

**UNAUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 30 JUNE 2011**

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

	Note	GROUP			GROUP		
		4Q2011 \$'000	4Q2010 \$'000	+ / (-) %	Year ended 30.06.11 \$'000	Year ended 30.06.10 \$'000	+ / (-) %
<b>Continuing Operations</b>							
Revenue	1.3	6,429	6,534	(1.6)	21,366	26,690	(19.9)
Cost of sales		(4,958)	(5,826)	(14.9)	(17,152)	(25,395)	(32.5)
<b>Gross profit</b>		<b>1,471</b>	<b>708</b>	<b>107.8</b>	<b>4,214</b>	<b>1,295</b>	<b>225.4</b>
<b>Gross Margin %</b>	1.4	<b>22.9 %</b>	<b>10.8 %</b>	<b>111.2</b>	<b>19.7 %</b>	<b>4.9 %</b>	<b>306.5</b>
Other income		632	(101)	(725.7)	635	834	(23.9)
Distribution expenses	1.5	(434)	(524)	(17.2)	(2,031)	(1,762)	15.3
Administrative expenses	1.6	(1,926)	(1,810)	6.4	(7,540)	(6,712)	12.3
Other expenses		(438)	206	(312.6)	(1,136)	(695)	63.5
Results from operating activities		(695)	(1,521)	(54.3)	(5,858)	(7,040)	(16.8)
Finance expense		(69)	(152)	(54.6)	(292)	(465)	(37.2)
<b>Loss before income tax</b>		<b>(764)</b>	<b>(1,673)</b>	<b>(54.3)</b>	<b>(6,150)</b>	<b>(7,505)</b>	<b>(18.1)</b>
Tax (expense)/ benefit		73	(17)	(529.4)	73	(32)	(328.1)
<b>Loss from continuing operations</b>		<b>(691)</b>	<b>(1,690)</b>	<b>(59.1)</b>	<b>(6,077)</b>	<b>(7,537)</b>	<b>(19.4)</b>
<b>Discontinued Operations</b>							
(Loss)/Gain from discontinued operations	1.8	(186)	(1,694)	(89.0)	188	(11,570)	(101.6)
<b>(Loss) for the Period</b>		<b>(877)</b>	<b>(3,384)</b>	<b>(74.1)</b>	<b>(5,889)</b>	<b>(19,107)</b>	<b>(69.2)</b>
<b>STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR ENDED 30 JUNE 2011</b>							
<b>(Loss) for the Period</b>		<b>(877)</b>	<b>(3,384)</b>	<b>(74.1)</b>	<b>(5,889)</b>	<b>(19,107)</b>	<b>(69.2)</b>
<b>Other comprehensive income</b>							
Currency translation differences		(437)	204	(314.2)	(1,597)	(67)	2,283.6
Currency translation attributed to discontinued operations		(677)	-		(677)	-	
Net fair value change on cash flow hedge		4	(160)	(102.5)	76	(160)	(147.5)
<b>Total comprehensive income for the period</b>		<b>(1,987)</b>	<b>(3,340)</b>	<b>(40.5)</b>	<b>(8,087)</b>	<b>(19,334)</b>	<b>(58.2)</b>
<b>Attributable to</b>							
Equity holders of the company		(1,987)	(3,340)		(8,087)	(19,334)	
Minority interest		-	-		-	-	
		<b>(1,987)</b>	<b>(3,340)</b>		<b>(8,087)</b>	<b>(19,334)</b>	

1(a)(ii) <b>BREAKDOWN OF TURNOVER AND LOSS AFTER TAXATION</b>	<b>GROUP</b>		
	<b>Year ended 30.06.11</b>	<b>Year ended 30.06.10</b>	<b>+ / (-)</b>
	\$'000	\$'000	%
1st Half Year - Revenue	10,108	14,549	(30.5)
1st Half Year - Loss after taxation	<u>(4,938)</u>	<u>(5,592)</u>	(11.7)
2nd Half Year - Revenue	11,258	12,141	(7.3)
2nd Half Year - Loss after taxation	<u>(951)</u>	<u>(13,515)</u>	(93.0)

