

UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2010

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

	GROUP			GROUP		
	3Q2010 \$'000	3Q2009 \$'000	+ / (-) %	9 months ended 31.03.10 \$'000	9 months ended 31.03.09 \$'000	+ / (-) %
Continuing Operations						
Revenue	6,616	17,321	(61.8)	22,234	64,615	(65.6)
Cost of sales	(5,790)	(16,187)	(64.2)	(20,724)	(62,577)	(66.9)
Gross profit	826	1,134	(27.1)	1,510	2,038	(25.9)
Gross Margin %	12.5%	6.5%		6.8%	3.2%	
Other income	180	103	74.5	820	364	125.2
Distribution expenses	(495)	(708)	(30.1)	(1,567)	(1,892)	(17.2)
Administrative expenses	(1,019)	(2,990)	(65.9)	(5,030)	(10,032)	(49.9)
Other expenses	(388)	145	(367.6)	(851)	(12,328)	(93.1)
Results from operating activities	(896)	(2,316)	(61.3)	(5,118)	(21,850)	(76.6)
Finance expense	(77)	(267)	(71.2)	(313)	(741)	(57.8)
Loss before income tax	(973)	(2,583)	(62.3)	(5,431)	(22,591)	(76.0)
Tax benefit/(expense)	2	396	(99.5)	(15)	1,568	(101.0)
Loss from continuing operations	(971)	(2,187)	(55.6)	(5,446)	(21,023)	(74.1)
Discontinued Operations						
Loss from discontinued operations	(9,158)	(475)	1,828.0	(10,275)	(1,348)	662.2
Loss for the Period	(10,129)	(2,662)	280.5	(15,721)	(22,371)	(29.7)
STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2010						
Loss for the Period	(10,129)	(2,662)	280.5	(15,721)	(22,371)	(29.7)
Other comprehensive income						
Currency translation differences	158	1,410	(88.8)	(271)	4,224	(106.4)
Total comprehensive income for the period	(9,971)	(1,252)	696.4	(15,992)	(18,147)	(11.9)
Attributable to						
Equity holders of the company	(9,971)	(1,252)		(15,992)	(18,147)	
Minority interest	-	-		-	-	
	(9,971)	(1,252)		(15,992)	(18,147)	

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

	GROUP			GROUP		
	3Q2010 \$'000	3Q2009 \$'000	+ / (-) %	9 months ended 31.03.10 \$'000	9 months ended 31.03.09 \$'000	+ / (-) %
1.1 Loss before income tax is arrived at after charging the following:						
Depreciation and amortisation	206	407	(49.4)	671	1,276	(47.4)
Operating lease expense	521	700	(25.6)	2,187	1,786	22.5
Exchange loss /(gain)	329	(596)	(155.2)	787	589	33.6
Impairment loss on goodwill	-	-	N.M.	-	8,634	(100.0)
Allowance for doubtful debts	65	-	N.M.	65	531	(87.8)
Impairment loss on property, plant and equipment	-	(452)	(100.0)	-	1,064	(100.0)
Change in fair value of assets classified as held for sale	8,500	-	N.M.	8,500	-	N.M.
Impairment loss/(reversal) on inventory	-	(31)	(100.0)	(122)	2	(100.0)
Employee Share Option Cost /(Reversal)	(525)	-	N.M.	(210)	-	N.M.
Interest expenses on borrowing	120	267	(55.1)	391	741	(47.2)
Finance charges payable under finance lease	-	36	(100.0)	-	53	(100.0)
Restructuring Cost	-	1,517	(100.0)	-	1,517	(100.0)
1.2 Other income comprises principally the following:						
Gain on disposal of non-current assets	63	-	N.M.	59	1	100.0
Bad debt recovered/Reversal of impairment on doubtful receivables	-	695	(100.0)	349	-	N.M.
Rental income	84	127	(33.9)	252	382	(34.0)
Interest income	1	2	(50.0)	1	7	(85.7)

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

Discontinued Operations

1.3 During the quarter, after considering all aspects relating to the commercial viability of its China Operation and better utilisation of the Group resources, the Group had decided to exit from China. All assets and liabilities relating to its China Operation had been classified as a disposal group held for sale. China Operation was not a discontinued operation or classified as held for sale as of 31 December 2009 and the comparative income statement for the quarter and 9 month period had been re-presented to show the discontinued operation separately.

