

07/08

Interim Report
中期報告



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

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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 Stock 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。

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 six months ended 30 September 2007 were approximately RMB623 thousand, representing a decrease of approximately 80.2% as compared to the corresponding period in the previous fiscal year.
- The Group realised a loss attributable to shareholders of approximately RMB505 thousand for the six months ended 30 September 2007.
- Basic loss per share of the Group was approximately RMB0.0016 for the six months ended 30 September 2007.
- The Board does not recommend the payment of any dividend for the six months ended 30 September 2007.

摘要

- 本集團截至二零零七年九月三十日止六個月期間之營業額約為人民幣62.3萬元，較上個財政年度同期減少約80.2%。
- 截至二零零七年九月三十日止六個月期間，本集團實現之股東應佔虧損約為人民幣50.5萬元。
- 本集團截至二零零七年九月三十日止六個月期間之每股虧損約為人民幣0.0016元。
- 董事會並不建議就截至二零零七年九月三十日止六個月期間派發任何股息。

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The board of directors (the "Board") of A & K Educational Software Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months and three months ended 30 September 2007, together with the unaudited comparative figures for the corresponding periods in 2006, as follows:

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

截至二零零七年九月三十日止六個月期間之未經審核業績

A & K 教育軟件控股有限公司*(「本公司」)董事會(「董事會」)欣然公佈本公司及其附屬公司(統稱「本集團」)截至二零零七年九月三十日止六個月及三個月期間之未經審核綜合業績，連同二零零六年同期之未經審核比較數字如下：

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

未經審核簡明綜合損益表

		Notes 附註	Six months ended 30 September 30 September		Three months ended 30 September 30 September	
			2007 二零零七年	2006 二零零六年	2007 二零零七年	2006 二零零六年
Turnover	營業額	2	623	3,161	326	2,077
Cost of sales	銷售成本		(923)	(1,248)	(495)	(674)
Gross (loss)/profit	(毛虧)/毛利		(300)	1,913	(169)	1,403
Other net income	其他收入淨額		1,080	185	309	83
Distribution costs	分銷成本		(223)	(954)	(144)	(570)
Administration expenses	行政開支		(1,062)	(1,076)	(562)	(537)
(Loss)/profit from ordinary activities before tax	除稅前日常業務(虧損)/溢利	4	(505)	68	(566)	379
Taxation	稅項	5	-	(59)	-	(55)
(Loss)/profit attributable to shareholders	股東應佔(虧損)/溢利		(505)	9	(566)	324
Dividends attributable to the period	期內股息	6	-	-	-	-
(Loss)/earnings per share - basic	每股(虧損)/盈利 - 基本	7	(0.0016)	0.000035	(0.0018)	0.0013

**UNAUDITED CONDENSED CONSOLIDATED
BALANCE SHEET**
未經審核簡明綜合資產負債表

				(Audited) (經審核)	
		30 September		31 March	
		2007		2007	
		二零零七年		二零零七年	
		九月三十日		三月三十一日	
	Notes 附註				
Non-current assets		非流動資產			
Property, plant and equipment		固定資產	8	94	382
Interest in associates		於聯營公司之權益		2,311	2,311
				2,405	2,693
Current assets		流動資產			
Trade receivables		應收貿易賬款	9	2,924	2,924
Prepayment, deposits and other receivables		預付款項、按金及其他應收賬款		6,347	6,330
Cash and bank balances		現金及銀行結餘		160,672	37,378
Pledged bank deposits		抵押銀行存款		-	12,870
				169,943	59,502
Current liabilities		流動負債			
Trade payables		應付貿易賬款	10	25	25
Accruals and other payables		應計款項及其他應付賬款		4,938	5,597
Amount due to a shareholder		應付股東款項		1	1
Amount due to an associate		應付聯營公司款項		1,500	1,500
Taxation payable		應繳稅項		790	792
				7,254	7,915
Net current assets		流動資產淨值		162,689	51,587
Total assets less current liabilities		資產總值減流動負債		165,094	54,280
Non-current liabilities		非流動負債			
Deferred taxation		遞延稅項		416	416
Net assets		資產淨值		164,678	53,864
Capital and reserves		股本及儲備			
Issued share capital		已發行股本	11	32,079	27,030
Reserves		儲備		132,599	26,834
				164,678	53,864

