

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2011

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

| | Note | GROUP | | | GROUP | | |
|--|------|------------------|------------------|---------------|--------------------------------------|--------------------------------------|---------------|
| | | 3Q2011 \$'000 | 3Q2010 \$'000 | + / (-) % | 9 months ended 31.03.11 \$'000 | 9 months ended 31.03.10 \$'000 | + / (-) % |
| Continuing Operations | | | | | | | |
| Revenue | 1.3 | 4,828 | 5,608 | (13.9) | 14,937 | 20,157 | (25.9) |
| Cost of sales | | (3,897) | (5,075) | (23.2) | (12,194) | (19,075) | (36.1) |
| Gross profit/(loss) | | 931 | 533 | 74.7 | 2,743 | 1,082 | 153.5 |
| Gross Margin % | 1.4 | 19.3 % | 9.5 % | 102.9 | 18.4 % | 5.4 % | 242.1 |
| Other income | | (29) | 218 | (113.3) | 3 | 499 | (99.4) |
| Distribution expenses | 1.5 | (534) | (404) | 32.2 | (1,597) | (1,361) | 17.3 |
| Administrative expenses | 1.6 | (1,996) | (937) | 113.0 | (5,612) | (4,900) | 14.5 |
| Other expenses | | 20 | (385) | (105.2) | (698) | (854) | (18.3) |
| Results from operating activities | | (1,608) | (975) | 64.9 | (5,161) | (5,534) | (6.7) |
| Finance expense | | (48) | (77) | (37.7) | (223) | (313) | (28.8) |
| Loss before income tax | | (1,656) | (1,052) | 57.4 | (5,384) | (5,847) | (7.9) |
| Tax (expense)/ benefit | | - | 2 | (100.0) | (1) | (15) | (93.3) |
| Loss from continuing operations | | (1,656) | (1,050) | 57.7 | (5,385) | (5,862) | (8.1) |
| Discontinued Operations | | | | | | | |
| Loss from discontinued operations | 1.8 | 1,583 | (9,079) | (117.4) | 374 | (9,859) | (103.8) |
| Loss for the Period | | (73) | (10,129) | (99.3) | (5,011) | (15,721) | (68.1) |
| STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2011 | | | | | | | |
| Loss for the Period | | (73) | (10,129) | (99.3) | (5,011) | (15,721) | (68.1) |
| Other comprehensive income | | | | | | | |
| Currency translation differences | | (386) | 158 | (344.3) | (1,160) | (271) | 328.0 |
| Net fair value change on cash flow hedge | | 2 | - | N.M. | 72 | - | N.M. |
| Total comprehensive income for the period | | (457) | (9,971) | (95.4) | (6,099) | (15,992) | (61.9) |
| Attributable to | | | | | | | |
| Equity holders of the company | | (457) | (9,971) | | (6,099) | (15,992) | |
| Minority interest | | - | - | | - | - | |
| | | (457) | (9,971) | | (6,099) | (15,992) | |

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

| | Note | GROUP | | | GROUP | | |
|------------|---|------------------|------------------|--------------|--------------------------------------|--------------------------------------|--------------|
| | | 3Q2011 \$'000 | 3Q2010 \$'000 | + / (-) % | 9 months ended 31.03.11 \$'000 | 9 months ended 31.03.10 \$'000 | + / (-) % |
| 1.1 | Loss before income tax is arrived at after charging/(crediting) the following: | | | | | | |
| | Depreciation and amortisation | 181 | 206 | (12.1) | 481 | 671 | (28.3) |
| | Operating lease expense | 840 | 681 | 23.3 | 2,414 | 2,660 | (9.2) |
| | Reversal of provision for onerous contract | - | (160) | | - | (473) | |
| | Exchange losses | 16 | 328 | (95.1) | 680 | 644 | 5.6 |
| | Initial startup expenses written off | 204 | - | N.M. | 445 | - | N.M. |
| | Provision for waste disposal | - | - | N.M. | 331 | - | N.M. |
| | Employee Share Option Cost | - | (525) | (100.0) | - | (210) | (100.0) |
| | Interest expenses on borrowing | 48 | 77 | (37.7) | 223 | 313 | (28.8) |
| | Impairment loss on doubtful receivables | - | 22 | N.M. | 16 | 22 | (27.3) |
| 1.2 | Other income comprises principally the following: | | | | | | |
| | Gain/(loss) on disposal of non-current assets | - | 59 | (100.0) | 2 | 55 | (96.4) |
| | Rental income | - | 84 | (100.0) | - | 252 | (100.0) |