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

	Note	<b>GROUP</b>			<b>GROUP</b>		
		<b>4Q2011</b>	<b>4Q2010</b>	<b>+ / (-)</b>	<b>Year ended 30.06.11</b>	<b>Year ended 30.06.10</b>	<b>+ / (-)</b>
		\$'000	\$'000	%	\$'000	\$'000	%
<b>1.1</b>	<b>Loss before income tax</b> is arrived at after charging/(crediting) the following:						
	Depreciation and amortisation	-	206	(100.0)	639	671	(4.8)
	Operating lease expense	862	934	(7.7)	3,276	3,121	5.0
	Reversal of provision for onerous contract	-	(160)		-	(473)	
	Exchange losses	366	11	3,227.3	1,046	657	59.2
	Initial startup expenses written off	436	-	N.M.	881	-	N.M.
	Accrued waste disposal expense	-	-	N.M.	656	-	N.M.
	(Reversal of) Impairment loss on inventory	-	-	N.M.	-	(122)	(100.0)
	Liability waived arising from settlement with creditors	-	-	N.M.	(650)	-	N.M.
	Employee Share Option Cost (reversed)	-	(525)	(100.0)	-	(210)	(100.0)
	Interest expenses on borrowing	70	76	(7.9)	293	269	8.9
	Impairment loss on doubtful receivables	-	22	N.M.	-	22	(100.0)
<b>1.2</b>	<b>Other income</b> comprises principally the following:						
	Gain/(loss) on disposal of non-current assets	-	59	(100.0)	2	55	(96.4)
	Reversal of impairment loss on doubtful receivables	-	-	N.M.	(502)	-	N.M.
	Rental income	-	84	(100.0)	-	252	(100.0)

Note : N.M. - Not Meaningful

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

**Continuing Operations**

- 1.3 The Group's revenue for the quarter ended 30 June 2011 was lower than that of prior year mainly due to lower US\$ exchange rate against S\$ in the US operations and curtailment of Precious Metal Recovery business in US. See further details under paragraph 8 "Review of Group Performance".
- 1.4 The Group's gross margin for 4Q2011 was 22.9% compared to 10.8% in the comparative quarter and was contributed by all segments. See further details under paragraph 8 "Review of Group Performance".
- 1.5 Lower distribution costs for the current quarter and 12 months to-date were due to discontinued Singapore's Precious Metal Recovery ("PMR") business.
- 1.6 4Q2011 administrative expenses were much higher than comparative quarter and 12 months' to-date mainly due to the Group incurring and writing off initial pre-operating expenses relating to starting up of its new plant in Czech Republic of \$0.4 million and \$0.9 million respectively.
- 1.7 Significant changes in items included in 1.1 and 1.2 above are explained as follows:
- Due to the weakening USD against SGD, US Operations recorded exchange losses of \$0.18 million and \$0.74 million for the quarter and 12 month period arising from SGD based loans and liabilities. For Europe Operations, it recorded exchange loss of \$0.14 million and \$0.30 million for the quarter and 12 month period respectively as GBP similarly devalued significantly against SGD during 4Q2011. These exchange losses accounted for the bulk of Other Operating Expense.
  - Due to unexpected delay in the commissioning of the CRT recycling plant in US, the Group provided a cumulative charge of S\$0.7 million for external disposal costs associated with unprocessed CRT glasses that would otherwise have been treated internally.
  - The Group successfully negotiated a settlement agreement with creditors in liquidation resulting in S\$0.6 million in liabilities owed being waived. It also further recovered S\$0.7 million in receivables previously considered doubtful, but offset by additional provision for other doubtful debts of approximately S\$0.2 million.
  - The employee share option expense arose from the grant of share options in May 2009 and this charge of option expense would have continued over the estimated life of the options until April 2012. This option expense has been discontinued as the fair value of the options has been remeasured due to the forfeiture of share options resulting from resignations in FY2010.
  - Reduction in rental income was due to the expiration of sub tenant lease in May 2010.

