



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



Third Quarterly Report

2006/07

第三季度業績報告

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

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 Stock 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 nine months ended 31 December 2006 were approximately RMB4.5 million, representing a decrease of approximately 46% as compared to the corresponding period in the previous fiscal year.
- The Group realised a profit attributable to shareholders of approximately RMB1.3 million for the nine months ended 31 December 2006.
- Basic earnings per share of the Group was approximately RMB0.0049 for the nine months ended 31 December 2006.
- The Board does not recommend payment of any dividend for the nine months ended 31 December 2006.

摘要

- 本集團截至二零零六年十二月三十一日止九個月期間之營業額約為人民幣4.5百萬元，較上一個財政年度同期下降約46%。
- 於截至二零零六年十二月三十一日止九個月期間，本集團實現之股東應佔溢利約為人民幣1.3百萬元。
- 本集團於截至二零零六年十二月三十一日止九個月期間之每股盈利約為人民幣0.0049元。
- 董事會並不建議就截至二零零六年十二月三十一日止九個月期間派發任何股息。

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2006

截至二零零六年十二月三十一日止
 第三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 nine months and quarter ended 31 December 2006, together with the unaudited comparative figures for the corresponding period in 2005, 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」)於截至二零零六年十二月三十一日止九個月及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：–

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

(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)

		Notes 附註	(Unaudited) (未經審核)		(Unaudited) (未經審核)	
			Nine Months Ended 31 December 截至十二月三十一日 止九個月	2005 二零零五年	Three Months Ended 31 December 截至十二月三十一日 止三個月	2006 二零零六年
Turnover	營業額	2	4,487	8,268	1,326	2,382
Cost of sales	銷售成本		(1,802)	(1,535)	(554)	(627)
Gross profit	毛利		2,685	6,733	772	1,755
Other revenue	其他收益		1,500	1,210	1,500	527
Other net income	其他收入淨額		284	38	99	3
Distribution costs	分銷成本		(1,390)	(702)	(436)	(224)
Administration expenses	行政開支		(1,616)	(2,992)	(540)	(701)
Other operating expenses	其他經營支出		(21)	-	(21)	-
Profit from ordinary activities before tax	除稅前日常業務溢利		1,442	4,287	1,374	1,360
Taxation	稅項	3	(185)	(430)	(126)	(136)
Profit attributable to shareholders	股東應佔溢利		1,257	3,857	1,248	1,224
Dividends attributable to the period	期內股息	4	-	-	-	-
			RMB (Yuen) 人民幣(元)	RMB (Yuen) 人民幣(元)	RMB (Yuen) 人民幣(元)	RMB (Yuen) 人民幣(元)
Earnings per share – basic	每股盈利 – 基本	5	0.0049	0.015	0.0049	0.005

Notes:

1. Principal Accounting Policies

The unaudited quarterly results have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of the GEM Listing Rules. The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2006.

The quarterly results are unaudited, but have been reviewed by the audit committee of the Group.

Significant transactions and balances among the companies comprising the Group have been eliminated on consolidation.

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

未經審核季度業績乃根據由香港會計師公會（「香港會計師公會」）所頒佈之香港會計準則第34號「中期財務報告」以及《香港聯合交易所有限公司創業板證券上市規則》之適用披露規定而編製。所採用之會計政策與截至二零零六年三月三十一日止年度之全年財務報表所列載者貫徹一致。

季度業績為未經審核，惟已由審核委員會審閱。

組成本集團各公司間之重大交易及結餘已於綜合賬目時對銷。

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。

2. 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, provision of internet services 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：

		(Unaudited) (未經審核)		(Unaudited) (未經審核)	
		Nine Months Ended 31 December 截至十二月三十一日 止九個月		Three Months Ended 31 December 截至十二月三十一日 止三個月	
		2006 二零零六年	2005 二零零五年	2006 二零零六年	2005 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	636	5,810	636	-
Sales of internet learning card	售賣互聯網學習咭	3,851	2,382	690	2,382
Network integration, IT services and others	網絡集成、資訊科技服務及其他	-	76	-	-
		<u>4,487</u>	<u>8,268</u>	<u>1,326</u>	<u>2,382</u>



3. Taxation

(a) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group did not derive any income subject to Hong Kong profits tax for the nine months ended 31 December 2006 (2005: Nil).

(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 Hightech 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. For the nine months ended 31 December 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 nine months ended 31 December 2006 (2005: nil).

