

**UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2012**

**1(a)(i) STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 31 MARCH 2012**

|  | Note | GROUP         |                |             | GROUP          |                |               |
|--|------|---------------|----------------|-------------|----------------|----------------|---------------|
|  |      | 3Q2012        | 3Q2011         | + / (-)     | 9 months ended | 9 months ended | + / (-)       |
|  |      | \$'000        | \$'000         | %           | 31.03.2012     | 31.03.2011     | %             |
|  |      |               |                | \$'000      | \$'000         |                |               |
| <b>Continuing Operations</b>   |      |               |                |             |                |                |               |
| Revenue  | 1.4  | 7,677         | 4,828          | 59.0        | 19,954         | 14,937         | 33.6          |
| Cost of sales  |      | (5,859)       | (3,897)        | 50.3        | (15,753)       | (12,194)       | 29.2          |
| <b>Gross profit</b>  |      | <b>1,818</b>  | <b>931</b>     | <b>95.3</b> | <b>4,201</b>   | <b>2,743</b>   | <b>53.2</b>   |
| <b>Gross Margin %</b>  |      | <b>23.7 %</b> | <b>19.3 %</b>  | 22.8        | <b>21.1 %</b>  | <b>18.4 %</b>  | 14.6          |
| Other income   | 1.2  | 428           | (29)           | N.M.        | 462            | 3              | N.M.          |
| Distribution expenses  | 1.6  | (682)         | (535)          | 27.5        | (1,893)        | (1,597)        | 18.5          |
| Administrative expenses  | 1.7  | (1,477)       | (1,996)        | (26.0)      | (4,031)        | (5,612)        | (28.2)        |
| Other expenses   |      | 26            | 20             | 30.0        | (248)          | (698)          | (64.5)        |
| Results from operating activities  |      | 113           | (1,609)        | N.M.        | (1,509)        | (5,161)        | (70.8)        |
| Finance expense  |      | (17)          | (48)           | (64.6)      | (156)          | (223)          | (30.0)        |
| <b>Profit/(Loss) before income tax</b>                                       | 1.1  | <b>96</b>     | <b>(1,657)</b> | <b>N.M.</b> | <b>(1,665)</b> | <b>(5,384)</b> | <b>(69.1)</b> |
| Tax (expense)/ benefit   |      | (5)           | -              | N.M.        | 5              | (1)            | N.M.          |
| <b>Profit/(Loss) from continuing operations</b>                              | 1.5  | <b>91</b>     | <b>(1,657)</b> | <b>N.M.</b> | <b>(1,660)</b> | <b>(5,385)</b> | <b>(69.2)</b> |
| <b>Discontinued Operations</b>   |      |               |                |             |                |                |               |
| Profit from discontinued operations  | 1.3  | -             | 1,583          | (100.0)     | -              | 374            | (100.0)       |
| <b>Profit/(Loss) for the Period</b>  |      | <b>91</b>     | <b>(74)</b>    | <b>N.M.</b> | <b>(1,660)</b> | <b>(5,011)</b> | <b>(66.9)</b> |
| <b>STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2012</b> |      |               |                |             |                |                |               |
| <b>Profit/(Loss) for the Period</b>  |      | <b>91</b>     | <b>(74)</b>    | <b>N.M.</b> | <b>(1,660)</b> | <b>(5,011)</b> | <b>(66.9)</b> |
| <b>Other comprehensive income/(loss)</b>                                     |      |               |                |             |                |                |               |
| Currency translation differences   |      | 316           | (386)          | N.M.        | 1,251          | (1,160)        | N.M.          |
| Net fair value change on cash flow hedge                                     |      | 3             | 2              | 50.0        | (5)            | 72             | N.M.          |
| <b>Total comprehensive income/(loss) for the period</b>                      |      | <b>410</b>    | <b>(458)</b>   | <b>N.M.</b> | <b>(414)</b>   | <b>(6,099)</b> | <b>(93.2)</b> |
| <b>Attributable to</b>   |      |               |                |             |                |                |               |
| Equity holders of the company  |      | <b>410</b>    | <b>(458)</b>   |             | <b>(414)</b>   | <b>(6,099)</b> |               |

