



A & K Educational Software Holdings Limited
A & K 教育軟件控股有限公司*

(Incorporated in the Cayman Islands with Limited Liability)
(於開曼群島註冊成立之有限公司)

First Quarterly Report 2004
二零零四年第一季度報告

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This report, for which the directors of A & K Educational Software Holdings Limited collectively and individually accept responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Exchange for the purpose of giving information with regard to A & K Educational Software Holdings Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:— (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板乃為帶有高投資風險之公司提供一個上市之市場。尤其在創業板上市之公司毋須有過往溢利記錄，亦毋須預測未來溢利。此外，在創業板上市之公司可因其新興性質及該等公司經營業務之行業或國家而帶有風險。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他富有經驗之投資者。

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創業板發佈資料之主要方法為在聯交所為創業板而設之互聯網網頁刊登。上市發行人毋須在憲報指定報章刊登付款公佈披露資料。因此，有意投資之人士應注意彼等須閱覽創業板網頁www.hkgem.com，以便取得創業板上市公司之最新資料。

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本報告（A & K 教育軟件控股有限公司*各董事願共同及個別對此負全責）乃遵照聯交所創業板證券上市規則的規定而提供有關A & K 教育軟件控股有限公司*的資料。本公司各董事經作出一切合理查詢後，確認就彼等所知及所信：—(1)本報告所載資料在各重大方面均屬準確及完整，且無誤導成份；(2)並無遺漏任何事實致使本報告所載任何內容產生誤導；及(3)本報告內表達的一切意見乃經審慎周詳考慮後方作出，並以公平合理的基準和假設為依據。

HIGHLIGHTS

- Successful listing of the Shares of the Company on GEM on 6 August 2004
- Turnover of the Group for the quarter (the "Quarterly Period") ended 30 June 2004 were approximately RMB3.9 million, representing a decrease of approximately 32.2% as compared to corresponding periods in the previous fiscal year.
- The Group realised a profit attributable to shareholders of approximately RMB2.9 million for the Quarterly Period.
- Profit per share of the Group was approximately RMB0.016 for the Quarterly Period.
- The Board does not recommend the payment of any dividend for the Quarterly Period.

摘要

- 本公司股份於二零零四年八月六日成功在創業板上市
- 本集團截至二零零四年六月三十日止季度（「本季度」）之營業額約為人民幣3.9百萬元，較上一個財政年度同期下降約32.2%。
- 於本季度，本集團實現之股東應佔溢利約為人民幣2.9百萬元。
- 本集團於本季度之每股溢利約為人民幣0.016元。
- 董事會並不建議就本季度派發任何股息。

**UNAUDITED RESULTS FOR THE QUARTER
ENDED 30 JUNE 2004**
**截至二零零四年六月三十日止季度之
未經審核業績**

The board of directors (the "Board") of A & K Educational Software Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the Quarterly Period, together with the unaudited comparative figures for the corresponding period in 2003, as follows:-

A & K 教育軟件控股有限公司*（「本公司」）董事會（「董事會」）謹公佈本公司及其附屬公司（統稱「本集團」）於本季度之未經審核綜合業績，連同二零零三年同期之未經審核比較數字如下：-

(Unless otherwise stated, all financial figures presented in this quarterly financial report are denominated in Renminbi ("RMB") thousand dollars)

(除明確註明外，本季度財務報告內之所有財務數字是以人民幣（「人民幣」）千元列值)

		Quarterly Period 本季度		
		Notes 附註	2004 二零零四年	2003 二零零三年
Turnover	營業額	3	3,910	5,769
Cost of sales	銷售成本		(385)	(381)
Gross profit	毛利		3,525	5,388
Other revenue	其他收益		-	2
Other net income	其他收入淨額		51	4
Distribution costs	分銷成本		(220)	(198)
Administration expenses	行政開支		(454)	(308)
Other operating expenses	業務外支出		(1)	(1)
Profit from ordinary activities before tax	除稅前日常業務溢利		2,901	4,887
Taxation	稅項	4	-	(1,076)
Profit attributable to shareholders	股東應佔溢利		2,901	3,811
Dividends attributable to the period	期內股息	5	-	-
			RMB (Yuen) 人民幣(元)	RMB (Yuen) 人民幣(元)
Earnings per share - basic	每股盈利 - 基本	6	0.016	0.021

NOTES:

1. Group Reorganisation and Basis of Preparation

The Company was incorporated in the Cayman Islands on 29 October 2003 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to a group reorganization (the "Reorganization") which was completed on 13 May 2004, the Company became the holding company of its subsidiaries now comprising the Group, details of which are set out in the prospectus of the Company dated 30 July 2004. The shares have been listed on the GEM since 6 August 2004.