3. 稅項

(a) 香港利得稅

由於本集團於截至二零零六年十二月三十一日止九個月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（二零零五年：無）。

(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（「江西行知」）乃本集團大部分營業額來源，須繳納中國企業所得稅。

由於為江西省對外貿易經濟合作廳批准之全外資企業，根據中國外商投資企業及外國企業所得稅法及南昌市高新區國稅局於二零零四年三月一日之確認書，江西行知將獲豁免中國企業所得稅，自首個獲利年度（抵銷過往年度之虧損後）後兩年豁免企業所得稅，並可於其後三年獲寬減50%企業所得稅。截至二零零六年十二月三十一日止九個月期間，江西行知於其後須繳納已減少之稅率7.5%。

(c) 遞延稅項

本集團於截至二零零六年十二月三十一日止九個月內並無重大之未撥備遞延稅項（二零零五年：無）。

4. Dividends

The Board does not recommend payment of any interim dividend for the nine months ended 31 December 2006 (quarter ended 31 December 2005: nil).

5. Earnings Per Share

The calculation of basic earnings per share is based on the unaudited consolidated profit attributable to shareholders for the nine months ended 31 December 2006 of RMB1,257,000 (2005: RMB3,857,000) and on the 255,000,000 shares in issue. (2005: 255,000,000 shares) No dilutive earnings per share was presented because there was no dilutive potential ordinary share in existence during the nine months ended 31 December 2006 and 2005 respectively.

6. Movement of reserves

4. 股息

董事會並不建議就截至二零零六年十二月三十一日止九個月派付任何中期股息(截至二零零五年十二月三十一日止季度：無)。

5. 每股盈利

每股基本盈利乃根據截至二零零六年十二月三十一日止九個月的股東應佔未經審核綜合溢利人民幣1,257,000元(二零零五年：人民幣3,857,000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十二月三十一日止九個月內並不存在任何具攤薄影響之潛在普通股，故此並無呈列每股攤薄盈利。

6. 儲備變動

		Share capital	Share premium	Contributed surplus	Capital reserve	Statutory common reserve	Statutory welfare reserve	Foreign currency translation reserve	Retained profits	Total
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		股本	股份溢價	實繳盈餘	資本儲備	法定公積金	法定公益金	匯兌儲備	保留溢利	總計
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Balance as of 1 April 2005	於二零零五年四月一日之結餘	27,030	13,483	933	115	2,782	1,391	(13)	12,569	58,290
Profit for the 9 months ended 31 December 2005	截至二零零五年十二月三十一日止九個月之溢利	-	-	-	-	-	-	-	3,857	3,857
Balance as of 31 December 2005	於二零零五年十二月三十一日之結餘	27,030	13,483	933	115	2,782	1,391	(13)	16,426	62,147
Balance as of 1 April 2006	於二零零六年四月一日之結餘	27,030	13,483	933	115	3,241	1,621	(403)	14,425	60,445
Profit for the 9 months ended 31 December 2006	截至二零零六年十二月三十一日止九個月之溢利	-	-	-	-	-	-	-	1,257	1,257
Balance as of 31 December 2006	於二零零六年十二月三十一日之結餘	27,030	13,483	933	115	3,241	1,621	(403)	15,682	61,702



MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL REVIEW

The Group recorded a turnover of approximately RMB4.5 million for the nine months period ended 31 December 2006, representing a decrease of approximately 46% as compared to the corresponding period in the previous fiscal year. Approximately RMB3.8 million or 86% of the total turnover was generated from sales of internet learning card and the balance of approximately RMB0.6 million or 14% was generated from sales of self-developed education software.

The cost of sales was approximately RMB1.8 million for the nine months ended 31 December 2006, representing an increase of approximately 17% as compared to the corresponding period in the previous fiscal year. The main reason for the increase was due to additional boardband charge of the server for internet access.

The distribution cost was approximately RMB1.4 million, representing an increase of approximately 98% as compared to corresponding period in 2005 because the Group had employed additional sales staff to promote the internet learning card business.

The administration expenses was approximately RMB1.6 million, representing a decrease of approximately 45% as compared to the same period in 2005, because nil doubtful debts was provided and nil financial advisory expenses on listing was incurred.