**1(a)(iii) BREAKDOWN AND EXPLANATORY NOTES TO STATEMENT OF PROFIT AND LOSS**

|  | Note | GROUP  |        |         | GROUP          |                |         |
|--|------|--------|--------|---------|----------------|----------------|---------|
|  |      | 3Q2012 | 3Q2011 | + / (-) | 9 months ended | 9 months ended | + / (-) |
|  |      | \$'000 | \$'000 | %       | 31.03.2012     | 31.03.2011     | %       |
| <b>1.1 Profit/(Loss) before income tax</b> is arrived at after charging/(crediting) the following: |      |        |        |         |                |                |         |
| Depreciation and amortisation  |      | 145    | 181    | (19.9)  | 450            | 481            | (6.4)   |
| Operating lease expense  | 1.8a | 467    | 840    | (44.4)  | 1,966          | 2,414          | (18.6)  |
| Exchange (gain)/loss   |      | (82)   | 16     | N.M.    | 185            | 680            | (72.8)  |
| Pre-incorporation expenses written off   |      | -      | -      | N.M.    | -              | 445            | (100.0) |
| Provision for waste disposal   |      | -      | -      | N.M.    | -              | 331            | (100.0) |
| Interest expenses on borrowing   | 1.8b | 17     | 48     | (64.6)  | 156            | 223            | (30.0)  |
| Impairment loss on doubtful receivables  |      | 7      | 106    | N.M.    | 7              | 106            | (93.4)  |
| <b>1.2 Other income</b> comprises principally the following:                                       |      |        |        |         |                |                |         |
| Rental income  |      | 420    | -      | N.M.    | 420            | -              | N.M.    |
| Plant and equipment written off  |      | -      | -      | N.M.    | -              | 2              | (100.0) |
| Note : N.M. - Not Meaningful   |      |        | -      |         |                | -              |         |

**Discontinued Operations**

**1.3** The Group had completed the disposal of its precious metal recovery facilities in China and Singapore in FY2011.

**Continuing Operations**

- 1.4** With the disposal, the Group's operations are focussed primarily on the 'end of life' services ("EoL") business in the United States ("US"), United Kingdom ("UK") and Czech Republic ("CZ"). Revenue for the quarter ended 31 March 2012 ("3Q2012") was higher than that of the comparative quarter in the previous year primarily because of higher sales recorded in the US and Singapore. The CZ operation commenced in 2Q2012 and contributed revenue since then. The Group's overall loss for the 9 month period ended 31 March 2012 ("9 month period 2012") has reduced by 69% as compared to the same period in the previous year.
- 1.5** The Group has achieved profit for the period 3Q2012 of S\$91,000 as compared to S\$1.7 million loss in 3Q2011. Loss for the 9 month period 2012 has been reduced by more than two thirds as compared to the previous comparative period. Revenue in the 9 month period 2012 increased by 33.6% and gross profit by 53.2% as compared to 9 month period 2011. This is a significant improvement that demonstrates that the Group is on the path to recovery. A significant milestone is that both the US and Singapore operations have achieved positive EBITDA in the quarter. See further details under paragraph 8 - Review of Group Performance.
- 1.6** The increase in distribution cost for 3Q2012 and the 9 month period 2012 of S\$147,000 (27.5%) and S\$296,000 (18.5%) respectively was the result of the expansion in sales and marketing activities.
- 1.7** The reduction in administrative expenses of \$1.6 million or 28.2% in 9 month period 2012 was due mainly to rental recoverable of \$400,000 from the sub-lease of the leased premises in Singapore, a lower provision of S\$120,000 for and the reversal of \$250,000 of over-accrual of director fees, as well as savings in personnel cost of S\$100,000 through a reduction and redeployment of staff at corporate headquarters. Such cost-cutting measures will have greater impact on expenditure from the next quarter.

