CENTILLION
Environment & Recycling

(Company Registration No. 199206445M)

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2011

1(a)(i) *STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30 SEPTEMBER 2011*

	GROUP		
	QUARTER ENDED 30/9/11 US$'000	QUARTER ENDED 30/9/10 US$'000	Favorable / (Unfavorable) %
Continuing Operations			
Revenue	**4,944**	**3,714**	**33.1**
Cost of sales	(3,739)	(3,099)	(20.7)
Gross profit	**1,205**	**615**	**95.9**
Gross Margin %	**24.4%**	**16.6%**	**47.2**
Other income	12	8	50.0
Distribution expenses	(521)	(403)	(29.3)
Administrative expenses	(1,126)	(1,359)	17.1
Other expenses	(149)	(279)	46.6
Results from operating activities	(579)	(1,418)	(59.2)
Finance expense	(71)	(40)	(77.5)
Loss before income tax	**(650)**	**(1,458)**	**(55.4)**
Tax benefit	8	1	700.0
Loss from continuing operations	**(642)**	**(1,457)**	**(56.0)**
Discontinued Operations			
Loss from discontinued operations	-	(430)	100.0
Loss for the Period	**(642)**	**(1,887)**	66.0

STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	QUARTER ENDED 30/9/11 US$'000	QUARTER ENDED 30/9/10 US$'000	Favorable / (Unfavorable) %
Loss for the Period	**(642)**	**(1,887)**	66.0
Other comprehensive income			
Currency translation differences	118	709	(83.4)
Net fair value change on cash flow hedge	(13)	(43)	69.8
Total comprehensive income for the period	**(537)**	**(1,221)**	56.0
Attributable to			
Equity holders of the company	**(537)**	**(1,221)**	
Minority interest	**-**	**-**	
	(537)	**(1,221)**	

NOTE: All comparative figures have been represented in US$ due to change in presentation currency. See Item 5(c) for details.

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

		GROUP		
		QUARTER ENDED 30/9/11	QUARTER ENDED 30/9/10	Favorable / (Unfavorable)
		US$'000	US$'000	%
1.1	**Loss before income tax** is arrived at after charging/(crediting) the following			
	Depreciation and amortisation	101	101	-
	Operating lease expense	640	701	8.7
	Exchange loss	143	278	48.6
	Interest expenses on borrowing	71	41	(73.2)
1.2	**Other income** comprises principally the following			
	Gain/(loss) on disposal of non-current assets	2	-	N.M.

Note : N.M. - Not Meaningful

Discontinued Operations

1.3 During FY2010 and FY2011, the Group decided to exit from China and Singapore's Precious Metal Recovery ("PMR") business respectively and reported these operations as part of Discontinued Operation. The disposal of these discontinued operations were completed in FY2011.

Continuing Operations

1.4 The Group's revenue for the quarter ended 30 September 2011 was higher than that of prior year mainly due to improvement in US.

1.5 The Group's gross margin for 1Q2012 at 24.4% had improved by 47% over that of the comparative quarter. Together with higher revenue, the Group recorded a significantly improved level of gross profit compared to last financial year. See further details under paragraph 8 "Review of Group Performance".

1.6 Increase in distribution cost for 1Q2012 of $0.12million (29%) was mainly due to expansion in Sale and Marketing activities and increase in personnel in US and Europe. This is consistent with the Group's intention to grow its collection volumes from US and business development cost in Eastern Europe.

1.7 Reduction in administrative expenses of $0.2million (17%) mainly due to reversing over-accrual of director fees approximately $0.13million in and further $0.12 million in rental recoverable. The Group is presently negotiating to completely sub-lease one of its leased properties. Under the term under negotiation, the Company is entitled to recover lease payments with effect from mid-August 2011.

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

Exchange loss decreased mainly due to re-designation of all inter-company loans from SG$ to US$ following the change in funtional currency by the Company. (See itme 5(c) below.) The exchange losses recorded in current quarter related solely to Europe operation due to deteoration of GBP and CZK against US$. In comparative quarter, US and Europe Operations recorded US$0.24 million and US$0.03 million in exchange loss respectively.

