

## INTERIM 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

		<b>Six months ended December 31</b>	
	<i>Note</i>	<b>2001 HK\$’000</b>	2000 <i>HK\$’000</i>
Turnover	2	<b>11,954</b>	20,550
Direct expenses		<b>(603)</b>	(742)
		<b>11,351</b>	19,808
Other revenue	3	<b>30,938</b>	53,697
Other net (expense)/income	3	<b>(622)</b>	739
Administrative expenses		<b>(21,398)</b>	(14,418)
Other operating expenses		<b>(309)</b>	(239)
Profit from operations	4	<b>19,960</b>	59,587
Loss on disposal of properties	5	<b>(40,297)</b>	—
Impairment losses on investments in securities	6	<b>(18,467)</b>	—
(Loss)/profit from ordinary activities before taxation		<b>(38,804)</b>	59,587
Taxation	7	<b>(564)</b>	(1,505)
(Loss)/profit attributable to shareholders		<b>(39,368)</b>	58,082
		<b><i>HK cents</i></b>	<i>HK cents</i>
(Loss)/earnings per share			
Basic and diluted	8	<b>(1.29)</b>	1.90

The notes on pages 5 to 10 form part of this interim financial report.

**Consolidated Statement of Recognised Gains and Losses**  
**For the six months ended December 31, 2001 — Unaudited**

	<i>Note</i>	<b>Six months ended</b>	
		<b>2001</b>	<b>2000</b>
		<b>HK\$'000</b>	<i>HK\$'000</i>
Investment revaluation deficit	<i>14(d)</i>	<b>(7,799)</b>	—
Losses not recognised in the profit and loss account		<b>(7,799)</b>	—
Net (loss)/profit for the period		<b>(39,368)</b>	58,082
Total recognised (losses)/gains		<b>(47,167)</b>	58,082

The notes on pages 5 to 10 form part of this interim financial report.

## Consolidated Balance Sheet

As at December 31, 2001 — Unaudited

	Note	At December 31, 2001		At June 30, 2001	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-current assets</b>					
Investment properties			—		622,553
Non-trading securities	9		95,967		50,278
Fixed assets			2,681		3,664
			<b>98,648</b>		676,495
<b>Current assets</b>					
Debtors and prepayments	10		24,283		83,514
Held-to-maturity debt securities			—		156,078
Cash, cash equivalents and bank balances	11		2,231,062		1,505,398
			<b>2,255,345</b>		1,744,990
<b>Current liabilities</b>					
Creditors and accruals	12		5,124		14,196
Taxation			—		2,253
			<b>5,124</b>		16,449
<b>Net current assets</b>			<b>2,250,221</b>		1,728,541
<b>Total assets less current liabilities</b>			<b>2,348,869</b>		2,405,036
<b>Minority interests</b>			—		9,000
<b>Net assets</b>			<b>2,348,869</b>		2,396,036
<b>Capital and reserves</b>					
Share capital	13		1,525,720		1,525,720
Reserves	14		823,149		870,316
			<b>2,348,869</b>		2,396,036

The notes on pages 5 to 10 form part of this interim financial report.

**Condensed Consolidated Cash Flow Statement**  
**For the six months ended December 31, 2001 — Unaudited**

	<b>Six months ended</b>	
	<b>December 31</b>	
	<b>2001</b>	2000
	<b>HK\$'000</b>	HK\$'000
Net cash (outflow)/inflow from operating activities	<b>(9,528)</b>	7,438
Net cash inflow from returns on investments and servicing of finance	<b>47,498</b>	34,955
Tax paid	<b>(2,434)</b>	(1,355)
Net cash inflow/(outflow) from investing activities	<b>1,478,876</b>	(858,317)
Net cash inflow/(outflow) before financing	<b>1,514,412</b>	(817,279)
Net cash inflow from financing	<b>—</b>	3
Increase/(decrease) in cash and cash equivalents	<b>1,514,412</b>	(817,276)
Effect of foreign exchange (loss)/gain	<b>(428)</b>	473
Cash and cash equivalents at July 1	<b>238,008</b>	1,564,544
Cash and cash equivalents at December 31	<b>1,751,992</b>	747,741
Analysis of the balances of cash and cash equivalents		
— Cash at bank and in hand	<b>560</b>	6,605
— Liquid money market fund	<b>1,169,632</b>	—
— Deposits with banks (maturing within 3 months when placed)	<b>581,800</b>	741,136
	<b>1,751,992</b>	747,741

The notes on pages 5 to 10 form part of this interim financial report.

