

# IPC CORPORATION LTD

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## PRESS RELEASE

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### IPC CORPORATION'S SUBSIDIARY THINSOFT ZEROES-IN ON HIGH MARGIN SALES

#### *Group sheds lower margin sales in the short term in favor of long term benefits of higher gross margin products*

Singapore, 6 August 2007 — — THINSOFT (HOLDINGS) INC (the 'Group'; HK GEM Stock Code: 8096) released its results for the second quarter and first half of 2007 today stating that turnover from the sales of software for the first six months of 2007 increased by approximately 12% to approximately HK\$6.8 million when compared to last year of approximately HK\$6.1 million.

Overall Group turnover for the six months ended 30 June 2007 decreased by approximately 16.5% to approximately HK\$8.5 million when compared to last year of around HK\$10.2 million. However, the Group further stated that while total revenues for the period under review were lower when compared to last year, the quality of the revenues has improved as reflected in stronger gross profit margin performance.

Commenting on the sales results for the first half of 2007, Mr. Bernard Ngiam, Chairman of the Group said, "Our Company is dedicated to developing the quality of its products and by extension therefore, the quality of its revenue streams and profitability. As a consequence of this dedication to quality, the Group's management is steering sales efforts more toward higher profit margin software sales than toward lower profit margin products which contain hardware elements. We firmly believe this is the necessary direction to take ThinSoft further in the longer term."

Gross profit margin for the period ended 30 June 2007 increased to approximately 85.9% as compared with approximately 79.2% in the corresponding previous period. The increase in gross margin was attributable to increase sales of software products which have relatively higher margins.

General and administrative expenses in the period under review decreased to approximately HK\$5.3 million when compared to approximately HK\$5.8 million incurred in the previous corresponding period. The decrease was the result of decrease in exchange difference realized during the period under review.

The Group consequently registered a profit attributable to shareholders for the period under review of approximately HK\$0.8 million.

The Group continues to be in a strong financial position. Cash and bank balances as at 30 June 2007 were approximately HK\$28.8 million (31 December 2006: approximately HK\$36.1 million). There were no bank borrowings as at 30 June 2007 (31 December 2006: Nil).

Commenting further Mr. Ngiam said, “ThinSoft continues to be the market leader in the development of thin-computing solutions throughout its global markets. A recent customer service review by the Group’s service component in the United States showed that an increase in the diversity of new customers. As ThinSoft’s new Microsoft Vista based flagship product line gains momentum in the market place, significant positive feedback has been received and logged by word-of-mouth exchanges with hundreds of new customers. These exchanges are strong indicators that the Group’s suite of thin-computing solutions is well established as the leaders in the mindsets of our existing and new customers.”

***About ThinSoft (Holdings) Inc:***

ThinSoft (Holdings) Inc 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 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 Company’s subsidiaries are ThinSoft (USA) Inc in New York, USA, and ThinSoft Pte Ltd in Singapore.

For more information on the Group’s software product series --- BeTwin, WinConnect and WinConnect Server, please visit the website [www.thinsoftinc.com](http://www.thinsoftinc.com)

***For enquiries, please contact:***

**Hong Kong:**

ThinSoft (Holdings) Inc  
Agnes Yau  
Email: [agnes.yau@thinsoftinc.com](mailto:agnes.yau@thinsoftinc.com)  
Tel: (852) 2587-7800

**Singapore:**

ThinSoft Pte Ltd  
Bernard Ngiam  
Email: [bernard.ngiam@thinsoftinc.com](mailto:bernard.ngiam@thinsoftinc.com)  
Tel: (65) 6398-5811

**USA:**

ThinSoft (USA) Inc  
W. Michael Driscoll  
Email: [mike.driscoll@thinsoftinc.com](mailto:mike.driscoll@thinsoftinc.com)  
Tel: (1-607) 257-2800

**Summary of key information:**

	For the period ended 30 June	
	2007 HK\$'m	2006 HK\$'m
Revenue	8.5	10.2
Gross profit		
- in HK\$'m	7.3	8.1
- in %	85.9%	79.2%
Net Profit	0.8	1.1
Earnings per share		
- basic	HK0.16cent	HK0.23cent
- diluted	N/A	HK0.22cent
Dividend	Nil	Nil
Cash and bank balances	28.8	30
Bank borrowings	Nil	Nil

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