Note : N.M. - Not Meaningful

Continuing Operations

- 1.3** The Group's revenue for the quarter ended 31 March 2011 was lower than that of prior year mainly due to lower sales in Singapore and in the US operations. See further details under paragraph 8 "Review of Group Performance".
- 1.4** The Group's gross margin for 3Q2011 was 19.3% compared to 9.5% in the comparative quarter principally due to improvement from the US operations. See further details under paragraph 8 "Review of Group Performance".
- 1.5** Higher distribution costs for the current quarter and 9 months to-date were due to expansion of Sale and Marketing activities in US and Europe consistent with the Group's intention to grow its collection volumes in US and Europe.
- 1.6** 3Q2010 administrative expenses were much lower due to reversal of employee option expenses (S\$0.53 million) arising from forfeiture of share options resulting from resignations and reversal of provision for onerous lease contract (S\$0.16 million). In 3Q2011 and the 9 month period, the Group incurred and written off initial pre-operating expenses relating to starting up of its a new plant in Czech Republic of \$0.2 million and \$0.45 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 \$0.13 million and \$0.56 million for the quarter and 9 month period arising from SGD based loans and liabilities. For Europe Operations, it recorded exchange gain of \$0.12 million and loss of \$0.17 million for the quarter and 9 month period respectively as GBP recovered marginally during the quarter despite having weaken against SGD since June 2010. 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, during the 2Q2011, the Group provided a cumulative charge of S\$0.3 million for external disposal costs associated with unprocessed CRT glasses that would otherwise have been treated internally.
 - 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.
 - Reduction in rental income was due to the expiration of sub tenant lease in May 2010.

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

| Discontinued Operations | Note | GROUP | | | GROUP | | |
|--|------|------------------|------------------|--------------|--------------------------------------|--------------------------------------|--------------|
| | | 3Q2011 \$'000 | 3Q2010 \$'000 | + / (-) % | 9 months ended 31.03.11 \$'000 | 9 months ended 31.03.10 \$'000 | + / (-) % |
| 1.8 China Operation | | | | | | | |
| Operating Loss | | (576) | (658) | | (1,546) | (1,775) | |
| Reversal of (provision) for asset impairment | | 1,600 | (8,500) | | 1,600 | (8,500) | |
| | | <u>1,024</u> | <u>(9,158)</u> | | <u>54</u> | <u>(10,275)</u> | |
| Singapore PMR | | | | | | | |
| Operating Loss | | (159) | 79 | | (398) | 416 | |
| Reversal of provision for asset impairment | | 718 | - | | 718 | - | |
| | | <u>559</u> | <u>79</u> | | <u>320</u> | <u>416</u> | |
| Total - Discontinued Operations | | <u>1,583</u> | <u>(9,079)</u> | | <u>374</u> | <u>(9,859)</u> | |

During FY2010, the Group decided to exit from China and reported its operations in China as part of Discontinued Operations. Following the approval by the Extraordinary General Meeting on 13 April 2011, the Company completed the disposal of its China Operation on 20 April 2011. As certain uncertainty in the accounting estimate had been removed subsequent to the quarter, the Group revised its earlier impairment estimate for the disposal group and reversed \$1.6 million from the related provision for impairment of fixed assets.