1.8 Significant changes in items included in 1.1 and 1.2 above are explained as follows:

- a The Group has successfully sub-let the entire leased premises in Singapore from mid-August 2011, resulting in lower operating lease expenses. However, the saving is partially reduced by the increase in lease expenses in its new facilities in CZ.
- b The full redemption of the remaining property loan of the Gilroy factory in California has lowered interest expense.

1(b)(i) **STATEMENT OF FINANCIAL POSITION**

|                                | Note | GROUP                |                      | COMPANY              |                      |
|--------------------------------|------|----------------------|----------------------|----------------------|----------------------|
|                                |      | 31.03.2012<br>\$'000 | 30.06.2011<br>\$'000 | 31.03.2012<br>\$'000 | 30.06.2011<br>\$'000 |
| <b>Current assets</b>          |      |                      |                      |                      |                      |
| Inventories                    | a    | 1,965                | 1,075                | -                    | -                    |
| Trade and other receivables    |      | 4,411                | 4,830                | 2,291                | 2,080                |
| Cash and cash equivalents      |      | 879                  | 1,918                | 438                  | 1,189                |
|                                |      | 7,255                | 7,823                | 2,729                | 3,269                |
| <b>Non-current assets</b>      |      |                      |                      |                      |                      |
| Property, plant and equipment  |      | 6,077                | 6,066                | 16                   | 64                   |
| Subsidiaries                   |      | -                    | -                    | 21,168               | 17,815               |
| Goodwill                       |      | 9,281                | 8,780                | -                    | -                    |
| Deferred tax assets            |      | 1,785                | 1,689                | -                    | -                    |
| Restricted cash held in trust  |      | 553                  | 541                  | -                    | -                    |
| Amount due from subsidiary     |      | -                    | -                    | 10,392               | 10,681               |
|                                |      | 17,696               | 17,076               | 31,576               | 28,560               |
| <b>Total assets</b>            |      | <b>24,951</b>        | <b>24,899</b>        | <b>34,305</b>        | <b>31,829</b>        |
| <b>Current liabilities</b>     |      |                      |                      |                      |                      |
| Borrowings                     | b    | 35                   | 2,628                | -                    | -                    |
| Trade and other payables       |      | 8,274                | 6,081                | 1,108                | 864                  |
| Loan from shareholder          |      | 599                  | -                    | 599                  | -                    |
| Current tax liabilities        |      | 6                    | 2                    | -                    | -                    |
|                                |      | 8,914                | 8,711                | 1,707                | 864                  |
| <b>Non-current liabilities</b> |      |                      |                      |                      |                      |
| Borrowings/ Deferred payments  |      | -                    | 60                   | -                    | -                    |
|                                |      | -                    | 60                   | -                    | -                    |

**1(b)(i) STATEMENT OF FINANCIAL POSITION (cont'd)**

|   | GROUP                |                      | COMPANY              |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 31.03.2012<br>\$'000 | 30.06.2011<br>\$'000 | 31.03.2012<br>\$'000 | 30.06.2011<br>\$'000 |
| <b>Equity attributable to equity holders of the Company</b> |                      |                      |                      |                      |
| Share capital   | 152,854              | 152,854              | 152,854              | 152,854              |
| Reserves  | 2,636                | 1,072                | 3,397                | 1,327                |
| Accumulated losses  | (139,453)            | (137,798)            | (123,653)            | (123,216)            |
| <b>Total equity</b>   | <b>16,037</b>        | <b>16,128</b>        | <b>32,598</b>        | <b>30,965</b>        |
| <b>Total liabilities and equity</b>                         | <b>24,951</b>        | <b>24,899</b>        | <b>34,305</b>        | <b>31,829</b>        |

**Significant changes are discussed below:**

- The increase in inventories was primarily due to the start of Singapore operations. Due to the build up of customers streams, the Singapore subsidiary purchased inventories which were sold in April 2012.
- The Group repaid the entire outstanding bank loan of approximately S\$2.6 million in its US subsidiary with internal resources and a S\$1.0 million loan from the controlling shareholder. This has reduced the cash balance significantly.