The unaudited quarterly results have been prepared on the basis of merger accounting as if the current group structure had been in existence throughout the periods under review or since their respective dates of incorporation, whichever is a shorter period.

All material intra-group transactions and balances have been eliminated on consolidation.

2. Principal Accounting Policies

The unaudited consolidated results of the Group have been prepared on historical cost convention and are, in all material aspects, in compliance with Statements of Standards Accounting Practice (the "SSAP") issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules").

The principal accounting policies and methods of computation adopted for the preparation of the financial statements are consistent with those adopted by the Group as reflected in its prospectus.

The Group principally operates in the People's Republic of China (the "PRC") with its business activities principally transacted in RMB, the results of the Group are therefore prepared in RMB.

3. Turnover

The Company is an investment holding company and its subsidiaries established in the PRC are principally engaged in the development and distribution of education software and provision of related information technology services in the PRC.

An analysis of the Group's unaudited turnover is set out as follows:

附註:

1. 本集團重組及編製基準

本公司於二零零三年十月二十九日根據開曼群島公司法第22章（一九六一年第3條法例，經綜合及修訂）於開曼群島註冊成立為獲豁免有限公司。根據於二零零四年五月十三日完成之集團重組（「重組」），本公司成為現時本集團內附屬公司之控股公司，詳情載於本公司日期為二零零四年七月三十日之售股章程。股份於二零零四年八月六日在創業板上市。

未經審核季度業績乃按合併會計基準編製，假設現時之集團結構於回顧期間或自其各自之註冊成立日期起（以較短者為準）一直存在。

集團內部各公司之間所有重大交易及結餘已於綜合賬目時對銷。

2. 主要會計政策

本集團之未經審核綜合業績乃按歷史成本法編製，並已在各重大方面遵守香港會計師公會頒佈之會計實務準則（「會計實務準則」）、香港公認會計原則、香港公司條例之披露規定及創業板證券上市規則（「創業板上市規則」）。

於編製財務報表時所採用之主要會計政策及計算方法與本集團於其售股章程內的財務報表所採用者貫徹一致。

本集團主要在中華人民共和國（「中國」）經營業務，其業務活動主要以人民幣進行，因此本集團之業績乃以人民幣編製。

3. 營業額

本公司為一家投資控股公司，而其於中國成立之附屬公司主要在中國從事教育軟件開發及分銷業務，以及提供相關資訊科技服務。

本集團未經審核之營業額分析如下：

		Quarterly Period 本季度	
		2004 二零零四年	2003 二零零三年
Turnover	營業額		
Sales of self-developed education software	銷售自行開發教育軟件		
Standard package basis	以標準封包形式	3,910	2,677
Project basis	以項目形式	-	3,092
		<u>3,910</u>	<u>5,769</u>

4. Taxation

(a) *Hong Kong profits tax*

No provision for Hong Kong profits tax has been made as the Group did not derived any income subject to Hong Kong profits tax during the Quarterly Period.

(b) *PRC enterprise income tax*

Jiangxi A & K Educational Software Co. Ltd. ("A & K Educational Software"), the subsidiary where the majority of the Group's turnover is derived therefrom, was subject to PRC enterprise income tax.

In June 2003, due to the Group's reorganization, the status of A & K Educational Software, was changed from a domestic private enterprise to a wholly foreign-owned enterprise with the approval of the Department of Foreign Trade and Economic Cooperation of Jiangxi Province (江西省對外貿易經濟合作廳). Pursuant to the Income Tax Law of the PRC for Foreign Investment Enterprise (外商投資企業及外國企業所得稅法) and with the confirmation received from the Nanchang High-tech Area Tax Bureau (南昌市高新區國稅局) on 1 March 2004, A & K Educational Software will be exempted from PRC enterprise income tax for the two years starting from its first profit-making year and thereafter (after offsetting the accumulated losses), and is entitled to a 50% relief for the subsequent three years. A & K Educational Software was entitled to the first year of exemption from PRC enterprise income tax in the year ended 31 March 2004. Accordingly, no provision for PRC enterprise income tax has been made for the three months periods ended 30 June 2004.

