CENTILLION
Environment & Recycling

(Company Registration No. 199206445M)

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2010

1(a)(i) *STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30 SEPTEMBER 2010*

	GROUP		
	QUARTER ENDED 30/9/10 $'000	**QUARTER ENDED 30/9/09** $'000	**+ / (-)** %
Continuing Operations			
Revenue	**6,243**	**9,868**	**(36.7)**
Cost of sales	(5,426)	(8,522)	(36.3)
Gross profit/(loss)	**817**	**1,346**	**(39.3)**
Gross Margin %	**13.1%**	**13.6%**	**(0.9)**
Other income	12	87	(86.2)
Distribution expenses	(617)	(423)	45.9
Administrative expenses	(1,803)	(2,298)	(21.5)
Other expenses	(334)	(268)	24.6
Results from operating activities	(1,925)	(1,556)	23.7
Finance expense	(61)	(41)	48.8
Loss before income tax	**(1,986)**	**(1,597)**	**24.4**
Tax (expense)/ benefit	1	-	N.M.
Loss from continuing operations	**(1,985)**	**(1,597)**	**24.3**
Discontinued Operations			
Loss from discontinued operations	(470)	(494)	(4.9)
Loss for the Period	**(2,455)**	**(2,091)**	17.4

STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	QUARTER ENDED 30/9/10 $'000	QUARTER ENDED 30/9/09 $'000	+ / (-) %
Loss for the Period	**(2,455)**	**(2,091)**	17.4
Other comprehensive income			
Currency translation differences	(695)	(377)	84.4
Net fair value change on cash flow hedge	(47)	-	N.M.
Total comprehensive income for the period	**(3,197)**	**(2,468)**	29.5
Attributable to			
Equity holders of the company	**(3,197)**	**(2,468)**	
Minority interest	**-**	**-**	
	(3,197)	**(2,468)**	

	GROUP QUARTER ENDED 30/9/10	QUARTER ENDED 30/9/09	+ / (-)
	$'000	$'000	%

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

1.1 **Loss before income tax** is arrived at after charging/(crediting) the following:

	QUARTER ENDED 30/9/10 $'000	QUARTER ENDED 30/9/09 $'000	+ / (-) %
Depreciation and amortisation	182	179	1.7
Operating lease expense	934	824	13.3
Exchange loss	328	269	21.9
(Reversal of) Impairment loss on inventory	-	(122)	(100.0)
Employee Share Option Cost	-	314	(100.0)
Interest expenses on borrowing	61	41	48.8

1.2 **Other income** comprises principally the following:

	QUARTER ENDED 30/9/10 $'000	QUARTER ENDED 30/9/09 $'000	+ / (-) %
Gain/(loss) on disposal of non-current assets	2	-	N.M.
Rental income	-	84	(100.0)

Note : N.M. - Not Meaningful

Discontinued Operations

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

Continuing Operations

1.4 The Group's revenue for the quarter ended 30 September 2010 was lower than that of prior year mainly due to phasing out of precious metal recovery in US.

1.5 The Group's gross margin for 1Q2011 was 13.1% which was marginally lower than that of the comparative quarter. However, due to lower sales, the Group generally recorded a lower 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 1Q2011 of S$0.19 million (45.9%) was mainly due to expansion in Sale and Marketing activities and increase in personnels in US. 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 S$0.5million (21.5 %) mainly due to salary and employee share option expenses totaling S$0.42 million associated with change in US senior management team which took place in Jan 2010 and further S$0.1 million decreases in Corporate expenses.

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

- Operating lease expense increased by S$0.1 million for the current quarter, was mainly due to higher rental paid in US for moving into larger facilities in Denver and Salt Lake City (in September 2009 and July 2010 respectively).

- Due to weakening USD against SGD, SG and US Operations recorded exchange loss of S$0.3million for the quarter arising from SGD based loans and liabilities. This accounted for the bulk of Other Operating Expense.