管理層討論及分析 財務回顧

截至二零零六年十二月三十一日止九個月期間內，本集團錄得營業額約人民幣4.5百萬元，較上一財政年度同期減少約46%。總營業額中，約人民幣3.8百萬元或86%乃由售賣互聯網學習咭所產生，約人民幣0.6百萬元或14%則由銷售自行開發教育軟件所產生。

截至二零零六年十二月三十一日止九個月期間內，銷售成本約為人民幣1.8百萬元，較上一財政年度同期增加約17%。增長乃由於額外支付的維持伺服器的寬頻費用所致。

分銷成本約為人民幣1.4百萬元，較上年同期增長約98%，乃由於本期新僱用了銷售人員推廣互聯網學習咭。

行政開支約為人民幣1.6百萬元，較上年同期減少約45%乃由於本期並無呆壞賬撥備及上市財務顧問費發生。

Liquidity and Financial Resources

As at 31 December 2006, the shareholders' funds of the Group amounted to approximately RMB61 million. Current assets amounted to approximately RMB66 million of which approximately RMB51 million were cash and bank balance and approximately RMB14 million were trade receivable, prepayment, deposit and others receivable. The Group's current liabilities amounted to approximately RMB7 million.

Charge of Assets

As at 31 December 2006, the Group did not have any charges on its assets.

Capital Commitment

As at 31 December 2006, the Group did not have any material capital commitments.

Foreign Exchange Exposure and Hedging Policy

Since most of the income and expenses as well as assets and liabilities of the Group are denominated in Renminbi, the Director consider that Group has no material foreign exchange exposure and no hedging policy has been taken.

Contingent Liabilities

As at 31 December 2006, the Group did not have any material contingent liabilities.

流動資金及財務資源

於二零零六年十二月三十一日，本集團之股東資金約為人民幣6千1百萬元。流動資產約為人民幣6千6百萬元，其中約人民幣5千1百萬元為現金及銀行結餘，另約人民幣1千4百萬元為應收貿易賬款、預付款項、按金及其他應收賬款。本集團之流動負債約為人民幣7百萬元。

資產抵押

於二零零六年十二月三十一日，本集團並無任何資產抵押。

資本承擔

於二零零六年十二月三十一日，本集團並無任何重大資本承擔。

外匯風險及對沖政策

由於本集團大部份收支及資產負債乃以人民幣為單位，董事認為本集團並無重大外匯風險，亦無採取任何對沖政策。

或然負債

於二零零六年十二月三十一日，本集團並無任何重大或然負債。



BUSINESS OUTLOOK

After strategic reorganization, the Group is principally engaged in the internet education business with a view to expand its business. The original target users had been expanded to different age groups ranging from children to adults, resulting from provision of universal internet education service system. AK Education On-line is a combination of educational resource web, middle and primary school web and vocational education web in one. In the aspect of contents, AK Education On-line at present has four major education content lines: provision of educational resources for the teachers, provision of synchronous tuition for the parents and students, provision of vocational education service for the adults, and provision of examination contents for examination education. In the aspect of service, AK Education On-line is a fusion of educational resource, studying community, entertainment community and room for communication, etc., forming a good interactive application mode for the general users. In order to fully enhance the function and contents of AK Education On-line, we are also actively seeking cooperative partners and adjusting the sales strategy to establish a stable sales channel for better sales result.

The Nan Chang AK Training Center which is invested by the Group, after obtaining the relevant certificates for vocational education, had carried out the vocational education work. Through our organization of the training and examination, the students had obtained the certificates of the State-recognized vocational qualification.

業務展望

本集團經過戰略性重組，重點發展互聯網教育業務，並拓展提供服務的範圍，把原來的目標用戶擴展到從幼兒到成人的各個年齡段人員，形成提供全民網路教育的服務體系，AK教育網集教育資源網站、中小學網校、職業教育培訓網多重身份於一身。在內容方面，目前A&K教育網已經形成四大教育內容提供主線：面向教師的教育資源提供，面向家長、學生的同步教學提供，面向成人職業教育的服務提供，面向應試教育的考試內容提供；在服務方面，AK教育網融合教育資源、學習社區、娛樂社區、交流空間等項目，為廣大用戶建立了具有良好互動性的應用模式。在盡心完善AK教育網功能和內容的基礎上，我們還積極尋找合作夥伴及調整銷售策略，以期建立穩定的銷售渠道，提高銷售業績。

本集團投資成立的南昌AK培訓中心，在取得開展職業培訓的相關資格證書後，該中心已經開展了職業培訓工作，經過我們組織的培訓和考試，學員取得了國家認可的職業資格證書。

In view of the increase in demand of the Chinese studying market, the Group plans to utilize our advantage of years of experience in education business to develop multi-media Chinese studying software. We had co-operated with the relevant experts to start the script writing of the Chinese studying software to expedite the product launching to meet the market demand.