**1(b)(ii) GROUP BORROWINGS**

|   | As at<br>31.03.2012<br>\$'000 | As at<br>30.06.2011<br>\$'000 |
|---|-------------------------------|-------------------------------|
| <b>Amount repayable in one year</b>       |                               |                               |
| Secured borrowings/loan from shareholder  | 634                           | 2,628                         |
|   | <b>634</b>                    | <b>2,628</b>                  |
| <b>Amount repayable after one year</b>    |                               |                               |
| Secured borrowings/ Loan from shareholder | -                             | 60                            |
|   | <b>-</b>                      | <b>60</b>                     |

The shareholder loan of S\$0.6 million is repayable in the foreseeable future and the Group has minimal external borrowings.

1(c) **STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2012**

|   | GROUP            |                  | GROUP                                  |  |
|---|------------------|------------------|--|--|
|   | 3Q2012<br>\$'000 | 3Q2011<br>\$'000 | 9 months ended<br>31.03.2012<br>\$'000 | 9 months ended<br>31.03.2011<br>\$'000 |
| <b>Operating activities</b>                             |                  |                  |  |  |
| Profit/(Loss) for the period                            | 91               | (74)             | (1,660)                                | (5,011)                                |
| <i>Adjustments:</i>                                     |                  |                  |  |  |
| Depreciation and amortisation                           | 145              | 181              | 450                                    | 560                                    |
| Provision for disposal of waste materials               | -                | -                | -                                      | 331                                    |
| (Gain)/ Loss on disposal of non current assets          | -                | -                | -                                      | (2)                                    |
| Plant and equipment written off                         | -                | -                | 4                                      | -                                      |
| (Reversal of) impairment loss on doubtful receivables   | -                | -                | 7                                      | 16                                     |
| Change in fair value of assets classified held for sale |                  | (2,193)          | -                                      | (2,318)                                |
| Unrealised exchange loss                                | 264              | (7)              | 346                                    | 1,638                                  |
|   | 500              | (2,093)          | (853)                                  | (4,786)                                |
| Changes in working capital                              |                  |                  |  |  |
| Trade and other receivables                             | 1,142            | (75)             | 440                                    | 233                                    |
| Inventories   | (897)            | (131)            | (874)                                  | 274                                    |
| Cash encumbered   | -                | 27               | -                                      | -                                      |
| Trade and other payables                                | 7                | 1,183            | 2,335                                  | 375                                    |
| Cash (used in)/ from operations                         | 752              | (1,089)          | 1,048                                  | (3,904)                                |
| Interest received/(paid) - net                          | (17)             | (125)            | (156)                                  | (443)                                  |
| Income tax paid   | -                | -                | -                                      | (10)                                   |
| <b>Cash flows used in operating activities</b>          | <b>735</b>       | <b>(1,214)</b>   | <b>892</b>                             | <b>(4,357)</b>                         |
| <b>Investing activities</b>                             |                  |                  |  |  |
| Purchase of plant and equipment                         | -                | (190)            | (198)                                  | (351)                                  |
| Proceeds from sale of property, plant and equipment     | -                | -                | -                                      | 2                                      |
| <b>Cash flows used in investing activities</b>          | <b>-</b>         | <b>(190)</b>     | <b>(198)</b>                           | <b>(349)</b>                           |

