CENTILLION ENVIRONMENT & RECYCLING LIMITED
(Company Registration No. 199206445M)

UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

1(a)(i) *STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30 SEPTEMBER 2009*

	GROUP		
	QUARTER ENDED 30/9/09 $'000	**QUARTER ENDED 30/9/08** $'000	**+ / (-)** %
Revenue	**9,870**	**27,743**	**(64.4)**
Cost of sales	(8,522)	(26,075)	(67.3)
Gross profit	**1,348**	**1,668**	**(19.2)**
Gross Margin %	**13.7%**	**6.0%**	
Other income	87	142	(38.7)
Distribution expenses	(423)	(450)	(6.0)
Administrative expenses	(2,774)	(3,644)	(23.9)
Other expenses	(273)	(86)	217.4
Results from operating activities	(2,035)	(2,370)	(14.1)
Finance expense	(56)	(267)	(79.0)
Loss before income tax	**(2,091)**	**(2,637)**	**(20.7)**
Tax benefit/(expense)	-	53	(100.0)
Loss for the period	**(2,091)**	**(2,584)**	**(19.1)**

Revised FRS 1 Presentation of Financial Statements requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income. The revised FRS is effective from financial years beginning on or after 1 January 2009. This is a change in disclosure with no impact on the financial position or financial performance of the Group.

STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	GROUP	
	QUARTER ENDED 30/9/09	**QUARTER ENDED 30/9/08**
Loss for the period	**(2,091)**	**(2,584)**
Other comprehensive income		
Currency translation differences	**(377)**	**1,426**
Total comprehensive income for the period	**(2,468)**	**(1,158)**
Attributable to		
Equity holders of the company	**(2,468)**	**(1,158)**
Minority interest	**-**	**-**
	(2,468)	**(1,158)**

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

		GROUP		
		QUARTER ENDED 30/9/09 $'000	QUARTER ENDED 30/9/08 $'000	+ / (-) %
1.1	**Loss before income tax** is arrived at after charging the following:			
	Depreciation and amortisation	238	418	(43.0)
	Operating lease expense	824	584	41.0
	Exchange loss/(gain)	270	92	193.5
	Employee Share Option Cost	314	-	N.M.
	Interest expenses on borrowing	110	258	(57.4)
	Finance charges payable under finance lease	-	9	(100.0)
	Reversal of allowance for inventories	(122)	-	N.M.
1.2	**Other income** comprises principally the following:			
	Gain/(Loss) on disposal of property, plant and equipment	-	1	(100.0)
	Rental income	84	128	(34.1)
	Interest income	-	2	(100.0)

1.3 The Group's revenue for current quarter was lower than that of the comparative period. The significant drop in revenue from precious metal recovery was mainly due phasing out of precious metal recovery in US.

	QUARTER ENDED 30/9/09	QUARTER ENDED 30/9/08	+ / (-)
Revenue			
- End of Life ("EOL")	4,919	4,867	1.1
- Precious Metal Recovery	4,951	22,876	(78.4)
	9,870	**27,743**	

1.4 Overall gross margin of this quarter improved to 13.7% as compared to that of 6.0% in comparative quarter. Improvements were recorded in all operations but principally in US and Singapore Operations. See further details under paragraph 8 "Review of Group Performance".

1.5 Reductions in total distribution & administrative expenses of approximately S$1.2 million (29%) was mainly due to restructuring of Singapore operations, discontinuance of UK CRT recycling and US precious metal recovery business. However, this is offset by employees share option expense of S$0.3 million (7%) (2008 : nil).

The share option expense arose from the grant of share options in May 2009 and this quarterly charge of option expense would continue over the estimated life of the options until April 2012.