At present, among 36 million high school students in the PRC (including general high school, specialized high school and subordinate specialized high school), 18 million of them are internet users. Among 60 million middle school students (including general middle schools and specialized middle schools), over 10 million students are internet users. The Group believes that internet education business has been gradually acknowledged in the public. Through the continuous adjustment and development of the contents and services of AK Education On-line, and the expansion and enhancement of our sales organization, the Board believes that the user groups of AK Education On-line will have a rapid increase. With the bright market prospect, we have more confidence to focus on internet education business in next few years.

China has a large population, through the rapid development of economy and the adjustments of industrial structure, a lot of excess agricultural labor have transferred to non-agricultural industry. The structural contradiction of employment is also great. There is lack of professionals to fill up some employment vacancies. Some industries have great social demand but there is shortage of qualified labour. Therefore, strengthening of the development of vocational education, achievement of re-adjustment and re-configuration of labor resources,

鑒於目前中文學習的市場需求日益增大，本集團計劃利用多年從事教育行業的優勢，開發多媒體中文學習軟體，我們並已與有關專家合作，著手中文學習軟體的腳本編寫工作，以期儘快推出該產品，滿足市場需求。

目前，在我國3600萬高中學生（包括普通高中、職業高中和中专）中，已經上網的人數超過1800萬；6000萬初中學生（包括普通初中和職業初中）中，也有超過1000萬的學生在使用互聯網。本集團相信，互聯網教育業務已經逐步得到公眾的認可，隨著AK教育網的內容和服務的不斷調整增加，以及銷售機構的逐步擴展和完善，AK教育網的用戶群個體將會有快速的增長，其廣闊的市場前景，讓我們更有信心在未來的數年內，堅定地投入到互聯網教育業務中。

中國人口眾多，隨著經濟的快速發展，產業結構調整、農村眾多富餘勞動力向非農產業轉移，就業的結構性矛盾也十分突出，有一些崗位合格人才奇缺，有些行業社會需求旺盛，但從業人員偏少，素質不高，因此，大力發展職業教育，實現勞動

and encouragement the labor re-employment are the long-term tasks of the PRC Government. With our proactive participation in vocational education business, our education experiences and the relevant support from the government, the Board believes that the development of vocational training business will enhance the business growth of the Group.

The enthusiasm of Chinese studying had been formed around the world. The studying participants included the oversea non-Chinese citizens of Chinese origin and their descendants, the oversea friends looking to explore more about China and traveling to China, those who study Chinese to fulfill their career requirement, the oversea students who plan to go to or arrived in China, etc. Multi-media Chinese studying software market had been set up. We believe that the development of excellent-quality Chinese studying products with good oversea sales channel must bring handful of returns to the Group.

力資源的重新配置和調整，促進勞動者再就業是政府的一項長遠的工作。本集團相信，我們積極參與職業培訓業務，利用我們多年從事教育行業的經驗和相關政府的支援，發展職業培訓業務，將會成為本集團一項新的業務增長點。

學習中文的熱潮已經在世界各地形成，參加學習的人員包括海外華裔及其後代、期望更多瞭解中國及來中國旅遊的外國友人、由於職業發展需要學習中文的人、計劃來中國或已經到中國的外國留學生等等，多媒體中文教學的軟體市場已經形成，我們相信，開發優質的的中文教學產品，建立良好的海外銷售渠道，必定會為集團帶來豐厚的回報。

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

As at 31 December 2006, the interests or short positions of 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:

(a) The Company – interests in Shares

Director 董事	Nature of Interest 權益性質
----------------	----------------------------

Mr. Peng Gexiong 彭格雄先生	Interest of a controlled corporation 受控制法團權益
---------------------------	---

Note:

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.

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

於二零零六年十二月三十一日，本公司之董事（「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）之股份及相關股份（「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之權益或淡倉（包括根據證券及期貨條例有關規定被認為或視作擁有之權益或淡倉），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之權益及淡倉，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之權益或淡倉，如下：

(a) 本公司－股份權益

No. of Shares 股份數目	Percentage of shareholding 持股百分比
-----------------------	--

141,120,000	55.34%
-------------	--------

附註：

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之97.7%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股股份之權益。

(b) Associated corporations – interests in Shares

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

(b) 相聯法團－股份權益

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 31 December 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 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.

除上文所披露者外，於二零零六年十二月三十一日，董事或本公司之任何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)之任何股份、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之權益或淡倉(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之權益或淡倉)，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之權益或淡倉，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之權益或淡倉。

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 31 December 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:

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之主要行政人員所知，於二零零六年十二月三十一日，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	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 (Note 1) 家族(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 (Note 2) 家族(附註2)	36,000,000	14.12%

Notes:

- 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.

附註：

- 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 31 December 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.