1(c) **STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 MARCH 2012 (cont'd)**

|   | GROUP            |                  | GROUP                                  |  |
|---|------------------|------------------|--|--|
|   | 3Q2012<br>\$'000 | 3Q2011<br>\$'000 | 9 months ended<br>31.03.2012<br>\$'000 | 9 months ended<br>31.03.2011<br>\$'000 |
| <b>Financing activities</b>                               |                  |                  |  |  |
| Repayment of borrowings                                   | (400)            | (1,507)          | (2,724)                                | (4,711)                                |
| Proceeds from borrowings                                  | -                | -                | 1,000                                  | 6,328                                  |
| Payment of deferred payment creditor                      | -                | (24)             | (14)                                   | (39)                                   |
| Advance proceeds from disposal of discontinued operations |                  | 3,123            | -                                      | 3,123                                  |
| <b>Cash flows from financing activities</b>               | <b>(400)</b>     | <b>1,592</b>     | <b>(1,738)</b>                         | <b>4,701</b>                           |
| Net increase/(decrease) in cash and cash equivalents      | 335              | 189              | (1,044)                                | (5)                                    |
| Cash and cash equivalents at beginning of period          | 520              | 237              | 1,918                                  | 406                                    |
| Effect of exchange rate fluctuation on cash held          | 24               | 5                | 5                                      | 30                                     |
| <b>Cash and cash equivalents at end of period</b>         | <b>879</b>       | <b>431</b>       | <b>879</b>                             | <b>431</b>                             |

1(c)(i) **Analysis of Cash Flow**

The Group has achieved a positive cash flow from operations of S\$735,000 for 3Q2012.

The Group has shareholder loan of S\$0.6 million and is repayable in the foreseeable future.

**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR QUARTER ENDED 31 MARCH 2012**

| <b>Group</b>                                     | <b>Share Capital<br/>\$'000</b> | <b>Currency<br/>Translation<br/>Reserve<br/>\$'000</b> | <b>Hedging<br/>Reserve<br/>\$'000</b> | <b>Share Option<br/>Reserve<br/>\$'000</b> | <b>Accumulated<br/>Losses<br/>\$'000</b> | <b>Total Equity<br/>\$'000</b> |
|--|---------------------------------|--|---------------------------------------|--|--|--------------------------------|
| <b>At 31 December 2010</b>                       | 152,854                         | 1,329  | (89)                                  | 1,327                                      | (136,848)                                | 18,573                         |
| <b>Total comprehensive income for the period</b> | -                               | -  | -                                     | -  | -  | -                              |
| Foreign currency translation                     | -                               | (386)  | -                                     | -  | -  | (386)                          |
| Net fair value change on cash flow hedge         | -                               | -  | 2                                     | -  | -  | 2                              |
| Loss for the period                              | -                               | -  | -                                     | -  | (74)                                     | (74)                           |
| Total comprehensive income/(loss) for the period | -                               | (386)  | 2                                     | -  | (74)                                     | (458)                          |
| <b>At 31 March 2011</b>                          | <u>152,854</u>                  | <u>943</u>   | <u>(87)</u>                           | <u>1,327</u>                               | <u>(136,922)</u>                         | <u>18,115</u>                  |
| <b>At 31 December 2011</b>                       | 152,854                         | 1,003  | (89)                                  | 1,403                                      | (139,544)                                | 15,627                         |
| <b>Total comprehensive income for the period</b> | -                               | -  | -                                     | -  | -  | -                              |
| Foreign currency translation                     | -                               | 316  | -                                     | -  | -  | 316                            |
| Net fair value change on cash flow hedge         | -                               | -  | 3                                     | -  | -  | 3                              |
| Profit for the period                            | -                               | -  | -                                     | -  | 91                                       | 91                             |
| Total comprehensive income for the period        | -                               | 316  | 3                                     | -  | 91                                       | 410                            |
| <b>At 31 March 2012</b>                          | <u>152,854</u>                  | <u>1,319</u>   | <u>(86)</u>                           | <u>1,403</u>                               | <u>(139,453)</u>                         | <u>16,037</u>                  |
| <b>Company</b>                                   |                                 |  |                                       |  |  |                                |
| <b>At 31 December 2010</b>                       | 152,854                         | -  | -                                     | 1,327                                      | (122,949)                                | 31,232                         |
| <b>Total comprehensive income for the period</b> | -                               | -  | -                                     | -  | -  | -                              |
| Loss for the period                              | -                               | -  | -                                     | -  | (1,085)                                  | (1,085)                        |
| Total comprehensive loss for the period          | -                               | -  | -                                     | -  | (1,085)                                  | (1,085)                        |
| <b>At 31 March 2011</b>                          | <u>152,854</u>                  | <u>-</u>   | <u>-</u>                              | <u>1,327</u>                               | <u>(124,034)</u>                         | <u>30,147</u>                  |
| <b>At 31 December 2011</b>                       | 152,854                         | 1,670  | -                                     | 1,403                                      | (123,216)                                | 32,711                         |
| <b>Total comprehensive income for the period</b> | -                               | -  | -                                     | -  | -  | -                              |
| Foreign currency translation                     | -                               | 324  | -                                     | -  | -  | 324                            |
| Loss for the period                              | -                               | -  | -                                     | -  | (437)                                    | (437)                          |
| Total comprehensive income/(loss) for the period | -                               | 324  | -                                     | -  | (437)                                    | (113)                          |
| <b>At 31 March 2012</b>                          | <u>152,854</u>                  | <u>1,994</u>   | <u>-</u>                              | <u>1,403</u>                               | <u>(123,653)</u>                         | <u>32,598</u>                  |

