

**THIRD QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2007
(Un-audited)**



AMZ Ventures Limited

CONTENTS

Corporate Information	2
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Directors' Report	3
--------------------------	----------

Non-Consolidated Financial Statements

Balance Sheet	5
----------------------	----------

Profit and Loss Account	6
--------------------------------	----------

Cash Flow Statement	7
----------------------------	----------

Statement of Changes in Equity	8
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Notes to the Financial Statements	9
--	----------

Consolidated Financial Statements

Consolidated Balance Sheet	13
-----------------------------------	-----------

Consolidated Profit and Loss Account	14
---	-----------

Consolidated Cash Flow Statement	15
---	-----------

Consolidated Statement of Changes in Equity	16
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Notes to the Consolidated Financial Statements	17
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CORPORATE INFORMATION

Board of Directors	Mr. Athar Haneef Naseem Shaikh Ms. Fauzia Hasnain Mr. Inaam-ul-Haque Mr. Yacoob Shakoor Tabani Mr. Uzair Ahmed Khan Mr. Shahid Hafeez Ahmed Mr. Dawood Nasir Paul	Chairman & Chief Executive Director Director Director Director Director Director
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Audit Committee	Mr. Yacoob Shakoor Tabani Mr. Dawood Nasir Paul Ms. Fauzia Hasnain	Chairman Member Member
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Chief Financial Officer & Co. Secretary	Mr. Muhammad Shahid Jamal	
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Chief Internal Auditor	M/s. Mansoor Aslam Siraj Saleem Chartered Accountants	
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Legal Advisors	Mohsin Tayebaly & Co. Barristers & Advocates	
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Auditors	Anjum Asim Shahid Rahman Chartered Accountants (A Member of Grant Thornton International)	
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Share Registrars	THK Associates (Pvt.) Ltd. Ground Floor, Statelife Building # 3, Dr. Ziauddin Ahmed Road, Karachi-75530.	
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Registered Office	19th Floor, Tower B, Saima Trade Towers I.I. Chundrigar Road Karachi-74000, Pakistan Phone : (9221) 111-269-111 Fax: (9221) 2219760 Websites : www.amzventures.com www.amzt.com www.gonetbpo.com www.amzdirect.com E-mails : info@khi.go.net.pk info@gonetbpo.com info@amzt.com info@amzaccess.com	
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DIRECTORS' REPORT

The Board of Directors of AMZ Ventures Limited (AMZVL) is pleased to present the financial results of the Company for the quarter ended March 31, 2007.

AMZVL was listed on the Karachi Stock Exchange in December 2004. It was set up as the AMZ Group's effort for the promotion and development of the venture capital concept in Pakistan, and its first venture capital investment was in the area of Information Technology - in AMZ Access (Pvt) Ltd. (AAPL) - its fully owned subsidiary, which is engaged in Business Process Outsourcing. AAPL, in turn, has a fully owned US based subsidiary company, AMZ Access Inc., which in turn owns Global Transcriptions Inc. (GT), a Medical Transcription company based in St. Louis, Missouri.

The consolidated financial statements of AMZVL reflect the financial performance of AAPL as well as its subsidiary companies located in the US.

OPERATIONS REVIEW

As you are aware, your Company has been going through a relatively difficult period over the past year, as has been highlighted in our Annual Report for the year ended June 2006. Over the last quarter, the Company continued its efforts to generate revenues through sale of its software products, and at the same time conducted a restructuring and cost control exercise in the software department which resulted in a reduction in staffing as well as related expenses.

Moreover, in view of the overall improvement in quality of Medical Transcription services, the editing being done in the US was reduced to some extent, reflecting a reduction in costs in March 2006. The Company is confident that if the level of quality is maintained at their end, an overall 70% reduction in US editing would take place in the next two or three months. This would bring down the overall editing costs being borne at present by GT, thereby positively impacting their bottom line.