SHARE OPTION SCHEME

On 23 July 2004, the principal terms of the Share Option Scheme was approved and passed by the written resolutions of all the shareholders. The purpose of the Share Option Scheme is to provide the people and the parties working for the interest of the Group with an opportunity to obtain an equity interest in the Company, thus linking their interest with the interests of the Group and thereby providing them with an incentive to work better for the interests of the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

For the period ended 31 December 2006, the Board did not offer any Share Option Scheme to any parties.

除本報告所披露者外，本公司並不知悉有任何其他人士（董事或本公司之主要行政人員除外）於二零零六年十二月三十一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之權益或淡倉，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之股東大會上投票之股本（包括可認購該等股本之期權）面值10%或以上權益。

購股權計劃

二零零四年七月二十三日，購股權計劃之主要條款獲全體股東以書面決議案批准及通過。購股權計劃旨在向為本集團權益而努力之人士及各方有機會購得本公司之股本權益，使到彼等之權益與本集團之權益掛鈎，激勵彼等為本集團之權益而奮發。鑑於董事有權視乎個別情況而決定承授人須達到之表現目標以及行使購股權前須持有購股權之最短時間，加上購股權之行使價概不得低於創業板上規規則訂明之價格或董事可能釐定之較高價格，故預期購股權之承授人可對本集團之發展有貢獻，盡力達致股份市價上升以實現其獲授之購股權可能帶來之利益。

截至二零零六年十二月三十一日止期間，董事會並無向任何人士提呈購股權。

COMPLIANCE ADVISER'S INTEREST

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

As notified and updated by Kingsway Capital Limited, neither Kingsway Capital Limited 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 31 December 2006.

Save as disclosed above, Kingsway Capital Limited had no other interest in the Company as at 31 December 2006.

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

For the nine months ended 31 December 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

COMPETING INTERESTS

For the nine months ended 31 December 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.

合規顧問權益

根據本公司與滙富融資有限公司於二零零四年七月三十日訂立之保薦人協議，滙富融資有限公司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)為止之期間內之合規顧問，就此，滙富融資有限公司將收取相關費用。

就滙富融資有限公司所告知及更新，於二零零六年十二月三十一日，滙富融資有限公司或其任何董事、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，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，於二零零六年十二月三十一日，滙富融資有限公司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

截至二零零六年十二月三十一日止九個月期間，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。

競爭權益

截至二零零六年十二月三十一日止九個月期間，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。



COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and, subject to the following deviations, and has complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the period under review, except that:

A2.1 The chairman and chief executive officer of the Company is the same individual;

Mr. Peng Gexiong ("Mr. Peng") has been the chairman and chief executive officer of the Company since its incorporation and is responsible for managing the Board and the Group's business. The management considered that there is no imminent need to change the arrangement and believe that this structure will enable the Group to make and implement decisions promptly and efficiently.

SECURITIES TRANSACTIONS BY DIRECTORS

During the nine months ended 31 December 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 5.67 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 nine months ended 31 December 2006.

遵守《企業管治常規守則》

於回顧期間內，本公司已一直應用《創業板上市規則》附錄15《企業管治常規守則》所載之原則，並已遵守其中所列表載之所有守則條文，惟下述之偏離事項除外：

A.2.1 本公司之主席與行政總裁由一人同時兼任；

彭格雄先生（「彭先生」）自本公司註冊成立以來即一直為本公司主席兼行政總裁，負責管理董事會及本集團業務。管理層認為並無即時需要改變此安排，並相信此架構將有助本集團迅速而有效率地作出決策並將其付諸實行。

董事進行證券交易

截至二零零六年十二月三十一日止九個月期間內，本公司已就董事進行證券交易採納一套比《創業板上市規則》第5.48至第5.67條所載之交易必守標準更高的董事證券交易守則。本公司亦已向各董事作出特定查詢，而本公司並不知悉截至二零零六年十二月三十一日止九個月期間內任何時間未有遵守該守則及交易必守標準之任何事項。

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision C.3.1 to C.36 of the code. 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 is composed of the three independent non-executive Directors of the Company, namely Mr. Jiang Minghe, Mr. Law Chi Yuen and Mr. Cheng Yun Ming Matthew.

The Group's draft unaudited financial statements for the nine months ended 31 December 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

PRC, 12 February 2007

審核委員會

本公司已遵照《創業板上市規則》第5.28條至第5.33條及該守則條文C.3.1至C.36，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匯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十二月三十一日止九個月期間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。

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*
彭格雄
主席

中國，二零零七年二月十二日

* 僅供識別

