

**UNAUDITED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2010**

1(a)(i) **STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 31 DECEMBER 2010**

	Note	GROUP			GROUP		
		2Q2011 \$'000	2Q2010 \$'000	+ / (-) %	1H2011 \$'000	1H2010 \$'000	+ / (-) %
<b>Continuing Operations</b>							
Revenue	1.4	6,286	5,750	9.3	12,529	15,618	(19.8)
Cost of sales		(5,348)	(6,412)	(16.6)	(10,773)	(14,934)	(27.9)
<b>Gross profit/(loss)</b>		<b>938</b>	<b>(662)</b>	<b>(241.7)</b>	<b>1,756</b>	<b>684</b>	<b>156.7</b>
<b>Gross Margin %</b>	1.5	<b>14.9 %</b>	<b>(11.5)%</b>	<b>(0.9)</b>	<b>14.0 %</b>	<b>4.4 %</b>	<b>(0.9)</b>
Other income		95	478	(80.1)	39	640	(93.9)
Distribution expenses	1.6	(586)	(650)	(9.8)	(1,203)	(1,073)	12.1
Administrative expenses	1.7	(1,895)	(1,713)	10.6	(3,699)	(4,011)	(7.8)
Other expenses		(350)	(120)	191.7	(684)	(463)	47.7
Results from operating activities		(1,798)	(2,667)	(32.6)	(3,791)	(4,223)	(10.2)
Finance expense		(183)	(195)	(6.2)	(175)	(236)	(25.8)
<b>Loss before income tax</b>		<b>(1,981)</b>	<b>(2,862)</b>	<b>(30.8)</b>	<b>(3,966)</b>	<b>(4,459)</b>	<b>(11.1)</b>
Tax (expense)/ benefit		(2)	(17)	(88.2)	(1)	(17)	(94.1)
<b>Loss from continuing operations</b>		<b>(1,983)</b>	<b>(2,879)</b>	<b>(31.1)</b>	<b>(3,967)</b>	<b>(4,476)</b>	<b>(11.4)</b>
<b>Discontinued Operations</b>							
Loss from discontinued operations	1.3	(501)	(623)	(19.6)	(971)	(1,116)	(13.0)
<b>Loss for the Period</b>		<b>(2,484)</b>	<b>(3,502)</b>	<b>(29.1)</b>	<b>(4,938)</b>	<b>(5,592)</b>	<b>(11.7)</b>
<b>STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2010</b>							
<b>Loss for the Period</b>		<b>(2,484)</b>	<b>(3,502)</b>	<b>(29.1)</b>	<b>(4,938)</b>	<b>(5,592)</b>	<b>(11.7)</b>
<b>Other comprehensive income</b>							
Currency translation differences		(79)	(52)	51.9	(774)	(429)	80.4
Net fair value change on cash flow hedge		118	-	N.M.	71	-	N.M.
<b>Total comprehensive income for the period</b>		<b>(2,445)</b>	<b>(3,554)</b>	<b>(31.2)</b>	<b>(5,641)</b>	<b>(6,021)</b>	<b>(6.3)</b>
<b>Attributable to</b>							
Equity holders of the company		(2,445)	(3,554)		(5,641)	(6,021)	
Minority interest		-	-		-	-	
		<b>(2,445)</b>	<b>(3,554)</b>		<b>(5,641)</b>	<b>(6,021)</b>	

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

	Note	GROUP			GROUP		
		2Q2011 \$'000	2Q2010 \$'000	+ / (-) %	1H2011 \$'000	1H2010 \$'000	+ / (-) %
<b>1.1</b>	<b>Loss before income tax</b> is arrived at after charging/(crediting) the following:						
		197	228	(13.6)	379	466	(18.7)
		846	842	0.5	1,780	1,666	6.8
	1.8a	280	168	66.7	589	425	38.6
	1.7	241	-	N.M.	241	-	N.M.
		-	-	N.M.	-	-	N.M.
	1.8b	331	-	N.M.	331	-	N.M.
	1.8c	-	-	N.M.	-	315	(100.0)
		183	141	29.8	175	236	(25.8)
		-	-	N.M.	-	(122)	(100.0)
		16	106	N.M.	16	106	(84.9)
<b>1.2</b>	<b>Other income</b> comprises principally the following:						
		-	349	(100.0)	-	349	(100.0)
		-	(4)	(100.0)	2	(4)	(150.0)
	1.8d	-	84	(100.0)	-	168	(100.0)

Note : N.M. - Not Meaningful

**Discontinued Operations**

**1.3** During FY2010, the Group decided to exit from China and reported its operations in China as part of Discontinued Operations. During this quarter, China Operations continued to incur losses.

