

IPC CORPORATION LTD

PRESS RELEASE

IPC CORPORATION'S SUBSIDIARY THINSOFT INTENSIFIES SALES INITIATIVES IN USA

Reports record Q1 growth in America augmenting overall increase in worldwide revenues of more than 38 percent.

Singapore, 11 May 2006 — — THINSOFT (HOLDINGS) INC (the “Group”; HK GEM Stock Code: 8096) released results for the first quarter of 2006 today which indicate the Group added further substantial gains to its stronghold position in the United States market. Sales in America for the period under review increased nearly 65.7% over the first quarter of 2005 and the US has now become the single largest geographic market for the ThinSoft Group, comprising 43.6% of the Group’s revenues. Overall turnover for the three months ended 31 March 2006 increased by approximately 38.6% to approximately HK\$5.5 million when compared to last year of approximately HK\$4 million.

Commenting on this success, Chairman, Mr. Bernard Ngiam said, “America is an essential market and I am very pleased of the fact that our hard work is paying off. We continuously deploy resources on several marketing development fronts to ensure the success of the Group’s products in our key markets. The broadening demographics of our customer base show that our customers range from individuals and small enterprises to large corporate and government entities.”

The improved sales in the US combined with good gains in the rest of the Group’s world markets were able to generate approximately HK\$4.1 million in gross profit. This represented an increase of 35.5% over the same period a year earlier.

Operating profit before tax also improved by comparison. The Group reported first quarter pre-tax income of approximately HK\$1.1 million, up from approximately HK\$0.8 million of the prior year.

After tax profit for the period was approximately HK\$0.5 million, off from HK\$0.7 million in the prior year. Tax treatment in the United States for prior years’ Net Operating Losses (“NOL”) require that provisions for taxes in the current period be charged even though taxable income is set off against the NOL and no actual tax payments are due. This is in line with US tax regulations which also required the establishment of a Deferred Tax Asset of approximately HK\$3.4 million on 31 December 2005.

Further commenting, Mr. Bernard Ngiam said, “We are optimistic about the Group’s performance prospects and, as the US tax provision is a non-cash item, the Group’s overall cash position will continue to improve.”

The Group continues to be in a strong financial position. Cash and bank balances as at 31 March 2006 totaled approximately HK\$28.3 million an improvement of HK\$5 million and there were no bank borrowings as at 31 March 2006.

About ThinSoft (Holdings) Inc:

ThinSoft (Holdings) Inc (the “Group”) is a leading global developer and distributor of Thin Computing Solutions (TCS) that reduce the Total Cost of Ownership (TCO) of IT operations. The Group has three flagship software product series, BeTwin, WinConnect and WinConnect Server XP that support applications running on the world’s two most dominant operating systems Windows and Linux, as well as Sun Solaris.

ThinSoft (Holdings) Inc is listed on the Growth Enterprise Market (GEM) of the Stock Exchange of Hong Kong Limited. Its stock code on GEM is 8096. The Group’s subsidiaries are ThinSoft (USA) Inc in New York, USA, and ThinSoft Pte Ltd in Singapore.

About the products:

BeTwin is the Group’s software product designed for the Windows platform, to turn one PC into as many as five - a host PC plus up to four virtual PCs. Each virtual PC station is easily created through the addition of a set of monitor, keyboard, mouse and speakers. BeTwin allows users of the virtual PC station to share the unused computing power of the host PC. BeTwin is a solution that brings dramatic cost benefits to the ownership of PCs in any multi-user environment. The BeTwin software product series include BeTwin 2000/XP.

WinConnect is a software product that the Group designed for the Linux operating system platform to enable Linux-based terminals to create a remote connection to run Windows applications. The WinConnect software product series include WinConnect Z and WinConnect S. WinConnect Z enables Linux-based PDAs to remotely access Windows applications while WinConnect S enables Solaris users to connect to a Windows server to run Windows applications over a network or via the Internet.

WinConnect Server XP is a versatile software that enables a Windows (Windows XP Home and Professional Editions or Windows Small Business Server 2003) computer or Host PC to allow multiple Remote Desktop Protocol (RDP) 4.0, 5.0 and 5.1-enabled Thin Client devices to connect to it to run Windows applications simultaneously and independently. The Thin Client devices include Terminals, Internet/Information Appliances, Tablet PCs and PDAs. The devices are linked to the Host PC over wired or wireless TCP/IP connections such as Local Area Network (LAN), Wide Area Network (WAN), Dial-up (Internet), Digital Subscriber Line (DSL, ADSL), Integrated Services Digital Network (ISDN), or Virtual Private Network (VPN) connection.

For more information on the Group’s software product series BeTwin, WinConnect and WinConnect Server XP, please visit the website www.thinsoftinc.com

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Summary of key information:

	For the period ended 31 March	
	2006	2005
	HK\$'m	HK\$'m
Turnover	5.5	4.0
Gross profit		
- in HK\$'m	4.1	3.0
- in %	74%	75.7%
Net Profit	0.5	0.7
Earnings per share		
- basic	HK0.10cent	HK0.13cent
- diluted	HK0.09cent	HK0.13cent
Dividend	Nil	Nil
Cash and bank balances	28.3	23.3
Bank borrowings	Nil	Nil

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