## Notes on the Unaudited Interim Financial Report

### 1. Basis of preparation

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Society of Accountants (“HKSA”). KPMG’s independent review report to the Board of Directors is included on page 11.

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, including compliance with Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the HKSA.

The financial information relating to the financial year ended June 30, 2001 included in the interim financial report does not constitute the Company’s statutory accounts for that financial year but is derived from those accounts. Statutory accounts for the year ended June 30, 2001 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those accounts in their report dated September 12, 2001.

The same accounting policies adopted in the annual accounts for the year ended June 30, 2001 have been applied to the interim financial report, except that the Group has adopted the new Statement of Standard Accounting Practice No. 26 “Segmental Reporting”, which became effective on January 1, 2001.

The notes on the interim financial report include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the annual accounts for the year ended June 30, 2001.

Certain comparative figures have been reclassified to conform with the current period’s presentation.

## 2. 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 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 HK\$'000	2001 HK\$'000	2000 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.

## 3. Other revenue/other net (expense)/income

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

#### 4. Profit from operations

Profit from operations is arrived at after charging:

	Six months ended December 31	
	2001 HK\$'000	2000 HK\$'000
Depreciation	616	178
Loss on disposal of fixed assets	433	—

#### 5. 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.

#### 6. 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.

#### 7. Taxation

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

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.

#### 8. (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: profit 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.

## 9. Non-trading securities

	At December 31, 2001 HK\$'000	At June 30, 2001 HK\$'000
Unlisted equity securities	92,017	48,278
Unlisted debt securities	1,950	—
	93,967	48,278
Club debenture	2,000	2,000
	95,967	50,278

Unlisted equity securities represent the Group's minority investments in technology companies. During the interim period under review, US\$3 million has been invested in a company providing networking software solutions. Unlisted equity securities also include the Group's cost of investment in a Korea based company specialising in display technologies development transferred from debtors and prepayments (see note 10).

Unlisted debt securities represent promissory notes issued by a technology company in which the Group has a minority equity interest in consideration for a short term loan provided by the Group during the interim period. The Group has options under the promissory notes to convert the debt into equity and to subscribe for additional warrants in the technology company.

## 10. Debtors and prepayments

	At December 31, 2001 HK\$'000	At June 30, 2001 HK\$'000
Interest receivable	23,008	39,775
Purchase consideration of a new investment deposited into escrow account	—	40,949
Deposits, prepayments and other receivables	1,275	2,790
	24,283	83,514

Purchase consideration deposited into escrow account for the Group's investment in a Korea based company specialising in display technologies development was transferred to non-trading securities upon closing of the transaction on July 3, 2001.

## 11. Cash, cash equivalents and bank balances

	At December 31, 2001 HK\$'000	At June 30, 2001 HK\$'000
Cash at bank and in hand	560	887
Liquid money market fund (see below)	1,169,632	—
Deposits with banks (maturing within 3 months when placed)	581,800	237,121
Cash and cash equivalents	1,751,992	238,008
Deposits with banks (maturing after more than 3 months when placed)	479,070	1,267,390
	2,231,062	1,505,398

Part of the Group's surplus funds are held in a liquid money market fund which invests in a diversified portfolio of US Dollar denominated short-term money market securities with investment grade credit



ratings. The fund is considered to be a cash equivalent as it can be converted into cash on daily basis and its underlying investments consist of liquid money market instruments with weighted average maturity of not more than 90 days.

## 12. Creditors and accruals

	At December 31, 2001 HK\$'000	At June 30, 2001 HK\$'000
Trade creditors	803	795
Rental deposits and rental received in advance	—	8,339
Accrued expenses and other payables	4,321	5,062
	<b>5,124</b>	14,196

All trade creditors are payable within one month.

