



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)

Stock Code 股份代號 : 8053



First Quarterly Report

2006/07

第一季度業績報告

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This report, for which the directors of A & K Educational Software Holdings Limited (the “Directors”) 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 (the “GEM Listing Rules”) 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。

由於創業板上市公司新興之性質，在創業板買賣之證券可能會較於主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

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。上市公司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發行人之最新資料。

聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表聲明，且明確表示概不會就因本報告全部或任何部分內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告（A & K教育軟件控股有限公司*各董事（「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（「創業板上市規則」）之規定而提供有關A & K教育軟件控股有限公司*之資料。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)本報告內表達之一切意見乃經審慎周詳考慮後方作出，並以公平合理之基準和假設為依據。

HIGHLIGHTS

- Turnover of the Group for the quarter (the "Quarterly Period") ended 30 June 2006 were approximately RMB1.1 million, representing a decrease of approximately 58.4% as compared to corresponding periods in the previous fiscal year.
- The Group realised a loss attributable to shareholders of approximately RMB0.3 million for the Quarterly Period.
- Loss per share of the Group was approximately RMB0.001 for the Quarterly Period.
- The Board does not recommend the payment of any dividend for the Quarterly Period.

摘要

- 本集團截至二零零六年六月三十日止季度(「本季度」)之營業額約為人民幣1.1百萬元，較上一個財政年度同期下降約58.4%。
- 於本季度，本集團變現之股東應佔虧損約為人民幣0.3百萬元。
- 本集團於本季度之每股虧損約為人民幣0.001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 2006**

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 2005, as follows:-

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

**截至二零零六年六月三十日止季度之
未經審核業績**

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，連同二零零五年同期之未經審核比較數字如下：-

(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)

		Three months ended 30 June		
		截至六月三十日止三個月		
		Notes	2006	2005
		附註	二零零六年	二零零五年
Turnover	營業額	2	1,084	2,606
Cost of sales	銷售成本		(574)	(466)
Gross profit	毛利		510	2,140
Other net income	其他收入淨額		102	35
Distribution costs	分銷成本		(384)	(209)
Administration expenses	行政開支		(539)	(526)
(Loss)/profit from ordinary activities before tax	除稅前日常業務(虧損)/溢利		(311)	1,440
Taxation	稅項	3	(4)	(130)
(Loss)/profit attributable to shareholders	股東應佔(虧損)/溢利		(315)	1,310
Dividends attributable to the period	期內股息	4	-	-
			RMB (Yuen)	RMB (Yuen)
			人民幣(元)	人民幣(元)
(Loss)/earnings per share - basic	每股(虧損)/盈利 - 基本		(0.001)	0.005

Notes:

1. Principal Accounting Policies

The unaudited consolidated results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong. These unaudited financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules and the requirements of the Hong Kong Companies Ordinance.

The unaudited consolidated financial statements include the financial statements of the Company and all of its subsidiaries for the period ended 30 June 2006. Subsidiaries are those entities (including a special purpose entity) in which the company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; has the power to appoint or remove a majority of the members of the board of directors; or has the right to cast a majority of votes at the meetings of the board of directors. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from or to the date of their acquisition or disposal, as appropriate. All material inter-company transactions and balances are eliminated on consolidation.

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.

附註：

1. 主要會計政策

本集團之未經審核綜合業績乃根據由香港會計師公會（「香港會計師公會」）頒佈之所有適用香港財務報告準則（「香港財務報告準則」）（包括所有適用之個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港普遍採納之會計原則而編製。此等未經審核財務報表亦遵照創業板上市規則之適用披露規定及香港公司條例之規定。

未經審核綜合財務報表包括本公司及其全體附屬公司截至二零零六年六月三十日止期間之財務報表。附屬公司乃由本公司直接或間接擁有過半數投票權、有權控制其財務及營運政策、有權任命或撤換董事會大多數成員、或在董事會會議上有大多數投票權的公司（包括一家特別功能機構）。在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止（視合適情況而定）列入收益表內。內部公司間之所有重大交易及結餘已於綜合賬目時對銷。

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呈列。

2. Turnover

The Company is an investment holding company and the subsidiary established in the PRC is principally engaged in the development and distribution of education software, provision of internet service and provision of related information technology services in the PRC.