Consequently, the Group had reviewed the relevant assets of the disposal group and recognised a loss of approximately S\$8.5 million arising from the change in fair value estimates. This change in fair value had been included as part of loss from discontinued operation.

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

Continuing Operations

- 1.4** The Group's revenue for current quarter ended 31 Mar 2010 was lower than that of the comparative period mainly due to phasing out of precious metal recovery in US.
- 1.5** The Group's gross margin had improved from 6.5% to 12.5% for the quarter and 3.2% to 6.8% for the 9 month period respectively. The improvement was principally due to contribution from Singapore market. See further details under paragraph 8 "Review of Group Performance".
- 1.6** Reductions in total distribution & administrative expenses for the quarter and 9 months ended 31 March 2010 of S\$2.2 million (59.1%) and S\$5.3million (44.7%) were mainly due to restructuring of Singapore operations, discontinuance of UK CRT recycling and US precious metal recovery business. This was further reduced by reversal of employees share option expense of S\$0.5 million (3Q2010: 25.1%) (3Q2009 : nil).

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. Due to the forfeiture of share options resulting from resignations, the fair value of the options has been remeasured and provisions previously charged are now reversed.

- 1.7** In the prior year, the Group recognised the following restructuring costs and revisions to allowance for doubtful debts and impairment loss of fixed assets relating to termination of joint venture agreement in respect of Centeonyx in Singapore and cessation of CRT recycling in UK and impairment of goodwill in US:

	3Q2009	9 months
	\$'000	ended 31.03.09
	\$'000	\$'000
Impairment loss on goodwill in US operations	-	8,634
Provision for onerous contract arising from termination of lease by Centeonyx	1,000	1,000
Closure costs of Centeonyx	194	194
Restructuring costs of UK operation	323	323
	<u>1,517</u>	<u>1,517</u>
Provision / (written back) of allowance for Doubtful Debts - Centeonyx	(634)	566
Provision / (written back) of Impairment loss of plants and machinery - Centeonyx	(450)	1,066
	<u>(1,084)</u>	<u>1,632</u>

- 1.8** Significant changes in items included in 1.1 and 1.2 above are explained as follows:
- Lower depreciations was a result of restructuring following the termination of the JV in Singapore.
 - Operating lease expense increased by S\$0.4 million for the 9 months ended 31 March 2010 was mainly due to additional rental paid on new facilities opened in US. The decrease of S\$0.2 million for the quarter was due to weaker US dollars (3Q2010 :1.4143);
 - Due to weakening GBP and USD against SGD, UK and US Operations recorded exchange loss of S\$0.3million and S\$0.76 million for the quarter and the 9 months ended 31 March 2010 arising from SGD and USD based loans and liabilities respectively. This accounted for the bulk of Other Operating Expense.
 - Lower interest expense was due to repayments of short term borrowings by US operation for PM recovery business subsequent to October 2009.
 - Settlement of a dispute with a supplier of S\$0.4 million relates to a compensation received for failing to carry out agreed transactions.
 - Reduction in rental income was due to loss of rental collection from Singapore JV subsequent to March 2009.