**UNAUDITED CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**
未經審核簡明綜合權益變動表

		Share capital (unaudited) 股本 (未經審核)	Share premium (unaudited) 股份溢價 (未經審核)	Contributed surplus (unaudited) 實繳盈餘 (未經審核)	Capital reserve (unaudited) 資本儲備 (未經審核)	Statutory common reserve (unaudited) 法定公積金 (未經審核)	Foreign currency translation reserve (unaudited) 匯兌儲備 (未經審核)	Retained profits (unaudited) 保留溢利 (未經審核)	Total (unaudited) 總計 (未經審核)
Balance as of 1 April 2007	於二零零七年四月 一日之結餘	27,030	13,493	933	115	4,862	(1,239)	8,680	53,864
Placing	配售	5,049	106,423	-	-	-	-	-	111,472
Investment in subsidiary	子公司增資	-	-	-	-	-	(153)	-	(153)
Loss for the 6 months ended 30 September 2007	截至二零零七年九月三十日止 六個月之虧損	-	-	-	-	-	-	(505)	(505)
Balance as of 30 September 2007	於二零零七年九月 三十日之結餘	<u>32,079</u>	<u>119,906</u>	<u>933</u>	<u>115</u>	<u>4,862</u>	<u>(1,392)</u>	<u>8,175</u>	<u>164,678</u>

**UNAUDITED CONDENSED CONSOLIDATED
CASH FLOW STATEMENT**

For the six months ended 30 September 2007

未經審核簡明綜合現金流量表

截至二零零七年九月三十日止六個月期間

		Six months ended 30 September	
		截至九月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
Net cash (outflow)/inflow from operating activities	經營業務(流出)／現金流入淨額	(1,128)	3,706
Net cash inflow/(outflow) from investing activities	投資活動所得現金流入淨額／(流出)	233	(84)
Net cash (outflow)/inflow before financing	未計融資前(流出)／現金流入淨額	(895)	3,622
Net cash inflow from financing	融資所得現金流入淨額	111,472	-
Increase in cash and cash equivalents	現金及現金等價物增加	110,577	3,622
Cash and cash equivalents at the beginning of the period	期初現金及現金等價物	50,248	48,336
Effect of foreign exchange rate changes	匯兌調整	(153)	-
Cash and cash equivalent at the end of the period	期末現金及現金等價物	160,672	51,958

Notes:

1. Principal Accounting Policies

The unaudited condensed interim financial statements 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 Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2007.

The condensed interim financial statements are unaudited, but have been reviewed by the audit committee.

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.

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:

附註：

1. 主要會計政策

未經審核簡明中期財務報表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二零零七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。

簡明中期財務報表為未經審核，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. 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：

	Six months ended		Three months ended	
	30 September	30 September	30 September	30 September
	截至九月三十日止六個月		截至九月三十日止三個月	
	2007	2006	2007	2006
	二零零七年	二零零六年	二零零七年	二零零六年
Turnover				
Sales of internet learning card	營業額	售賣互聯網學習卡		
	623	3,161	326	2,077

3. Segmental Information

Business segments

An analysis of the Group's revenue and results for the period by business segments is as follows:

		Six months ended 30 September 2007 截至二零零七年 九月三十日 止六個月	Six months ended 30 September 2006 截至二零零六年 九月三十日 止六個月
Revenue from external customers	來自外部客戶之收益		
Sales of internet learning card	售賣互聯網學習卡	623	3,161
Segmental results	分部業績		
Sales of internet learning card	售賣互聯網學習卡	(300)	1,913
Unallocated items	未分配項目		
Other net income	其他收入淨額	1,080	185
Distribution costs	分銷成本	(223)	(954)
Administration expenses	行政開支	(1,062)	(1,076)
(Loss)/profit from operations	經營業務(虧損)/溢利	(505)	68
Taxation	稅項	-	(59)
(Loss)/profit attributable to shareholders	股東應佔(虧損)/溢利	(505)	9

Geographical segments

During the six months ended 30 September 2007 and 2006, the Group derived all of its revenue and (loss)/profit from customers who are located in the PRC. Hence no separate geographical analysis of the segment profit and loss is presented.