**1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL**

There were no changes in the company's share capital for the reported quarter ended 31 March 2012.

As at 31 March 2012, there were unexercised options of 12,215,000 (2011: 13,795,000) and 180,000,000 (2011: 180,000,000) unissued ordinary shares under the employee share option plan and pursuant to a share placement agreement dated 8 April 2010.

**1(d)(iii) TOTAL NUMBER OF ISSUED SHARES**

As at 31 March 2012, the number of ordinary shares issued were 8,273,463,905 (31 March 2011: 8,273,463,905).

**1(d)(iv) MOVEMENT IN TREASURY SHARES**

There are no treasury shares during the quarter and as at 31 March 2012.

**2 AUDIT**

The figures have not been audited or reviewed by the Company's auditors.

**3 AUDITORS' REPORT**

Not applicable.

**4 ACCOUNTING POLICIES**

The same accounting policies and methods of computation as in the most recently audited financial statements have been applied except as disclosed in Section 5.

**5 CHANGES IN ACCOUNTING POLICIES**

**(a)** New / Revised FRS applicable to the Group with effect from 1 July 2011 are as follow:

|  |
|--|
| Improvements to FRSs 2010<br>The Conceptual Framework for Financial Reporting 2010 (Chapters 1 and 3)<br>FRS 24: Related Party Disclosures<br>Amendments to FRS 107: Disclosures - Transfers of Financial Assets |
|--|



**(b) Change in functional currency**

The Company and certain subsidiaries changed their functional currencies from Singapore Dollar (S\$) to United States Dollar (US\$) with effect from 1 July 2011. Then, such a change would better reflect the economic substance of the underlying events relevant to the Company and its subsidiaries. However, with the change of strategic direction as decided by the new Board and Management of the Group, such circumstances are no longer valid, and therefore the change of functional currency was reversed.

**(c) Change in presentation currency**

In line with the reversal of change in functional currency from US\$ back to S\$, the financial statements will henceforth be presented in S\$.

**6 NET ASSET VALUE**

|  | GROUP      |            | COMPANY    |            |
|--|------------|------------|------------|------------|
|  | 31.03.2012 | 30.06.2011 | 31.03.2012 | 30.06.2011 |
| Net asset value per ordinary share based on issued share capital as at the end of the period | Cents      | Cents      | Cents      | Cents      |
|  | 0.194      | 0.195      | 0.394      | 0.374      |