Lower operating lease expense was mainly due to recovery of certain rental but offset by additional rental arising from Czech Republic ("CZ") plant. The Group is presently negotiating to completely sub-lea one of its leased properties. Under the term under negotiation, the Company is entitled to recover lease payments with effect from mid-August 2011.

Higher interest expense was due to higher interest rate for Metech's borrowings under the Forbearance Agreement. (See note 1(b) (ii))

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

	GROUP		COMPANY	
	30/09/11	**30/06/11**	**30/09/11**	**30/06/11**
	US$'000	US$'000	US$'000	US$'000
Current assets				
Inventories	819	875	-	-
Trade and other receivables	3,152	3,928	1,376	1,692
Cash and cash equivalents	1,250	1,561	368	967
	5,221	6,364	1,744	2,659
Non-current assets				
Property, plant and equipment	4,887	4,936	46	52
Subsidiaries	-	-	14,495	14,495
Goodwill	7,207	7,207	-	-
Deferred tax assets	1,374	1,374	-	-
Restricted cash held in trust	440	440	-	-
Amount due from subsidiary	-	-	9,075	8,691
	13,908	13,957	23,616	23,238
Total assets	**19,129**	**20,321**	**25,360**	**25,897**
Current liabilities				
Borrowings	2,030	2,138	-	-
Trade and other payables	4,481	5,031	479	702
Income tax payable	5	2	-	-
	6,516	7,171	479	702
Non-current liabilities				
Borrowings	49	49	-	-
	49	49	-	-
Equity attributable to equity holders of the Company				
Share capital	124,372	124,372	124,372	124,372
Reserves	(922)	(1,027)	1,080	1,080
Accumulated losses	(110,886)	(110,244)	(100,571)	(100,257)
Total equity	12,564	13,101	24,881	25,195
Total liabilities and equity	**19,129**	**20,321**	**25,360**	**25,897**

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

Significant changes are discussed below:

a. Cash balance reduced mainly due to the operating loss incurred during the quarter.

b. Decrease in trade and other receivables ($776K; 19.8%) mainly due to a settlement receipt of $570K from a trade receivable that was considered doubtful in prior years. The related provision was written back in prior quarter.

c. Trade and other payables were reduced mainly via routine settlement.

d. The Group's external borrowings in US reduced due to scheduled instalment repayments.

1(b)(ii) *GROUP BORROWINGS*

	As at 30/09/11 US$'000	**As at 30/06/11** US$'000
Amount repayable in one year -secured	2,030	2,138
Amount repayable after one year -secured	49	49
	2,079	**2,187**

Bank loans amounting to US$ 2.1 million as at 30 Sept 2011 is secured on property, plant and equipment, inventories and receivables of Metech recycling, Inc ("Metech").

In August 2011, Metech entered into a Forbearance Agreement with the Bank whereby the Bank had agreed, from the date of the agreement until 14 December 2011, not to exercise its rights that would have been available to the Bank in the event of default of the secured loans and lines of credit. The agreement had taken into account of Metech's repayment of approximately US$1.28 million of loans and lines of credit in June 2011. The Group is in advance stage of negotiation with another bank to refinance the remaining loans on or before 14 December 2011.