FINANCIAL REVIEW

Financial results of the company, both on an individual and consolidated basis, for the half year under review are as follows:

	Rs. in Million	
	AMZVL only	Consolidated
Turnover	10.546	53.507
Cost of Services	-	(71.518)
Gross Profit/(Loss)	10.546	(18.011)
Marketing and Administration cost	(2.213)	(42.289)
Amortization of Intangibles	-	(17.474)
Finance Cost	(19.186)	(28.254)
Loss before tax	(10.853)	(105.806)
Loss per share	(0.36)	(3.52)

The process of getting the credit rating by JCR-VIS, Credit Rating Company is well underway and likely to be completed within the next few weeks.

FUTURE OUTLOOK

In order to diversify its revenue base, the management of the Company has decided that while continuing its focus on reviving its IT operations, it would now look towards launching of venture capital funds, jointly with well reputed companies/institutions. The said funds would be managed by the Company, thereby providing it with management fee income. The Company is planning to launch 3 funds by December 2007; however the major fee income against these funds is expected to be reflected in the next financial year.

ACKNOWLEDGEMENT

The Board takes this opportunity to thank its valued shareholders for their patronage and their continued patience in these difficult circumstances. We would like to place on record our thanks to the Securities & Exchange Commission of Pakistan, the Karachi Stock Exchange and the State Bank of Pakistan for their continued guidance and support. We would also like to place on record our appreciation for the commitment and hard work put in by the members of the Management & staff.

For & on behalf of the Board of Directors

Athar Haneef Naseem Shaikh
Chairman and CEO

Dated: April 30, 2007

**BALANCE SHEET
AS AT March 31, 2007**

	Note	Un-audited March 31, 2007	June 30, 2006
..... Rupees.....			
ASSETS			
Non-current assets			
Fixed assets		38,774,734	39,076,144
Long term investment	4	304,128,440	304,128,440
Deferred costs		855,738	1,140,984
Long term deposits		200,000	200,000
Long term loans		-	80,000,000
Total non-current assets		343,958,912	424,545,568
Current assets			
Short term loans and advances		97,560,442	20,676,900
Prepayments		1,567,124	107,421
Other receivable		1,853,260	259,495
Cash and bank balances		18,644	21,186
Total current assets		100,999,470	21,065,002
TOTAL ASSETS		444,958,382	445,610,570
EQUITY AND LIABILITIES			
Authorized share capital			
	5	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital			
	6	300,000,000	300,000,000
Accumulated loss			
		(35,256,774)	(24,403,506)
Shareholders' equity		264,743,226	275,596,494
Non-current liabilities			
Long term finance	7	132,000,000	12,000,000
Liability against asset subject to finance lease		30,054,435	33,187,162
Total non-current liabilities		162,054,435	45,187,162
Current liabilities			
Current maturity of lease liabilities		4,098,618	1,958,684
Current maturity of longterm finance		-	-
Short term finance		-	120,000,000
Other payables		9,759,574	2,851,121
Accrued financial charges		4,302,529	17,109
Total current liabilities		1,8160,721	124,826,914
Contingency and Commitment	8		
TOTAL EQUITY AND LIABILITIES		444,958,382	445,610,570

The annexed notes from 1 to 10 form an integral part of these financial statements.


Chairman & Chief Executive


Director

**PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2007**

	July 01, 2006 to March 31, 2007	Jan 01, 2007 to March 31, 2007	July 01, 2005 to March 31, 2006	Jan 01, 2006 to March 31, 2006
Note				
	----- Rupees -----			
Revenue - net	10,546,092	3,414,077	7,237,126	3,699,294
Administrative expenses	(2,213,097)	(787,570)	(10,688,950)	(3,458,266)
Finance cost	(19,186,263)	(6,693,549)	(6,940,802)	(3,629,523)
	(21,399,360)	(7,481,119)	(17,629,752)	(7,087,789)
Loss before taxation	(10,853,268)	(4,067,042)	(10,392,626)	(3,388,495)
Taxation	-	-	-	-
Loss for the period	<u>(10,853,268)</u>	<u>(4,067,042)</u>	<u>(10,392,626)</u>	<u>(3,388,495)</u>
Loss per share- Basic and diluted	10 (0.36)	(0.14)	(0.35)	(0.11)

The annexed notes from 1 to 10 form an integral part of these financial statements.