3. 分部資料

業務分部

本集團於期內以業務分部劃分之收益及業績分析如下：

		Six months ended 30 September 2007 截至二零零七年 九月三十日 止六個月	Six months ended 30 September 2006 截至二零零六年 九月三十日 止六個月
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地區分部

截至二零零七年及二零零六年九月三十日止六個月內，本集團全部收益及(虧損)/溢利均來自於中國之客戶，故並無另行呈列按地區分部劃分之分部損益。

4. (Loss)/profit from ordinary activities before tax

(Loss)/profit from ordinary activities before tax is after charging:

4. 除稅前日常業務(虧損)/溢利

除稅前日常業務(虧損)/溢利乃經扣除以下項目：

	Six months ended		Three months ended	
	30 September	30 September	30 September	30 September
	截至九月三十日止六個月		截至九月三十日止三個月	
	2007	2006	2007	2006
	二零零七年	二零零六年	二零零七年	二零零六年
Audit Fee	-	-	-	-
Cost of inventory sold and services rendered	923	1,248	495	674
Depreciation of fixed assets	310	130	150	66
Operating lease rental in respect of land and building	107	195	53	95
Research and development cost	237	925	119	467

5. Taxation

- (a) No provision for profits tax in the Cayman Islands, British Virgin Islands ("BVI") and Hong Kong has been made as the Group has no income assessable for profits tax during the six months period in those jurisdictions (2006: RMB59 thousand).
- (b) Jiangxi A & K, the subsidiary where the majority of the Group's turnover is derived therefrom, was subject to PRC enterprise income tax ("EIT"). The Jiangxi A & K has obtained a certificate of "Software Development Enterprise" from the Ministry of Information Industry of the Jiangxi Province (江西省信息產業廳) on 15 August 2001. According to a notice jointly issued by the Ministry of Finance, State Administration of Taxation and General Administration and Custom on Taxation Policy in respect of the Encouragement of Development of Software and Integrated Circuit industries (關於鼓勵軟體產業和積體電路產業發展有關稅收政策問題的通告), Jiangxi A & K is exempted from EIT for the two years starting from its first profit-making year (after offsetting the accumulated losses) and is entitled to a 50% relief on EIT for the subsequent three years.

5. 稅項

- (a) 由於本集團於本六個月期間內在開曼群島、英屬處女群島(「英屬處女群島」)及香港並無產生任何利得稅的應評稅收入，故並無作出該等司法權區之利得稅撥備(二零零六年：人民幣5.9萬)。
- (b) 本集團營業額主要來源之附屬公司江西行知須繳付中國企業所得稅(「企業所得稅」)。江西行知已於二零零一年八月十五日取得江西省信息產業廳發出的「軟件開發企業」證書。根據財政部、國家稅務總局及中國海關聯合頒佈的《關於鼓勵軟體產業和積體電路產業發展有關稅收政策問題的通知》，江西行知於其首個獲利年度(抵銷累積虧損後)起計兩年獲豁免繳納企業所得稅，並於其後三年有權享有50%企業所得稅減免。

5. Taxation (continued)

In addition, in June 2003, due to the Group's reorganization, the status of Jiangxi A & K, 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, Jiangxi A & K will be exempted from EIT 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 EIT commencing from the year 2003. Therefore, for the six months ended 30 September 2007, Jiangxi A & K was subjected to EIT rate 7.5% (2006: 7.5%).

(c) Deferred tax

There was no significant unprovided deferred taxation for the six months period.

6. Dividends

The Board does not recommend payment of any interim dividend for the six months period (six months ended 30 September 2006: nil).

7. (Loss)/earnings Per Share

The calculation of basic (loss)/earnings per share is based on the unaudited consolidated loss attributable to shareholders for the six months ended 30 September 2007 of RMB505 thousand (2006: profit RMB9,000) and 306,000,000 shares in issue (2006: 255,000,000 shares). No dilutive earnings per share was presented because there was no dilutive potential ordinary share in existence during the six months ended 30 September 2007 and 2006 respectively.