	GROUP			GROUP		
	4Q2011 \$'000	4Q2010 \$'000	+ / (-) %	Year ended 30.06.11 \$'000	Year ended 30.06.10 \$'000	+ / (-) %
<b>Discontinued Operations</b>						
<b>1.8 China Operation</b>						
Operating Loss	(560)	7,070		(2,225)	(3,203)	
Reversal of (provision) for asset impairment	-	(8,500)		1,600	(8,500)	
	<u>(560)</u>	<u>(1,430)</u>		<u>(625)</u>	<u>(11,703)</u>	
<b>Singapore PMR</b>						
Operating Profit	354	(264)		75	133	
Reversal of provision for asset impairment	20	-		738	-	
	<u>374</u>	<u>(264)</u>		<u>813</u>	<u>133</u>	
Total - Discontinued Operations	<u>(186)</u>	<u>(1,694)</u>		<u>188</u>	<u>(11,570)</u>	

These disposals have been completed during 4Q 2011. Accordingly, these reversals of asset impairment will be reported as part of "Gain on disposal of assets held for sale" in the results for the financial year.

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

	GROUP		COMPANY	
	30.06.2011 \$'000	30.06.2010 \$'000	30.06.2011 \$'000	30.06.2010 \$'000
<b>Current assets</b>				
Inventories	1,075	1,139	-	-
Trade and other receivables	5,132	4,414	2,080	1,335
Restricted cash held in trust	-	615	-	-
Cash and cash equivalents	1,918	316	1,189	69
Assets classified as held for sale	-	15,362	-	12,488
Short term tax asset	4	-	-	-
	8,129	21,846	3,269	13,892
<b>Non-current assets</b>				
Property, plant and equipment	6,066	7,409	64	59
Subsidiaries	-	-	17,815	17,799
Goodwill	8,780	10,655	-	-
Deferred tax assets	1,689	1,923	-	-
Restricted cash held in trust	541	-	-	-
Amount due from subsidiary	-	-	10,681	5,584
	17,076	19,987	28,560	23,442
<b>Total assets</b>	<b>25,205</b>	<b>41,833</b>	<b>31,829</b>	<b>37,334</b>
<b>Current liabilities</b>				
Borrowings	2,781	4,773	-	-
Liabilities classified as held for sale	-	4,118	-	-
Trade and other payables	6,234	8,707	864	2,180
Income tax payable	2	-	-	-
	9,017	17,598	864	2,180
<b>Non-current liabilities</b>				
Borrowings/ Deferred payments	60	20	-	-
<b>Equity attributable to equity holders of the Company</b>				
Share capital	152,854	152,854	152,854	152,854
Reserves	1,072	3,270	1,327	1,327
Accumulated losses	(137,798)	(131,909)	(123,216)	(119,027)
<b>Total equity</b>	<b>16,128</b>	<b>24,215</b>	<b>30,965</b>	<b>35,154</b>
<b>Total liabilities and equity</b>	<b>25,205</b>	<b>41,833</b>	<b>31,829</b>	<b>37,334</b>

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

In general, significant portion of the Group's net assets are those of US and UK Operations and accordingly accounted in USD and GBP respectively. Significant devaluations of the currencies against SGD (as presentation currency) resulted in substantial decreases in the values of these assets and liabilities as compared to that reported in prior year in addition to changes due to normal procurement, repayment and sale activities.

The effect of this currency devaluations principally explained the decreases for property, plant & equipment, goodwill, deferred tax assets and restricted cash held in trust.

Other significant changes are discussed below:

- a. Increase in trade and other receivables (S\$0.7 million;16.3%) was principally due to recoverable of S\$0.7 million from a customer under liquidation (refer to 1.7c under 1(a) iii above)
- b. Restricted cash held in trust has been reclassified as non current asset due to additional obligations imposed and anticipated delay in its final release arising from changes in applicable regulations.
- c. Trade and other payables decreased by S\$2.5 million was partly due to settlement of liabilities (refer to 1.7c under 1(a) iii above) and certain amounts previously delayed prior to disposal of China Operation. However this reduction was partially offset by additional liabilities associated with inventory purchased.
- d. As at 30.06.2011, the Group external borrowings principally in US had reduced by repayments partially offset by additional liability under deferred payment arrangement from equipment vendor.
- e. Negative working capital of S\$0.9 million was principally due to operating losses incurred. However, should the non-current portion of S\$2.8 million borrowing (see note 1(b)(ii) be excluded from current liabilities, it would have been a positive working capital of \$1.9 million.
- f. Disposal of China Operation and PMR assets in Singapore were completed during 4Q 2011. Net proceeds received had contributed to the increase of cash at bank net of disbursements.