**Continuing Operations**

- 1.4** The Group's revenue for the quarter ended 31 December 2010 was higher than that of prior year was mainly due to higher sales in Singapore and Europe operations. See further details under paragraph 8 "Review of Group Performance".
- 1.5** The Group's gross margin for 2Q2011 was 14.9% compared to a gross loss of 11.5% in the comparative quarter principally due to improvement from US operations. See further details under paragraph 8 "Review of Group Performance".
- 1.6** Reduction in distribution cost for 2Q2011 of S\$0.06 million (9.8%) was mainly due to the weaker USD and GBP against SGD. Higher distribution cost for 1H2011 of S\$0.1 million was due to restructuring of Europe CRT recycling in 1Q2010.
- 1.7** Increase in administrative expenses of S\$0.2million (10.6 %) was mainly due to the write off of pre-incorporation expenses relating to the Czech Republic subsidiary.
- 1.8** Significant changes in items included in 1.1 and 1.2 above are explained as follows:
- a** Due to the weakening USD/GBP against SGD, SG, Europe and US Operations recorded exchange loss of S\$0.3 million for the quarter arising from SGD based loans and liabilities. This accounted for the bulk of Other Operating Expense.
  - b** Due to unexpected delay in the commissioning of CRT recycling plant in US, the Group provided a cumulative charge of S\$0.3 million for external disposal cost associating with unprocessed CRT glasses that otherwise would have been treated internally.
  - c** 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.
  - d** Reduction in rental income was due to the expiration of sub tenant lease in May 2010.

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

	GROUP		COMPANY	
	31-Dec-10 \$'000	30-Jun-10 \$'000	31-Dec-10 \$'000	30-Jun-10 \$'000
<b>Current assets</b>				
Inventories	710	1,139	-	-
Trade and other receivables	3,784	4,414	1,462	1,335
Restricted cash held in trust	-	615	-	-
Cash and cash equivalents	137	316	73	69
Assets classified as held for sale	13,995	15,362	9,567	12,488
	18,626	21,846	11,102	13,892
<b>Non-current assets</b>				
Property, plant and equipment	6,777	7,409	49	59
Subsidiaries	-	-	17,815	17,799
Goodwill	10,655	10,655	-	-
Deferred tax assets	1,767	1,923	-	-
Restricted cash held in trust	566	-	-	-
Amount due from subsidiary	-	-	6,381	5,584
	19,765	19,987	24,245	23,442
<b>Total assets</b>	<b>38,391</b>	<b>41,833</b>	<b>35,347</b>	<b>37,334</b>
<b>Current liabilities</b>				
Borrowings	4,239	4,773	-	-
Liabilities classified as held for sale	5,545	4,118	-	-
Trade and other payables	8,567	8,707	2,765	2,180
Loan from shareholder	1,350	-	1,350	-
	19,701	17,598	4,115	2,180
<b>Non-current liabilities</b>				
Borrowings/ Deferred payments	117	20	-	-
	117	20	-	-
<b>Equity attributable to equity holders of the Company</b>				
Share capital	152,854	152,854	152,854	152,854
Reserves	2,567	3,270	1,327	1,327
Accumulated losses	(136,848)	(131,909)	(122,949)	(119,027)
<b>Total equity</b>	<b>18,573</b>	<b>24,215</b>	<b>31,232</b>	<b>35,154</b>
<b>Total liabilities and equity</b>	<b>38,391</b>	<b>41,833</b>	<b>35,347</b>	<b>37,334</b>

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

Significant changes are discussed below:

- a. Decrease in inventories (\$429K; 37.7%) 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 (\$630K;14.3%) was due to timely collection of payments from customers.
- c. Since the Group's decision to exit from China in the prior financial year, all related assets and liabilities had been classified as a disposal group held for sale for the Group and the Company respectively. The net asset values of the disposal group were S\$8.4 million and S\$11.2 million as at 31 December 2010 and 30 June 2010 respectively. The decrease was due to additional operating loss incurred, depreciation of RMB against SGD and repatriation of certain idle cash balances during the period.
- d. 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.
- e. Decrease in trade and other payables (\$345K; 3.9%) was partially funded by loan from shareholder.
- f. At end of the current quarter, the Group external borrowings principally in US had reduced by installment repayments partially offset by additional liability under deferred payment arrangement from equipment vendor.