Further during the current quarter, the Group had entered into an agreement to dispose off all its process equipment relating to Singapore's precious metal recovery business ("PMR"). Accordingly, all assets related to Singapore PMR are classified as assets available for sale and its financial result is reported as part of Discontinued Operation in the Group's Comprehensive Income Statement. Singapore PMR business was not a discontinued operation nor its assets were part of any disposal group as at 31 March 2010. The comparative income statement for the quarter and 9 month ended 31 March 2010 has be re-presented to show Singapore PMR as discontinued operation separately. The disposal was completed on 1 April 2011 and accordingly the Group also revised its earlier estimate of impairment on these assets.

These disposals have been completed on 20 April 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 | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2011 \$'000 | 30.06.2010 \$'000 | 31.03.2011 \$'000 | 30.06.2010 \$'000 |
| Current assets | | | | |
| Inventories | 824 | 1,139 | - | - |
| Trade and other receivables | 3,865 | 4,414 | 1,507 | 1,335 |
| Restricted cash held in trust | - | 615 | - | - |
| Cash and cash equivalents | 427 | 316 | 85 | 69 |
| Assets classified as held for sale | 16,197 | 15,362 | 9,688 | 12,488 |
| | 21,313 | 21,846 | 11,280 | 13,892 |
| Non-current assets | | | | |
| Property, plant and equipment | 6,133 | 7,409 | 44 | 59 |
| Subsidiaries | - | - | 17,815 | 17,799 |
| Goodwill | 10,655 | 10,655 | - | - |
| Deferred tax assets | 1,732 | 1,923 | - | - |
| Restricted cash held in trust | 554 | - | - | - |
| Amount due from subsidiary | - | - | 6,467 | 5,584 |
| | 19,074 | 19,987 | 24,326 | 23,442 |
| Total assets | 40,387 | 41,833 | 35,606 | 37,334 |
| Current liabilities | | | | |
| Borrowings | 4,228 | 4,773 | - | - |
| Liabilities classified as held for sale | 8,566 | 4,118 | 2,523 | - |
| Trade and other payables | 9,402 | 8,707 | 2,936 | 2,180 |
| | 22,196 | 17,598 | 5,459 | 2,180 |
| Non-current liabilities | | | | |
| Borrowings/ Deferred payments | 75 | 20 | - | - |
| | 75 | 20 | - | - |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 152,854 | 152,854 | 152,854 | 152,854 |
| Reserves | 2,183 | 3,270 | 1,327 | 1,327 |
| Accumulated losses | (136,921) | (131,909) | (124,034) | (119,027) |
| Total equity | 18,116 | 24,215 | 30,147 | 35,154 |
| Total liabilities and equity | 40,387 | 41,833 | 35,606 | 37,334 |

Significant changes are discussed below:

- a. Decrease in inventories (\$315K; 27.7%) was due to US precious metal materials with refinery. The Group has since fully realised the value of these precious metals.
- b. Decrease in trade and other receivables (\$316K;12.6%) was due to timely collection of payments from customers.
- c. 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.
- d. Trade and other payables increased by S\$0.7 million was mainly due to operating losses incurred.
- e. As at 31.03.2011, the Group external borrowings principally in US had reduced by installment repayments partially offset by additional liability under deferred payment arrangement from equipment vendor.
- f. Negative working capital of \$0.9 million was principally due to operating losses incurred. However, should the non-current portion of S\$3.9 million borrowing (see note 19(b)(ii)) being excluded from current liabilities, it would have been a positive working capital of \$3 million.