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

	<b>Amount repayable in one year</b>		<b>Amount repayable after one year</b>	
	<b>As at 30.06.2011</b>	<b>As at 30.06.2010</b>	<b>As at 30.06.2011</b>	<b>As at 30.06.2010</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Secured borrowings/ Deferred payments	2,781	4,773	60	20
Secured and included in liabilities classified as held for sale	-	3,102	-	-
	<b>2,781</b>	<b>7,875</b>	<b>60</b>	<b>20</b>

Bank loans amounting to S\$2.8 million as at 30 June 2011 are secured on property, plant and equipment, inventories and receivables of Metech Recycling Inc. ("Metech")

Metech had breached a covenant by failing to comply with the debt service coverage ratio since the prior financial year resulting in borrowings of \$2.8 million which could be called for repayment at any time by a lender. Metech had also breached the same covenant during FY2009. The ratio was breached due to decreases in Metech's earnings during both financial years.

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. Metech expects to refinance the remaining loans on or before 14 December 2011.

1(c) **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011**

	GROUP	
	Year ended 30.06.11 \$'000	Year ended 30.06.10 \$'000
<b>Operating activities</b>		
Loss for the year	(5,889)	(19,107)
<i>Adjustments:</i>		
Depreciation and amortisation	639	819
Provision for disposal of waste materials	656	-
(Gain)/ Loss on disposal of non current assets	(2)	(75)
Allowance for (Reversal of) impairment loss on doubtful receivables	(502)	(154)
Change in fair value of assets classified as held for sale	(738)	9,500
(Reversal of) Impairment loss on inventory	-	(122)
Unrealised exchange loss	409	774
(Reversal of) Employee Share Option Cost	-	(210)
Liability waived arising from settlement with creditors	(650)	-
Interest income	-	(6)
Interest expense	293	587
Income tax expense	(73)	32
	<u>(5,857)</u>	<u>(7,962)</u>
Changes in working capital		
Trade and other receivables	(596)	409
Inventories	(12)	6,377
Cash encumbered	-	(62)
Trade and other payables	(2,303)	(4,060)
Cash (used in)/ from operations	<u>(8,768)</u>	<u>(5,298)</u>
Interest received	-	6
Interest paid	(293)	(426)
Income tax (paid)/refund	73	2,343
<b>Cash flows used in operating activities</b>	<b><u>(8,988)</u></b>	<b><u>(3,375)</u></b>
<b>Investing activities</b>		
Payments for accrued acquisition cost	-	(3,807)
Purchase of plant and equipment	(465)	(2,082)
Net disposal of China Operation	9,578	-
Proceeds from sale of property, plant and equipment	1,102	91
<b>Cash flows used in investing activities</b>	<b><u>10,215</u></b>	<b><u>(5,798)</u></b>

1(c) **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011 (cont'd)**

	<b>GROUP</b>	
	<b>Year ended 30.06.11 \$'000</b>	<b>Year ended 30.06.10 \$'000</b>
<b>Financing activities</b>		
Repayment of borrowings	(6,045)	(8,070)
Proceeds from borrowings	6,385	6,058
Payment of deferred payment creditor	(39)	-
Proceeds from issuance of shares, net of share issue expenses	-	10,307
<b>Cash flows from financing activities</b>	<b>301</b>	<b>8,295</b>
Net increase/(decrease) in cash and cash equivalents	1,528	(878)
Cash and cash equivalents at beginning of period	344	1,236
Effect of exchange rate fluctuation on cash held	46	(14)
<b>Cash and cash equivalents at end of period</b>	<b>1,918</b>	<b>344</b>

**Analysis of Cash Flow**

The Group had a negative cash flow from operation of approximately S\$9 million for year ended 30 June 2011 mainly due to the operation loss for the year and payments of certain payables previously delayed prior to disposal of China Operation.

The negative operating cash flow was funded by net proceeds from the disposal groups; i.e. China operations and Singapore PMR.