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

	As at 31-Dec-10 \$'000	As at 30-Jun-10 \$'000
<b>Amount repayable in one year</b>		
Secured borrowings/ Deferred payments	4,239	4,773
Secured and included in liabilities classified as held for sale	4,883	3,102
	<u>9,122</u>	<u>7,875</u>
<b>Amount repayable after one year</b>		
Secured borrowings/ Deferred payments	117	20
	<u>117</u>	<u>20</u>

Bank loans amounting to S\$4.2 million as at 31 December 2010 are secured on property, plant and equipment, inventories and receivables of Metech Recycling Inc. ("Metech")  
Bank loans amounting to S\$4.9 million as at 31 December 2010 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 S\$4.4 million (of which the non-current portion of S\$4.3million has been reclassified into current liabilities) could be called for repayment at any time by a lender. Metech had also breached the same covenant during FY2010 that resulted in non-current portion of S\$4.4 million being similarly classified as current liabilities. The ratio was breached due to decreases in Metech's earnings during the both financial years.

The lender has not confirmed the breach nor demanded for immediate repayment of the loans.

Metech is currently in negotiations and is confident of reaching an agreement with the lender to waive the covenant breach and maintain the original repayment terms. In December 2009, the lender had previously agreed to waive the previous breach. If Metech is successful, it is confident that it will be able to generate sufficient operating net cash flow for the next twelve months to fulfill its loan repayment obligations.

1(c) **STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2010**

	GROUP		GROUP	
	2Q2011 \$'000	2Q2010 \$'000	1H2011 \$'000	1H2010 \$'000
<b>Operating activities</b>				
Loss for the period	(2,484)	(3,502)	(4,938)	(5,592)
<i>Adjustments:</i>				
Depreciation and amortisation	197	228	379	466
Provision for disposal of waste materials	331	-	-	-
(Gain)/ Loss on disposal of non current assets	-	4	(2)	4
(Reversal of) impairment loss on doubtful receivables	-	(349)	16	(349)
(Reversal of) Impairment loss on inventory	-	-	-	(122)
Unrealised exchange loss	410	27	1,202	453
(Reversal of) Employee Share Option Cost	-	-	-	315
Interest income	-	-	(2)	-
Interest expense	195	215	318	271
Income tax expense	2	17	1	17
	<u>(1,349)</u>	<u>(3,360)</u>	<u>(3,026)</u>	<u>(4,537)</u>
Changes in working capital				
Trade and other receivables	563	2,426	308	366
Inventories	149	1,293	406	5,252
Cash encumbered	60	(487)	(27)	(487)
Trade and other payables	(1,159)	(3,966)	(480)	(4,293)
Cash (used in)/ from operations	<u>(1,736)</u>	<u>(4,094)</u>	<u>(2,819)</u>	<u>(3,699)</u>
Interest received	-	-	2	-
Interest paid	(195)	(161)	(317)	(271)
Income tax paid	(10)	(17)	(10)	(17)
<b>Cash flows used in operating activities</b>	<u><b>(1,941)</b></u>	<u><b>(4,272)</b></u>	<u><b>(3,144)</b></u>	<u><b>(3,987)</b></u>
<b>Investing activities</b>				
Payments for accrued acquisition cost	-	(3,251)	-	(3,807)
Purchase of plant and equipment	(83)	(1,465)	(161)	(1,473)
Proceeds from sale of property, plant and equipment	-	1	2	1
<b>Cash flows used in investing activities</b>	<u><b>(83)</b></u>	<u><b>(4,715)</b></u>	<u><b>(159)</b></u>	<u><b>(5,279)</b></u>

