CENTILLION
ENVIRONMENT & RECYCLING

(Company Registration No. 199206445M)

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2011

1(a)(i) STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 31 DECEMBER 2011

		GROUP			GROUP		
	Note	2Q2012 $'000	2Q2011 $'000	+ / (-) %	1H2012 $'000	1H2011 $'000	+ / (-) %
Continuing Operations							
Revenue	1.4	**6,150**	**5,064**	**21.4**	**12,278**	**10,108**	**21.5**
Cost of sales		(5,254)	(4,086)	28.6	(9,895)	(8,296)	19.3
Gross profit/(loss)		**896**	**978**	**(8.4)**	**2,383**	**1,812**	**31.5**
Gross Margin %		**14.6 %**	**19.3 %**	(24.6)	**19.4 %**	**17.9 %**	8.3
Other income		12	95	(87.4)	35	34	2.9
Distribution expenses	1.6	(560)	(518)	8.1	(1,211)	(1,065)	13.7
Administrative expenses	1.7	(1,165)	(1,857)	(37.3)	(2,554)	(3,614)	(29.3)
Other expenses		(151)	(360)	(58.1)	(274)	(718)	(61.8)
Results from operating activities		(968)	(1,662)	(41.8)	(1,621)	(3,551)	(54.4)
Finance expense		(51)	(264)	(80.7)	(139)	(175)	(20.6)
Loss before income tax		**(1,019)**	**(1,926)**	**(47.1)**	**(1,760)**	**(3,726)**	**(52.8)**
Tax (expense)/ benefit		-	(2)	(100.0)	10	(1)	(1,100.0)
Loss from continuing operations		**(1,019)**	**(1,928)**	**(47.1)**	**(1,750)**	**(3,727)**	**(53.0)**
Discontinued Operations							
Loss from discontinued operations	1.3	-	(556)	(100.0)	-	(1,211)	(100.0)
Loss for the Period		**(1,019)**	**(2,484)**	(59.0)	**(1,750)**	**(4,938)**	(64.6)

STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2011

	2Q2012 $'000	2Q2011 $'000	+ / (-) %	1H2012 $'000	1H2011 $'000	+ / (-) %
Loss for the Period	**(1,019)**	**(2,484)**	(59.0)	**(1,750)**	**(4,938)**	(64.6)
Other comprehensive income						
Currency translation differences	131	(79)	(265.8)	1,251	(774)	(261.6)
Net fair value change on cash flow hedge	16	118	(86.4)	(5)	71	(107.0)
Total comprehensive income for the period	**(872)**	**(2,445)**	(64.3)	**(504)**	**(5,641)**	(91.1)
Attributable to						
Equity holders of the company	**(872)**	**(2,445)**		**(504)**	**(5,641)**	
Minority interest	**-**	**-**		**-**	**-**	
	(872)	**(2,445)**		**(504)**	**(5,641)**	

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

		Note	GROUP 2Q2012 $'000	GROUP 2Q2011 $'000	+ / (-) %	GROUP 1H2012 $'000	GROUP 1H2011 $'000	+ / (-) %
1.1	**Loss before income tax** is arrived at after charging/(crediting) the following:							
	Depreciation and amortisation		180	171	5.3	305	327	(6.7)
	Operating lease expense	1.8a	741	846	(12.4)	1,499	1,780	(15.8)
	Exchange loss		126	265	(52.5)	267	549	(51.4)
	Pre-incorporation expenses written off		-	241	(100.0)	-	241	(100.0)
	Provision for waste disposal		-	331	(100.0)	-	331	(100.0)
	Interest expenses on borrowing	1.8b	52	183	(71.6)	139	175	(20.6)
	Impairment loss on doubtful receivables		7	106	N.M.	7	106	(93.4)
1.2	**Other income** comprises principally the following:							
	Gain/(loss) on disposal of non-current assets		-	-	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 December 2011 ("2Q2012") was higher than that of the previous year primarily because of higher sales recorded in the US. The CZ operation has just started in 2Q2012 and is expected to contribute from the next quarter onward.