1(d)(i) **STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2011**

Group	Share Capital \$'000	Currency Translation Reserve \$'000	Hedging Reserve \$'000	Share Option Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>At 30 June 2009</b>	141,756	2,170	-	1,537	(112,802)	32,661
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-
Foreign currency translation	-	(67)	-	-	-	(67)
Net fair value change on cash flow hedge	-	-	(160)	-	-	(160)
Loss for the year	-	-	-	-	(19,107)	(19,107)
Total comprehensive income for the period	-	(67)	(160)	-	(19,107)	(19,334)
<b>Transactions with owners recorded directly in equity</b>						
<b>Contributions by and distribution to owners</b>						
Issuance of ordinary shares for cash, net of expenses	11,098	-	-	-	-	11,098
Reversal of value of employee services received for issue of share options	-	-	-	(210)	-	(210)
Total transactions with owners	11,098	-	-	(210)	-	10,888
<b>At 30 June 2010</b>	152,854	2,103	(160)	1,327	(131,909)	24,215
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-
Foreign currency translation	-	(1,597)	-	-	-	(1,597)
Net fair value change on cash flow hedge	-	-	76	-	-	76
Realisation of exchange translation arising from disposal of China operations	-	(677)	-	-	-	(677)
Loss for the year	-	-	-	-	(5,889)	(5,889)
Total comprehensive income for the period	-	(2,274)	76	-	(5,889)	(8,087)
<b>At 30 June 2011</b>	152,854	(171)	(84)	1,327	(137,798)	16,128
<b>Company</b>						
<b>At 30 June 2009</b>	141,756	-	-	1,537	(104,990)	38,303
Loss for the year representing total comprehensive income for the period	-	-	-	-	(14,037)	(14,037)
<b>Transactions with owners recorded directly in equity</b>						
<b>Contributions by and distribution to owners</b>						
Issuance of ordinary shares for cash, net of expenses	11,098	-	-	-	-	11,098
Reversal of value of employee services received for issue of share options	-	-	-	(210)	-	(210)
Total transactions with owners	11,098	-	-	(210)	-	10,888
<b>At 30 June 2010</b>	152,854	-	-	1,327	(119,027)	35,154
Loss for the year representing total comprehensive income for the period	-	-	-	-	(4,189)	(4,189)
<b>At 30 June 2011</b>	152,854	-	-	1,327	(123,216)	30,965



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

There were no changes in the company's share capital for the reported year ended 30 June 2011.

As at 30 June 2011, there were unexercised options for 13,795,000 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 30 June 2011, the number of ordinary shares issued were 8,273,463,905 (30 June 2010: 8,273,463,905).

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

There are no treasury shares during the quarter and as at 30 June 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**

New/Revised FRS applicable to the Group with effect from 1 July 2010 are as follows::

- Amendments to FRS 32: Classification of Rights Issues - no impact
- Amendments to FRS 36: Amendments relating to the unit of accounting for goodwill impairment test - no impact
- Amendments to FRS 101: Disclosures for First time Adopters & additional exemptions - no impact
- Amendments to FRS 102: Share based payments - no impact
- Amendments to FRS 108: Operating segments- implemented
- Improvements to FRSs 2009: Implemented
- Improvements to FRSs 2010: Not Implemented

**6 NET ASSET VALUE**

	GROUP		COMPANY	
	30.06.2011	30-06-10	30.06.2011	30-06-10
Net asset value per ordinary share based on issued share capital as at the end of the period	Cents	Cents	Cents	Cents
	0.19	0.29	0.37	0.42

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

Loss per share for results from the Group attributable to equity holders of the Company - Basic and Diluted (Note A)	GROUP		GROUP	
	4Q2011	4Q2010	Year ended 30.06.11	Year ended 30.06.10
	Cents	Cents	Cents	Cents
- Continuing operations	(0.008)	(0.122)	(0.073)	(0.090)
- Discontinuing operations	(0.002)	(0.146)	0.002	(0.150)
<b>Total</b>	<b>(0.011)</b>	<b>(0.269)</b>	<b>(0.071)</b>	<b>(0.240)</b>

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 30 June 2011 are calculated based on the weighted average number of ordinary shares in issue during the year: 8,273,464,000 shares (2010: 7,839,217,000 inclusive of rights bonus element of 1,210,773,888).