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

g. Since the Group's decision to exit from China in the prior financial year and PMR Business in Singapore, all related assets and liabilities had been classified as disposal groups held for sale for the Group and the Company respectively. The net asset values of these disposal groups were set out below:

| | GROUP | | COMPANY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31.03.2011 \$'000 | 30.06.2010 \$'000 | 31.03.2011 \$'000 | 30.06.2010 \$'000 |
| Assets classified as held for sale | | | | |
| China Operation | 15,097 | 15,362 | 9,688 | 12,488 |
| Singapore PMR | 1,100 | - | - | - |
| | 16,197 | 15,362 | 9,688 | 12,488 |
| Liabilities classified as held for sale | | | | |
| China Operation | 7,966 | 4,118 | 2,523 | - |
| Singapore PMR | 600 | - | - | - |
| | 8,566 | 4,118 | 2,523 | - |
| | 7,631 | 11,244 | 7,165 | 12,488 |

Significant changes in the net values of these disposal groups were as follows:

The Company received a deposit of RMB10 million (S\$ 1.9 million) and a short-term loan of RMB 3 million (S\$0.6 million) from the buyer of China Operation during the quarter and had included them as part of the liabilities held for sale as they would be set off against the sale proceeds of the disposal group.

Liabilities of China Operation were further increased by additional bank borrowings although partially offset by weakening of RMB against SGD.

Following the approval of the shareholders in EGM held on 13 April 2011, the disposal of China Operation had been completed on 20 April 2011. As certain uncertainty in accounting estimate had been removed subsequent to the quarter, the Group and the Company revised their earlier impairment estimate on provision for impairment of fixed assets and receivables to approximately that of the net proceeds realised in April 2011.

Similarly, the Group received a deposit of S\$0.6 million from the buyer of its Singapore PMR's assets and accordingly presented the balance as liabilities available for sales. Following the completion of the disposal of Singapore PMR assets on 1 April 2011, the Group revised its earlier impairment estimate on provision for impairment of these assets to approximately their net realisable values.

1(b)(ii) GROUP BORROWINGS

| | Amount repayable in one year | | Amount repayable after one year | |
|---|-------------------------------------|-------------------------------|--|-------------------------------|
| | As at 31.03.2011 \$'000 | As at 30.06.2010 \$'000 | As at 31.03.2011 \$'000 | As at 30.06.2010 \$'000 |
| Secured borrowings/ Deferred payments | 4,228 | 4,773 | 75 | 20 |
| Secured and included in liabilities classified as held for sale | 4,800 | 3,102 | - | - |
| | 9,028 | 7,875 | 75 | 20 |

Bank loans amounting to S\$4.2 million as at 31 March 2011 are secured on property, plant and equipment, inventories and receivables of Metech Recycling Inc. ("Metech")

Bank loans amounting to S\$4.8 million as at 31 March 2011 are included in liabilities classified as held for sale and secured on certain assets classified as held for sale.

Metech had breached a covenant by failing to comply with the debt service coverage ratio since the prior financial year resulting in borrowings of \$4.2 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 the both financial years.

The lender had agreed to withhold their rights under the breach of covenant until mid May 2011 subject to certain conditions including additional funding to be made available by the Company to Metech. All these conditions had been met at end of March 2011. Metech continues to engage the lender in negotiation to maintain the original repayment terms beyond the expiry date of forbearance agreement.