(c) The taxation for the period ended 30 June 2003 was approximately RMB1.1 million, being utilisation of deferred tax assets attributable to the unused tax losses brought forward from previous years.

(d) *Deferred tax*

There was no significant unprovided deferred taxation for the Quarterly Period.

4. 稅項

(a) 香港利得稅

由於本集團於本季度內並無賺取任何須繳納香港利得稅之收入，故並無為香港利得稅作出任何撥備。

(b) 中國企業所得稅

本集團附屬公司江西行知教育軟件有限公司（「行知教育軟件」）乃本集團大部分營業額來源，須繳納中國企業所得稅。

於二零零三年六月，基於進行集團重組，行知教育軟件獲江西省對外貿易經濟合作廳批准後由本地私人企業轉為全外資企業。根據外商投資企業及外國企業所得稅法以及南昌市高新區國稅局於二零零四年三月一日發出之確認書，行知教育軟件可自其抵銷累積虧損後首個獲利年度起計兩年獲豁免中國企業所得稅，並可於其後三年獲寬減50%。截至二零零四年三月三十一日止年度為行知教育軟件獲豁免中國企業所得稅之首個年度，因此未有於截至二零零四年六月三十日止三個月為中國企業所得稅作出任何撥備。

(c) 截至二零零三年六月三十日止期間稅項約人民幣1.1百萬元，已運用結轉過往年度未動用稅項虧損之應佔遞延稅項資產。

(d) 遞延稅項

本集團於本季度內並無重大之未撥備遞延稅項。

5. Dividends

The Board does not recommend payment of any interim dividend for the Quarterly Period (quarter ended 30 June 2003: nil).

6. Earnings Per Share

The calculation of basic earnings per share for the Quarterly Period was based on the respective unaudited data as follows:

5. 股息

董事會並不建議就本季度派付任何中期股息(截至二零零三年六月三十日止季度:無)。

6. 每股盈利

本季度之每股基本盈利乃按下述之未經審核數據計算:

		Quarterly Period 本季度	
		2004 二零零四年	2003 二零零三年
Profits attributable to shareholders	股東應佔溢利	<u>2,901</u>	<u>3,811</u>
		Shares ('000) 股數 (千股)	Shares ('000) 股數 (千股)
Number of ordinary share for the purposes of calculating basic earnings per share (<i>Remark</i>)	用以計算基本每股盈利的 普通股股數 (註)	<u>180,000</u>	<u>180,000</u>

No dilutive earnings per share was presented because there were no dilutive potential ordinary shares in existence during the quarters ended 30 June 2004 and 2003 respectively.

Remark

Being the number of ordinary shares assumed to be in issue during the quarters ended 30 June 2003 and 30 June 2004 calculated on the basis that 180,000,000 shares had been in issue throughout the period, comprising 1,000 shares in issue as at the prospectus date on 30 July 2004 and 179,999,000 shares to be issued pursuant to the Capitalization issue described in the prospectus of the Company.

由於截至二零零四年及二零零三年六月三十日止季度間內並不存在任何具攤薄效益之潛在普通股,故此並無呈列每股攤薄盈利。

註

截至二零零三年六月三十日及二零零四年六月三十日止季度按假定期內已發行普通股股數為180,000,000股基準計算,當中包括於售股章程日期二零零四年七月三十日已發行之1,000股及根據本公司售股章程所述資本化發行予以發行之179,999,000股。