Note A: For the quarter ended 30 June 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)	4Q2011	3Q2011	+ / (-)	4Q2011	4Q2010	+ / (-)
Revenue by Segment	\$'000	\$'000	%	\$'000	\$'000	%
US	5,057	3,915	29.2	5,057	5,379	(6.0)
Singapore	234	22	963.6	234	73	220.5
Europe	1,139	892	27.7	1,139	1,082	5.3
<b>Total</b>	<b>6,430</b>	<b>4,829</b>	<b>33.2</b>	<b>6,430</b>	<b>6,534</b>	<b>(1.6)</b>
<b>Gross Margin by Segment</b>	<b>%</b>	<b>%</b>		<b>%</b>	<b>%</b>	
US	21.9 %	13.8 %		21.9 %	4.9 %	
Singapore	10.7 %	100.0 %		10.7 %	0.0 %	
Europe	34.0 %	33.9 %		34.0 %	26.5 %	
<b>Total</b>	<b>22.9 %</b>	<b>19.3 %</b>		<b>22.9 %</b>	<b>10.7 %</b>	

This quarter, the Group recorded marginally higher revenue as compared with the same quarter in the prior year despite weaker USD and GBP against SGD. Overall margin had improved as compared to preceding and comparative quarter due to improvement from US and Europe operations.

**US Operations** – Revenue was higher compared to preceding quarter mainly due to higher collection and sale volumes during this quarter. Revenue was marginally lower compared to comparative quarter in the prior year due to weaker USD. However, gross margin had improved over comparative quarter in the prior year. The improvement was principally due to a higher level of utilization in plant capacity.

**Singapore Operations** – Revenue was generally higher than preceding quarter as the Group restructured its business following the disposal of its PMR assets. Going forward, Singapore will focus in increasing the Group's margin by consolidating, value-adding, and trading of dismantled PCB and other commodity scraps from Europe and US.

**Europe Operations** – With the intention to expand into Continental Europe, UK operations is now included in Europe operations. Marginally lower revenue from preceding quarter was due to weaker GBP against SGD and delay in shipments arising from changing downstream processing providers through Singapore. The revenues were solely from UK until the additional plant in Czech Republic comes on line in Aug 2011.

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

	4Q2011	4Q2010	+ / (-)	Year ended 30.06.11	Year ended 30.06.10	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>b. Loss Before Income Tax (Continuing operations)</b>						
US	(280)	(1,398)	(80.0)	(2,736)	(5,113)	(46.5)
Singapore	25	-	N.M.	44	4	1,000.0
Europe	(51)	(71)	(28.2)	(757)	(615)	23.1
Corporate and other unallocated items	(388)	(221)	75.6	(2,629)	(1,813)	45.0
<b>Total</b>	<u>(694)</u>	<u>(1,690)</u>	(58.9)	<u>(6,078)</u>	<u>(7,537)</u>	(19.4)

**US Operation** - It had reduced its operating losses for the current quarter and 12 month period significantly from improvement in gross margins. Its also benefited from saving from the restructuring senior management team in January 2010.

**Singapore Operation** - results from Singapore Operation would be insignificant until the downstream channels for trading and value-add had been set up for materials originating from Europe and US.

**Europe Operation** - As it progressively stepped up its sales and marketing activities to broaden its market from UK to continental Europe, it incurred further development expenses of \$0.4 million and \$0.8 million during the quarter and 12 month period respectively. Also included in its results were exchange losses of \$0.1 million and \$0.3 million for the quarter and 12 month period respectively. Europe Operation would have achieved break even for the current quarter and achieved a profit of \$0.2 million for current 12 month period if not for these additional expenses and exchange losses.

**Corporate and other unallocated items** – Higher losses being recorded this year were principally due to higher lease payment without the benefit of sublease income and relief from provision for onerous contract as the Group took longer than one year to fully sublease it's unused space as originally anticipated.

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

Barring any unforeseen circumstances, the Group expects improvement in the next first half year performance.

*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**

**Kim Yi Hwa**  
**Company Secretary**  
**Date : 26 Aug 2011**

***CONFIRMATION BY THE BOARD***

We, Chng Weng Wah and Richard Basil Jacob, 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 year ended 30 June 2011 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**CHNG WENG WAH**  
**Chairman**

**Date : 26 Aug 2011**

**RICHARD BASIL JACOB**  
**Executive Director &**  
**Chief Executive Officer**