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

	GROUP		COMPANY	
	31-Mar-10 \$'000	30-Jun-09 \$'000	31-Mar-10 \$'000	30-Jun-09 \$'000
Current assets				
Inventories	1,846	7,629	-	-
Trade receivables	2,766	2,810	145	154
Other receivables	1,889	3,267	6,326	5,393
Restricted cash held in trust	617	636	-	-
Cash and cash equivalents	306	1,236	23	597
Assets classified as held for sale	16,927	-	12,356	-
	24,351	15,578	18,850	6,144
Non-current assets				
Property, plant and equipment	7,435	30,166	64	82
Subsidiaries	-	-	17,969	41,735
Land use right	-	2,629	-	-
Goodwill	10,655	10,655	-	-
Deferred tax assets	1,938	3,296	-	-
Restricted cash held in trust	-	4,590	-	4,590
	20,028	51,336	18,033	46,407
Total assets	44,379	66,914	36,883	52,551
Current liabilities				
Borrowings	855	9,639	-	-
Liabilities classified as held for sale	4,571	-	-	-
Trade payables	3,409	5,568	5	5
Other payables	5,249	13,580	2,640	9,153
Loan from shareholder	-	500	-	500
Income tax payable	-	306	-	-
	14,084	29,593	2,645	9,658
Non-current liabilities				
Borrowings	4,063	70	-	-
Fund held in trust of Scheme of Arrangement	-	4,590	-	4,590
	4,063	4,660	-	4,590
Equity attributable to equity holders of the Company				
Share capital	151,529	141,756	151,529	141,756
Reserves	3,227	3,707	1,327	1,537
Accumulated losses	(128,524)	(112,802)	(118,618)	(104,990)
Total equity	26,232	32,661	34,238	38,303
Total liabilities and equity	44,379	66,914	36,883	52,551

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

Significant changes are discussed below:

- a. Decrease in inventories and trade payables were due to Metech phasing out of the precious metal recovery business.
- b. Decrease in deferred tax assets was due to refund of prior years tax paid resulting from carry-backward of FY2009 US tax losses. S\$2.4 million had been received during the quarter and was substantially used to fully pay down a secured loan of S\$1.4 million.
- c. Due to the Group's decision to exit from China, all related assets and liabilities had been classified as a disposal group held for sale. As the Group had committed to a plan to sell the disposal group, and had initiated an active programme to locate a buyer and complete the plan, the assets and liabilities classified as held for sale had been presented as current assets and liabilities respectively.
- d. Decrease in other payables were mainly due to repayment to vendors(S\$3.3 million) for the acquisition of subsidiary (Metech & GRX) and settlement of NTan professional fees (S\$1.7 million).
- e. Metech's breach of covenant with the debt service coverage ratio has been waived by the lender as announced on 22 December 2009. Thus the S\$4.5 million previously classified under current liability is now classified under non current liabilities. Overall, the Group had reduced its total external borrowings from S\$10.2 million to S\$8.5 million.
- f. Prior to the Company's commencement of judicial management in November 2005, the Company had paid some S\$4.59 million of tax assessed in advance by the Comptroller of Income Tax of Singapore ("CIT") for the year of assessment of 2005 ("YA2005 Tax"). As part of the restructuring of the Company in 2006, under CERL Scheme of Arrangement and Compromise ("the Scheme"), claim in respect of YA2005 Tax had been assigned to the Scheme. During last financial year, CIT refunded S\$4.59 million of the YA2005 Tax. The amount refunded was held in trust by the Scheme in interest bearing fixed deposit and was reclassified as current liability as at 30 September 2009 as CIT finalised the YA2005 subsequent to balance sheet date. This amount was transferred to the Scheme administrators in Oct 2009.
- g. In the Company, investments and recoverable from China operations had been reviewed and reclassified as assets held for sale.

1(b)(ii) GROUP BORROWINGS

	As at Mar 31, 10 \$'000	As at Jun 30, 09 \$'000
Amount repayable in one year		
Secured	855	9,639
Secured and included in liabilities classified as held for sale	3,621	-
	4,476	9,639
Amount repayable after one year		
Secured	4,063	70
	4,063	70

Bank loans amounting to S\$5.0 million as at 31 March 2010 is secured on property, plant and equipment, inventories and receivables of Metech.

Bank loans amounting to S\$3.6 million as at 31 March 2010 are included in liabilities classified as held for sale and secured on certain assets classified as held for sale.