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

2. 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、提供互聯網服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：

		Three months ended 30 June	
		截至六月三十日止三個月	
		2006	2005
		二零零六年	二零零五年
Turnover	營業額		
Sales of self-developed education software	銷售自行開發教育軟件		
Standard package basis	以標準包裝形式	-	2,530
Sales of internet learning card	售賣互聯網學習咭	1,084	-
Network integration, IT services and others	網絡集成、資訊科技服務及其他	-	76
		<u>1,084</u>	<u>2,606</u>

3. Taxation

Taxation represents:

3. 稅項

稅項乃指：

		Three months ended 30 June	
		截至六月三十日止三個月	
		2006	2005
		二零零六年	二零零五年
Current income tax	本期所得稅		
- Hong Kong profits tax (note (a))	- 香港利得稅 (附註(a))	-	-
- PRC Enterprise income tax (note (b))	- 中國企業所得稅 (附註(b))	4	130
		<u>4</u>	<u>130</u>

(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.

(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) PRC enterprise income tax

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

As 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, Jiangxi A & K is 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. Jiangxi A & K was entitled to the exemption from PRC enterprise income tax for the Quarterly Period ended 30 June 2004. For the Quarterly Period ended 30 June 2006, Jiangxi A & K was subject to a reduced tax rate of 7.5% thereafter.

(c) Deferred tax

There was no significant unprovided deferred taxation for the three months period ended 30 June 2006 (2005: Nil)

4. Dividends

The Board does not recommend payment of any interim dividend for the Quarterly Period (quarter ended 30 June 2005: nil).

(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(「江西A & K」)乃本集團大部份營業額來源，須繳納中國企業所得稅。

作為取得江西省對外貿易經濟合作廳批准的全資外資企業，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，江西A&K將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%。截至二零零四年六月三十日止季度期間江西A&K可獲豁免中國企業所得稅；而截至二零零六年六月三十日止季度期間，江西A&K於其後須繳納已減少之稅率7.5%。

(c) 遞延稅項

截至二零零六年六月三十日止三個月期間並無重大未撥備遞延稅項(二零零五年：無)。

4. 股息

董事會並不建議就本季度派付任何中期股息(截至二零零五年六月三十日止季度：無)。

5. (Loss)/earnings Per Share

The calculation of basic (loss)/earnings per share is based on the unaudited consolidated loss attributable to shareholders for the three months ended 30 June 2006 of RMB315,000 (2005: profit RMB1,310,000) and on the 255,000,000 shares in issued. (2005: 255,000,000 shares)

No dilutive earnings per share was presented because there were no dilutive potential ordinary shares in existence during the quarters ended 30 June 2006 and 2005 respectively.

6. Share Capital and Reserves

5. 每股(虧損)/盈利

每股(虧損)/盈利乃根據截至二零零六年六月三十日止三個月的股東應佔未經審核綜合虧損人民幣315,000元(二零零五年:溢利人民幣1,310,000元)及已發行股份255,000,000股(二零零五年:255,000,000股)計算。