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

| | GROUP | | GROUP | |
|---|------------------|------------------|--------------------------------------|--------------------------------------|
| | 3Q2011 \$'000 | 3Q2010 \$'000 | 9 months ended 31.03.11 \$'000 | 9 months ended 31.03.10 \$'000 |
| Operating activities | | | | |
| Loss for the period | (73) | (10,129) | (5,011) | (15,721) |
| <i>Adjustments:</i> | | | | |
| Depreciation and amortisation | 181 | 206 | 560 | 671 |
| Provision for disposal of waste materials | - | - | 331 | - |
| (Gain)/ Loss on disposal of non current assets | - | (63) | (2) | (59) |
| Plant and equipment written off | - | - | - | - |
| Allowance for (Reversal of) impairment loss on doubtful receivables | - | 65 | 16 | (284) |
| Change in fair value of assets classified as held for sale | (2,318) | 8,500 | (2,318) | 8,500 |
| (Reversal of) Impairment loss on inventory | - | - | - | (122) |
| Unrealised exchange loss | (7) | 268 | 1,194 | 767 |
| (Reversal of) Employee Share Option Cost | - | (525) | - | (210) |
| Provision for restructuring cost | - | - | - | - |
| Interest income | - | (30) | - | (30) |
| Interest expense | 125 | 120 | 443 | 391 |
| Income tax expense | - | (2) | 1 | 15 |
| | (2,092) | (1,590) | (4,786) | (6,082) |
| Changes in working capital | | | | |
| Trade and other receivables | (75) | 399 | 233 | 5,652 |
| Inventories | (131) | (24) | 274 | 274 |
| Cash encumbered | 27 | (59) | - | (546) |
| Trade and other payables | 1,183 | (31) | 375 | (4,639) |
| Cash (used in)/ from operations | (1,088) | (1,305) | (3,904) | (5,341) |
| Interest received | - | 30 | - | 30 |
| Interest paid | (125) | (120) | (443) | (391) |
| Income tax (paid)/refund | - | 2,377 | (10) | 2,360 |
| Cash flows used in operating activities | (1,213) | 982 | (4,357) | (3,342) |
| Investing activities | | | | |
| Payments for accrued acquisition cost | - | - | - | (3,807) |
| Purchase of plant and equipment | (190) | (57) | (351) | (661) |
| Proceeds from sale of property, plant and equipment | - | 74 | 2 | 75 |
| Cash flows used in investing activities | (190) | 17 | (349) | (4,393) |

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

| | GROUP | | GROUP | |
|--|------------------|------------------|--------------------------------------|--------------------------------------|
| | 3Q2011 \$'000 | 3Q2010 \$'000 | 9 months ended 31.03.11 \$'000 | 9 months ended 31.03.10 \$'000 |
| Financing activities | | | | |
| Repayment of borrowings | (1,507) | (1,492) | (4,711) | (7,934) |
| Proceeds from borrowings | - | 23 | 6,328 | 6,058 |
| Payment of deferred payment creditor | (24) | - | (39) | - |
| Proceeds from issuance of shares, net of share issue expenses | - | - | - | 8,983 |
| Advance Proceeds from disposal of discontinued operation (see 1c(i)) | 3,123 | - | 3,123 | - |
| Cash flows from financing activities | 1,592 | (1,469) | 4,701 | 7,107 |
| Net increase/(decrease) in cash and cash equivalents | 189 | (470) | (5) | (628) |
| Cash and cash equivalents at beginning of period | 237 | 1,065 | 406 | 1,236 |
| Effect of exchange rate fluctuation on cash held | 5 | (4) | 29 | (17) |
| Cash and cash equivalents at end of period (see (1(c)(i))) | 431 | 591 | 430 | 591 |

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

(i) S\$4,000 of above ending cash balance had been included as part of Assets Held For Sale.

(ii) The Group had a negative cash flow from operation of S\$1.2 million for quarter ended 31 March 2011 mainly due to the operation loss for the quarter.

The negative operating cash flow was funded by deposits received from buyers of both disposal groups which amounted to \$3.1 million collectively.

