

IPC CORPORATION LTD

PRESS RELEASE

IPC CORPORATION'S SUBSIDIARY THINSOFT TURNAROUND PROFIT ACHIEVED HK\$8.3 MILLION

Profitability Soars on Increased Sales of Software Suites

Singapore, 6 February 2006 — THINSOFT (HOLDINGS) INC (“ThinSoft” or the “Group”; HK GEM Stock Code: 8096) released its audited financial results for the year ended 31 December 2005 declaring an HK\$ 8.3 million net income on revenue of HK\$17.4 million.

Group Chairman, Mr. Bernard Ngiam stated, “We have just concluded a very successful year at ThinSoft - one which I can confidently say, validated the operating and financial strategies the Group implemented in earlier years. Our emphasis remained on accelerating sales of our software solutions. They increased 24.8 percent from the prior year and improved the Group’s gross margin to 79 percent.”

ThinSoft reported total revenue for the year under review of HK\$17.4 million compared with HK\$18 million in the prior year. This slight decrease was wholly attributable to lower sales of vertical market solutions which include both hardware and software and carry lower profit margins.

Gross profit margins contributed HK\$13.8 million which was a HK\$11.3 million improvement over the prior year.

Mr. Ngiam further noted, “Substantial investments in intellectual property made in earlier years paid good dividends in 2005 as our key software suites, WinConnect Server XP, WinConnect and BeTwin, continued to grow in popularity in all of the our markets and, of course, amortization of these investments was fully discharged by the end of 2004.”

General and administrative expenses in the year under review decreased by 15.1% to approximately HK\$8.7 million when compared to approximately HK\$10.3 million incurred in the previous year.

Further, the Group’s US entity recognized future tax benefits amounting to approximately HK\$3.4 million. These benefits accrued as a result of prior years’ net operating losses incurred in the US which, under US tax regulations, are allowed as offsets to future taxable income. The Group consequently registered a profit for the year under review of approximately HK\$8.3 million compared to a loss in the prior year of approximately HK\$7.7 million.

ThinSoft (Holdings) Inc continues to be in a strong financial position with cash balances on 31 December 2005 of approximately HK\$27.7 million as compared to HK\$22.2 million a year earlier. There were no bank borrowings.

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 year ended 31 December	
	2005	2004
	HK\$'m	HK\$'m
Turnover	17.4	18.0
Gross profit		
- in HK\$'m	13.8	2.5
- in %	79%	14.1%
Net Profit/(loss)	8.3	(7.7)
Earnings/(loss) per share		
- basic	HK1.66 cents	HK(1.53) cents
- diluted	HK1.60 cents	N/A
Dividend	Nil	Nil
Cash and bank balances	27.7	22.2
Bank borrowings	Nil	Nil

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