由於截至二零零六年及二零零五年六月三十日止季度內並不存在任何具潛在攤薄效應之普通股，故此並無呈列每股攤薄盈利。

6. 股本及儲備

	Share capital	Share premium	Contributed surplus	Capital reserve	Statutory common reserve	Statutory welfare reserve	Foreign currency translation reserve	Retained profits	Total	
	股本	股份溢價	實繳盈餘	資本儲備	法定公積金	法定公益金	外匯兌換儲備	保留溢利	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
At 1 April 2005	於二零零五年四月一日	27,030	13,483	933	115	2,782	1,391	(13)	12,569	58,290
Profit for the period	期內溢利	-	-	-	-	-	-	1,310	1,310	
At 30 June 2005	於二零零五年六月三十日	<u>27,030</u>	<u>13,483</u>	<u>933</u>	<u>115</u>	<u>2,782</u>	<u>1,391</u>	<u>(13)</u>	<u>13,879</u>	<u>59,600</u>
At 1 April 2006	於二零零六年四月一日	27,030	13,483	933	115	3,241	1,621	(403)	14,425	60,445
Loss for the period	期內虧損	-	-	-	-	-	-	(315)	(315)	
At 30 June 2006	於二零零六年六月三十日	<u>27,030</u>	<u>13,483</u>	<u>933</u>	<u>115</u>	<u>3,241</u>	<u>1,621</u>	<u>(403)</u>	<u>14,110</u>	<u>60,130</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The turnover of the Group decreased approximately 58.4% for the three months period ended 30 June 2006 as compared with the same period in 2005. The decrease was mainly due to the Group decided to carry out reforms on its principle business, from development and distribution of education software to provide education resources through internet by selling internet learning card. As the new business was only at the preliminary stage, the turnover contribution was limited.

The cost of sales of the Group increased approximately 23.2% for the three months period ended 30 June 2006 as compared with the same period in 2005. Such increase was due to additional boardband charge in supporting the server for internet access.

The distribution costs was increased approximately 83.7% for the three months period ended 30 June 2006 as compared with the same period in 2005 because the Group employed additional sales staff during the Quarterly Period to promote the internet learning card. In addition, all the new sales staff will undergo intensive training on using and promote the internet learning card.

There was no significant change in the administration expenses because the Group has determined to exercise stringent cost control in order to obtain greater profitability.

As at 30 June 2006, the Group did not have any of its assets being charged.

管理層討論及分析

財務回顧

本集團於截至二零零六年六月三十日止三個月期間之營業額較二零零五年同期下跌約58.4%。營業額下跌主要由於本集團決定對其主要業務進行改革，從教育軟件的開發及分銷轉向通過售賣互聯網學習咭提供教育資源。由於新業務尚處於起步階段，因此對營業額的貢獻有限。

本集團於截至二零零六年六月三十日止三個月期間之銷售成本較二零零五年同期上升約23.2%。增長乃由於額外的支付維持伺服器的寬頻費用所致。

本集團於截至二零零六年六月三十日止三個月期間之分銷成本較二零零五年同期上升約83.7%，乃由於本集團於本季度新僱用了銷售人員推廣互聯網學習咭。另外，所有新僱用的銷售人員均需就互聯網學習咭的使用及推廣接受強化培訓。

行政開支並無重大改變，原因為本集團堅定地行使嚴謹的成本控制，以取得更高的盈利。

於二零零六年六月三十日，本集團並無抵押其任何資產。



BUSINESS REVIEW AND PROSPECTS

Internet Education Business

From the beginning of last financial year, the Group is preparing for strategic reorganization to re-allocate resources to develop Internet education business, combine on-line with off-line, enhance on-line training and on-line classroom and on-line database, to cooperate actively with many primary schools and middle schools and other institutes, to develop E-learning business, to expand market, finally forming more mature way of the training. The Group had set up a database as a collection of all the examination materials from famous secondary school, homework of excellent students and updated periodically. For the student who purchased our internet learning card can have the right to access those information at any time and any place. The Group will also invite famous teachers to answer questions online from the students who had purchased our internet learning card. With the launch of membership system and the sale of internet learning card, the website had realized recall of capital and yield of revenue as registered users can use all functions in AK Education On-line at will anytime

The AK Education On-line is not merely an education portal, nor just a product of a particular domain in elementary education teaching, management and application, but an application platform that integrates all existing educational software products and educational resources and meets the needs of all those involved, including the secondary and primary schools and families of the students enrolled, in the 12 grades of elementary education through the introduction of great global grid (GGG).