1(c) **STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2010 (cont'd)**

	GROUP		GROUP	
	2Q2011 \$'000	2Q2010 \$'000	1H2011 \$'000	1H2010 \$'000
<b>Financing activities</b>				
Repayment of borrowings	(146)	(1,340)	(3,204)	(3,071)
Proceeds from borrowings (see note 1c(ii))	1,350	2,184	6,328	3,684
Payment of deferred payment creditor	(15)		(15)	-
Proceeds from issuance of shares, net of share issue expenses	-	8,982	-	8,982
<b>Cash flows from financing activities</b>	<b>1,189</b>	<b>9,826</b>	<b>3,109</b>	<b>9,595</b>
Net increase/(decrease) in cash and cash equivalents	(835)	839	(194)	329
Cash and cash equivalents at beginning of period	1,064	711	406	1,236
Effect of exchange rate fluctuation on cash held	8	2	25	(13)
<b>Cash and cash equivalents at end of period (see (1(c)(i)))</b>	<b>237</b>	<b>1,552</b>	<b>237</b>	<b>1,552</b>

1(c)(i) S\$0.1 million of above ending cash balance had been included as part of Assets Held For Sale.

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

The Group had a negative cash flow from operation of S\$1.9 million for quarter ended 31 December 2010 mainly due to the operation loss for the quarter.

The negative operating cash flow was funded by a loan from shareholder of S\$1.35 million in this quarter and is included in the proceeds from borrowings.

1(d)(i) **STATEMENT OF CHANGES IN EQUITY FOR QUARTER ENDED 31 DECEMBER 2010**

Group	Share Capital \$'000	Currency Translation Reserve \$'000	Hedging Reserve \$'000	Share Option Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>At 1 October 2009</b>	142,547	1,793	-	1,852	(114,893)	31,299
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-
Foreign currency translation	-	(52)	-	-	-	(52)
Loss for the year	-	-	-	-	(3,502)	(3,502)
Total comprehensive income for the period	-	(52)	-	-	(3,502)	(3,554)
Issuance of right shares for cash	8,982	-	-	-	-	8,982
<b>At 31 December 2009</b>	<u>151,529</u>	<u>1,741</u>	<u>-</u>	<u>1,852</u>	<u>(118,395)</u>	<u>36,727</u>
<b>At 1 October 2010</b>	152,854	1,408	(207)	1,327	(134,364)	21,018
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-
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)	118	-	(2,484)	(2,445)
<b>At 31 December 2010</b>	<u>152,854</u>	<u>1,329</u>	<u>(89)</u>	<u>1,327</u>	<u>(136,848)</u>	<u>18,573</u>
<b>Company</b>						
<b>At 1 October 2009</b>	142,547	-	-	1,852	(105,818)	38,581
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-
Loss for the year	-	-	-	-	(394)	(394)
Total comprehensive income for the period	-	-	-	-	(394)	(394)
Issuance of right shares for cash	8,982	-	-	-	-	8,982
<b>At 31 December 2009</b>	<u>151,529</u>	<u>-</u>	<u>-</u>	<u>1,852</u>	<u>(106,212)</u>	<u>47,169</u>
<b>At 1 October 2010</b>	152,854	-	-	1,327	(119,747)	34,434
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-
Loss for the year	-	-	-	-	(3,202)	(3,202)
Total comprehensive income for the period	-	-	-	-	(3,202)	(3,202)
<b>At 31 December 2010</b>	<u>152,854</u>	<u>-</u>	<u>-</u>	<u>1,327</u>	<u>(122,949)</u>	<u>31,232</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 December 2010

As at 31 December 2010, there were unexercised options for 13,795,000 and 180,000,000 (2009: 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 December 2010, the number of ordinary shares issued were 8,273,463,905 (31 Dec 2009: 8,093,463,905).

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

There are no treasury shares during the quarter and as at 31 December 2010.

**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-Dec-10	30-Jun-10	31-Dec-10	30-Jun-10
Net asset value per ordinary share based on issued share capital as at the end of the period	Cents 0.22	Cents 0.29	Cents 0.38	Cents 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	
	2Q2011	2Q2010	1H2011	1H2010
	Cents	Cents	Cents	Cents
- Continuing operations	(0.024)	(0.037)	(0.048)	(0.057)
- Discontinuing operations	(0.006)	(0.008)	(0.012)	(0.014)
<b>Total</b>	<b>(0.030)</b>	<b>(0.045)</b>	<b>(0.060)</b>	<b>(0.072)</b>

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 31 December 2010 are calculated based on the weighted average number of ordinary shares in issue during the year: 8,273,464,000 shares (2009: 6,662,269,517 inclusive of rights bonus element of 1,128,586,000).

