



AV VENTURES CORPORATION BERHAD
(Incorporated in Malaysia)
Company No : 108253-W

**QUARTERLY FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2009**

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AV VENTURES CORPORATION BERHAD

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(Company No. 108253-W)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2009

	CURRENT QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 3 months ended 31 March	
	2009 RM'000 Unaudited	2008 RM'000 Unaudited	2009 RM'000 Unaudited	2008 RM'000 Unaudited
Revenue	13,668	15,342	13,668	15,342
Cost of sales	(11,705)	(12,047)	(11,705)	(12,047)
Gross profit	<u>1,963</u>	<u>3,295</u>	<u>1,963</u>	<u>3,295</u>
Other income	-	577	-	577
Administrative expenses	(2,338)	(1,847)	(2,338)	(1,847)
Other expenses	(43)	(167)	(43)	(167)
Profit from operations	<u>(418)</u>	<u>1,858</u>	<u>(418)</u>	<u>1,858</u>
Finance cost	(15)	(186)	(15)	(186)
Interest income	58	21	58	21
(Loss) / Profit before taxation	<u>(375)</u>	<u>1,693</u>	<u>(375)</u>	<u>1,693</u>
Taxation	-	(316)	-	(316)
(Loss) / Profit for the period	<u><u>(375)</u></u>	<u><u>1,377</u></u>	<u><u>(375)</u></u>	<u><u>1,377</u></u>
Attributable to:-				
Shareholders of the Company	(401)	1,101	(401)	1,101
Minority interests	26	276	26	276
(Loss) / Profit for the period	<u><u>(375)</u></u>	<u><u>1,377</u></u>	<u><u>(375)</u></u>	<u><u>1,377</u></u>
(Loss) / Earnings per share				
Basic earnings per share (sen)	<u>(0.69)</u>	<u>2.27</u>	<u>(0.69)</u>	<u>2.27</u>
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

AV VENTURES CORPORATION BERHAD

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(Company No. 108253-W)

CONDENSED CONSOLIDATED BALANCE SHEETS

	As At 31 March 2009 Unaudited RM'000	As At 31 March 2008 Unaudited RM'000
ASSETS		
Property, plant and equipment	9,103	6,800
Development expenditure	3,357	416
Goodwill	245	245
Other investment	10	-
Total non-current assets	<u>12,715</u>	<u>7,461</u>
Inventories	8,950	6,539
Trade & other receivable	15,959	13,547
Current tax assets	404	120
Assets classified as held for sale	-	3,647
Cash and cash equivalents	9,808	7,856
Total current assets	<u>35,121</u>	<u>31,709</u>
TOTAL ASSETS	<u><u>47,836</u></u>	<u><u>39,170</u></u>
EQUITY		
Share capital	58,360	48,526
Share premium	2,421	2,421
Other reserves	700	700
Accumulated losses	(32,020)	(31,267)
Total equity attributable to shareholders of the Company	<u>29,461</u>	<u>20,380</u>
Minority interest	<u>3,614</u>	<u>3,670</u>
Total equity	<u><u>33,075</u></u>	<u><u>24,050</u></u>
LIABILITIES		
Borrowing	-	-
Government grant	158	136
Deferred taxation	416	512
Total non-current liabilities	<u>574</u>	<u>648</u>
Trade & other payables	12,289	9,664
Current tax liabilities	204	167
Government grant	-	44
Borrowing	1,162	4,047
Provision	532	550
Total current liabilities	<u>14,187</u>	<u>14,472</u>
Total Liabilities	<u>14,761</u>	<u>15,120</u>
TOTAL EQUITY AND LIABILITIES	<u><u>47,836</u></u>	<u><u>39,170</u></u>
Net assets per share attributable to shareholders of the Company (sen)	50.48	42.00

(The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

AV VENTURES CORPORATION BERHAD

(Company No. 108253-W)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2009

	Attributable to shareholders of the Company						Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Consolidation Reserves RM'000	Accumulated Losses RM'000	Total RM'000	Minority Interest RM'000	
At 1 January 2009	58,360	2,421	700	(31,619)	29,862	3,588	33,450
Loss for the period	-	-	-	(401)	(401)	26	(375)
At 31 March 2009	58,360	2,421	700	(32,020)	29,461	3,614	33,075
At 1 January 2008	48,526	2,421	700	(32,368)	19,279	3,725	23,004
Profit for the period	-	-	-	1,101	1,101	276	1,377
Acquisition of additional equity interest in subsidiary	-	-	-	-	-	(331)	(331)
At 31 March 2008	48,526	2,421	700	(31,267)	20,380	3,670	24,050