業務回顧及前景

互聯網教育業務

從上個財政年度初開始，本集團一直在準備進行策略性重組，將資源重新分配至發展互聯網教育業務，將線上與線下結合，提升線上培訓及線上教室及線上數據庫，與多家中小學及其他院校積極合作，發展電子學習業務，擴大市場，最後形成更成熟的培訓方法。本集團已設立數據庫，收藏著名中學的一切考試材料及優秀學生的作業，並定期更新。已購買本集團互聯網學習卡的學生，有權在任何時間在任何地點取得有關資料。本集團亦將邀請知名老師為已購買本集團互聯網學習卡的學生在網上解答問題。實行會員制度後，通過售賣互聯網學習卡，註冊用戶可以於任何時間隨意地使用AK教育網內一切的功能，網站已實現收回資本及取得收益。

AK教育網不是單純的教育門戶網站，也不僅是基礎教育教學、管理及應用中某個特定領域的產品，它是將現有的各類教育軟體產品、教育資源進行整合，通過網絡技術的引入，搭建一個面向基礎教育十二年級所有相關者的應用平台，包括中小學校和入學學生的家庭。

PRC regulations currently restrict foreign ownership of companies that provide value-added telecommunications services, such as internet content services which we provide on our web site. As a result, we conduct our internet content services operation in the PRC through 江西行知教育在線有限公司 which is owned by our PRC employees. 江西行知教育在線有限公司 was set up in April 2005 and obtained the license to provide value-added telecommunications services in June 2005. The capital for 江西行知教育在線有限公司 was funded by the Group's wholly-owned subsidiary in PRC and recorded as interest free loans to these PRC employees. Those loans were eliminated with the capital of 江西行知教育在線有限公司 during consolidation. Under various contractual agreements, employee shareholders of 江西行知教育在線有限公司 are required to transfer their ownership to the Group's wholly-owned subsidiary in PRC when permitted by PRC laws and regulations or to designees of the Group at any time for the amount of loans outstanding. All voting rights and the appointment of directors and senior management personnel of 江西行知教育在線有限公司 are assigned to the Group's wholly-owned subsidiary in PRC. 江西行知教育在線有限公司 and the Group's wholly-owned subsidiary in PRC have also entered into exclusive technical services agreement which the Group's wholly-owned subsidiary in PRC provides technical and other services to 江西行知教育在線有限公司 in exchange for substantially all net income of it. In addition, the employee shareholders of 江西行知教育在線有限公司 have pledged all their share as collateral for the non-payment of loans or for the fees for technical and other services due to the Group's wholly-owned subsidiary in PRC. As a result of these contractual arrangements, 江西行知教育在線有限公司 is considered as a special purpose entities and we are the primary beneficiary of this entity, and accordingly we consolidate its results of operations in our consolidated financial statements.

中國法規限制提供增值電信服務的外資公司，例如本集團在其網站提供的互聯網內容服務。因此，本集團透過江西行知教育在線有限公司在中國提供其互聯網內容服務，該公司由本集團的中國僱員擁有。江西行知教育在線有限公司於二零零五年四月成立，並於二零零五年六月取得提供增值電信服務的牌照。江西行知教育在線有限公司的資本由本集團的中國全資附屬公司提供，並記錄為向該等中國僱員提供的免息貸款。於綜合賬目時，該等貸款已與江西行知教育在線有限公司的資本互相抵銷。根據多項合約協議，江西行知教育在線有限公司的僱員股東須於中國法律及法規准許時將彼等的擁有權轉讓予本集團的中國全資附屬公司，或於任何時間就尚未償還貸款金額轉讓予本集團指定人士。江西行知教育在線有限公司的所有表決權及董事及高級管理人員的委任均轉移予本集團的中國全資附屬公司。江西行知教育在線有限公司與本集團的中國全資附屬公司亦已訂立獨家技術服務協議，據此，本集團的中國全資附屬公司向江西行知教育在線有限公司提供技術及其他服務，以換取其大致上全部收入淨額。此外，江西行知教育在線有限公司的僱員股東已將彼等的所有股份質押，作為不償還應付本集團中國全資附屬公司的貸款或不支付應付本集團中國全資附屬公司的技術及其他服務費用的抵押品。由於該等合約安排，江西行知教育在線有限公司被視為特別功能機構，而本集團為該實體的第一受益人，因此，本集團將其經營業績綜合入本集團的綜合財務報表內。