5. 稅項(續)

此外，於二零零三年六月，由於本集團進行重組，江西行知獲江西省對外貿易經濟合作廳批准由內資私人企業轉為外商獨資企業，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，江西行知將獲豁免企業所得稅，自首個獲利年度(抵銷累積虧損後)後兩年豁免企業利得稅，並可於其後三年獲寬減50%企業所得稅。江西行知自二零零三年起獲寬減企業所得稅。因此，截至二零零七年九月三十日六個月期間，江西行知須按企業所得稅率7.5% (二零零六年：7.5%)納稅。

(c) 遞延稅項

本集團於本六個月期間內並無重大之未撥備遞延稅項。

6. 股息

董事會並不建議就本六個月期間派付任何中期股息(截至二零零六年九月三十日止六個月期間：無)。

7. 每股(虧損)/盈利

每股基本(虧損)/盈利乃根據截至二零零七年九月三十日止六個月的股東應佔未經審核綜合虧損人民幣50.5萬元(二零零六年：盈利人民幣9,000元)及已發行股份306,000,000股(二零零六年：255,000,000股)計算。由於截至二零零七年及二零零六年九月三十日止六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。

8. Property, plant and equipment

		Leasehold Improvement 租賃裝修	Computer Equipment 電腦設備	Office Equipment 辦公室設備	Motor Vehicle 汽車	Total 總計
Cost	成本					
At 1 April 2007	於二零零七年四月一日	308	3,871	191	607	4,977
Additions	添置	-	21	2	-	23
Disposals	報銷	-	(7)	(19)	-	(26)
At 30 September 2007	於二零零七年九月三十日	308	3,885	174	607	4,974
Accumulated Depreciation	累計折舊					
At 1 April 2007	於二零零七年四月一日	308	3,533	155	599	4,595
Charge during the period	本期間費用	-	300	5	5	310
Disposals written back	報銷費用撥回	-	(6)	(19)	-	(25)
At 30 September 2007	於二零零七年九月三十日	308	3,827	141	604	4,880
Net book value	賬面淨值					
At 30 September 2007	於二零零七年九月三十日	-	58	33	3	94
At 1 April 2007	於二零零七年四月一日	-	338	36	8	382

9. Trade Receivables

Aging analysis of trade receivable is as follows:

8. 固定資產

9. 應收貿易賬款

應收貿易賬款之賬齡分析如下：

		30 September 2007 二零零七年 九月三十日	31 March 2007 二零零七年 三月三十一日
0 to 30 days	0至30日	-	-
31 to 60 days	31至60日	-	-
61 to 90 days	61至90日	-	-
91 to 180 days	91至180日	-	-
Over 180 days but less than one year	180日以上但不超過一年	-	-
Over 1 year	超過一年	10,530	10,530
		10,530	10,530
Less: Impairment losses	減：減值虧損	(7,606)	(7,606)
		2,924	2,924

The Group generally grants credit terms of 0 days to 90 days to its customers. Extended credit periods of approximately 90 to 270 days may be granted to customers with long terms business relationship and have good payment record.

本集團一般給予客戶0日至90日之信貸期。有長期業務關係及付款記錄良好之客戶可獲授90日至270日之延長信貸期。

10. Trade Payable

Aging analysis of trade payable is as follows:

		30 September 2007 二零零七年 九月三十日	31 March 2007 二零零七年 三月三十一日
0 to 30 days	0至30日	-	-
Over 180 days but less than one year	180日以上但不超過一年	<u>25</u>	<u>25</u>
		<u>25</u>	<u>25</u>

10. 應付貿易賬款

應付貿易賬款之賬齡分析如下：

11. Issued share capital

The authorised issued and fully paid share capital of the Company is as follows:

		30 September 2007 二零零七年九月三十日		31 March 2007 二零零七年三月三十一日	
		Number of shares 股份數目 '000 千股	Total nominal value 總面值 RMB'000 人民幣千元	Number of shares 股份數目 '000 千股	Total nominal value 總面值 RMB'000 人民幣千元
Authorised	法定	<u>2,000,000</u>	<u>212,000</u>	<u>2,000,000</u>	<u>212,000</u>
Issued and fully paid Ordinary shares of HK\$0.01 each	已發行及繳足 每股面值0.01港元 之普通股	<u>306,000</u>	<u>32,079</u>	<u>255,000</u>	<u>27,030</u>

11. 已發行股本

本公司之法定已發行及繳足股本如下：

12. Operating lease commitment

At 30 September 2007 and 31 March 2007, the Group had operating lease commitment in respect of land and building which fall due as follows:

		At 30 September 2007	At 31 March 2007
		於二零零七年 九月三十日	於二零零七年 三月三十一日
Within one year	一年內	93	323
In second to fifth years inclusive	第二至第五年 (包括首尾兩年)	—	126
		93	449

12. 經營租賃承擔

於二零零七年九月三十日及二零零七年三月三十一日，本集團就土地及樓宇於下列期間到期之經營租賃承擔如下：

13. Approval of the condensed accounts

The condensed accounts were approved by the Board on 14 November 2007.