Chairman & Chief Executive

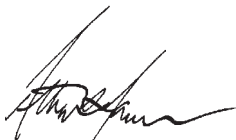


Director

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2007
(UN-AUDITED)**

	Jul 01, 2006 to Mar. 31, 2007 Rupees	Jul 01, 2005 to Mar. 31, 2006 Rupees
Cash flows from operating activities:		
Loss for the year before taxation	(10,853,268)	(10,392,626)
Adjustment for:		
Depreciation	301,410	301,803
Amortization of deferred costs	285,246	228,196
Financial charges	19,186,263	6,938,603
	<hr/>	<hr/>
Loss before working capital changes	8,919,651	(2,924,025)
Working capital changes		
(Increase) / Decrease in current assets		
Loans and advances	3,116,458	(129,071,005)
Prepayments	(1,459,703)	31,558
Other receivable	(1,593,765)	1,927,620
(Decrease) in current liabilities		
Other payables	(6,908,453)	539,872
	<hr/>	<hr/>
Net cash used from operating activities	15,891,094	(129,495,980)
Cash flows from financing activities:		
Short term loan	-	132,000,000
Financial charges paid	(10,594,166)	(3,317,372)
Payment of lease instalments	(5,299,470)	(225,031)
	<hr/>	<hr/>
Net cash generated from financing activities	(15,893,636)	128,457,597
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(2,542)	(1,038,383)
Cash and cash equivalents at the beginning of the period	21,186	1,114,840
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	18,644	76,458
	<hr/> <hr/>	<hr/> <hr/>

The annexed notes from 1 to 10 form an integral part of these financial statements.



Chairman & Chief Executive



Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2007
(UN-AUDITED)**

	Issued, subscribed and paid up capital			Revenue reserve	Shareholders' equity
	Ordinary Class 'A' shares	Ordinary Class 'B' shares	Total	Accumulated loss	
	----- Rupees -----				
Balance as at July 1, 2005	225,000,000	75,000,000	300,000,000	(6,297,028)	293,702,972
Shares issued for cash	-	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-
Net loss for the period	-	-	-	(10,392,626)	(10,392,626)
Balance as at March 31, 2006	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(16,689,654)</u>	<u>283,310,346</u>
Balance as at July 1, 2006	225,000,000	75,000,000	300,000,000	(24,403,506)	275,596,494
Shares issued for cash	-	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-
Net loss for the period	-	-	-	(10,853,268)	(10,853,268)
Balance as at March 31, 2007	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(35,256,774)</u>	<u>264,743,226</u>

The annexed notes from 1 to 10 form an integral part of these financial statements.



Chairman & Chief Executive



Director

- 4.1 This represents investment in a 99.71% owned subsidiary AMZ Access (Private) Limited , a limited liability company incorporated in Pakistan. The investment in subsidiary is stated at cost.
- 4.2 No impairment has been provided in these financial statements as the management is confident that the value-in-use to be derived from projected future dividends will exceed the current carrying value.
- 4.3 The Securities and Exchange Commission of Pakistan (SECP) vide its letter No. NBFC / MF-DD(R) / 642 / 2004 dated July 27, 2004 has permitted the company to issue its 7.5 million ordinary class 'B' shares @ Rs.10/- each against consideration otherwise than in cash, that is, against acquisition of 7.5 million ordinary shares of AMZ Access (Private) Limited [formerly Go Internet and Softwares Services (Private) Limited] at Rs.10/- each, in relaxation of Rule 7 (2) (i) of the NBFC Rules, 2003 in terms of Rule 84 of the NBFC Rules and Rule 8 of the Companies (Issue of Capital) Rules, 1996.
- 4.4 The company initially as outlined in note 4.3 above created its shareholding in AMZ Access (Private) Limited through an exchange of shares and subsequently made investments through cash amounting to Rs. 229,128,440. Hence, making up the investment of Rs. 304,128,440.