**7 EARNING PER ORDINARY SHARE ("EPS")**

|   | GROUP  |         | GROUP                     |                           |
|---|--------|---------|---------------------------|---------------------------|
|   | 3Q2012 | 3Q2011  | 9 months ended 31.03.2012 | 9 months ended 31.03.2011 |
| Earning/(Loss) per share for results from the Group attributable to equity holders of the Company |        |         |                           |                           |
| - Basic and Diluted (Note A)  | Cents  | Cents   | Cents                     | Cents                     |
| - Continuing operations   | 0.001  | (0.020) | (0.020)                   | (0.065)                   |
| - Discontinuing operations  |        | 0.019   |                           | 0.005                     |
| Total   | 0.001  | (0.001) | (0.020)                   | (0.061)                   |

The Group's basic and fully diluted earning/(loss) per ordinary share for the quarter ended 31 March 2012 are calculated based on the weighted average number of ordinary shares in issue during the year: 8,273,434,950 shares (2011: 8,273,434,950).

Note A: For the quarters ended 31 March 2012 and 2011, the diluted earning/(loss) per share is the same amount as the basic loss per share because the share options were non-dilutive and thus disregarded in the computation of diluted loss per share.

## 8 REVIEW OF GROUP PERFORMANCE

### Quarterly Revenue and Gross Margin (Continuing

| a. operations)                 | 3Q2012        | 2Q2012        | + / (-)     | 3Q2012        | 3Q2011        | + / (-)     |
|--------------------------------|---------------|---------------|-------------|---------------|---------------|-------------|
| Revenue by Segment             | \$'000        | \$'000        | %           | \$'000        | \$'000        | %           |
| US                             | 5,762         | 5,534         | 4.1         | 5,762         | 3,896         | 47.9        |
| Singapore                      | 1,017         | -             | N.M.        | 1,017         | 22            | N.M.        |
| Europe                         | 898           | 616           | 45.8        | 898           | 910           | (1.3)       |
| <b>Total</b>                   | <b>7,677</b>  | <b>6,150</b>  | <b>24.8</b> | <b>7,677</b>  | <b>4,828</b>  | <b>59.0</b> |
| <b>Revenue by Services</b>     |               |               |             |               |               |             |
| End of Life ("EoL")            | 7,677         | 6,150         | 24.8        | 7,677         | 4,828         | 59.0        |
| <b>Total</b>                   | <b>7,677</b>  | <b>6,150</b>  | <b>24.8</b> | <b>7,677</b>  | <b>4,828</b>  | <b>59.0</b> |
| <b>Gross Margin by Segment</b> | <b>%</b>      | <b>%</b>      |             | <b>%</b>      | <b>%</b>      |             |
| US                             | 23.0 %        | 16.3 %        |             | 23.0 %        | 13.8 %        |             |
| Singapore                      | 32.4 %        | 0.0 %         |             | 32.4 %        | 100.0 %       |             |
| Europe                         | 17.8 %        | (2.4)%        |             | 17.8 %        | 33.9 %        |             |
| <b>Total</b>                   | <b>14.6 %</b> | <b>14.6 %</b> |             | <b>14.6 %</b> | <b>19.3 %</b> |             |

The Group recorded higher EoL sales as compared with the same quarter in the previous year as well as the preceding quarter.

**US Operations** – Revenue was 4.1% higher as compared to 3Q2011 and 47.9% higher as compared to 3Q2011. Gross margin is significantly higher in 3Q2012 as the e-wastes collected from the new customers have a higher recovery value.

**Singapore Operations** – Revenue generation started in Q32012 contributing a gross margin of 32.4%

**Europe Operations** – Revenue is lower in 3Q2012 compared to 3Q2011 due to uncertainties with a major customer in the UK. Efforts have been put in to regain the confidence of this customer. Margin for Europe is lower this quarter as the new CZ plant's direct overheads have been included during the quarter. Initial excess capacity in CZ plant impacted the overall gross margin in Europe.