13. 核准簡明賬目

簡明賬目於二零零七年十一月十四日獲董事會核准。

MANAGEMENT DISCUSSION AND ANALYSIS FINANCIAL REVIEW

The Group recorded a turnover of approximately RMB623 thousand for the six months ended 30 September 2007, representing a decrease of approximately 80.2% as compared to the corresponding period in the previous fiscal year. The decrease was mainly due to the Group developed a sales system with a focus on agents. As the new sales system was only at the preliminary stage, the turnover contribution was limited.

The cost of sales was approximately RMB923 thousand for the six months ended 30 September 2007, representing an decrease of approximately 26% as compared to corresponding period in the previous fiscal year. Such decrease was due to the decrease in business tax and additional levies in respect of the decrease in sales revenue.

The distribution cost was approximately RMB223 thousand, representing an decrease of approximately 76.6% as compared to corresponding period in 2006 because the Group developed a sales system with a focus on agents. The Group have no burden on sales' salaries, training and other related expenses.

There was no significant change in the administration expenses because the Group has exercise stringent cost control.

管理層討論及分析 財務回顧

截至二零零七年九月三十日止六個月期間內，本集團錄得營業額約人民幣62.3萬元，較上一財政年度同期減少約80.2%。營業額下跌主要是由於本集團建立了以代理為主的銷售體系。由於新體系尚處於起步階段，因此對營業額的貢獻有限。

截至二零零七年九月三十日止六個月期間內，銷售成本約為人民幣92.3萬元，較上一財政年度同期減少約26%。下降主要因為相對應與銷售收入的主要業務稅金及附加費用的減少。

分銷成本約為人民幣22.3萬元較上年同期減少約76.6%，乃由於本集團於建立了以代理為主的銷售體系。本集團不再負擔銷售人員的工資、培訓等其他相關成本。

行政開支並無重大改變，原因是本集團行使嚴謹的成本控制。

Liquidity and Financial Resources

As at 30 September 2007, the shareholders' funds of the Group amounted to approximately RMB165 million. Current assets amounted to approximately RMB170 million of which approximately RMB161 million were cash and bank balance and approximately RMB9 million were trade receivable, prepayment, deposit and others receivable. The Group's current liabilities amounted to approximately RMB7 million.

Charge of Assets

As at 30 September 2007, the Group did not have any charges on its assets.

Capital Commitment

As at 30 September 2007, the Group did not have any material capital commitments apart from those disclosed in Note 12.

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 Board considers that the Group has no material foreign exchange exposure and no hedging policy has been taken.

流動資金及財務資源

於二零零七年九月三十日，本集團之股東資金約為人民幣1億6仟5佰萬元。流動資產約為人民幣1億7仟元，其中約人民幣1億6仟1佰萬元為現金及銀行結餘，另約人民幣9佰萬元為應收貿易賬款、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7佰萬元。

資產抵押

於二零零七年九月三十日，本集團並無任何資產抵押。

資本承擔

於二零零七年九月三十日，除於附註12所披露者外，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，董事會認為本集團並無重大外匯風險，亦無採取任何對沖政策。

Contingent Liabilities

As at 30 September 2007, the Group did not have any material contingent liabilities.

Human Resources

As at 30 September 2007, the Group had 46 full time employees in the PRC and Hong Kong. At the same time, there were 54 freelance teachers employed by the Group for providing and updating teaching materials for the Group's product. Staff remuneration packages are determined by reference to prevailing market rates. Staff benefits include mandatory provident fund, personal insurance and discretionary bonus which are based on their performance and contribution to the Group.

BUSINESS OUTLOOK

Business Review

The Group continues to focus on the development of internet education, constantly strives for the enhancement of content and services provided through internet education. Moreover, the Group actively expands the target user group such that original target users cover age groups ranging from infancy to adulthood, so to obtain more extensive support from target users. AK Education Online is a combination of educational resource web, middle and primary school web and vocational education web in one. In terms of content, AK Education Online at the present has four major lines of education resources: 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 terms of services, AK Education Online is a fusion of educational resources, studying community, and room for communication etc., forming a good interactive application mode for general users.

