

**QUARTERLY REPORT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2006  
(Un-audited)**



**AMZ Ventures Limited**

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**CORPORATE INFORMATION**

<b>Board of Directors</b>	Mr. Athar Haneef Naseem Shaikh M/s Fauzia Hasnain Mr. Inaam-ul-Haque Mr. Yacoob Shakoor Tabani Mr. Gohar Sharif Butt Mr. Rehman Ghani Mr. Dawood Nasir Paul	Chairman & Chief Executive Director Director Director Resigned Resigned Director
<b>Audit Committee</b>	Mr. Yacoob Shakoor Tabani Mr. Gohar Sharif Butt M/s Fauzia Hasnain	Chairman Member Member
<b>Chief Financial Officer &amp; Co. Secretary</b>	Mr. Muhammad Shahid Jamal	
<b>Chief Internal Auditor</b>	Mr. Zeeshan-ur-Rab	
<b>Legal Advisors</b>	Mohsin Tayebaly & Co. Barristers & Advocates	
<b>Auditors</b>	Anjum Asim Shahid Rahman Chartered Accountants (A Member of Grant Thornton International)	
<b>Share Registrars</b>	THK Associates (Pvt.) Ltd. Ground Floor, Statelife Building # 3, Dr. ZiauddinAhmed Road, Karachi-75530.	
<b>Registered Office</b>	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	

**DIRECTORS' REPORT**

On behalf of the Board, I would like to present your company's first quarter, un-audited financial statements for the period ended September 30, 2006.

AMZVL's first venture capital investment has been in the area of information Technology(IT), where it has invested the entire proceeds of the public issue (with the permission of SECP), in its fully owned subsidiary, AMZ Access (Private) Limited (AAPL). The subsidiary is engaged in Business Process Outsourcing (BPO), primarily for customers and clients in the USA, with a special focus on the the US healthcare sector. Under this structure, the business is sourced in the US, while data production and processing activities are conducted in Pakistan. AAPL, in turn fully owns a US based company, AMZ Access Inc., which is responsible for US based acquisitions and marketing. Prior to the public issue, AMZ Access Inc. had conducted its first acquisition in the US of a medical transcription company, Global Transcription Inc., which is located in St. Louis, Missouri.

The financial statements of AMZVL reflect a consolidation of the financial performance of AAPL as well as its US based subsidiaries.

**Operation Review**

As a consequence of the company's decision not to further pursue the preference share issue (highlighted in the company's 2006 annual report) your company is facing significant funding constraints which has impacted the envisaged capacity build up in its Medical Transcription facilities, as well as curbed the company's marketing activities in the USA for its software products. The bridge finance facilities availed by the company against the proposed issuance of Preference Shares also put a heavy burden on the company in the form of financial charges. However, during the quarter under review our Business Intelligence software tool - SAPIENCE was licensed to a number of multinational pharmaceutical companies operating locally, and it is expected that this tool will be the front runner in software sales in the ensuing quarters. We are hopeful that sales of SAPIENCE will be extended to the Middle East in the upcoming calander year, which would result in greatly enhanced revenues for the company during the remaining quarters of the year 2006-2007.

**Financial Review**

Financial result for the quarter July to September 2006 both on an individual and Consolidated basis are as follows:

**July - September  
2006  
(Rupees in Million)**

	<b>AMZVL Only</b>	<b>Consolidated</b>
Turnover	3.512	19.281
Cost of Services	-	(26.375)
Gross Profit	3.512	(7.093)
Other Income	-	0.439
Administrative expenses	(2.462)	(16.186)
Marketing and distribution expenses	-	(1.338)
Amortization of Intangibles	-	(5.653)
Finance Cost	(4.984)	(9.060)
Loss before Tax	(3.934)	(38.892)
Taxation	-	(0.009)
Loss after taxation	(3.934)	(38.901)
Loss per share	(0.130)	(1.290)

On a consolidated basis during the period July to September 2006, cost of services stood at Rs. 26.374 million which is 58% less than the corresponding period during the last year. This decrease in cost was due to aggressive cost cutting measures and also closing down of non-profitable departments by the management. The management is confident that the sale of its software products will pick up during the third and fourth quarter of the current financial year, which will result in higher revenues for the company.