March 31, 2007 **June 30, 2006**
 ----- Rupees -----

5. AUTHORIZED SHARE CAPITAL

Number of ordinary shares of Rs.10/- each				
2007	2006			
92,500,000	92,500,000	Ordinary class A shares of Rs.10/- each	925,000,000	925,000,000
7,500,000	7,500,000	Ordinary class B shares of Rs.10/- each	75,000,000	75,000,000
<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000,000</u>	<u>1,000,000,000</u>

6. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Number of ordinary shares of Rs.10/- each				
2007	2006			
22,500,000	22,500,000	Ordinary class A shares of Rs.10/- each fully paid	225,000,000	225,000,000
7,500,000	7,500,000	Ordinary class B shares of Rs.10/- each for consideration other than cash	75,000,000	75,000,000
<u>30,000,000</u>	<u>30,000,000</u>		<u>300,000,000</u>	<u>300,000,000</u>


Chairman & Chief Executive


Director

7. LONG TERM FINANCES

During the period the facility obtained from the Bank of Punjab has been rescheduled. As per the revised agreement the facility will be repaid in two quarterly installments starting from September 2008 and hence the facility has been classified as long-term. Rate of markup and its payment terms are still the same.

8. CONTINGENCY AND COMMITMENT

There has been no change in the status of contingency and commitments since June 30, 2006.

9. TRANSACTIONS WITH RELATED PARTIES

Mar. 31, 2007 Jun. 30, 2006
 Rupees

Transactions with related parties not disclosed anywhere else in the financial statements are:

AMZ Asset Management Limited (Common Directorship)

Reimbursement of expenses	304,470	-
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AMZ Securities (Private) Limited (Common Directorship)

Interest on carry over transactions	-	214,621
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10. LOSS PER SHARE

Basic

Loss per share is calculated by dividing the net loss for the period by the weighted average number of shares outstanding during the year as follows:

	July 01, 2006 to Mar. 31, 2007	July 01, 2005 to Mar. 31, 2006
 Rupees	

Net loss for the year / period attributable

to ordinary shareholders	<u>(10,853,268)</u>	<u>(10,392,626)</u>
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Weighted average number of shares outstanding	<u>30,000,000</u>	<u>30,000,000</u>
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Loss per share	<u>(0.36)</u>	<u>(0.35)</u>
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Dilutive

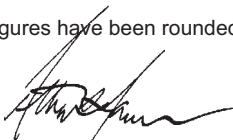
No figure for diluted loss per share has been presented as the impact of dilution on the net loss attributable to ordinary shareholders would be anti dilutive.

11. GENERAL

11.1 These financial statements were authorized for issue by the Board of Directors on April 30, 2007.

The figures of the profit and loss account of the quarters ended March 31, 2007 and March 31, 2006 have not been reviewed by the external auditors.

11.2 Figures have been rounded off to the nearest rupee.



Chairman & Chief Executive



Director



AMZVentures
SYNERGY OF MINDS

AMZ Ventures Limited and Subsidiaries

Consolidated
Financial Statements
(Un-Audited)