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

| Group | Share Capital \$'000 | Currency Translation Reserve \$'000 | Hedging Reserve \$'000 | Share Option Reserve \$'000 | Accumulated Losses \$'000 | Total Equity \$'000 |
|--|-------------------------|--|---------------------------|-----------------------------------|---------------------------------|------------------------|
| At 31 December 2009 | 151,529 | 1,741 | - | 1,852 | (118,395) | 36,727 |
| Total comprehensive income for the period | - | - | - | - | - | - |
| Foreign currency translation | - | 158 | - | - | - | 158 |
| Reversal of value of employee services received for issue of share options | - | - | - | (525) | - | (525) |
| Loss for the quarter | - | - | - | - | (10,129) | (10,129) |
| Total comprehensive income for the period | - | 158 | - | (525) | (10,129) | (10,496) |
| At 31 March 2010 | <u>151,529</u> | <u>1,899</u> | <u>-</u> | <u>1,327</u> | <u>(128,524)</u> | <u>26,231</u> |
| At 31 December 2010 | 152,854 | 1,329 | (89) | 1,327 | (136,848) | 18,573 |
| Total comprehensive income for the period | - | - | - | - | - | - |
| Foreign currency translation | - | (386) | - | - | - | (386) |
| Net fair value change on cash flow hedge | - | - | 2 | - | - | 2 |
| Reversal of value of employee services received for issue of share options | - | - | - | - | - | - |
| Loss for the quarter | - | - | - | - | (73) | (73) |
| Total comprehensive income for the period | - | (386) | 2 | - | (73) | (457) |
| At 31 March 2011 | <u>152,854</u> | <u>943</u> | <u>(87)</u> | <u>1,327</u> | <u>(136,921)</u> | <u>18,116</u> |
| Company | | | | | | |
| At 31 December 2009 | 151,529 | - | - | 1,852 | (106,212) | 47,169 |
| Total comprehensive income for the period | - | - | - | - | - | - |
| Loss for the quarter | - | - | - | - | (12,406) | (12,406) |
| Reversal of value of employee services received for issue of share options | - | - | - | (525) | - | (525) |
| Total comprehensive income for the period | - | - | - | (525) | (12,406) | (12,931) |
| At 31 March 2010 | <u>151,529</u> | <u>-</u> | <u>-</u> | <u>1,327</u> | <u>(118,618)</u> | <u>34,238</u> |
| At 31 December 2010 | 152,854 | - | - | 1,327 | (122,949) | 31,232 |
| Total comprehensive income for the period | - | - | - | - | - | - |
| Foreign currency translation | - | - | - | - | - | - |
| Loss for the quarter | - | - | - | - | (1,085) | (1,085) |
| Total comprehensive income for the period | - | - | - | - | (1,085) | (1,085) |
| At 31 March 2011 | <u>152,854</u> | <u>-</u> | <u>-</u> | <u>1,327</u> | <u>(124,034)</u> | <u>30,147</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 2011.

As at 31 March 2011, there were unexercised options for 13,795,000 and 180,000,000 (2010: 163,795,000 and Nil) 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 March 2011, the number of ordinary shares issued were 8,273,463,905 (31 Mar 2010: 8,093,463,905).

1(d)(iv) MOVEMENT IN TREASURY SHARES

There are no treasury shares during the quarter and as at 31 March 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 | |
|--|------------|----------|------------|----------|
| | 31.03.2011 | 30-06-10 | 31.03.2011 | 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 |
| | 0.22 | 0.29 | 0.36 | 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 | |
|---|----------------|----------------|----------------------------|----------------------------|
| | 3Q2011 | 3Q2010 | 9 months ended 31.03.11 | 9 months ended 31.03.10 |
| | Cents | Cents | Cents | Cents |
| - Continuing operations | (0.017) | (0.013) | (0.065) | (0.070) |
| - Discontinuing operations | 0.016 | (0.109) | 0.005 | (0.118) |
| Total | (0.001) | (0.121) | (0.061) | (0.188) |

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 31 March 2011 are calculated based on the weighted average number of ordinary shares in issue during the year: 8,273,464,000 shares (2010: 8,343,143,251 inclusive of rights bonus element of 1,210,773,888).