1(c) *STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2011*

	GROUP	
	QUARTER ENDED 30/9/11	QUARTER ENDED 30/9/10
Operating activities	$'000	$'000
Loss for the period	(642)	(1,887)
Adjustments:		
Depreciation and amortisation	101	138
(Gain)/ Loss on disposal of non current assets	-	(2)
Unrealised exchange loss	86	364
Interest income	-	(1)
Interest expense	71	86
Income tax expense/ (benefit)	(8)	(1)
	(392)	(1,303)
Changes in working capital		
Trade and other receivables	756	(185)
Inventories	51	180
Cash encumbered	-	(66)
Trade and other payables	(528)	621
Cash (used in)/ from operations	(113)	(753)
Interest received	-	1
Interest paid	(71)	(86)
Income tax refund	8	1
Cash flows (used in)/from operating activities	**(176)**	**(837)**
Investing activities		
Purchase of plant and equipment	(67)	(58)
Proceeds from sale of property, plant and equipment	-	1
Cash flows used in investing activities	**(67)**	**(57)**
Financing activities		
Repayment of borrowings	(108)	3,708
Proceeds from borrowings	-	(2,294)
Cash flows from / (used in) financing activities	**(108)**	**1,414**
Net increase/(decrease) in cash and cash equivalents	(351)	520
Cash and cash equivalents at beginning of period	1,561	309
Effect of exchange rate fluctuation on cash held	40	(6)
Cash and cash equivalents at end of period	**1,250**	**823**

Analysis of Cash Flow

Collections from trade receivable principally funded operating loss for the quarter, payments to creditors and loan repayments. However, due to operating loss incurred, the cash balance was reduced by U$351K.

During the comparative quarter, negative operating cash flow was funded by additional borrowings in China against its land use right and property in Wuxi. China Operation refinanced its secured working capital loan of RMB 15 million (US$2.3 million) with another lender in PRC. In August 2010, China Operation drew down RMB25 million (US$3.7 million) to repay its existing loan of RMB 15 million and other payables. China Operation was accounted for as a discontinued operation in FY2011.

1(d)(i) *STATEMENT OF CHANGES IN EQUITY FOR QUARTER ENDED 30 SEPTEMBER 2011*

	Share Capital	**Currency Translation Reserve**	**Hedging Reserve**	**Share Option Reserve**	**Accumulated Losses**	**Total Equity**
Group	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
At 1 July 2010	124,372	(5,650)	(114)	1,080	(103,989)	15,699
Total comprehensive income for the period	-		-	-		
Foreign currency translation	-	709	-	-	-	709
Net fair value change on cash flow hedge			(43)			(43)
Loss for the year	-	-	-	-	(1,887)	(1,887)
Total comprehensive income for the period		709	(43)		(1,887)	(1,221)
At 30 Sept 2010	124,372	(4,941)	(157)	1,080	(105,876)	14,478
At 1 July 2011	124,372	(2,038)	(69)	1,080	(110,244)	13,101
Total comprehensive income for the period						
Foreign currency translation	-	118	-		-	118
Net fair value change on cash flow hedge			(13)			(13)
Loss for the year		-	-	-	(642)	(642)
Total comprehensive income for the period	-	118	(13)	-	(642)	(537)
At 30 Sept 2011	124,372	(1,920)	(82)	1,080	(110,886)	12,564
Company						
At 1 July 2010	124,372	-	-	1,080	(96,849)	28,603
Total comprehensive income for the period						
Loss for the year					(586)	(586)
Total comprehensive income for the period	-	-	-	-	(586)	(586)
At 30 Sept 2010	124,372	-	-	1,080	(97,435)	28,017
At 1 July 2011	124,372	-	-	1,080	(100,257)	25,195
Total comprehensive income for the period						-
Loss for the year					(314)	(314)
Total comprehensive income for the period	-	-	-	-	(314)	(314)
At 30 Sept 2011	124,372	-	-	1,080	(100,571)	24,881

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

There were no changes in the company's share capital for the reported quarter ended 30 September 2011

As at 30 September 2011, there were unexercised options for 12,215,000 and 180,000,000 (2010: 13,295,000 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. Reduction in outstanding options under the employee share option plan was due to forfeitures arising from resignations from employments with the Group.

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

As at 30 September 2011, the number of ordinary shares issued were 8,273,463,905 (2010: 8,273,463,905).

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

There are no treasury shares during the quarter and as at 30 September 2011.

2 *AUDIT*

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

3 *AUDITORS' REPORT*

Not applicable.