或然負債

於二零零七年九月三十日，本集團並無任何重大或然負債。

人力資源

於二零零七年九月三十日，本集團在中國及香港共聘用46名全職僱員。同時亦有54名特約教師獲本集團聘用，為本集團之產品提供及更新教材。員工酬金計劃乃按現行市場價格釐定。員工福利包括強制性公積金、個人保險及酌情花紅，乃按彼等於本集團之表現及對本集團之貢獻而定。

業務展望

業務回顧

本集團繼續致力於互聯網教育業務的發展，不斷完善網路教育提供的內容與服務，積極拓展目標用戶的群體範圍，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，以期獲得更廣泛的目標用戶的支援，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。

In order to better cope with market changes, the Group has been actively seeking for marketing modules more suitable for the current market, so to provide incentives to sales agents through more favorable policies. However, sales mode alteration requires certain adjustment time, while competition is getting intense due to increase in similar products within the market, all of which impose relatively large impact on the sales performance in this quarter. The Group believes that, the establishment and enhancement of distribution system will eventually lead to the gradual improvement of our performance. Besides enhancing the above products directly provided for individual end users, the Group also considers to develop products and business for education groups or education institutes. Such fund raised through completing capital increase plan will be used for the development of such business.

Prospect

According to the latest internet research report in China, internet users in the end of 2006 reached 145,000,000. It is expected that such number will climb up to 155,000,000 by the end of 2007, with consumption per capita of approximately 200 dollar, representing a 15% increase as compared with the year 2006. Through the rapid development of the internet and the increase in the Government input in the application of information technology in education, the Group believes that the market and business of online education will gradually heading to its maturity and establish its business scale. Facing such promising market prospect, we are becoming more and more confident to devotedly commit ourselves to internet education business within the future few years. The Group will continue to focus on the development of online education, striving to provide high quality education products and services for users, so that the Company's business will rapidly expand in the coming future.

為了更好地應對市場變化，我們也在積極的尋求更適合市場的行銷模式，以期以更優惠的政策激勵銷售代理人員，但由於銷售模式的變更需要一定時間的調整，同時市場同類產品增多，競爭激烈，因而對本季度銷售業績有比較大的影響。本集團認為，建立和完善產品和業務的分銷體系，我們的業績將會得到逐步的提升。本集團在完善以上直接面向個人終端用戶的產品基礎上，同時也考慮發展面向教育集團或教育機構的產品及業務，已完成的增資計畫所募集的資金，將用於該類業務的發展。

前景

根據最新中國互聯網調查報告顯示，2006年底互聯網用戶達到1.45億，預計到2007年底將達到1.55億，人均消費約200元，將比2006年增長15%，本集團認為，隨著互聯網的快速發展，以及政府對教育資訊化的投入加大，網路教育市場及業務也將逐步成熟並形成規模。其廣闊的市場前景，讓我們更有信心在未來的數年內，堅定的投入到互聯網教育業務中。本集團將繼續致力於網路教育產品的開發，努力為用戶提供優質的教育產品及服務，使得公司業務在未來得到快速的發展。

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

As at 30 September 2007, 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

於二零零七年九月三十日，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) 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) 59,120,000	19.32%

Note:

附註：

- (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 59,120,000 Shares held by Educators Investment for the purposes of the SFO.

- (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59,120,000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
			股份持量之概約百分比
董事名稱	權益類別	所持Educators股份數目	
Mr. Peng Gexiong 彭格雄先生	Beneficial 實益	9,720	97%

Save as disclosed above, as at 30 September 2007, 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，於二零零七年九月三十日，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 30 September 2007, 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，於二零零七年九月三十日，下列人士（上文所披露之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		59,120,000	19.32%
Ms. Li Qin 李琴女士	Family 家族	(Note 1) (附註1)	59,120,000	19.32%

Notes:

- Under the SFO, Ms. Li Qin, spouse of Mr. Peng Gexiong, 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。

Save as disclosed herein, as at 30 September 2007, 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.