Prospects

The Group believes China's internet education business has huge potential and will experience significant growth in the coming years.

China Economy Monitor Center has conducted a survey to find out the Chinese attitude towards online education. According to the survey, 44.7% informants acknowledge that online education will become the mainstream of the education model in the future and 41.7% admit they can learn from the online education. Therefore, it is expected that 86.4% informants have a positive attitude toward online education.

In addition, the 2004 China Internet Education Research Report conducted by iResearch (艾瑞市場諮詢) stated that the growth rate in internet education was very fast globally. The global market for internet education was growth from 17 billion US dollar in 1999 to 231 billion US dollar in 2004 with an average growth rate (compound rate of increment) is 66%. They forecast in 2005, 2006 and 2007 the global market scale for internet education will amount to 31.4, 40.6 and 50.9 billion US dollars respectively. Although the China internet education was still at a lift off stage, when the degree of cognition on internet by the netizen in China enhanced, the size of the market on internet education will increased significantly. According to the report from iResearch, it forecast the China internet education market will be 181, 233 and 296 billion RMB for 2005, 2006 and 2007 respectively.

In next several years, the Group will focus on internet education business and utilized its dominant position in capitals and technology with the support from central and local government, to become a successful internet education provider in China.

前景

本集團相信，中國的互聯網教育業務具有龐大潛力，在未來各年將會有可觀增長。

China Economy Monitor Center曾進行調查，找出中國人對網上教育的態度。根據該調查，44.7%受訪者認為網上教育將成為未來教育模式的主流，而41.7%受訪者稱彼等能透過網上教育學習。因此，預期86.4%受訪者對網上教育抱持正面態度。

此外，由艾瑞市場諮詢進行的2004 China Internet Education Research Report稱，互聯網教育在全球各地均快速增長。環球互聯網教育市場由一九九九年的170億美元增長至二零零四年的2,310億美元，平均增長率(按複合增長率計算)為66%。他們預測，於二零零五年、二零零六年及二零零七年，環球互聯網教育市場的規模將分別達314億美元、406億美元及509億美元。儘管中國的互聯網教育市場仍處於起步階段，但當中國網民對互聯網的認知度不斷提高，互聯網教育的市場規模將大幅增加。根據艾瑞市場諮詢的報告，預測於二零零五年、二零零六年及二零零七年，中國的互聯網教育市場將分別為人民幣1,810億元、人民幣2,330億元及人民幣2,960億元。

在未來數年，本集團將專注於互聯網教育業務，在中央及地方政府的支持下善用其資金及技術方面的優勢，成為中國成功的互聯網教育供應商。

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

As at 30 June 2006, 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 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 required, to be entered in the register required to be kept under section 352 of the SFO, or 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

於二零零六年六月三十日，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當作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條至第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 受控制法團權益	(Note 1) (附註1) 141,120,000	55.34%

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.

(b) Associated corporations – interests in Shares

- (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

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、曾瑞淇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，故根據證券及期貨條例，彼被視為或當作擁有Educators Investment 持有之141,120,000 股份之權益。

(b) 相聯法團 – 股份權益

- (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 持量之 概約百分比
Mr. Peng Gexiong 彭格雄先生	Beneficial 實益	9,770	97.7%

Save as disclosed above, as at 30 June 2006, 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

除上文所披露者外，於二零零六年六月三十日，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)的任何股份、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當作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

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.