4 *ACCOUNTING POLICIES*

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the current reporting period's financial statements as compared with the audited financial statements for the year ended 30 June 2011.

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

(b) Change in functional currency

With effect from 1 July 2011, the Company and certain subsidiaries changed their functional currencies from Singapore Dollar (S$) to United States Dollar (US$). The e Company is off the view that a the change in functional currency to US$ will better reflect the economic substance of the underlying events and circumstance relevant to the Company and these subsidiaries, due to the change in the circumstances in these affected subsidiaries:

Entities	**Changes in circumstances**
The Company	As an investment holding company, its primary investments are in shares in recycling companies with substantial operation s in US and Europe and loans to these entities. With effect from 1 July 2011, these loans to subsidiaries were redesignated from S$ to US$ and would accrue interest and settle in US$ in future.
Centillion Environment & Recycling Pte Ltd	It will source and consolidate recycled materials primarily from the Group for trading purposes. As its trading partners are foreign entities, its operations will denominated in US$.
Centillion Investment UK Pte Ltd	As investment holding company of subsidiaries in UK and local trading arm of recycled materials sourced from UK, the loans and its operation will denominated in US$.
Centillion Investment USA Pte Ltd	As investment holding company of Metech Recycling, Inc, its loans to Metech are denominated in US$. Accordingly, all future interest income from these loans will be accrued in US$.

The effect of the change in functional currency has been accounted for prospectively, with all items translated into the new functional currencies of the relevant entities using the exchange rate at the date of change.

(c) Change in presentation currency

In line with the above changes, the Group has changed its presentation currency from S$ to US$ with effect from 1 July 2011. The change brings the Group's presentation currency to be in line with the functional currencies of the Company and its main operating subsidiaries. Currently, the Group's revenue is mainly derived from its operations in USA, which uses US$ as its functional currency.
For the purpose of translating the comparative information from S$ to US$ for presentation purposes, the following methods have been adopted:

Entities	**Method Adopted**
Company and subsidiaries effecting change in functional currencies to US$ in current financial period	All assets and liabilities, income and expense items, and all equity items are translated from the prior functional currencies of the entities to US$ using the exchange rate at the date of change.
Subsidiaries with no change in functional currency:	
- US$ functional currency	No further translation to US$ is required.
- non US$ functional currencies	All assets and liabilities are translated to US$ at exchange rate prevailing at the balance sheet date. All income and expense items are translated to US$ at average exchange rates for the reporting period.

The resultant exchange differences arising from the above are recognised in other comprehensive income.

6 *NET ASSET VALUE*

	GROUP		**COMPANY**	
	30/9/11	**30/06/11**	**30/9/11**	**30/06/11**
Net asset value per ordinary share based on issued share capital as at the end of the period	US Cents 0.1519	US Cents 0.1583	US Cents 0.3007	US Cents 0.3045

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

	GROUP	
Loss per share for results from the Group attributable to equity holders of the Company - Basic and Diluted (Note A)	**QUARTER ENDED 30/9/11**	**QUARTER ENDED 30/9/10**
	US Cents	US Cents
- Continuing operations	(0.0078)	(0.0176)
- Discontinuing operations	-	(0.0052)
Total	(0.0078)	(0.0228)

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 30 September 2011 are calculated based on the weighted average number of ordinary shares in issue during the year: 8,273,463,950 shares (2010: 8,273,463,950).

Note A: For the quarter ended 30 September 2011 and 2010, the diluted loss per share was shown as the same amount as the basic loss per share as the share options were anti-dilutive and disregarded in the computation of diluted loss per share.