1.6 Significant changes in items included in 1.1 and 1.2 above were explained as follows:

- Lower depreciations is a result of restructuring following the termination of JV in Singapore.
- Operating lease expense increased by S$0.24 million is mainly due to additional rental paid on new facilities opened in US.
- Due to weakening GBP and USD against SGD during this quarter, UK and Singapore Operations recorded net exchange loss of S$0.27 million arising from SGD and USD based loans and liabilities respectively. This accounted for the bulk of other operating expense reflected in the income statement.
- The employee share option cost was the proportionate fair value of share options granted to executives in May 2009 attributing to this quarter. There was no corresponding cost in comparative period.
- Lower interest expense was due to significant repayments of short term borrowings by US operation subsequent to September 2008.
- Reduction in rental income was due to loss of rental collection from Singapore JV subsequent to March 2009.

1(b)(i) ***BALANCE SHEET***

	GROUP		COMPANY	
	30-Sep-09	**30-Jun-09**	**30-Sep-09**	**30-Jun-09**
	$'000	$'000	$'000	$'000
Current assets				
Inventories	3,678	7,629	-	-
Trade receivables	3,363	2,810	160	154
Other receivables	4,669	3,267	6,409	5,393
Restricted cash held in trust	5,212	636	4,590	-
Cash and cash equivalents	711	1,236	399	597
	17,633	15,578	11,558	6,144
Non-current assets				
Property, plant and equipment	29,203	30,166	75	82
Subsidiaries	-	-	42,027	41,735
Land use right	2,552	2,629	-	-
Goodwill	10,655	10,655	-	-
Deferred tax assets	3,221	3,296	-	-
Restricted cash held in trust	-	4,590	-	4,590
	45,631	51,336	42,102	46,407
Total assets	**63,264**	**66,914**	**53,660**	**52,551**
Current liabilities				
Borrowings	7,713	9,639	-	-
Trade payables	4,083	5,568	5	5
Other payables	13,207	13,580	8,485	9,153
Loan from shareholder	2,000	500	2,000	500
Income tax payable	306	306	-	-
Fund held in trust of Scheme of Arrangement	4,590	-	4,590	-
	31,899	29,593	15,080	9,658
Non-current liabilities				
Borrowings	67	70	-	-
Fund held in trust of Scheme of Arrangement	-	4,590	-	4,590
	67	4,660	-	4,590
Equity attributable to equity holders of the Company				
Share capital	142,547	141,756	142,547	141,756
Reserves	3,644	3,707	1,851	1,537
Accumulated losses	(114,893)	(112,802)	(105,818)	(104,990)
Total equity	31,298	32,661	38,580	38,303
Total liabilities and equity	**63,264**	**66,914**	**53,660**	**52,551**

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1(b)(i) ***BALANCE SHEET (cont'd)***

Significant changes are discussed below:

a. Decrease in cash balances of the Group were mainly due to losses incurred in operations, repayment of certain outstanding acquisition purchase consideration and net repayment of borrowings.

b. Decrease in inventories and trade payables were due to Metech phasing out of the precious metal recovery business.

c. During the quarter, the Group received an additional S$1.5 million of short-term bridging loan from a substantial shareholder.

d. 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 is held in trust of the Scheme in interest bearing fixed deposit and is reclassified as current liability as at 30 September 2009 as CIT finalised the YA2005 subsequent to balance sheet date. This amount will be transferred to the Scheme administrators during the next quarter.

e. The Group's working capital deficit of S$14.3 million as at 30 September 2009 as compared to S$14.0 million as at 30 June 2009 was principally due to net repayment of borrowings and acquistion cost over cash generated from operations. Subject to successful negotiations with the bank to waive the breach of covenant by Metech and the reclassification on the appropriate portion of borrowings as non-current liabilities, the Group's working capital deficit will be S$9.7million instead.

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

	As at 30-Sep-09 $'000	As at 30-Jun-09 $'000
Amount repayable in one year		
Secured	7,713	9,639
	7,713	**9,639**
Amount repayable after one year		
Secured	67	70
	67	**70**

Bank loans amounting toS $6.75 million as at 30 September 2009 is secured on property, plant and equipment of Metech.
Bank loans amounting to S$1.1 million as at 30 September 2009 is secured on land use right of its Chinese subsidiary.