Note A: For the quarter ended 31 Mar 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)**

| Revenue by Segment | 3Q2011 \$'000 | 2Q2011 \$'000 | + / (-) % | 3Q2011 \$'000 | 3Q2010 \$'000 | + / (-) % |
|--------------------------------|------------------|------------------|--------------|------------------|------------------|---------------|
| US | 3,896 | 4,015 | (3.0) | 3,896 | 4,464 | (12.7) |
| Singapore | 22 | 39 | (43.6) | 22 | 436 | (95.0) |
| Europe | 910 | 1,010 | (9.9) | 910 | 708 | 28.5 |
| Total | 4,828 | 5,064 | (4.7) | 4,828 | 5,608 | (13.9) |
| Gross Margin by Segment | % | % | | % | % | |
| US | 13.8 % | 16.7 % | | 13.8 % | (3.6)% | |
| Singapore | 100.0 % | 33.3 % | | 100.0 % | 0.0 % | |
| Europe | 33.9 % | 25.3 % | | 33.9 % | 37.6 % | |
| Total | 19.3 % | 18.9 % | | 19.3 % | 9.5 % | |

With the disposal of Singapore PMR assets, the Group's continuing operations comprised solely of Recycling of End of Life electronic devices. The quarter, the Group recorded lower revenue as compared with the same quarter in the prior year and comparable to preceding quarter principally due to weaker USD and GBP against SGD. Overall margin had improved as compared to preceding and comparative quarter due improvement from UK operations.

US Operations – Revenue was marginally lower compared to preceding quarter and 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 refund of S\$0.42 million (US\$0.29 million) in processing fees and S\$0.13 million (US\$0.1 million) in freight cost to a customer in US due to a significant delay in processing CRT in 3Q2010.

Singapore Operations – Revenue was insignificant 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. Gross margin had improved due to revenue mix with a lower proportion of revenue subject to profit sharing with customers. The revenues were solely from UK until the additional plant in Czech Republic comes on line in May 2011.

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

| | 3Q2011 | 3Q2010 | + / (-) | 9 months ended 31.03.11 | 9 months ended 31.03.10 | + / (-) |
|--|----------------|----------------|---------|-------------------------|-------------------------|---------|
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| b. Loss Before Income Tax (Continuing operations) | | | | | | |
| US | (918) | (613) | 49.8 | (2,456) | (3,715) | (33.9) |
| Singapore | 22 | - | N.M. | 19 | 4 | 375.0 |
| Europe | (42) | (279) | (84.9) | (706) | (544) | 29.8 |
| Corporate and other unallocated items | (718) | (160) | 348.8 | (2,241) | (1,592) | 40.8 |
| Total | <u>(1,656)</u> | <u>(1,052)</u> | 57.4 | <u>(5,384)</u> | <u>(5,847)</u> | (7.9) |

US Operation - It had reduced its operating losses for the current quarter and 9 month period significantly from improvement in gross margins but offset by higher expenses mainly from more Sales and Marketing activities to increase collection volume. In prior year, reversal of employee share option expenses \$0.53 million following the forfeiture of share options arising from resignations had significantly lowered the losses that otherwise would have been approximately \$1.14 million and \$4.2 million for the comparative quarter and 9 month period.

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 \$0.2 million and 0.45 million during the quarter and 9 month period respectively. Also included in its results were a exchange gain of \$0.12 million and an exchange loss of \$0.17 million for the quarter and 9 month period respectively. Europe Operation would have marginally achieved break even for the current quarter and suffered a much smaller loss of \$0.1 million for current 9 month period but for these additional expenses and exchange losses.

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

As US Operation is moving into peak collection season and Europe Operation is gearing up for opening of new plant in Czech Republic, the Group will capitalise on the proceeds from the disposals of the China operations and Singapore PMR assets to fund the increase in operations and working capital requirements. Accordingly, the Group expects further improvements in their respective contributions to the Group performance for the remaining financial year.

Barring any unforeseen circumstances, the Group expects to further narrow its losses for the year.

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 result 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 : 11 May 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 quarter ended 31 December 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

CHNG WENG WAH
Chairman

RICHARD BASIL JACOB
Executive Director &
Chief Executive Officer

Date : 11 May 2011