**8 REVIEW OF GROUP PERFORMANCE (Con'td)**

|   | 3Q2012    | 3Q2011         | + / (-) | 9 months ended<br>31.03.2012 | 9 months ended<br>31.03.2011 | + / (-) |
|---|-----------|----------------|---------|------------------------------|------------------------------|---------|
| Profit/(Loss) Before Income Tax (Continuing<br>b. operations) | \$'000    | \$'000         | %       | \$'000                       | \$'000                       | %       |
| US  | (175)     | (918)          | (80.9)  | (495)                        | (2,456)                      | (79.8)  |
| Singapore   | 406       | 22             | N.M.    | 321                          | 19                           | N.M.    |
| Europe  | (208)     | (42)           | N.M.    | (1,155)                      | (706)                        | 63.6    |
| Corporate and other unallocated items                         | 73        | (719)          | N.M.    | (336)                        | (2,241)                      | (85.0)  |
| <b>Total</b>  | <u>96</u> | <u>(1,657)</u> | N.M.    | <u>(1,665)</u>               | <u>(5,384)</u>               | N.M.    |

**US Operation** - Loss before tax is lower as compared to 2Q2012 as well as the 9 month period 2011 because of increased revenue and reduced operating cost. US operation achieved a positive EBITDA in 3Q2012 and is expected to improve further in subsequent quarter.

**Singapore Operation** - Started rebuilding the business in 3Q2012 generating gross profit and contributing income to the Group.

**Europe Operation** - Besides uncertainties with a major customer that had resulted in lower revenue in the UK, Europe operation has yet to achieve the optimal level of operations in the UK and in CZ where operation has just started in the last quarter. Current efforts to improve collection in the UK and CZ will likely contribute towards optimal use of the facilities in both countries.

**Corporate** - The expenses has reduced substantially as explained in 1.7 above under reduction in administrative expenses

**9 SEGMENTED REVENUE AND RESULTS FOR GEOGRAPHICAL SEGMENTS**

See item 8.

**10 VARIANCE FROM PROSPECT STATEMENT**

No variance from previous prospect statement made.

**11 PROSPECT**

The Group has embarked on a new road map to expand its EoL services under the US-based Metech brand. This entails a rebranding exercise, the building of a worldwide footprint that will include new locations in Asia as well as joint marketing efforts for the three continents of US, Europe and Asia. A unified effort to service its multinational customers, many have operations across the globe and are focussing on growth in Asia, is likely to increase overall collection and improve efficiency. Based on 3Q2012 results, it clearly shown that we are trending towards the desire outcome.

On 16 December 2011, the Group announced the proposal to undertake a 'rights cum warrants' issue of up to 8,465,678,905 new ordinary shares and up to 8,465,678,905 free detachable warrants to raise up to about S\$8.465 million upon completion and another up to about \$16.930 million within three years, making a total of up to S\$25.395 million. The Company will be seeking specific approval from shareholders. The new cash will be used to fund the expansion of the EoL businesses as outlined above and to better manage the sale of the electronic and non-ferrous metal wastes that it currently sells to middlemen for cash, sacrificing a significant margin. The Group will also explore merger and acquisition possibilities for inorganic growth.

With improved management, the Group expects its current operations in Singapore, US and Europe to continue to improve. The profitability of the Group would be significantly enhanced by the successful 'rights cum warrants' issue and a consequent expansion of the worldwide footprint as well as improved margin by the sale of electronic and non-ferrous metal wastes.

**DISCLAIMER**

*This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a results of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale / distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

**12 DIVIDENDS**

No dividend is recommended.

**BY ORDER OF THE BOARD**

**Shirley Lim Guat Hua**

**Company Secretary**

**Date : 10 May 2012**

**13 INTERESTED PERSON TRANSACTIONS (IPTs)**

The Group do not have any IPT transactions that require a general mandate from the shareholders.

**CONFIRMATION BY THE BOARD**

We, Simon Eng and Jen Shek Voon, being two Directors of Centillion Environment & Recycling Limited (the "Company") do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the quarter ended 31 March 2012 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**SIMON ENG**  
Executive Chairman

**JEN SHEK VOON**  
Deputy Chairman and Lead  
Independent Director

**Date : 10 May 2012**