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

	GROUP		COMPANY	
	30-Sep-10	30-Jun-10	30-Sep-10	30-Jun-10
	$'000	$'000	$'000	$'000
Current assets				
Inventories	871	1,139	-	-
Trade and other receivables	4,178	4,414	1,428	1,335
Restricted cash held in trust	579	615	-	-
Cash and cash equivalents	598	316	233	69
Assets classified as held for sale	15,145	15,362	11,853	12,488
	21,371	21,846	13,514	13,892
Non-current assets				
Property, plant and equipment	6,871	7,409	54	59
Subsidiaries	-	-	17,799	17,799
Goodwill	10,655	10,655	-	-
Deferred tax assets	1,809	1,923	-	-
Amount due from subsidiary	-	-	5,556	5,584
	19,335	19,987	23,409	23,442
Total assets	**40,706**	**41,833**	**36,923**	**37,334**
Current liabilities				
Borrowings	4,416	4,773	-	-
Liabilities classified as held for sale	5,895	4,118	-	-
Trade and other payables	9,377	8,707	2,489	2,180
	19,688	17,598	2,489	2,180
Non-current liabilities				
Borrowings	-	20	-	-
	-	20	-	-
Equity attributable to equity holders of the Company				
Share capital	152,854	152,854	152,854	152,854
Reserves	2,528	3,270	1,327	1,327
Accumulated losses	(134,364)	(131,909)	(119,747)	(119,027)
Total equity	21,018	24,215	34,434	35,154
Total liabilities and equity	**40,706**	**41,833**	**36,923**	**37,334**

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

Significant changes are discussed below:

a. Decrease in inventories ($268K; 23.5%) were due to timing of materials receipt in Singapore nearer to the end of the prior quarter.

b. Decrease in trade and other receivables ($236K; 5.3%) were consistent with a lower sales revenue for the quarter.

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 increase of the Liabilities Classified as Available For Sale was principally due to refinancing of its working capital loan of RMB 15 million (S$3.1 million) on 23 August 2010 with a higher loan quantum of RMB 25 million (S$5 million).

d. Increase in trade and other payables ($614K; 7.1%) were due to lengthened payment cycle by US operations and Corporate.

e. At end of current quarter, the Group external borrowings in US remained about the same as the decrease is due to weak USD. China's external borrowing of $5miillion had been included in Liabilities Classified as Held for Sales. (Also see 1(b)(ii) on Group Borrowings.)

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

	As at 30-Sep-10	As at 30-Jun-10
Amount repayable in one year	$'000	$'000
Secured	4,416	4,773
Secured and included in liabilities classified as held for sale	4,973	3,102
	9,389	**7,875**
Amount repayable after one year		
Secured	-	20
	-	**20**

Bank loans amounting to S$4.4 million as at 30 Sept 2010 is secured on property, plant and equipment, inventories and receivables of Metech.
Bank loans amounting to S$5 million as at 30 Sept 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$4.39 million 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 FY2009 that resulted in non-current portion of S$4.5 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.

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1(c) ***STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2010***

	GROUP	
	QUARTER ENDED 30/9/10 $'000	**QUARTER ENDED 30/9/09 $'000**
Operating activities		
Loss for the period	(2,455)	(2,091)
Adjustments:		
Depreciation and amortisation	182	238
Impairment loss on plant and equipment	-	-
(Gain)/ Loss on disposal of non current assets	(2)	-
(Reversal of) Impairment loss on inventory	-	(122)
Unrealised exchange loss	792	426
(Reversal of) Employee Share Option Cost	-	314
Interest income	(1)	-
Interest expense	123	56
Income tax expense/ (benefit)	(1)	-
	(1,362)	(1,179)
Changes in working capital		
Trade and other receivables	(255)	(2,066)
Inventories	257	3,960
Cash encumbered	(87)	-
Trade and other payables	363	(320)
Cash (used in)/ from operations	(1,084)	395
Interest received	1	-
Interest paid	(122)	(110)
Income tax refund	1	-
Cash flows (used in)/from operating activities	**(1,204)**	**285**
Investing activities		
Acquisition of a subsidiary, net of cash acquired (Note 1(c)(i))	-	-
Payments for accrued acquisition cost	-	(556)
Purchase of plant and equipment	(77)	(7)
Acquisition of a joint venture, net of cash acquired	-	-
Proceeds from sale of property, plant and equipment	2	-
Cash flows used in investing activities	**(75)**	**(563)**