For The Period Ended
March 31, 2007

**CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2007**

	Note	(Un-audited) March 31, 2007	June 30, 2006
----- Rupees -----			
ASSETS			
Non-current assets			
Fixed assets		178,152,727	210,186,978
Long term advances		-	74,990
Deferred costs		6,427,360	8,653,965
Long term deposits		5,672,662	5,271,434
		<u>190,252,749</u>	<u>224,187,367</u>
Current assets			
Current portion of non-current assets		139,640	729,310
Trade debts		37,141,283	39,731,989
Advances		3,760,122	3,363,274
Trade deposits and prepayments		2,322,966	3,473,067
Other receivable		2,804,813	12,419,028
Cash and bank balances		1,863,965	34,984,286
		<u>48,032,789</u>	<u>94,700,954</u>
TOTAL ASSETS		<u>238,285,538</u>	<u>318,888,321</u>
EQUITY AND LIABILITIES			
Authorized share capital		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up share capital		300,000,000	300,000,000
Accumulated loss		(392,529,559)	(287,048,626)
Exchange difference on translation of foreign operations		(373,052)	(97,084)
		<u>(92,902,610)</u>	<u>12,854,290</u>
Minority interest		(267,016)	74,057
Total Equity		<u>(93,169,626)</u>	<u>12,928,347</u>
Non-current liabilities			
Liability against assets subject to finance lease		37,300,364	42,661,296
Long term Finances		162,000,000	24,000,000
Deferred income		237,878	317,174
Long term deposits		278,556	428,556
		<u>199,816,798</u>	<u>67,407,026</u>
Current liabilities			
Short term loans and murabaha finance		40,000,000	177,500,000
Current maturity of liabilities against assets subject to finance lease		7,010,760	4,721,013
Current maturity of longterm finance	7	-	-
Trade and other payables		77,078,962	53,307,710
Accrued mark up		6,712,961	2,203,771
Provision for taxation		835,683	820,456
		<u>131,638,366</u>	<u>238,552,949</u>
Contingency and Commitment			
TOTAL EQUITY AND LIABILITIES		<u>238,285,538</u>	<u>318,888,321</u>

The annexed notes form an integral part of these financial statements.


Chairman & Chief Executive


Director

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2007
(UN-AUDITED)**

	July 01, 2006 to March 31, 2007	January 01, 2007 to March 31, 2007	July 01, 2005 to March 31, 2006	January 01, 2006 to March 31, 2006
Note				
	----- Rupees -----			
Revenue - net	53,507,384	18,185,974	128,859,457	48,135,544
Cost of services	<u>(71,518,922)</u>	<u>(22,599,254)</u>	<u>(123,140,606)</u>	<u>(46,170,273)</u>
Gross loss	(18,011,538)	(4,413,280)	5,718,851	1,965,271
Other income	223,296	26,432	25,469,300	24,967,187
Marketing and distribution costs	(3,563,801)	(1,492,845)	(11,745,087)	(2,464,846)
Administrative expenses	<u>(38,725,908)</u>	<u>(8,460,559)</u>	<u>(93,595,871)</u>	<u>(17,608,190)</u>
Operating loss	(60,077,951)	(14,340,252)	(74,152,807)	6,859,422
Amortization of intangibles	(17,474,078)	(5,824,693)	(2,329,702)	(630,742)
Finance cost	<u>(28,254,750)</u>	<u>(8,435,045)</u>	<u>(16,518,147)</u>	<u>(6,580,281)</u>
Loss before taxation and minority interest	(105,806,779)	(28,599,990)	(93,000,656)	(351,601)
Taxation				
- Current	(15,227)	(1,524)	(204,142)	(147,643)
- Prior				
- Deferred				
	<u>(105,822,006)</u>	<u>(28,601,514)</u>	<u>(93,204,798)</u>	<u>(499,244)</u>
Loss attributable to minority interest	341,073	80,911	335,537	1,797
Loss for the period	<u>(105,480,933)</u>	<u>(28,520,603)</u>	<u>(92,869,261)</u>	<u>(497,447)</u>
Loss per share- basic and diluted	8 <u>(3.52)</u>	<u>(0.95)</u>	<u>(3.10)</u>	<u>(0.02)</u>

The annexed notes form an integral part of these financial statements.