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

	GROUP		GROUP	
	3Q2010 \$'000	3Q2009 \$'000	9 months ended 31.03.10 \$'000	9 months ended 31.03.09 \$'000
Operating activities				
Loss for the period	(10,129)	(2,662)	(15,721)	(22,371)
<u>Adjustments:</u>				
Depreciation and amortisation	206	407	671	1,276
(Reversal of) impairment loss on plant and equipment	-	(452)	-	1,064
(Gain)/ Loss on disposal of property, plant and equipment	(63)	-	(59)	(1)
Plant and equipment written off	-	(26)	-	-
Allowance for doubtful debts	65	-	65	531
(Reversal of) impairment loss on doubtful receivables	-	(695)	(349)	-
Impairment loss on goodwill	-	-	-	8,634
(Reversal of) allowance for inventories	-	18	(122)	2
Change in fair value of assets classified as held for sale	8,500	-	8,500	-
Unrealised exchange (gain)/loss	268	1,319	767	2,507
Employee Share Option Cost	(524)	-	(210)	-
Provision for restructuring cost	-	1,517	-	1,517
Interest income	(30)	(2)	(30)	(7)
Interest expense	120	267	391	741
Income tax (benefit) / expense	(2)	(414)	15	(1,604)
	<u>(1,589)</u>	<u>(723)</u>	<u>(6,082)</u>	<u>(7,711)</u>
Changes in working capital				
Trade and other receivables	399	(975)	5,652	4,827
Inventories	(24)	(709)	274	11,745
Cash encumbered	(59)	-	(546)	-
Trade and other payables	(32)	1,905	(4,639)	(1,851)
Cash from / (used in) operations	<u>(1,305)</u>	<u>(502)</u>	<u>(5,341)</u>	<u>7,010</u>
Interest received	30	2	30	7
Interest paid	(120)	(202)	(391)	(659)
Income tax (paid)/refund	2,377	-	2,360	(15)
Cash flows from / (used in) operating activities	<u>982</u>	<u>(702)</u>	<u>(3,342)</u>	<u>6,343</u>
Investing activities				
Acquisition of a subsidiary, net of cash acquired (Note 1(c)(i))	-	231	-	(3,916)
Payments for accrued acquisition cost	-	-	(3,807)	-
Purchase of plant and equipment	(57)	(739)	(661)	(6,697)
Proceeds from sale of property, plant and equipment	74	78	75	84
Cash flows used in investing activities	<u>17</u>	<u>(430)</u>	<u>(4,393)</u>	<u>(10,529)</u>

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

	GROUP		GROUP	
	3Q2010	3Q2009	9 months ended 31.03.10	9 months ended 31.03.09
	\$'000	\$'000	\$'000	\$'000
Financing activities				
Repayment of borrowings	(1,492)	(854)	(7,934)	(5,072)
Proceeds from borrowings	23	-	6,058	-
Payment of finance lease liabilities	-	(246)	-	(330)
Expenses for Issuance of ordinary shares for settlement of assertion	-	-	-	(63)
Proceeds from issuance of shares, net of share issue expenses	-	-	8,983	-
Cash flows from / (used in) financing activities	(1,469)	(1,100)	7,107	(5,465)
Net increase / (decrease) in cash and cash equivalents	(470)	(2,232)	(628)	(9,651)
Cash and cash equivalents at beginning of period	1,065	3,796	1,236	11,120
Effect of exchange rate fluctuation on cash held	(4)	111	(17)	206
Cash and cash equivalents at end of period	<u>591</u>	<u>1,675</u>	<u>591</u>	<u>1,675</u>

1(c)(i) The effect of acquisition of the subsidiaries on the individual assets and liabilities is set out below:

Property, plant & equipment	-	250	-	510
Inventories	-	83	-	1,400
Trade and other receivables	-	430	-	922
Cash and cash equivalents	-	231	-	314
Trade and other payables	-	(994)	-	(1,435)
Amount due to bankers	-	-	-	(150)
Long-term liabilities	-	-	-	(194)
Net asset acquired	-	-	-	1,367
(Negative Goodwill)/ Goodwill on acquisition	-	-	-	4,273
Purchase consideration	-	-	-	<u>5,640</u>

The acquisition of a subsidiary company, net of cash is represented by:

Purchase consideration	-	-	-	5,640
Less: Accrual for purchase consideration	-	-	-	(1,410)
Cash paid	-	-	-	4,230
Less: Bank and cash balances acquired	-	(231)	-	(314)
Net cash (Inflow)/outflow	-	<u>(231)</u>	-	<u>3,916</u>

Analysis of Cash Flow

The Group generated a positive cash flow from operation of S\$1.0 million for the quarter and negative cash flow of S\$3.3 million for 9 months ended 31 March 2010 respectively. The negative cash flow were mainly due to the operation loss for the first 9 months. The positive cash flow is mainly due to the tax refund of S\$2.4 million from prior years tax paid resulting from carry-backward of FY2009 tax losses.