7. Share Capital and Reserves

7. 股本及儲備變動

		Paid-in capital	Contributed surplus	Merger reserve	Capital reserve	Statutory common reserve	Statutory welfare reserve	Foreign currency translation reserve	(Accumulated losses)/ retained profits (累計 虧損)/ 保留溢利	Total
		RMB 人民幣	RMB 人民幣	RMB 人民幣	RMB 人民幣	法定 公積金 RMB 人民幣	法定 公益金 RMB 人民幣	外匯 兌換儲備 RMB 人民幣	匯兌/	總計 RMB 人民幣
At 1 April 2003	於二零零三年 四月一日	20,000,000	-	-	110,178	-	-	-	(2,184,362)	17,925,816
Effect of the Reorganization	重組之影響	(19,999,867)	-	-	5,248	-	-	-	-	(19,994,619)
Profit for the period	期內溢利	-	-	-	-	-	-	-	3,812,091	3,812,091
At 30 June 2003	於二零零三年 六月三十日	133	-	-	115,426	-	-	-	1,627,729	1,743,288
At 1 April 2004	於二零零四年 四月一日	133	20,012,773	-	115,426	809,814	404,907	(12,800)	6,883,420	28,213,673
Effect of the merger on 13 May 2004	二零零四年 五月十三日之 重組影響	(27)	-	27	-	-	-	-	-	-
Profit for the period	期內溢利	-	-	-	-	-	-	-	2,901,403	2,901,403
At 30 June 2004	於二零零四年 六月三十日	106	20,012,773	27	115,426	809,814	404,907	(12,800)	9,784,823	31,115,076

FINANCIAL REVIEW

For the three months ended 30 June 2004, the Group achieved a consolidated turnover of approximately RMB3.9 million, a decrease of approximately 32.2% from approximately RMB5.8 million for the same period in 2003. The higher turnover in quarter ended 30 June 2003 was mainly due to the recognition of a project basis software development project during that quarter of approximately RMB3.1 million. For the same period in 2004, the Group did not have any project being recognized.

Nonetheless, the Group had an increase of approximately 46.1% in sales of self-developed education software from approximately RMB2.7 million for the three months periods ended 30 June 2003 to approximately RMB3.9 million for the three months period ended 30 June 2004. The reason for the increase was the Group received more orders from different electronic education units. Approximately RMB1.0 million of turnover were generated outside Jiangxi Province for the three months period ended 30 June 2004 (30 June 2003: nil).

The selling and distribution expenses increased approximately 11.1% for the three months period ended 30 June 2004 in compare to the same period in 2003 because more traveling expenses were incurred by selling and distribution staff to obtain new orders outside Jiangxi Province. The administration expenses was increased approximately 47.4% for the three months period ended 30 June 2004 in compare to the same period in 2003 because of additional overheads incurred for the Group in Hong Kong for the preparation of listing of its shares on GEM of the Stock Exchange of Hong Kong on 6 August 2004.

財務回顧

截至二零零四年六月三十日止三個月，本集團錄得綜合營業額約人民幣3.9百萬元，較二零零三年同期約人民幣5.8百萬元下降約32.2%，截至二零零三年六月三十日止之季度的營業額較高主要歸因於在該季度內確認了按項目形式確認的軟件開發項目約人民幣3.1百萬元，而於二零零四年同期則無確認任何項目。

雖然如此，本集團自行開發的教育軟件之銷售在截至二零零三年六月三十日止三個月期間由約人民幣2.7百萬元上升約46.1%，至截至二零零四年六月三十日止三個月期間約人民幣3.9百萬元，此乃基於本集團取得更多不同電化教育館之訂單。截至二零零四年六月三十日止三個月期間，自江西省以外地區錄得營業額約人民幣1.0百萬元（二零零三年六月三十日：零）。

截至二零零四年六月三十日止三個月期間的銷售及分銷費用較二零零三年同期上升約11.1%，原因為銷售及分銷員工為爭取江西省外訂單而產生的差旅費。截至二零零四年六月三十日止三個月的行政支出較二零零三年同期上升約47.4%，原因為本集團為籌備其股份於二零零四年八月六日在香港聯合交易所有限公司創業板上市而產生之額外間接費用。

BUSINESS OUTLOOK

The Group's business objective is to be one of the major education software developers in the PRC. According to the CCID Report, the annual investment in PRC education software industry is expected to increase from approximately RMB3.9 billion in 2002 to approximately RMB8.6 billion in 2005, representing a compound annual growth rate of approximately 30.2%. The Directors believe that there are huge business opportunities in the PRC education software market available for the Group to explore.

In order to fulfill the Group's business objective, the Group plans to enhance the research and development work to keep abreast of the latest technological advancement and to explore the market trend. At present, the Group's major products focus on the tutorial aspects. The Directors expect that the Group's future new products will integrate with functions of school management to establish a complete network with comprehensive package of applications for schools and students. The Group also intends to develop other new software including, the Online teaching software, Internet safety software for school network and the supplemental teaching graphic tools software.