則第5.46條至第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

擁有根據證券及期貨條例須予披露之股份權益及淡倉之主要股東及人士

So far as is known to any Director or chief executive of the Company, as at 30 June 2006, 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:

就任何董事或本公司之主要行政人員所知，於二零零六年六月三十日，下列人士（上文所披露之董事或本公司主要行政人員除外）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之登記名冊內之權益或淡倉及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之股東大會上投票之股本面值10%或以上權益：

Long positions in shares

股份之好倉

Name 名稱	Percentage of Nature of Interest 權益性質		Number of Shares 股份數目	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:

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

Save as disclosed herein, as at 30 June 2006, 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 30 June 2006.

Save as disclosed above, the sponsor had no other interest in the Company as at 30 June 2006.

附註：

1. 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。
2. 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。

除本文所披露者外，於二零零六年六月三十日，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購股權)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截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)止之期間內之延聘保薦人，就此，保薦人將收取相關費用。

誠如保薦人所告知及更新，於二零零六年六月三十日，保薦人或其任何董事、僱員或聯繫人士(如創業板上市規則第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，亦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，於二零零六年六月三十日，保薦人概無於本公司擁有任何其他權益。

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

For the three months period ended 30 June 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

COMPETING INTERESTS

For the three months period ended 30 June 2006, 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.

SECURITIES TRANSACTIONS BY DIRECTORS

During the three months ended 30 June 2006, the Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.62 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with such code of conduct and required standard of dealings throughout the three months ended 30 June 2006.

購買、出售或贖回本公司上市股份

截至二零零六年六月三十日止三個月期間，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市股份。

競爭權益

截至二零零六年六月三十日止三個月期間，本公司之董事、管理層股東或彼等各自之任何聯繫人士（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

本公司自上市以來一直遵守創業板上市規則第5.34條至第5.45條所載之董事會常規及程序。

董事進行證券交易

截至二零零六年六月三十日止三個月內，本公司已就董事進行證券交易採納一套條款嚴格程度不遜於創業板上市規則第5.48條至第5.62條所載之標準交易守則所訂標準之守則。本公司亦已向全體董事作出特定查詢，而就本公司所知，於截至二零零六年六月三十日止三個月內任何時間並無未有遵守該守則及標準交易守則所訂標準之任何事項。

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 Jiang Minghe, Law Chi Yuen and Cheng Yun Ming Matthew.

The Group's draft unaudited financial statements for the three months period ended 30 June 2006 have been reviewed and commented by the audit committee members.

As at the date of this report, the Board comprises the follow directors:

Executive directors:

Mr. Peng Gexiong (*Chairman*)
Mr. Peng Gang

Independent non-executive directors:

Mr. Jiang Minghe
Mr. Law Chi Yuen
Mr. Cheng Yun Ming, Matthew

By order of the Board

A & K Educational Software Holdings Limited
Peng Gexiong
Chairman

China, 4 August 2006

* for identification purpose only

審核委員會

本公司已遵照創業板上市規則，成立審核委員會並書面列明其職權範圍。審核委員會之主要職責為(其中包括)檢討及監督本集團之財務申報過程及內部監控程序，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(即蔣鳴和先生、羅志遠先生及鄭潤明先生)所組成。

本集團截至二零零六年六月三十日止三個月期間之未經審核財務報表草稿已由審核委員會成員審閱並由其對此發表意見。

於本報告日期，董事會成員包括以下董事：

執行董事：

彭格雄先生(主席)
彭剛先生

獨立非執行董事：

蔣鳴和先生
羅志遠先生
鄭潤明先生

承董事會命

A & K教育軟件控股有限公司*
主席
彭格雄

中國，二零零六年八月四日

* 僅供識別