During this financial period, the Group paid S\$3.8 million in cash out of approximately S\$4.647 million owed to the vendors pursuant to Metech and GRX Sale and Purchase Agreements and applicable supplementary agreements. Pursuant to the Settlement Agreement, the Company had also issued 44.253 million shares at issue price of S\$0.018 per shares in settlement of 20% of the balance sum owed (being approximately S\$0.797 million).

Repayment of borrowings were substantially funded by tax refunds during the quarter and proceeds from the rights issue for current financial period to-date.

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

Group	Share Capital \$'000	Currency Translation Reserve \$'000	Share Option Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
At 31 December 2008	141,756	2,934	1,327	(106,604)	39,413
Total comprehensive income for the period	-	1,410	-	(2,662)	(1,252)
At 31 March 2009	141,756	4,344	1,327	(109,266)	38,161
At 31 December 2009	151,529	1,741	1,852	(118,395)	36,727
Total comprehensive income for the period	-	158	-	(10,129)	(9,971)
Reversal of value of employee services received for issue of share options		-	(524)	-	(524)
At 31 March 2010	151,529	1,899	1,328	(128,524)	26,232
Company					
At 31 December 2008	141,756	-	1,327	(102,871)	40,212
Total comprehensive income for the period	-	-	-	(2,237)	(2,237)
At 31 March 2009	141,756	-	1,327	(105,108)	37,975
At 31 December 2009	151,529	-	1,851	(106,212)	47,168
Total comprehensive income for the period	-	-	-	(12,406)	(12,406)
Reversal of value of employee services received for issue of share options	-	-	(524)	-	(524)
At 31 March 2010	151,529	-	1,327	(118,618)	34,238

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

During this quarter, there is no change in the issued and paid up capital of the Company.

As at 31 March 2010, there were unexercised options for 13,795,000 (31 March 2009: 13,830,000) unissued ordinary shares under the employee share option plan. During the quarter, employee share options totaling 150 million shares were forfeited arising from resignation.

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

As at 31 March 2010, the number of ordinary shares issued were 8,093,463,905 (30 June 2009: 6,131,488,469).

1(d)(iv) MOVEMENT IN TREASURY SHARES

There are no treasury shares during the quarter and as at 31 March 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

The Group and the Company have not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued as of balance sheet date but are not yet effective:

- Amendments to FRS 39: Amendments relating to eligible hedged items
- Amendments to FRS 103 (revised Jul 2009) and FRS 27(revised Jul 2009): Business Combinations and Separate Consolidated Financial Statements
- Improvements to FRSs 2009

6 NET ASSET VALUE

	GROUP		COMPANY	
	31-Mar-10	30-Jun-09	31-Mar-10	30-Jun-09
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the period	0.32	0.62	0.42	0.61

7 EARNING PER ORDINARY SHARE ("EPS")

	GROUP		GROUP	
	3Q2010	3Q2009	9 months ended 31.03.10	9 months ended 31.03.09
	Cents	Cents	Cents	Cents
Loss per share for results from continuing operations attributable to equity holders of the company				
- Basic	(0.01)	(0.04)	(0.08)	(0.37)
- Diluted	(0.01)	(0.04)	(0.08)	(0.37)

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 31 March 2010 are calculated based on the weighted average number of ordinary shares in issue during the quarter: 7,132,369,864 shares (2008: 6,205,553,011).