The Directors believe that the Group has established a strong presence in Jiangxi Province in the PRC. In order to become a national education software developer, the Group intends to further expand its sales and marketing network to the major provinces and cities in the PRC.

The Directors' present intention is to establish a new testing and training centre which will have the latest testing software, such as Codetest, Visual test and Cantata++, to test the program code of its products and to provide training services to the end-users of the Group's products.

In order to enhance the Group's productivity, the Directors started to upgrade its equipment and IT infrastructure during the three months ended 30 June 2004.

業務展望

本集團之業務目標是成為中國主要教育軟件開發商之一。根據CCID報告，中國教育軟件業之每年投資額預期將由二零零二年約人民幣39億元增加至二零零五年約人民幣86億元，複合年增長率約為30.2%。董事相信，中國教育軟件市場存在龐大商機可供本集團開拓。

為求達到本集團之業務目標，本集團研究及開發部亦不斷跟上最新之科技發展，務求把握市場趨勢。現時，本集團之主要產品集中於教材方面。董事現時預期本集團未來之新產品將與學校管理職能結合，以建立一套設有供學校及學生使用、提供全面應用系統組合之完整網絡。此外，本集團擬發展其他新軟件，其中包括網上教學軟件、供學校網絡使用之互聯網保安軟件以及輔助教學繪圖工具軟件。

董事相信，本集團已在中國江西省建立鞏固據點。為了成為全國教育軟件開發商，本集團擬將銷售及市場推廣網絡進一步擴充至中國主要省份及城市。

董事目前擬成立一間新測試及培訓中心。這間新測試及培訓中心將設有最新之測試軟件，例如Codetest、Visual test及Cantata++等，以測試產品之程式內碼及為本集團產品之最終用戶提供培訓服務。

為了提升本集團之生產力，董事在截至二零零四年六月三十日止的三個月已着力為其設備及資訊科技基建升級。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 6 August 2004 (being the date on which shares of the Company first commenced trading on GEM), the interests or short positions of the Directors (the "Directors") and the chief executive of the Company in the shares and underlying shares (the "Shares") of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which is taken or deemed to have under such provisions of the SFO), or which were required, to be entered in the register required to be kept under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

董事及主要行政人員於本公司及其相聯法團股份及相關股份之權益或淡倉

截至二零零四年八月六日(本公司在創業板掛牌首日)·本公司的董事(「董事」)及主要行政人員在本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份及相關股份(「股份」)中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關規定被認為或視作擁有的權益或淡倉)·或根據證券及期貨條例第352條須載入該條例所述登記名冊內·或根據創業板上市規則第5.46至5.67條須知會本公司及聯交所的權益或淡倉·如下:

(a) The Company – interests in Shares

(a) 本公司 – 股份權益

Director 董事	Nature of Interest 權益性質	No. of Shares 股份數目	Percentage of shareholding 持股百分比
Mr. Peng Gexiong 彭格雄先生	Interest of a controlled corporation (Note 1) 受控制法團權益 (附註1)	141,120,000	55.34%
Mr. Wang Chaoju 汪超駒先生	Interest of a controlled corporation (Note 2) 受控制法團權益 (附註2)	2,880,000	1.13%

Notes:

- (1) These Shares are registered in the name of and beneficially owned by Educators Investment Limited (“Educators Investment”). Educators Investment is legally and beneficially owned as to 97.7% by Mr. Peng Gexiong, as to 1.28% by Mr. Shu Fan, as to 0.61% by Mr. Zeng Ruihong and as to 0.41% by Mr. Su Wenbo. By virtue of his 97.7% direct interest in Educators Investment, Mr. Peng Gexiong is deemed or taken to be interested in the 141,120,000 Shares held by Educators Investment for the purposes of the SFO.
- (2) These Shares are registered in the name of and beneficially owned by Modern Precise Limited (“Modern Precise”), the entire issued share capital of which is registered in the name of and beneficially owned by Mr. Wang Chaoju. Under the SFO, Mr. Wang is deemed to be interested in all the Shares held by Modern Precise.