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1(c) ***STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2010 (cont'd)***

	GROUP	
	QUARTER ENDED 30/9/10 $'000	**QUARTER ENDED 30/9/09 $'000**
Financing activities		
Repayment of borrowings	(3,115)	(1,731)
Proceeds from borrowings	5,035	1,500
Expenses for Issuance of ordinary shares for settlement of assertion	-	(5)
Cash flows from / (used in) financing activities	**1,920**	**(236)**
Net increase/(decrease) in cash and cash equivalents	641	(514)
Cash and cash equivalents at beginning of period	406	1,236
Effect of exchange rate fluctuation on cash held	17	(11)
Cash and cash equivalents at end of period	**1,064**	**711**

1(c)(i) S$0.5 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 generated a negative cash flow from operation of S$1.2 million for quarter ended 30 September 2010 mainly due to the operation loss for the quarter.

The 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 (S$3.1 million) with another lender in PRC. In August 2010, China Operation drew down RMB25 million (S$5 million) to repay its existing loan of RMB 15 million and other payables.

1(d)(i) ***STATEMENT OF CHANGES IN EQUITY FOR QUARTER ENDED 30 SEPTEMBER 2010***

Group	Share Capital $'000	Currency Translation Reserve $'000	Hedging Reserve $'000	Share Option Reserve $'000	Accumulated Losses $'000	Total Equity $'000	
At 1 July 2009	141,756	2,170	-	1,537	(112,802)	32,661	
Total comprehensive income for the period	-		-	-			
Foreign currency translation	-	(377)	-	-	-	(377)	
Loss for the year	-	-	-	-	(2,091)	(2,091)	
Total comprehensive income for the period		(377)			(2,091)	(2,468)	
Issuance of ordinary shares for settlement of vendor sales & purchase agreement	791	-	-	-	-	791	
Value of employee services received for issue of share options	-	-	-	314	-	314	
At 30 Sept 2009	142,547	1,793	-	1,851	(114,893)	31,298	-
At 1 July 2010	152,854	2,103	(160)	1,327	(131,909)	24,215	
Total comprehensive income for the period							
Foreign currency translation	-	(695)	-		-	(695)	
Net fair value change on cash flow hedge			(47)			(47)	
Loss for the year		-	-	-	(2,455)	(2,455)	
Total comprehensive income for the period	-	(695)	(47)	-	(2,455)	(3,197)	
At 30 Sept 2010	152,854	1,408	(207)	1,327	(134,364)	21,018	-

Company	Share Capital $'000	Currency Translation Reserve $'000	Hedging Reserve $'000	Share Option Reserve $'000	Accumulated Losses $'000	Total Equity $'000
At 1 July 2009	141,756	-	-	1,537	(104,990)	38,303
Total comprehensive income for the period						
Loss for the year					(828)	(828)
Total comprehensive income for the period	-	-	-	-	(828)	(828)
Issuance of ordinary shares for settlement of vendor sales & purchase agreement	791	-	-	-	-	791
Value of employee services received for issue of share options		-	-	314	-	314
At 30 Sept 2009	142,547	-	-	1,851	(105,818)	38,580
At 1 July 2010	152,854	-	-	1,327	(119,027)	35,154
Total comprehensive income for the period						-
Loss for the year					(720)	(720)
Total comprehensive income for the period	-	-	-	-	(720)	(720)
At 30 Sept 2010	152,854	-	-	1,327	(119,747)	34,434

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 2010

As at 30 September 2010, there were unexercised options for 13,795,000 and 180,000,000 (2009: 313,795,000 and Nil) unissued ordinary shares under the employee share option plan and pursuant to a share placement agreement dated 8 April 2010, respectively. Reduction in outstanding options under the employee share option plan was due to forfeitures arising from resignations from employments with the Group during the prior year.

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

As at 30 Sept 2010, the number of ordinary shares issued were 8,273,463,905 (30 Sept 2009: 6,256,741,466).