Note: For the quarters ended 31 March 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 Revenue & Gross Margin (Continuing operations)

Revenue by Segment	3Q2010	2Q2010	+ / (-)	3Q2010	3Q2009	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
US	4,464	4,314	3.5	4,464	15,844	(71.8)
Singapore	1,444	602	139.9	1,444	665	117.1
UK	708	834	(15.1)	708	812	(12.8)
Total	6,616	5,750	15.1	6,616	17,321	(61.8)
Revenue by Services						
End of Life ("EOL")	5,172	4,877	6.0	5,172	2,950	75.3
Precious Metal Recovery	1,444	873	65.4	1,444	14,371	(90.0)
Total	6,616	5,750	15.1	6,616	17,321	(61.8)
Gross Margin by Segment						
	%	%		%	%	
US	(3.6)%	(27.8)%		(3.6)%	5.5 %	
Singapore	15.6 %	20.7 %		15.6 %	(36.1)%	
UK	37.7 %	42.3 %		37.7 %	58.4 %	
Total	12.5 %	(11.1)%		12.5 %	6.5 %	

US Operations revenue for current quarter compared to 3Q2009 had decreased by 71.8% due to the phasing out of precious metal recovery. Comparing to 2Q2010, its revenue had increased by 3.5%. During the quarter, US Operations agreed 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 collected prior to current quarter. Had the effect of this been excluded, revenue for US Operations would have been S\$4.8 million, an increase of 13.1% over the 2Q2010, and gross margin for the quarter would have improved to 7.8%.

Singapore Operations in 3Q2009 was winding down the activities of the JV and re-evaluating viability of its business. Consequently, it was operating well below its required breakeven point and thus the significant gross loss margin. The Group had since decided to re-activate this operation at a much smaller scale that commensurate with its market size in late June 2009. Its revenues had increased steadily since. Revenue for 3Q2010 had increased more than 100% over that 2Q2010, mainly due to higher sales volume this quarter. Higher gross margin in 2Q2010 was benefited from sales of residue metals recovered from accumulated sludge that did not carry cost.

UK Operations' revenue decreased by 12.8% compared to 3Q2009 mainly due to phasing out of a one off agreement with a customer for processing of CRT. Sales value reported in Singapore dollars was also affected by the weakened GBP. Comparing to 2Q2010, revenue and gross margin had decreased mainly due to change in service mix.

8 REVIEW OF GROUP PERFORMANCE (cont'd)

	3Q2010	2Q2010	+ / (-)	3Q2010	3Q2009	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
b Loss Before Income Tax (Continuing operations)						
US	(613)	(2,577)	(76.2)	(613)	(947)	(35.3)
Singapore	66	345	(80.9)	66	235	(71.9)
UK	(279)	(19)	1,368.4	(279)	(120)	132.5
Corporate and other unallocated items	(147)	(612)	(76.0)	(147)	(1,751)	(91.6)
Total	(973)	(2,863)	(66.0)	(973)	(2,583)	(62.3)

US Operation

Despite improvements in gross margin, US Operations recorded a loss in the current quarter for not achieving optimum volume of shipments to cover fixed overheads. Compared to 3Q2009, it had fared better in operating results due to reduction in overheads associated with precious metal recovery business that had since phased out.

Singapore Operation

Profit for this quarter appeared lower than that of 2Q2010 mainly due to a S\$0.35 million recovery of bad debt during 2Q2010. Excluding this recovery of bad debt, 2Q2010 would have recorded a marginal loss. Similarly, 3Q2009 results had benefited from a net write back of restructuring related provisions amounting to S\$0.9 million (see para 1.7 above).

UK Operation

If not for the unrealised exchange losses of S\$0.29 million and S\$0.06 million arising from the weaker GBP against SGD, UK operations would have recorded a profit of S\$13,000 and S\$44,000 for the current quarter and 2Q2010 respectively. Included in 3Q2009 results, there was a provision for restructuring costs of S\$0.3 million.

Corporate and other unallocated items

Comparing to 3Q2009, the current quarter corporate expenses were also significantly lower due to the accrual of contingent liabilities of S\$1.0 million resulting from the JV termination (see para 1.7 above).

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

Barring any unforeseen circumstances, the Group will continue to benefit from the new business model initiated and the new management team put in place since last quarter in major markets. Operating results for the next quarter is expected to improve and to narrow negative cash flow towards the end of this 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

Tan San-Ju
Company Secretary
Date : 14 May 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 quarter ended 31 March 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

CHNG WENG WAH
Chairman

Date : 14 May 2010

RICHARD BASIL JACOB
Executive Director &
Chief Executive Officer