Chairman & Chief Executive



Director

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2007
(UN-AUDITED)**

	Mar. 31, 2007 Rupees	Mar. 31, 2006 Rupees
Cash flows from operating activities:		
Loss for the year before taxation	(105,806,779)	(93,000,656)
Adjustment for:		
Depreciation	11,161,482	11,171,503
Amortization of intangibles and deferred costs	19,784,844	2,475,869
Provision for bad debts	-	7,303,925
Financial charges	28,423,412	1,456,988
Amortization of deferred income	(79,296)	-
Exchange Loss	(168,662)	29,661
Loss on sale of fixed assets	1,656,492	-
Cash used in operations before working capital changes	<u>(45,028,507)</u>	<u>(70,562,711)</u>
Working capital changes		
(Increase) in trade debtors	2,590,706	(42,226,642)
(Increase) in advances, deposits, & prepayments	753,253	(164,045,063)
Other receivables	9,614,215	(1,927,620)
(Decrease) in other payables	23,718,652	151,124,793
Cash used in operations	<u>(8,351,681)</u>	<u>(123,782,003)</u>
Decrease in long term advance	74,990	359,852
Decrease in long term deposits	(150,000)	(3,878,521)
(Decrease) in long term deposits and deferred cost	188,442	(946,265)
Net cash used in operating activities	<u>(8,238,249)</u>	<u>(128,246,937)</u>
Cash flows from investing activities:		
Sale proceeds from sale of assets	978,314	17,247,220
Purchase of fixed assets	(51,950)	(13,971,756)
Increase in capital work in progress	-	(2,575,465)
Cost incurred for intangible assets	-	(28,703,231)
Net cash used in investing activities	<u>926,364</u>	<u>(28,003,232)</u>
Cash flows from financing activities:		
Increase in long term loan and murabaha finance	500,000	-
Increase in short term finance	-	151,500,000
Financial charges paid	(18,460,152)	(3,317,372)
Payment of lease instalments	(7,848,284)	(4,371,980)
Net cash generated from financing activities	<u>(25,808,436)</u>	<u>143,810,648</u>
Net increase in cash and cash equivalents	<u>(33,120,321)</u>	<u>(12,439,521)</u>
Cash and cash equivalents at the beginning of the period	34,984,286	14,191,016
Cash and cash equivalents at the end of the period	<u>1,863,965</u>	<u>1,751,496</u>

The annexed notes form an integral part of these financial statements.



Chairman & Chief Executive



Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2007
(UN-AUDITED)**

	Issued, subscribed and paid up capital			Accumulated Loss	Exchange difference on translation of foreign operations	Minority Interest	Total Equity
	Ordinary Class 'A' shares	Ordinary Class 'B' shares	Total				
	----- Rupees -----						
Balance as at July 1, 2005	225,000,000	75,000,000	300,000,000	(130,305,695)	-	574,212	170,268,517
Shares issued for cash	-	-	-	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-	-	-
Net loss for the period	-	-	-	(92,869,261)	-	(291,321)	(93,160,582)
Balance as at March 31, 2006	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(223,174,956)</u>	<u>-</u>	<u>282,891</u>	<u>77,107,935</u>
Balance as at July 1, 2006	225,000,000	75,000,000	300,000,000	(287,048,626)	(97,084)	74,057	12,928,347
Shares issued for cash	-	-	-	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-	-	-
Net loss for the period	-	-	-	(105,822,006)	(275,968)	(341,073)	(106,097,973)
Balance as at March 31, 2007	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(392,870,632)</u>	<u>(373,052)</u>	<u>(267,016)</u>	<u>(93,169,626)</u>

The annexed notes form an integral part of these financial statements.


Chairman & Chief Executive


Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2007
(UN-AUDITED)**

1 THE COMPANY AND ITS OPERATIONS

AMZ Ventures Limited (The company) was incorporated in Pakistan as a Public Limited Company on May 13, 2004 under the Companies Ordinance, 1984. The company was granted listing on the Karachi Stock Exchange on December 13, 2004. The registered office of the company is situated at 19th Floor, Tower B, Saima Trade Tower, I.I. Chundrigar Road, Karachi, Pakistan. The company is licensed to undertake Venture Capital Investments business as a Non-Banking Finance Company in accordance with Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules").

The principal activity of the company is to invest in rapidly growing companies, purchase equity securities, assist in the development of new products or services and also to add value to a company through active participation or to act as a management company for the management of venture capital fund.