附註：

- (1) 該等股份以 Educators Investment Limited (「Educators Investment」) 名義登記並實益擁有。Educators Investment 分別由彭格雄先生、舒凡先生、曾瑞洪先生及蘇文波先生合法及實益擁有 97.7%、1.28%、0.61% 及 0.41%。由於彭格雄先生擁有 Educators Investment 97.7% 之直接權益，根據證券及期貨條例，彼被視為或認為擁有 Educators Investment 持有之 141,120,000 股份之權益。
- (2) 該等股份以 Modern Precise Limited (「Modern Precise」) 名義登記並實益擁有。Modern Precise 之全部已發行股本以汪超駒先生名義登記並實益擁有。根據證券及期貨條例，汪先生被視為擁有 Modern Precise 持有之全部股份之權益。

(b) Associated corporations – interests in Shares

(b) 相聯法團 – 股份權益

(i) Long positions in the shares of HK\$0.10 each in the capital of Educators Investment (the “Educators Shares”), an associated corporation (within the meaning of the SFO) of the Company

(i) 本公司一家相聯法團(定義見證券及期貨條例) Educators Investment 股本中每股面值0.10港元之股份(「Educators 股份」)之好倉

Name of Director	Type of Interest	Number of Educators Shares held	Approximate percentage holding of Educators Shares
董事名稱	權益類別	所持Educators 股份數目	Educators 股份 持股量之 概約百分比
Mr. Peng Gexiong 彭格雄先生	Beneficial 實益	9,770	97.7%

(ii) Long positions in the shares of HK\$0.10 each in the capital of Modern Precise (the “Modern Precise Shares”), an associated corporation (within the meaning of the SFO) of the Company

(ii) 本公司一家相聯法團(定義見證券及期貨條例) Modern Precise 股本中每股面值0.10港元之股份(「Modern Precise 股份」)之好倉

Name of Director	Type of Interest	Number of Modern Precise Shares held	Approximate percentage holding of Modern Precise Shares
董事名稱	權益類別	所持 Modern Precise 股份數目	Modern Precise 股份 持股量之 概約百分比
Mr. Wang Chaoju 汪超駒先生	Beneficial 實益	1	100%

Save as disclosed above, as at 6 August 2004, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of, the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required, pursuant to the minimum standards of dealing by directors of listed issuers as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

除上文所披露外，於二零零四年八月六日，董事或本公司的主要行政人員概無在本公司或任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有任何根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例有關規定被認為或視作擁有的權益或淡倉），或根據證券及期貨條例第352條須載入該條例所述登記名冊內，或根據創業板上市規則第5.46至5.67條上市發行人的董事進行交易的最低標準而須知會本公司及聯交所的權益或淡倉。

SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES UNDER SFO

So far as is known to any Director or chief executive of the Company, as at 6 August 2004, the following persons (other than the Directors or chief executive of the Company as disclosed above) had an interest or short position in the Shares as recorded in the register required to be kept under section 336 of the SFO, and were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of this Group:

根據證券及期貨條例擁有須予披露之股份權益及淡倉之主要股東及人士

就任何董事或本公司的主要行政人員所知，於二零零四年八月六日，下列人士（上文所披露的本公司董事或主要行政人員除外）於股份中擁有根據證券及期貨條例第336條須載入該條例所述的登記名冊內的權益或淡倉及直接或間接擁有任何類別附有一切情況下於本集團任何其他成員公司的股東大會上投票的股本面值10%或以上權益：

Long positions in shares

股份之好倉

Name 名稱	Nature of Interest 權益性質		Number of Shares 股份數目	Percentage of shareholding 持股百分比
Educators Investment	Beneficial owner 實益擁有人		141,120,000	55.34%
Ms. Li Qin 李琴女士	Family 家族	(Note 1) (附註1)	141,120,000	55.34%
Mr. Ye Jinxing 葉金興先生	Beneficial owner 實益擁有人		36,000,000	14.12%
Ms. Wang Chun Ning 王春玲女士	Family 家族	(Note 2) (附註2)	36,000,000	14.12%

Notes:

附註：

- Under the SFO, Ms. Li Qin, spouse of Mr. Peng Gexiong, is deemed to be interested in the Shares.
- Under the SFO, Ms. Wang Chun Ning, spouse of Mr. Ye Jinxing is deemed to be interested in the Shares.