## 13. Share capital

	No. of shares '000	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.50 each	40,000,000	20,000,000
Issued and fully paid:		
At July 1, 2001 and December 31, 2001	3,051,439	1,525,720

The Company adopted a Share Option Scheme that was approved by the shareholders on October 23, 2001. A total of 55,500,000 options to subscribe for the Company's shares at a subscription price of HK\$0.75 each were granted to certain directors and the chief executive pursuant to the Share Option Scheme. All options were granted on November 27, 2001. During the period, no options were exercised.

In addition, share options were granted by the Company pursuant to option agreements dated May 29, 2000 to the Company's direct or indirect shareholders, Investor (Guernsey) Limited, Investor (Guernsey) II Limited, Ericsson Holding International B.V. and Trumpington Limited, conferring on them the rights to subscribe for in aggregate up to a maximum amount of HK\$210,661,502.25 of new shares of the Company at the adjusted subscription price of HK\$0.86 per share. Options can be exercised during a period of three years from the date of the option agreements up to and including May 29, 2003. As at December 31, 2001 and June 30, 2001, none of these options had been exercised.

## 14. Reserves

Movements in consolidated reserves comprise:

	(a) Share premium HK\$'000	(b) General reserve HK\$'000	(c) Accumulated losses HK\$'000	(d) Investment revaluation reserve HK\$'000	(e) Capital contribution reserve HK\$'000	Total HK\$'000
At July 1, 2001	1,830,548	5,542	(979,074)	1,500	11,800	870,316
Loss for the period	—	—	(39,368)	—	—	(39,368)
Investment revaluation deficit	—	—	—	(7,799)	—	(7,799)
At December 31, 2001	1,830,548	5,542	(1,018,442)	(6,299)	11,800	823,149

The application of the share premium account is governed by Section 49H of the Hong Kong Companies Ordinance. The general reserve, investment revaluation reserve and capital contribution reserve have been set up and will be dealt with in accordance with the Group's accounting policies and accounting principles generally accepted in Hong Kong.

There were no distributable reserves of the Company at December 31, 2001 or June 30, 2001 calculated under Section 79B of the Hong Kong Companies Ordinance.

## 15. Commitments

The Group had no capital commitments outstanding at December 31, 2001. At June 30, 2001, the Company had entered into an agreement with one of the investee technology companies to invest a further US\$5.1 million conditional upon the investee meeting certain operational and financial milestones which may be waived by the Company at its discretion.

At December 31, 2001, the total future minimum lease payments under non-cancellable operating leases in respect of the Company's office accommodation are payable as follows:

	<b>At December 31, 2001 HK\$'000</b>	At June 30, 2001 HK\$'000
Within 1 year	2,379	2,379
After 1 year but within 2 years	—	1,189
	<b>2,379</b>	3,568

## 16. Material related party transactions

Certain subsidiaries of the Group entered into tenancy agreements with affiliated companies on an arm's length basis with reference to market rentals. Total related rental income from these affiliated companies during the period amounted to HK\$7,977,000 (2000: HK\$12,116,000).

An affiliated company was appointed as manager of the investment properties owned by certain subsidiaries of the Group under property management agreements with the Company for provision of building management, estate management, financial management and periodic reports to the Company. Total management fees for the period amounted to HK\$1,551,000 (2000: HK\$1,980,000).

Banking services including, inter alia, cheque clearing, account services in a variety of currencies, are provided by an affiliated company, in the ordinary course of business and on normal commercial terms, to the Company and its subsidiaries. Total bank interest income from the affiliated company during the period amounted to HK\$17,795,000 (2000: HK\$31,928,000). At December 31, 2001, total deposits and bank balances amounting to HK\$452,808,000 (at June 30, 2001: HK\$1,023,498,000) were maintained with the affiliated company.

As disclosed in note 5, the Company exercised the options granted by a substantial shareholder of the Company to sell its entire interest in certain wholly-owned subsidiaries during the period.

As described in note 13, the Company entered into share option agreements with certain direct and indirect shareholders of the Company.

During the interim period, the Company invested US\$3 million in a technology company in which a director of the Company has a minority equity interest.