The Securities and Exchange Commission of Pakistan (SEC) has allowed the company to expose more than forty per cent of its equity attributable to venture capital investment segment to any single person or group of companies, in relaxation of Rule 22 (a) of the NBFC Rules, 2003 in terms of Rule 84 of the NBFC Rules.

AMZ Ventures Limited acquired Go Internet and Software Services (private) Limited (Gonet) on July 28, 2004. Gonet was incorporated in Pakistan on June 09, 2000 under the Companies Ordinance, 1984 as a private limited company. The principal activity of Gonet is Business Process Outsourcing (BPO) which includes medical transcription, medical billing, call centres, software development etc. and internet services. Gonet has established its subsidiary AMZ Access Inc. USA on May 24, 2004. The principal activity of AMZ Access Inc. is to directly and/or indirectly acquire, manage and/or maintain the business of business processing outsourcing. AMZ Access Inc. has made its first acquisition of Global Transcriptions in USA on October 01, 2004.

2. BASIS OF PREPARATION

These un-audited financial statements have been prepared in compliance with the International Accounting Standard 34 'Interim Financial Reporting' as applicable in Pakistan.

3. SIGNIFICANT ACCOUNTING POLICIES

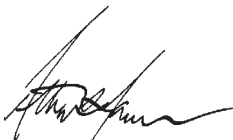
The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2006.

4. The consolidated financial statements comprise the financial statements of AMZ Ventures Limited and its subsidiary AMZ Access (Private) Ltd. and its allied subsidiaries. The financial statements of the parent and subsidiary companies were prepared upto the same reporting date using consistent accounting policies and are combined on a line by line basis.

The financial statements of the subsidiaries have been consolidated from the date on which control was transferred to the company.

All intercompany balances, transactions and resulting unrealized profits, if any, are eliminated.

Minority interest represents the interests in AMZ Access (Private) Limited, not held by the group.



Chairman & Chief Executive



Director

5. TANGIBLE FIXED ASSETS

Tangible fixed assets comprise of furniture and fixtures, computers, office equipments, communication equipments, medical transcription equipments, network equipment. It also include leased vehicles and lease hold property at 16th floor, Tower-B, Saima Trade Towers, I. I. Chundrigar Road, Karachi.

6. INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the subsidiary at the date of acquisition. Goodwill is amortized on a straight-line basis over its useful economic life not exceeding 20 years. Goodwill is stated at cost less accumulated amortization and any impairment in value.

Software

These are stated at cost less accumulated amortization and impairment, if any.

Amortization (except for goodwill mentioned above) is provided on a straight-line basis and are being amortized over a period of 3 years starting from July 1, 2005.

The carrying value of intangible assets are reviewed for impairment when events or changes in circumstances indicated that the carrying values may not be recoverable.

Contractual obligations

These are binding revenue generating contractual obligations.

7. LONG TERM FINANCES

During the period the facility obtained from the Bank of Punjab has been rescheduled. As per the revised agreement the facility will be repaid in two quarterly installments starting from September 2008 and hence the facility has been classified as long-term. Rate of markup and its payment terms are still the same.

8. BASIC LOSS PER SHARE

Basic earning per share are calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year as follows:

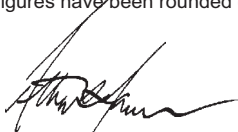
	Mar. 31, 2007	Mar. 31, 2006
 Rupees	
Net loss for the year attributable to ordinary shareholders	(105,480,933)	(92,869,261)
Weighted average number of shares outstanding	<u>30,000,000</u>	<u>30,000,000</u>
Loss per share (Rupees)	<u>(3.52)</u>	<u>(3.10)</u>

Dilutive

No figure for diluted earning / loss per share has been presented as the company has not yet issued any instruments which would have an impact on earnings per share when exercised.

9. General

- 9.1 These financial statements were authorized for issue by the Board of Directors on April 30, 2007.
- 9.2 Figures have been rounded off to the nearest rupee.



Chairman & Chief Executive



Director

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