- 根據證券及期貨條例，鑑於李琴女士為彭格雄先生之配偶，故此被視為持有股份之權益。
- 根據證券及期貨條例，鑑於王春玲女士為葉金興先生之配偶，故此被視為持有股份之權益。

Save as disclosed herein, as at 6 August 2004, the Company had not been notified of any other person (other than the Directors or chief executive of the Company) who had a discloseable interest or short position in the Shares as recorded in the register required to be kept under section 336 of the SFO or, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other members of the Group.

SPONSOR'S INTEREST

Pursuant to a sponsor agreement dated 30 July 2004 entered into between the Company and Kingsway Capital Limited (the "Sponsor"), the Sponsor has been appointed as the retained sponsor of the Company for the period ending 31 March 2007 (or until the sponsor agreement is otherwise terminated upon the terms and conditions contained therein), for which the Sponsor will receive a fee.

As notified and updated by the Sponsor, neither the Sponsor nor any of its directors or employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interest in any class of securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group as at 6 August 2004.

Save as disclosed above, the sponsor had no other interest in the Company as at 6 August 2004.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Up to 6 August 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

除本報告所披露者外，本公司並不知悉有任何人士（本公司的董事或主要行政人員除外）於二零零四年八月六日於股份中擁有根據證券及期貨條例第336條必須向本公司披露的權益或淡倉，或直接或間接擁有任何類別附有可在一切情況下於本集團任何其他成員公司的股東大會上投票的股本（包括可認購該等股本的期權）面值10%或以上權益。

保薦人權益

根據本公司與滙富融資有限公司（「保薦人」）於二零零四年七月三十日訂立之保薦人協議，保薦人已獲委任為本公司至二零零七年三月三十一日（或直至保薦人協議根據當中所載之條款及條件而被終止）為止之期間內之延聘保薦人，就此，保薦人將收取相關費用。

就保薦人所告知及更新，截至二零零四年八月六日，保薦人或其任何董事、僱員或聯繫人士（見創業板上市規則第6.35條附註3所述）概無於本公司或本集團任何成員公司任何類別證券中擁有權益，或無權認購或提名他人認購本公司或本集團任何成員公司之證券。

除上文所披露者外，於二零零四年八月六日，保薦人概無於本公司擁有任何其他權益。

購買、出售或贖回本公司上市股份

截至二零零四年八月六日，本公司或任何附屬公司概無購買、出售或贖回本公司任何上市股份。

COMPETING INTERESTS

Up to 6 August 2004, none of the Directors or the management shareholders or any of their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which causes or may cause any significant competition with the business of the Group.

BOARD PRACTICE AND PROCEDURES

The Company has complied with the Board Practices and Procedures as set out in Rules 5.34 to 5.45 of the GEM Listing Rules since its Listing.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are, among others, to review and supervise the financial reporting processes and internal control procedures of the Group and to provide advice and comments to the Board accordingly. The audit committee consists of the three independent non-executive Directors of the Company, namely Messrs Jiang Minghe, Law Chi Yuen and Cheng Yun Ming Matthew.

The Group's draft unaudited financial statements for the Quarterly Period have been reviewed and commented by the audit committee members.

By order of the Board

A & K Educational Software Holdings Limited

Peng Gexiong

Chairman

China, 13 August 2004

* for identification purpose only

競爭權益

截至二零零四年八月六日本公司之董事、管理層股東或彼等各自之聯繫人士(定義見創業板上市規則)概無於對本集團業務構成或可能構成任何重大競爭之業務中擁有權益。

董事會常規及程序

本公司於自上市後一直遵守創業板上市規則第5.34至第5.45條所載之董事會常規及程序。

審核委員會

本公司已遵照創業板上市規則，成立審核委員會並列明其職權範圍。審核委員會之主要職責為(其中包括)審閱及監督本集團之財務報告及內部監控程序，並就此向董事會提供建議及意見。審核委員會由本公司的三位獨立非執行董事蔣鳴和先生、羅志遠先生及鄭潤明先生所組成。

本集團本季度之未經審核財務報表文稿已由審核委員會成員審閱並由其對此作出意見。

承董事會命

A & K 教育軟件控股有限公司*

主席

彭格雄

中國，二零零四年八月十三日

* 僅供識別