Note A: For the quarter ended 31 December 2010 and 2009, 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)	2Q2011	1Q2011	+ / (-)	2Q2011	2Q2010	+ / (-)
Revenue by Segment	\$'000	\$'000	%	\$'000	\$'000	%
US	4,015	4,130	(2.8)	4,015	4,314	(6.9)
Singapore	1,261	1,207	4.5	1,261	602	109.5
Europe	1,010	906	11.5	1,010	834	21.1
<b>Total</b>	<b>6,286</b>	<b>6,243</b>	<b>0.7</b>	<b>6,286</b>	<b>5,750</b>	<b>9.3</b>
<b>Revenue by Services</b>						
End of Life ("EOL")	5,025	5,036	(0.2)	5,025	4,877	3.0
Precious Metal Recovery	1,261	1,207	4.5	1,261	873	44.4
<b>Total</b>	<b>6,286</b>	<b>6,243</b>	<b>0.7</b>	<b>6,286</b>	<b>5,750</b>	<b>9.3</b>
<b>Gross Margin by Segment</b>	<b>%</b>	<b>%</b>		<b>%</b>	<b>%</b>	
US	16.7 %	12.0 %		16.7 %	(27.8)%	
Singapore	(2.1)%	(4.3)%		(2.1)%	30.6 %	
Europe	25.3 %	34.5 %		25.3 %	42.3 %	
<b>Total</b>	<b>14.9 %</b>	<b>13.1 %</b>		<b>14.9 %</b>	<b>(11.5)%</b>	

The Group recorded higher EOL as compared with the same quarter in the prior year and comparable to preceding quarter despite weakening USD and GBP against SGD.

**US Operations** – Revenue was comparable to preceding quarter and comparative quarter in the prior year. However gross margin had improved over the preceding quarter and comparative quarter in the prior year. The improvement was principally due to proportionately lower revenue subject to sharing of margin with customers.

**Singapore Operations** – Revenue as compared to preceding quarter has increased by 4.5% but reported a negative margin as sales generated were insufficient to cover the overheads.

**Europe Operations** – With the intention to expand into Continental Europe, UK operations is now included in Europe operations. Higher revenue compared to preceding quarter was mainly due to a different sales mix and a higher sharing of margin with customer. The revenues are solely from UK until the additional plant coming on line in April 2011.

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

	2Q2011	2Q2010	+ / (-)	1H2011	1H2010	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>b. Loss Before Income Tax (Continuing operations)</b>						
US	(534)	(2,577)	(79.3)	(1,589)	(3,102)	(48.8)
Singapore	(119)	345	(134.5)	(244)	258	(194.6)
Europe	(548)	(19)	2,784.2	(664)	(265)	150.6
Corporate and other unallocated items	(780)	(612)	27.5	(1,469)	(1,351)	8.7
<b>Total</b>	<u>(1,981)</u>	<u>(2,863)</u>	(30.8)	<u>(3,966)</u>	<u>(4,460)</u>	(11.1)

**US Operation**

The lower loss before tax as compared to comparative quarter was due to improved gross margin as discussed above and lower operating expenses principally professional fees and bad debts

**Singapore Operation**

Its loss was due to changes in gross margin and would continue to be sensitive to changes in precious metal prices within its sale cycle.

**Europe Operation**

As it progressively stepped up its sales and marketing activities to broaden its market from UK to continental Europe, it incurred higher development expenses which included pre-incorporation expenses of S\$0.24 million. Further, due to further weakening of GBP against SGD, it suffered unrealised exchange losses of S\$0.25 million during the quarter.

**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**

While awaiting for the completion of the proposed disposal of the China Operation in early April 2011, the Group shall continue to seek further bridging funds necessary to execute its business plan.

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 expects significant improvements in their respective contributions to the Group performance for the remaining financial year. However, contribution from Singapore Operation will depend on funding for working capital and Corporate Overhead will continue to be weighed down by under utilization of its premises under lease.

Barring any unforeseen circumstances, the Group expects to narrow its losses for the second half of the financial 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 : 10 Feb 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 : 10 Feb 2011**