1.5 Compared to 1Q2011, the Group has reduced the loss for the period 2Q2012 from $2.5 million to less than a million and loss for the first half ("1H2012") is cut by more than two thirds compared to a year ago. Revenue in 1H2012 increased by 21.5% and gross profit by 31.5% compared to 1H2011. This is a significant improvement that shows the Group is on the path to recovery. A significant milestone is that the US operation has achieved a positive EBITDA in the quarter. See further details under paragraph 8 - Review of Group Performance.

1.6 The increase in distribution cost for 2Q2012 and 1H2012 of S$42,000 (8.1%) and S$146,000 (13.7%) respectively was the result of expansion in sales and marketing activities.

1.7 The reduction in administrative expenses of $900,000 or 26.0% in IH2012 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.

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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

	GROUP		COMPANY	
	31/Dec/11	**30/Jun/11**	**31/Dec/11**	**30/Jun/11**
	$'000	$'000	$'000	$'000
Current assets				
Inventories	1,101	1,075	-	-
Trade and other receivables	5,814	4,830	2,373	2,080
Cash and cash equivalents	386	1,918	191	1,189
	7,301	7,823	2,564	3,269
Non-current assets				
Property, plant and equipment	6,302	6,066	36	64
Subsidiaries	-	-	21,168	17,815
Goodwill	9,281	8,780	-	-
Deferred tax assets	1,785	1,689	-	-
Restricted cash held in trust	571	541	-	-
Amount due from subsidiary	-	-	11,646	10,681
	17,939	17,076	32,850	28,560
Total assets	**25,240**	**24,899**	**35,414**	**31,829**
Current liabilities				
Borrowings	55	2,628	-	-
Trade and other payables	8,494	6,081	2,207	864
Current tax liabilities	7	2	-	-
	8,556	8,711	2,207	864
Non-current liabilities				
Borrowings/ Deferred payments	60	60	-	-
Loan from shareholder	1,000	-	1,000	-
	1,060	60	1,000	-

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

	GROUP		COMPANY	
	31/Dec/11	30/Jun/11	31/Dec/11	30/Jun/11
	$'000	$'000	$'000	$'000
Equity attributable to equity holders of the Company				
Share capital	152,854	152,854	152,854	152,854
Reserves	2,318	1,072	3,073	1,327
Accumulated losses	(139,548)	(137,798)	(123,720)	(123,216)
Total equity	15,624	16,128	32,207	30,965
Total liabilities and equity	**25,240**	**24,899**	**35,414**	**31,829**

Significant changes are discussed below:

a. The Group repaid the entire outstanding bank loan of ca. US$ 2.1 million in its US subsidiary with internal resources and a S$1 million loan from the controlling shareholder. This has reduced the cash balance significantly and resulted in a big decrease in borrowing.

b. The increase in trade receivables and payables is a common phenomena of the phasing-in of new customers, particularly in this quarter.

1(b)(ii) GROUP BORROWINGS

	As at 31/Dec/11	As at 30/Jun/11
Amount repayable in one year	$'000	$'000
Secured borrowings/ Deferred payments	55	2,628
	55	**2,628**
Amount repayable after one year		
Secured borrowings/ Loan from shareholder	1,060	60
	1,060	**60**

The shareholder loan of S$1 million is repayable on 13 December 2013 and the Group has minimal external borrowings.

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1(c) STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2011

	GROUP		GROUP	
	2Q2012	2Q2011	1H2012	1H2011
	$'000	$'000	$'000	$'000
Operating activities				
Loss for the period	(1,019)	(2,484)	(1,750)	(4,938)
Adjustments:				
Depreciation and amortisation	180	197	305	379
Provision for disposal of waste materials	-	331	-	331
Plant and equipment written off	4	-	4	-
(Reversal of) impairment loss on doubtful receivables	7	-	7	16
Unrealised exchange loss	(47)	410	263	1,202
(Reversal of) Employee Share Option Cost	-	-	-	-
Interest income	-	-	-	(2)
Interest expense	52	195	139	318
Income tax expense	-	2	(10)	1
	(823)	(1,349)	(1,042)	(2,695)
Changes in working capital				
Trade and other receivables	(1,655)	563	(702)	308
Inventories	(40)	149	23	406
Cash encumbered	-	60	-	(27)
Trade and other payables	3,094	(1,159)	2,328	(811)
Cash (used in)/ from operations	576	(1,736)	607	(2,819)
Interest received	-	-	-	2
Interest paid	(52)	(195)	(139)	(317)
Income tax paid	-	(10)	10	(10)
Cash flows used in operating activities	**524**	**(1,941)**	**478**	**(3,144)**
Investing activities				
Purchase of plant and equipment	(115)	(83)	(198)	(161)
Proceeds from sale of property, plant and equipment	-	-	-	2
Cash flows used in investing activities	**(115)**	**(83)**	**(198)**	**(159)**

