for utility charges in Guangzhou in Putonghua, Cantonese and local dialects.

iSilk, the Asian innovator in natural language processing and knowledge management, has launched its enterprise-focused knowledge management products. iSilk has recently launched a multi-lingual search engine known as PolySeek which, with its advanced cross-lingual capabilities, will be of particular benefit to multilingual organizations operating in the Greater China region. It facilitates cost effective and efficient information searches.

New Investments

In July 2001, The Company contributed US\$5.25 million of a joint US\$15 million financing round for **NESS Display** Corporation Limited. This high-tech R&D organization in Korea specializes in the development of Organic Light-Emitting Diode Displays (OLED) technologies. The funding will support research, development and marketing opportunities in OLED technologies. NESS Display is widely regarded as an early Asian leader in the development of OLED technology.

The Company co-led a US\$14.65 million financing round in September 2001 for **IP Infusion**, a leading provider of advanced network software for the support of Internet core, edge, and

access equipment. Its Zebos Advanced Routing System is regarded as one of the most advanced networking solutions available. With the proliferation of networking technology and Internet standards, IP Infusion's solutions make it easier for equipment vendors to deliver solutions to the market. Equipment vendors can quickly integrate leading edge Internet protocols into their products without the software development expenses normally associated with complex product development. The Company contributed US\$3 million in the round.

Real Estate Investments

To focus on its investments in the wireless communications sector, the Company successfully exited the real estate sector in Hong Kong during the report period. It achieved this by exercising the put options that require its former parent, Guoco, to purchase all of the Company's interest in the three properties-owning subsidiaries -- Supreme Goal Investments Limited, W.C.H. Limited and Wanchai Property Investment Limited. These companies respectively owned the following properties.

- (a) **The Center** - 12th and 15th floors of The Center, a prestigious "grade A" office development situated at 99 Queen's Road Central, Hong Kong

- (b) **Wu Chung House** - 33rd to 35th floors of Wu Chung House, an office tower situated at 213 Queen's Road East, Wanchai, Hong Kong.

- (c) **Overseas Trust Bank Building** - 17th to 19th, 22nd, 24th to 27th floors, penthouse and 6 car parking spaces on the 2nd floor of Overseas Trust Bank Building, an office building situated at 160 Gloucester Road, Wanchai, Hong Kong.

The transfer of interests was completed on November 21, 2001 and a total sum of HK\$606,745,000 was received from the transaction.

Financial Position

The Group's cash holdings increased further to HK\$2,231 million at the end of December 2001 after HK\$606.7 million proceeds was received from exercise of the put options to dispose of the three investment properties to Guoco in November 2001.

OUTLOOK

The Company expects that 2002 will provide numerous opportunities to further develop a strong portfolio of investments in privately held growth companies addressing the wireless communications market. However, the economic outlook for 2002 remains uncertain, as do the markets that play a large role in the realization of value growth for venture capital opportunities. The Company has responded to the market risks by utilizing conservative funding strategies and increasing its liquidity.

Innovation in the wireless communications sector continues in all major markets in which the Company sources its investment opportunities. The first major third generation (3G) wireless network has now been launched in Japan and similar launches are planned in other major markets during 2002. These networks and the services that they enable are expected to provide greater business opportunities for the Company's invested companies. The Company is focusing on investing in companies that will benefit in the near and medium term from these positive trends in the wireless industry.

DIVIDENDS

The Directors do not recommend the payment of an interim dividend.

BOARD AUDIT COMMITTEE

The Company established an Audit Committee of the Board of Directors with written terms of reference on January 18, 1999. The terms of reference were revised on May 31, 2000 and March 9, 2001. The current members of the Audit Committee are Mr. David Michael Norman and Mr. William Ping Tai, the two independent non-executive directors, and Mr. Tan Lim Heng, a non-executive director of the Company.

The Audit Committee meets regularly to consider the nature and scope of audit reviews and the effectiveness of the systems of internal control and compliance. The interim report was reviewed by the Audit Committee.

PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE OF HONG KONG LIMITED

All the information of the Group's results for the period as required by paragraphs 46(1) to 46(6) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

By Order of the Board
Winnie Fok Kin Wah

Executive Director

Hong Kong, March 7, 2002