

IPC CORPORATION LTD

PRESS RELEASE

IPC CORPORATION'S SUBSIDIARY THINSOFT SURGING SALES IN NORTH AMERICA HELP SPUR STRONG FIRST HALF GROWTH FOR THE GROUP

Group's US market initiatives generate strong results as first half sales in North America jump 74 percent from last year.

Singapore, 4 August 2006 — — THINSOFT (HOLDINGS) INC (the "Group"; HK GEM Stock Code: 8096) released its interim results for the first half of 2006 today which indicate the Group's marketing initiatives in North America have fueled continued success in this important geographic arena. Sales in the United States and Canada for the period under review increased to HK\$5.0 million, 74.4% better than the first half of 2005. This latest result affirms that North America is the single largest global market segment for the Group, accounting for 49.4% of total sales. In all, the Group's total revenues increased 18.5% in the period under review reaching HK\$10.2 million for the first half compared to HK\$8.6 million for the same period a year ago.

Stating his observations about the Group's successes in North America, Chairman, Mr. Bernard Ngiam said, "ThinSoft is now beginning to benefit from the tremendous potential of the American market. Our customer base there is widening and deepening as individuals and enterprises discover the power of our patented flagship thin computing products. We intend to carefully mine the opportunities for additional growth in the US and other geographic markets, worldwide."

Gross profit margins also improved in the first half of this year reaching 79.2% as compared to 74.6% a year ago. The combination of higher sales and higher margins helped to generate a six month operating profit before tax of HK\$2.5 million which is an improvement of HK\$628K or 33.2% over last year by comparison.

After tax profit for the six month period totaled approximately HK\$ 1.1 million which was off from HK\$ 1.6 million recorded 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 30 June 2006 totaled approximately HK\$30 million and there were no bank borrowings as at 30 June 2006. One year ago, cash and bank balances stood at HK\$24.3 million on 30 June 2005.

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

For enquiries, please contact:

Hong Kong:

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

Singapore:

ThinSoft Pte Ltd
Bernard Ngiam
Email: bernard.ngiam@thinsoftinc.com
Tel: (65) 6381-4156

USA:

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

Summary of key information:

	For the period ended 30 June	
	2006	2005
	HK\$'m	HK\$'m
Turnover	10.2	8.6
Gross profit		
- in HK\$'m	8.1	6.4
- in %	79.2%	74.6%
Net Profit	1.1	1.6
Earnings per share		
- basic	HK0.23cent	HK0.32cent
- diluted	HK0.22cent	HK0.31cent
Dividend	Nil	Nil
Cash and bank balances	30	24.3
Bank borrowings	Nil	Nil

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