1(c) **STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2011 (cont'd)**

	GROUP		GROUP	
	2Q2012 $'000	**2Q2011** $'000	**1H2012** $'000	**1H2011** $'000
Financing activities				
Repayment of borrowings	(2,668)	(146)	(2,788)	(3,204)
Proceeds from borrowings	1,000	1,350	1,000	6,328
Payment of deferred payment creditor	-	(15)	(14)	(15)
Cash flows from financing activities	**(1,668)**	**1,189**	**(1,802)**	**3,109**
Net increase/(decrease) in cash and cash equivalents	(1,259)	(835)	(1,522)	(194)
Cash and cash equivalents at beginning of period	1,621	1,064	1,918	406
Effect of exchange rate fluctuation on cash held	24	8	(10)	25
Cash and cash equivalents at end of period	**386**	**237**	**386**	**237**

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

The Group has achieved a positive cash flow from operation of S$524,000 for 1Q2012. This is a significant improvement considering the repayment of US$2.1 million loan in the US in the quarter.

The Group has close to zero external borrowing as at 31 December 2011. The shareholder loan of S$1 million is repayable on in December 2013. The Group has therefore no pressure to pay any debt in the next 7 quarters.

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1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR QUARTER ENDED 31 DECEMBER 2011

Group	Share Capital $'000	Currency Translation Reserve $'000	Hedging Reserve $'000	Share Option Reserve $'000	Accumulated Losses $'000	Total Equity $'000	
At 1 October 2010	152,854	1,408	(207)	1,327	(134,364)	21,018	
Total comprehensive income for the period	-		-	-			
Foreign currency translation	-	(79)	-	-	-	(79)	
Net fair value change on cash flow hedge			118			118	
Loss for the year	-	-	-	-	(2,484)	(2,484)	
Total comprehensive income for the period		(79)			(2,484)	(2,563)	
At 31 December 2010	152,854	1,329	(207)	1,327	(136,848)	18,455	-
At 1 October 2011	152,854	875	(105)	1,401	(138,529)	16,496	
Total comprehensive income for the period							
Foreign currency translation	-	129		2		131	
Net fair value change on cash flow hedge			16			16	
Loss for the year		-	-	-	(1,019)	(1,019)	
Total comprehensive income for the period	-	129	16	2	(1,019)	(872)	
At 31 December 2011	152,854	1,004	(89)	1,403	(139,548)	15,624	-
Company							
At 1 October 2010	152,854	-	-	1,327	(119,747)	34,434	
Total comprehensive income for the period							
Loss for the year					(3,202)	(3,202)	
Total comprehensive income for the period	-	-	-	-	(3,202)	(3,202)	
At 31 December 2010	152,854	-	-	1,327	(122,949)	31,232	
At 1 October 2011	152,854	1,620	-	1,401	(123,603)	32,272	
Total comprehensive income for the period						-	
Foreign currency translation		50		2		52	
Profit for the year					(117)	(117)	
Total comprehensive income for the period	-	50	-	2	(117)	(65)	
At 31 December 2011	152,854	1,670	-	1,403	(123,720)	32,207	

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 December 2011.

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

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

As at 31 December 2011, the number of ordinary shares issued were 8,273,463,905 (31 Dec 2010: 8,273,463,905).

1(d)(iv) MOVEMENT IN TREASURY SHARES

There are no treasury shares during the quarter and as at 31 December 2011.