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

AV VENTURES CORPORATION BERHAD

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(Company No. 108253-W)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	3 months ended 31 March	
	2009	2008
	Unaudited RM'000	Unaudited RM'000
Operating Activities		
Net Profit Before Taxation	(375)	1,693
Adjustment for non-cash flow items:		
Depreciation	623	381
Amortisation of goodwill	-	-
Amortisation of development costs	42	26
Amortisation of government grant	(10)	(7)
Interest expense	15	186
Interest income	(58)	(21)
Provision for warranties	85	45
Reversal of provision	(76)	(45)
Negative goodwill arising from acquisition of shares in subsidiaries	-	74
Gain on disposal of a property, plant and equipment	-	(163)
Impairment loss on property, plant and equipment	-	-
Operating Profit Before Changes In Working Capital	246	2,169
Changes In Working Capital		
Net change in current assets	(1,181)	(1,851)
Tax paid	(217)	(112)
Net change in current liabilities	(193)	975
Net Cash Flows Generated From / (Used in) Operating Activities	(1,345)	1,181
Investing Activities		
Purchase of shares in a subsidiary	-	(405)
Purchase of property, plant & equipments	(183)	(90)
Proceed from sale of property, plant & equipments	-	5,025
Development cost incurred	(494)	-
Interest received	58	21
Net Cash Flows Generated From / (Used in) Investing Activities	(619)	4,551
Financing Activities		
Proceed from Murabahah Capital Financing	858	1,757
Repayment of borrowings	(967)	(5,896)
Government grant received	30	118
Deposit released/(pledged)	(1,000)	23
Repayment of finance lease and hire purchase creditors	(10)	-
Dividend paid to minority shareholders of a subsidiary	-	-
Interest paid	(15)	(186)
Net Cash Generated From / (Used in) Financing Activities	(1,104)	(4,184)
Net Change in Cash and Cash Equivalents	(3,068)	1,548
Cash And Cash Equivalents At Beginning of Period	11,118	5,446
Cash And Cash Equivalents At End of Period	8,050	6,994
Cash and cash equivalents at end of the quarter in the condensed consolidated cash flow statement comprise the following balance sheet amounts:		
Deposits with licensed banks	8,047	2,994
Cash and bank balances	1,761	4,862
Bank overdraft	(254)	(368)
	9,554	7,488
Deposits pledged as security	(1,504)	(494)
	8,050	6,994

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements)

PART A – DISCLOSURE NOTES AS REQUIRED UNDER FRS 1342004

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

2. Changes in accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the financial statements for the year ended 31 December 2008 except for the adoption of the following revised Financial Reporting Standards (FRS) and new Interpretations effective for financial period beginning 1 January 2009:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Share in Co-operative Entities and Similar Instruments
IC Interpretation 5	Right to interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 1292004 - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

FRS 139 Financial Instruments: Recognition and Measurement has been deferred and has not been adopted by the Group.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

3. Auditors' Report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the year ended 31 December 2008 in their report dated 21 April 2009.

4. Segmental reporting

The Group operates wholly in Malaysia. Financial information by industry segments is not presented as the Group's activities are principally engaged in the manufacturing and supplying of automotive and related components.

5. Comment about seasonal or cyclical factors

There were no material seasonal or cyclical factors affecting the income and performance of the Group for the current financial period.

6. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the current financial period.

7. Changes in estimates

There were no changes in estimates that have had material effect in the current quarter and financial period to date results.

8. Debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial period.

9. Dividend paid

There was no dividend paid for the current financial period.

10. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The Group did not revalue any of its property, plant and equipment.

11. Changes in the composition of the group

There were no changes in the composition of the Group during the current quarter and financial period to date.

12. Contingent liabilities and contingent assets

There were no changes in contingent liabilities or contingent assets since the last annual financial statements as at 31 December 2008 till the date of this quarterly report.

13. Capital commitment

There were no material capital commitments to be disclosed in the financial statement for the current financial period.

14. Subsequent events

There were no material events subsequent to the balance sheet date to be disclosed in the financial statement for the current financial period.

**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA
SECURITIES BERHAD LISTING REQUIREMENT**

15. Review of performance

The Group achieved a revenue of RM13.668 million for the period ended 31 March 2009 which represents an decrease of RM1.674 million or 10.91% as compared to the corresponding financial period.

The Group recorded a loss before taxation and minority interest of RM0.375 million for the period ended 31 March 2009 as compared to profit before taxation and minority interest of RM1.693 million in the corresponding financial period ended 31 March 2008.

16. Comparison with preceding quarter's results

The Group revenue decreased by RM0.076 million or approximately 0.55% compared to the preceding quarter. The Group generated a profit before taxation and minority interest of RM0.375 million for the current quarter as compared to profit before taxation and minority interest of RM1.908 million in the preceding quarter.

17. Prospects

In view of the current uncertainties over the local and global economies, the Group remains cautious of the challenging times ahead. Nevertheless, the Group expects the sales of the new Proton Exora to contribute positively to its revenue.

18. Variance of actual profit from forecast profit

Not applicable as no profit forecast was published.

19. Sale of unquoted investment and properties

There were no sale of unquoted investment and properties for the current financial quarter under review.

20. Purchase or disposal of quoted securities

There were no purchases or disposal of quoted securities for the current quarter under review.

21. Taxation

The taxation for the current quarter and financial year-to-date is as follows:

	Current quarter 31 Mar 2009 RM'000	Year-to-date 31 Mar 2009 RM'000
Tax expenses		
- current period provision	-	-

22. Corporate proposal

There are no corporate proposals announced by the Group as at 31 March 2009.

23. Group borrowings (secured)

Total Group borrowings as at 31 March 2009 are as follows:-

	31 March 2009 (unaudited) RM'000	31 December 2008 (audited) RM'000
Short term borrowings	1,162	1,104
Long term borrowings	-	20
	<u>1,162</u>	<u>1,124</u>

24. Off balance sheet financial instruments

There were no off balance sheet financial instruments for financial period ended 31 March 2009.

25. Material litigation

Further to the disclosure in the previous quarter's report on material litigation, there are no changes in material litigation as at 31 March 2009.

AV VENTURES CORPORATION BERHAD (108253-W)
(Incorporated in Malaysia)
QUARTERLY REPORT – FIRST QUARTER ENDED 31 MARCH 2009

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26. Earnings per share

	Individual Quarter Ended 31 March		Cumulative Quarter Ended 31 March	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
a) Basic				
Net profit/(loss) attributable to shareholders	(401)	1,101	(401)	1,101
Weighted average number of shares outstanding	58,360	48,526	58,360	48,526
Basic earnings / (loss) per share (sen)	(0.69)	2.27	(0.69)	2.27
b) Diluted	N/A	N/A	N/A	N/A

On behalf of the Board
AV VENTURES CORPORATION BERHAD (108253-W)

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Kong Kok Keong
Executive Chairman & Chief Executive Officer