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

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

6 ***NET ASSET VALUE***

	GROUP		COMPANY	
	30-Sep-10	**30-Jun-10**	**30-Sep-10**	**30-Jun-10**
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the period	0.25	0.29	0.42	0.42

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 30/9/10**	**QUARTER ENDED 30/9/09**
	Cents	Cents
- Continuing operations	(0.0240)	(0.0218)
- Discontinuing operations	(0.0057)	(0.0067)
Total	(0.0297)	(0.0285)

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 30 September 2010 are calculated based on the weighted average number of ordinary shares in issue during the year: 8,273,464,000 shares (2009: 7,331,710,000 inclusive of rights bonus element of 1,126,171,000).

Note A: For the quarter ended 30 September 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)**	**1Q2011**	**4Q2010**	**+ / (-)**	**1Q2011**	**1Q2010**	**+ / (-)**
Revenue by Segment	$'000	$'000	%	$'000	$'000	%
US	4,130	5,379	(23.2)	4,130	8,673	(52.4)
Singapore	1,207	997	21.1	1,207	615	96.3
UK	906	1,082	(16.3)	906	580	56.2
Total	6,243	7,458	(16.3)	6,243	9,868	(36.7)
Revenue by Services						
End of Life ("EOL")	5,036	6,690	(24.7)	5,036	4,919	2.4
Precious Metal Recovery	1,207	768	57.2	1,207	4,949	(75.6)
Total	**6,243**	**7,458**	(16.3)	**6,243**	**9,868**	(36.7)
Gross Margin by Segment	%	%		%	%	
US	12.0 %	4.9 %		12.0 %	13.0 %	
Singapore	(2.7)%	6.4 %		(2.7)%	(2.0)%	
UK	34.5 %	26.5 %		34.5 %	39.8 %	
Total	**13.1 %**	**9.0 %**		**13.1 %**	**13.6 %**	

Except for precious metal recovery, the Group recorded revenue from EOL comparable to same quarter in the prior year despite weakening USD and GBP against SGD. Against preceding quarter, revenue decreased by 16% overall due to the following factors:

US Operations – EOL revenue as compared to the preceding quarter was lower by approximately S$1.2 million due to lower deliveries at lower scrape prices. The lower delivery was also affected by undue delay in bringing the new Sale Lake City plant online (in June 2010, US Operation moved from its smaller plant in Clearfield, Utah, to a larger facility that is closer to its market, Salt Lake City, Utah.)

Due to a lower mix of materials that were subjected to profit sharing with customer as compared to the preceding quarter, the gross margin had improved.

Singapore Operations – Revenue as compared to preceding quarter has increased by 21.1% but reported a negative margin. This was due to a more favorable margin mix in 4Q2010. Additionally, production overheads increased more than 10% this quarter.

UK Operations – Lower revenue due to slower sales for re-used. However, it enjoyed a higher margin due to lower mix of sales that were subjected to profit sharing with customers.

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

	QUARTER ENDED 30/9/10	QUARTER ENDED 30/9/09	+ / (-)
b. Loss Before Income Tax (Continuing operations)	$'000	$'000	%
US	(1,006)	(525)	91.6
Singapore	(125)	(87)	43.7
UK	(116)	(246)	(52.8)
Corporate and other unallocated items	(739)	(739)	-
Total	(1,986)	(1,597)	24.4

US Operation

The loss in US was mainly due to lower revenue although it had been partially offset by savings in lower general and administrative expenses during the quarter as compared to that in prior year. The savings were principally from lower salary and employee share option expenses related to senior management team prior to Jan 2010. It is also negatively affected by foreign exchange loss arising from SGD based loan from Corporate.

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.

UK Operation

UK continued to narrow its losses by higher revenue and maintaining a healthy gross margin. It will also progressively step up its sales and marketing activities to broaden its market from UK to continental Europe.

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 Wuxi disposal, the Group shall be looking into raising further bridging funds necessary to execute its business plan. Barring any unforeseen circumstances, the Group expect further improvements from our US operations.

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 : 12 Nov 2010

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 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 : 12 Nov 2010