**Acknowledgment**

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 appreciation for the help of the Karachi Stock Exchange, Securities & Exchange Commission of Pakistan, State Bank of Pakistan and other regulatory authorities for their support and guidance.

For and on behalf of the Board of Directors

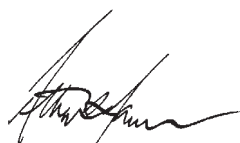
Athar Haneef Naseem Shaikh

Date : October 31, 2006

Chairman & Chief Executive

**BALANCE SHEET  
AS AT SEPTEMBER 30, 2006  
(UN-AUDITED)**

Note	September 30, 2006	Un-audited June 30, 2006
	..... Rupees.....	
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	38,975,673	39,076,144
Long term investment	304,128,440	304,128,440
Deferred costs	1,069,673	1,140,984
Long term deposits	80,200,000	80,200,000
	<u>424,373,786</u>	<u>424,545,568</u>
<b>Current assets</b>		
Advances	18,637,758	20,676,900
Prepayments	107,421	107,421
Other receivable	225,745	259,495
Cash and bank balances	35,114	21,186
	<u>19,006,038</u>	<u>21,065,002</u>
	<u>443,379,824</u>	<u>445,610,570</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Authorised share capital</b>	1,000,000,000	1,000,000,000
Issued, subscribed and paid-up share capital	300,000,000	300,000,000
Accumulated loss	(28,337,718)	(24,403,506)
	<u>271,662,282</u>	<u>275,596,494</u>
<b>Non-current liabilities</b>		
Long term finance	12,000,000	12,000,000
Liability against asset subject to finance lease	32,524,066	33,187,162
<b>Current liabilities</b>		
Current maturity of liabilities against assets subject to finance lease	2,303,632	1,958,684
Short term finance	120,000,000	120,000,000
Other payables	4,872,735	2,851,121
Accrued financial charges	17,109	17,109
	<u>127,193,476</u>	<u>124,826,914</u>
Contingency and Commitment	-	-
	<u>443,379,824</u>	<u>445,610,570</u>



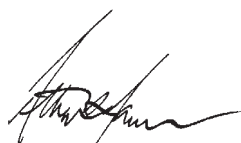
Chairman & Chief Executive



Director

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

	September 30, 2006 Rupess	September 30, 2005 Rupess
Revenue - net	3,512,175	-
Administrative expenses	(2,462,598)	(3,860,218)
Finance cost	(4,983,789) (7,446,387)	(1,708,814) (5,569,032)
<b>Loss before taxation</b>	<u>(3,394,212)</u>	<u>(5,569,032)</u>
Taxation	-	-
Loss for the year	<u>(3,394,212)</u>	<u>(5,569,032)</u>
Loss per share- basic and diluted	<u>(0.13)</u>	<u>(0.20)</u>



Chairman & Chief Executive

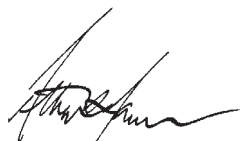


Director

**CASH FLOW STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

	September 30, 2006 Rupess	September 30, 2005 Rupess
<b>Cash flows from operating activities:</b>		
Loss for the year before taxation	(3,934,212)	(5,569,032)
Adjustment for:		
Interest Income	-	
Depreciation	100,470	80,366
Amortisation of deferred costs	71,312	95,082
Financial charges	4,983,789	1,707,864
Deferred cost incurred	-	-
	<hr/>	<hr/>
Loss before working capital changes	1,221,359	(3,685,720)
<b>Working capital changes</b>		
<b>Decrease in current assets</b>		
Advances	2,039,142	1,458,950
Prepayments	-	-
Other receivable	33,750	(164,002)
<b>Increase in current liabilities</b>		
Other payables	1,856,614	1,392,629
	<hr/>	<hr/>
<b>Net cash used from operating activities</b>	5,150,865	(998,143)
<b>Cash flows from investing activities:</b>		
Investment in subsidiary	-	(60,000,000)
Net cash used in investing activities	<hr/>	<hr/>
	-	(60,000,000)
<b>Cash flows from financing activities:</b>		
Short term loan	-	60,000,000
Financial charges paid	(3,535,447)	-
Payment of lease instalments	(1,601,490)	(101,490)
<b>Net cash generated from financing activities</b>	<hr/>	<hr/>
	(5,136,937)	59,898,510
	<hr/>	<hr/>
<b>Net (decrease) / increase in cash and cash equivalents</b>	13,928	(1,099,633)
<b>Cash and cash equivalents at the beginning of the period</b>	21,186	1,114,840
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<hr/>	<hr/>
	35,114	15,207