8 *REVIEW OF GROUP PERFORMANCE*

a. **Quarterly Revenue and Gross Margin (Continuing operations)**

	1Q2012	4Q2011	+ / (-)	1Q2012	1Q2011	+ / (-)
Revenue by Segment	US$'000	US$'000	%	US$'000	US$'000	%
US	4,280	4,045	5.80	4,280	3,040	40.80
Singapore	-	184	(100.00)	-	7	(100.00)
Europe	664	907	(26.80)	664	667	(0.50)
Total	4,944	5,136	(3.70)	4,944	3,714	33.10
Gross Margin by Segment	%	%		%	%	
US	24.3 %	21.6 %		24.3 %	12.0 %	
Singapore	0.0 %	19.6 %		0.0 %	(200.0)%	
Europe	21.4 %	33.8 %		21.4 %	30.3 %	
Total	**24.4 %**	**24.7 %**		**24.4 %**	**16.6 %**	

The Group recorded significant improvement in revenue and gross margin % as compared to comparative period in FY2011. Overall revenue for the quarter is comparable to the preceding quarter, although reduction in revenue in Europe was offset by increases from USA and Singapore.

US Operations – Revenue continues to grow steadily over the preceding quarter and over that of comparative quarter in FY2011. More significantly, this increase had absorbed excess capacity that led to much lower margin in 1Q2011.

Singapore Operations – There is no trade during the quarter.

Europe Operations – Revenue is lower than the preceding quarter but is comparable to that of comparative quarter in FY2011. Margin is much lower this quarter as Czech Republic ("CZ") plant's direct overheads were included during the quarter for the first time as it was brought on-line during the quarter. Initial excess capacity in CZ plant brought down its overall gross margin.

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

	QUARTER ENDED 30/9/11	QUARTER ENDED 30/9/10	Favorable / (Unfavorable)
b. Loss Before Income Tax (Continuing operations)	US$'000	US$'000	%
US	(41)	(756)	94.6
Singapore	3	(13)	123.1
Europe	(318)	(86)	(269.8)
Corporate and other unallocated items	(294)	(603)	51.2
Total	(650)	(1,458)	(55.4)

US Operation – Lower loss for the quarter mainly due to improvement in Revenue and Gross Margin as discussed above. As the Company had redesignated its loans to US Operation from SG$ to US$, it had avoided significant exchange losses that otherwise had been recorded during the comparative quarter (US$244K).

Singapore Operation – It recorded a net profit mainly due to exchange gain.

Europe Operation – Loss recorded for the quarter was principally due to exchange loss of US$143K and additional operating losses sustained from initial start up of CZ plant and lower revenue recorded.

Corporate – Significantly lower expenses incurred by Corporate as the Company expected to recovered significant portion of its leasing cost from party under negotiation of a sub-lease.

9 *SEGMENTED REVENUE AND RESULTS FOR GEOGRAPHICAL SEGMENTS*

See item 8.

10 *VARIANCE FROM PROSPECT STATEMENT*

The Group had previously provided the following Prospect Statement in its previous results announcement released on 26 Aug 2011:

> "The restructuring of the Group operations worldwide will continue to the trend of positive turnaround and improvements in cash flow. Ongoing negotiation with other financial institutions will ensure refinancing of Metech's borrowings by end of this year."

As discussed under Paragraph 8, the Group had recorded improved revenues and gross margins in the current quarter and accordingly the Prospect Statement had been met.

11 *PROSPECT*

On 27 October and 1 November 2011, the Company announced the change in interest of a substantial shareholder, new appointments of senior management personnel and a change in its Board's composition. Following these changes, the Board is currently reviewing its current portfolio of assets and strategic directions. At the same time, various cost reduction measures have been initiated.

The Group is presently in the advance stage of negotiation with a bank in US to ensure refinancing of Metech's borrowings.

12 *DIVIDENDS*

No dividend is recommended.

13 *INTERESTED PARTY TRANSACTIONS*

The Group has not obtained a general mandate from its shareholders.

BY ORDER OF THE BOARD

Kim Yi Hwa
Company Secretary
Date : 14 Nov 2011

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 30 September 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Simon Eng
Chairman and Acting Chief Executive Officer

Jen Shek Voon
Deputy Chairman & Lead Independent Director

Date : 14 Nov 2011