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

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(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 as it believed that such a change would better reflect the economic substance of the underlying events relevant to the Company and these 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. It has been decided that the change of functional currency be reversed.

The effect of the reversal of change in functional currency has resulted in the need to translate the 1Q2012 results of the relevant entities back into S$ for the 1H2012 results. Going forward, the Group will continue past practice of using S$ as the functional as well as presentation currency.

(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-Dec-11	**30-Jun-11**	**31-Dec-11**	**30-Jun-11**
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the period	0.189	0.195	0.389	0.374

7 EARNING PER ORDINARY SHARE ("EPS")

	GROUP		GROUP	
Loss per share for results from the Group attributable to equity holders of the Company - Basic and Diluted (Note A)	**2Q2012**	**2Q2011**	**1H2012**	**1H2011**
	Cents	Cents	Cents	Cents
- Continuing operations	(0.012)	(0.023)	(0.021)	(0.045)
- Discontinuing operations		(0.007)		(0.015)
Total	(0.012)	(0.030)	(0.021)	(0.060)

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 31 December 2011 are calculated based on the weighted average number of ordinary shares in issue during the year: 8,273,434,950 shares (2010: 8,273,434,950).

Note A: For the quarters ended 31 December 2011 and 2010, the diluted 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

a. Quarterly Revenue and Gross Margin (Continuing operations)	2Q2012	1Q2012	+ / (-)	2Q2012	2Q2011	+ / (-)
Revenue by Segment	$'000	$'000	%	$'000	$'000	%
US	5,534	5,281	4.8	5,534	4,015	37.8
Singapore	-	-	N.M.	-	39	(100.0)
Europe	616	847	(27.3)	616	1,010	(39.0)
Total	6,150	6,128	0.4	6,150	5,064	21.4
Revenue by Services						
End of Life ("EoL")	6,150	6,128	0.4	6,150	5,064	21.4
Total	**6,150**	**6,128**	0.4	**6,150**	**5,064**	21.4
Gross Margin by Segment	%	%		%	%	
US	16.3 %	24.3 %		16.3 %	16.7 %	
Singapore	0.0 %	0.0 %		0.0 %	33.3 %	
Europe	(2.4)%	20.8 %		(2.4)%	25.3 %	
Total	**14.6 %**	**20.8 %**		**14.6 %**	**19.3 %**	

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

US Operations – Revenue was 4.8% higher compared to 1Q2012 and 37.8% higher compared to 2Q2011. Gross margin is slightly lower in 2Q2012 as the e-wastes collected from the new customers have a lower recovery value.

Singapore Operations – There is no trade during this quarter.

Europe Operations – Revenue is lower than 1Q2012 and 2Q2011 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 brought down the overall gross margin in Europe.

8 REVIEW OF GROUP PERFORMANCE (Con'td)

b. Loss Before Income Tax (Continuing operations)	2Q2012 $'000	2Q2011 $'000	+ / (-) %	1H2012 $'000	1H2011 $'000	+ / (-) %
US	(270)	(533)	(49.3)	(320)	(1,538)	(79.2)
Singapore	(89)	13	(784.6)	(85)	13	(753.8)
Europe	(554)	(548)	1.1	(948)	(664)	42.8
Corporate and other unallocated items	(106)	(858)	(87.6)	(407)	(1,537)	(73.5)
Total	(1,019)	(1,926)	(47.1)	(1,760)	(3,726)	(52.8)

US Operation - Loss before tax is lower compared to 1Q2012 as well as 2Q2011 because of increased revenue and reduced operating cost. US operation has achieved a positive EBITDA in 2Q2012 and is expected to improve further in subsequent quarters.

Singapore Operation - Its recorded a loss mainly due to provision for statutory expenses. EoL and trading will resume within 2H2012.

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 especially 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.

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 business 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 the US and Europe to continue to improve even without new injection of cash. A 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 to end-users, a strong leap in improvement can be expected.

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 Feb 2012

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 December 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

SIMON ENG
Chairman & Acting CEO

JEN SHEK VOON
Deputy Chairman and Lead Independent Director

Date : 10 Feb 2012