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



Chairman & Chief Executive

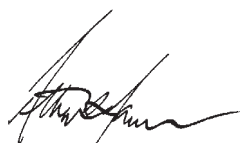


Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

	Issued, subscribed and paid up capital			Accumulated Loss	Total
	Ordinary Class 'A' shares	Ordinary Class 'B' shares	Total		
	----- Rupees -----				
<b>Balance as at June 30, 2005</b>	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	-	-	-	(5,569,032)	(5,569,032)
<b>Balance as at September 30, 2005</b>	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(11,866,060)</u>	<u>288,133,940</u>
<b>Balance as at June 30, 2006 (Un-audited)</b>	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	-	-	-	(3,934,212)	(3,934,212)
<b>Balance as at September 30, 2006</b>	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(28,337,718)</u>	<u>271,662,282</u>

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



Chairman & Chief Executive



Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

1. AMZ Ventures Limited was incorporated in Pakistan as a Public Limited Company on May 13, 2004 under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. 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.

2. These financial statements are being submitted to the shareholders as required under section 245 of the Companies (Amendment) Ordinance, 2002. These have been prepared in compliance with the International Accounting Standard 34 'Interim Financial Reporting'.
3. 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.

	<b>September 30, 2005</b>	<b>Un-audited June 30, 2006</b>
.....	.....	.....
	..... <b>Rupess</b> .....	

**4. LONG TERM INVESTMENT**

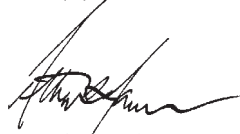
**Investment in related party - at cost**

**Unquoted**

AMZ Access (Private) Limited [formerly Go Internet and Softwares Services (Private) Limited] - a subsidiary company  
30,412,844 (2006: 30,412,844) fully paid ordinary shares of Rs. 10/- each

304,128,440	304,128,440
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- 4.1 This represents investment in a 99.71% owned subsidiary AMZ Access (Private) Limited [formerly Go Internet and Softwares Services (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 (SEC) vide its letter No. NBFC / MF-DD(R) / 642 / 2004 dated July 27, 2004 has permitted the company to issue its 7.5



**Chairman & Chief Executive**



**Director**

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 [formerly Go Internet and Softwares Services (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.

**September 30, 2005**                      **Un-audited June 30, 2006**  
 ..... Rupess .....

**5. AUTHORISED SHARE CAPITAL**

Number of ordinary shares of Rs.10/- each				
2006	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**

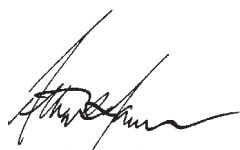
Number of ordinary shares of Rs.10/- each				
2006	2006			
22,500,000	22,500,000	Ordinary class A shares of Rs.10/- each fully paid in cash	225,000,000	225,000,000
7,500,000	7,500,000	Ordinary class B shares of Rs.10/- each for consideration other than cash - Share Swap	75,000,000	75,000,000
<u>30,000,000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

**7. TRANSACTIONS WITH RELATED PARTIES**


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

**AMZ Asset Management Limited**

Reimbursement of expenses	101,490	-
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**Chairman & Chief Executive**



**Director**

**8. 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:

	<b>September 30, 2006 Rupees</b>	<b>September 30, 2005 Rupees</b>
Net loss for the year / period attributable to ordinary shareholders	<u>(3,934,212)</u>	<u>(5,569,032)</u>
Weighted average number of shares outstanding	<u>30,000,000</u>	<u>28,333,333</u>
Loss per share	<u>(0.13)</u>	<u>(0.20)</u>

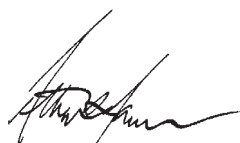
**Dilutive**

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.