除本報告所披露者外，本公司並不知悉有任何人士（本公司之董事或主要行政人員除外）於二零零七年九月三十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。

SHARE OPTION SCHEME

The Company has share option scheme, under which the Company may grant option to (i) full-time or part-time employees of the Company and/or any of its subsidiaries, including any executive, non-executive and independent non-executive director of the Company and/or any of its subsidiaries; (ii) substantial shareholders of each member of the Group; (iii) associates of directors or substantial shareholders of each member of the Group; and (iv) the trustees of any trust pre-approved by the Board, the beneficiary (or in case of discretionary trust, the discretionary objects) of which include any of the above-mentioned persons, subject to a maximum of 10% of the issued share capital of the Company, from time to time, excluding for this purpose shares issued on exercise of share options. The subscription price is to be determined by the Board in its absolute discretion, and is not to be less than the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange of Hong Kong Limited daily quotations sheet on the date of the grant of an option which must be a Business Day, (ii) the average of the closing price of the Company's shares quoted on the Stock Exchange of Hong Kong Limited on the five consecutive Business Days immediately preceding the date of grant and (iii) the nominal value of the Company's shares. Upon acceptance of options, the grantee shall pay HK\$1 to the Company as consideration for the grant.

No options have been granted since the adoption of the share option scheme.

購股權計劃

本公司設有購股權計劃，據此，本公司可授出購股權予(i)本公司及／或其任何附屬公司的全職或兼職僱員，包括本公司及／或其任何附屬公司之任何執行、非執行及獨立非執行董事；(ii)本集團各成員公司之主要股東；(iii)本集團各成員公司之董事或主要股東之聯繫人士；及(iv)董事會預先審批之任何信託之信託人、其受益人(倘為全權信託，則為信託之全權對象)包括任何上述人士，最多為本公司不時之已發行股本10%，不包括就此而言根據購股權獲行使而發行之股份。認購價將由董事會全權酌情釐定，其不低於以下三者中之最高者：(i)本公司股份在授出購股權當日(必須為營業日)於香港聯合交易所有限公司每日報價表所報之收市價；(ii)本公司股份於緊接授出日期前連續五個營業日在香港聯合交易所有限公司所報之平均收市價；及(iii)本公司股份之面值。當接納購股權後，承授人須向本公司支付1港元作為授出代價。

自採納購股權計劃以來概無授出任何購股權。

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

For the six months ended 30 September 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's Shares.

COMPETING INTERESTS

For the six months ended 30 September 2007, 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.

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.

購買、出售或贖回本公司上市股份

截至二零零七年九月三十日止六個月期間，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

截至二零零七年九月三十日止六個月期間，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。

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。

Now the Company only have two independent non-executive directors. The Company falls short of the requirements under Rules 5.05(1) and 5.28 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. The Board has been seeking suitable candidates to fill the vacancies for independent non-executive director, member of audit committee and remuneration committee of the Company within 3 months after failing to meet the requirement.

SECURITIES TRANSACTIONS BY DIRECTORS

During the six months ended 30 September 2007. 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 six months ended 30 September 2007.

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 and Mr. Yeung Kenneth King Wah.

本公司現只在任兩位獨立非執行董事，故未符合香港聯合交易所有限公司創業板證券上市規則第5.05(1)條及5.28條之規定。董事會將積極物色適當人選以填補本公司獨立非執行董事、審核委員會及薪酬委員會之空缺，並全力爭取能在不符合有關規定後三個月內落實該名人選。

董事進行證券交易

截至二零零七年九月三十日止六個月期間內，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二零零七年九月三十日止六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。

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兩位獨立非執行董事蔣鳴和先生和楊景華先生所組成。

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

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

Executive directors:

Mr. Peng Gexiong (*Chairman*)
Mr. Li Wing Sang
Mr. Lau Kam Ying

Independent non-executive directors:

Mr. Jiang Minghe
Mr. Yeung Kenneth King Wah

By order of the Board

A & K Educational Software Holdings Limited
Peng Gexiong
Chairman

PRC, 14 November 2007

* for identification purpose only

本集團截至二零零六年九月三十日止六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*)
李永生先生
劉錦瑩先生

獨立非執行董事：

蔣鳴和先生
楊景華先生

承董事會命

A & K教育軟件控股有限公司*
主席
彭格雄

中國，二零零七年十一月十四日

* 僅供識別



07/08

Interim Report
中期報告

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