**9. GENERAL**

**9.1** These financial statements were authorized for issue by the Board of Directors on October 31, 2006.

**9.2** Figures have been rounded off to the nearest rupee.



**Chairman & Chief Executive**



**Director**



# **AMZ Ventures Limited and Subsidiaries**

Consolidated  
Financial Statements  
(Un-Audited)

For the period ended  
September 30, 2006

**CONSOLIDATED BALANCE SHEET  
 AS AT SEPTEMBER 30, 2006  
 (UN-AUDITED)**

	Note	September 30, 2006	Un-audited June 30, 2006
<b>ASSETS</b>		..... Rupees .....	
<b>Non-current assets</b>			
Fixed assets		200,479,525	210,186,978
Long term advances		-	74,990
Deferred costs		7,343,525	8,653,965
Long term deposits		5,856,782	5,271,434
		<u>213,679,832</u>	<u>224,187,367</u>
<b>Current assets</b>			
Current portion of non-current assets		727,788	729,310
Trade debts		40,288,315	39,731,989
Advances		3,977,933	3,363,274
Trade deposits and prepayments		3,021,419	3,473,067
Other receivable		10,636,118	12,419,028
Cash and bank balances		3,000,607	34,984,286
		<u>61,652,180</u>	<u>94,700,954</u>
		<u>275,332,012</u>	<u>318,888,321</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorised share capital</b>			
		<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		(325,824,454)	(287,048,626)
Exchange difference on translation of foreign operations		(175,453)	(97,084)
		<u>(25,999,907)</u>	<u>12,854,290</u>
Minority interest		(51,565)	74,057
<b>Non-current liabilities</b>			
Liability against asset subject to finance lease		41,265,666	42,661,296
Long term loan and murabaha finance		144,000,000	24,000,000
Deferred income		290,742	317,174
Long term deposits		278,556	428,556
		<u>185,834,964</u>	<u>67,407,026</u>
<b>Current liabilities</b>			
Short term finance		58,000,000	177,500,000
Trade and other payables		49,535,280	53,307,710
Accrued mark up		2,064,841	2,203,771
Current maturity of liabilities against assets subject to finance lease		5,118,449	4,721,013
Provision for taxation		829,950	820,456
		<u>115,548,520</u>	<u>238,552,949</u>
Contingency and Commitment		-	-
		<u>275,332,012</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 SEPTEMBER 30, 2006  
(UN-AUDITED)**

	<b>September 30, 2006 Rupess</b>	<b>September 30, 2005 Rupess</b>
Revenue - net	19,281,227	46,214,950
Cost of services	26,374,805	63,001,122
Gross loss	<u>(7,093,578)</u>	<u>(16,786,172)</u>
Other income	439,232	516,658
Marketing and distribution costs	1,338,608	5,359,123
Administrative expenses	16,186,344	14,014,387
Operating loss	<u>(24,179,298)</u>	<u>(35,643,024)</u>
Amortisation of intangibles	5,653,267	795,585
Finance cost	9,059,744	4,727,903
Loss before taxation and minority interest	<u>(38,892,309)</u>	<u>(41,166,512)</u>
Taxation		
- Current	9,494	34,791
- Prior	-	-
- Deferred	-	-
	<u>9,494</u>	<u>34,791</u>
	<u>(38,901,802)</u>	<u>(41,201,303)</u>
Loss attributable to minority interest	125,974	148,325
Loss for the period	<u>(38,775,828)</u>	<u>(41,052,978)</u>
Loss per share- basic and diluted	<u>(1.29)</u>	<u>(1.45)</u>

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

  
**Chairman & Chief Executive**

  
**Director**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

	<b>September 30, 2006 Rupess</b>	<b>September 30, 2005 Rupess</b>
<b>Cash flows from operating activities:</b>		
Loss for the year before taxation	(38,892,309)	(41,166,512)
Adjustment for:		
Depreciation	3,735,748	3,777,516
Amortisation	5,653,267	795,585
Provision for bad debts	-	365,322
Financial charges	9,059,744	2,199,690
Amortization of deferred income	(26,432)	-
Exchange gain	-	872,983
Cash used in operations before working capital changes	<u>(20,469,981)</u>	<u>(33,155,416)</u>
Working capital changes		
(Increase) in trade debtors	(556,326)	(17,382,548)
(Increase) in advances, deposits and prepayments	(163,011)	(34,739,544)
Decrease in other receivable	1,782,910	-
(Decrease) in other payables	<u>(3,772,430)</u>	<u>26,086,990</u>
<b>Cash used in operations</b>	<u>(23,178,838)</u>	<u>(59,190,518)</u>
Decrease in long term advance	74,990	205,158
Decrease in long term deposits	(150,000)	(2,690,000)
(Decrease) in long term deposits and deferred cost	<u>(585,348)</u>	<u>(156,576)</u>
<b>Net cash used in operating activities</b>	<u>(23,839,196)</u>	<u>(61,831,936)</u>
<b>Cash flows from investing activities:</b>		
Share deposit money	-	68,919,550
Purchase of fixed assets	(45,000)	(8,094,392)
Increase in capital work in progress	-	(4,767,825)
Cost incurred for intangible assets	-	(11,225,194)
<b>Net cash used in investing activities</b>	<u>(45,000)</u>	<u>44,832,139</u>
<b>Cash flows from financing activities:</b>		
Financial charges paid	(5,816,967)	-
Increase in long term loan and murabaha finance	500,000	-
Increase in short term finance	-	19,500,000
Payment of lease instalments	<u>(2,782,518)</u>	<u>(1,416,273)</u>
<b>Net cash generated from financing activities</b>	<u>(8,099,485)</u>	<u>18,083,727</u>
<b>Net increase in cash and cash equivalents</b>	<u>(31,983,681)</u>	<u>1,083,931</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>34,984,288</u>	<u>14,191,017</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>3,000,607</u></u>	<u><u>15,274,947</u></u>

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



**Chairman & Chief Executive**

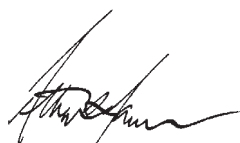


**Director**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED SEPTEMBER 30, 2006  
(UN-AUDITED)**

	Issued, subscribed and paid up capital			Accumulated Loss	Exchange difference on translation of foreign operations	
	Ordinary Class 'A' shares	Ordinary Class 'B' shares	Total			Total
	----- Rupees -----					
<b>Balance as at July 1, 2005</b>	225,000,000	75,000,000	300,000,000	(130,305,695)	-	169,694,305
Shares issued for cash	-	-	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-	-
Net loss for the period	-	-	-	(41,052,978)	-	(41,052,978)
<b>Balance as at September 30, 2005</b>	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(171,358,673)</u>	<u>-</u>	<u>128,641,327</u>
<b>Balance as at July 1, 2006 Un-audited</b>	225,000,000	75,000,000	300,000,000	(287,048,626)	(97,084)	12,854,290
Shares issued for cash	-	-	-	-	-	-
Shares issued for consideration other than cash	-	-	-	-	-	-
Net loss for the period	-	-	-	(38,775,828)	(78,369)	(38,854,197)
<b>Balance as at September 30, 2006</b>	<u>225,000,000</u>	<u>75,000,000</u>	<u>300,000,000</u>	<u>(325,824,454)</u>	<u>(175,453)</u>	<u>(25,999,907)</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 SEPTEMBER 30, 2006  
(UN-AUDITED)**

1. AMZ Ventures Limited was incorporated in Pakistan as a Public Limited Company on May 13, 2004 under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. 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 businesses 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. These financial statements have been prepared in compliance with the International Accounting Standard 34 'Interim Financial Reporting' as applicable in Pakistan.
3. 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.

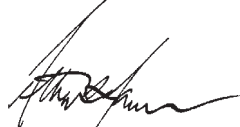
The financial statements of the subsidiaries have been consolidated from the date on which control was transferred to the company.

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.

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.



**Chairman & Chief Executive**



**Director**

**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 is 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. 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:

	<b>September 30, 2006 Rupees</b>	<b>September 30, 2005 Rupees</b>
Net loss for the year attributable to ordinary shareholders	(38,775,828)	(41,052,978)
Weighted average number of shares outstanding	30,000,000	28,333,333
Loss per share (Rupees)	(1.29)	(1.45)

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.

**8. General**

8.1 These financial statements were authorized for issue by the Board of Directors on October 31, 2006.

8.2 Figures have been rounded off to the nearest rupee.



**Chairman & Chief Executive**



**Director**

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**AMZ Ventures Limited**

**19th Floor, Tower B, Saima Trade Towers**

**I.I. Chundrigar Road,**

**Karachi-74000, Pakistan**