Metech has breached a covenant by failing to comply with the debt service coverage ratio during the prior financial year ended 30 June 2009 resulting in borrowings of S$6.75 million (of which the non-current portion of S$4.66 million has been reclassified into current liabilities) could be called for repayment at any time by the bank. The ratio was breached due to a decrease in Metech's earnings for the prior year ended 30 June 2009.

The values of secured property, plant and equipment of Metech exceeded the outstanding borrowings. Further, the lender has not demanded for immediate repayment of the loans and is reviewing Metech's request to execute a written waiver for the breach.

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. 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) *CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2009*

	GROUP	
	QUARTER ENDED 30/9/09 $'000	**QUARTER ENDED 30/9/08** $'000
Operating activities		
Loss before income tax	(2,091)	(2,637)
Adjustments:		
Depreciation and amortisation	238	418
(Gain) on disposal of property, plant and equipment	-	(1)
(Reversal of) impairment loss on doubtful receivables	-	(108)
(Reversal of) allowance for inventories	(122)	(50)
Unrealised exchange (gain)/loss	426	246
Employee Share Option Cost	314	-
Interest income	-	(2)
Interest expense	56	262
	(1,179)	(1,872)
Changes in working capital		
Trade and other receivables	(2,066)	1,705
Inventories	3,960	7,220
Trade and other payables	(320)	(2,056)
Cash from / (used in) operations	395	4,997
Interest received	-	2
Interest paid	(110)	(227)
Income tax paid	-	(427)
Cash flows from / (used in) operating activities	**285**	**4,345**
Investing activities		
Acquisition of a subsidiary, net of cash acquired (Note 1(c)(i))	-	(4,147)
Payments for accrued acquisition cost	(556)	-
Purchase of plant and equipment	(7)	(3,631)
Proceeds from sale of property, plant and equipment	-	5
Cash flows used in investing activities	**(563)**	**(7,773)**
Financing activities		
Payment to Schemes of Arrangement	-	-
Repayment of borrowings	(1,731)	(531)
Proceeds from borrowings	1,500	-
Payment of finance lease liabilities	-	(74)
Share issue expenses arising from Settlement Agreement	(5)	-
Cash flows from / (used in) financing activities	**(236)**	**(605)**
Net increase / (decrease) in cash and cash equivalents	(514)	(4,033)
Cash and cash equivalents at beginning of period	1,236	11,120
Effect of exchange rate fluctuation on cash held	(11)	85
Cash and cash equivalents at end of period	711	7,172

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1(c) ***CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (cont'd)***

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

	GROUP	
	QUARTER ENDED 30/9/09	**QUARTER ENDED 30/9/08**
Property, plant & equipment	-	36
Inventories	-	1,653
Trade and other receivables	-	604
Cash and cash equivalents	-	83
Trade and other payables	-	(1,078)
Long-term liabilities	-	(103)
Net asset acquired	-	1,195
(Negative Goodwill)/ Goodwill on acquisition	-	4,445
Purchase consideration	-	5,640
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	-	(83)
Net cash (Inflow)/outflow	-	4,147

Analysis of Cash Flow

The Group generated a positive cash flow from operation of S$0.29 million for the current quarter despite losses incurred as it sold more inventories on hand, mainly precious metal inventories. However, this positive cash flow was much smaller than that of S$4.35 million for the comparative quarter as Metech had significantly reduced its previous metal recovery business during FY2009 leading to a much smaller precious metal inventories on hand of the Group at the beginning of current quarter, S$3.7 million (June 2009: S$7.6million).

During the quarter, the Group paid $0.556 million out of approximately $4.647million owed to the vendors pursuant to Metech and GRX Sale and Purchase Agreements and applicable supplementary agreements. In 2 July 2009, the Company entered into Settlement Agreement with certain Metech and GRX vendors on the balance of amount owed. Pursuant to the Settlement Agreement, the Company 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) . The remaining balance of 80% (being S$3.186 million) will be paid after the completion of the Rights Issues as announced by the Company on 30 June 2009.

Repayment of bank borrowings were principally funded by a bridging loan from a substantial shareholder.

1(d)(i) ***STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009***

Group	Share Capital $'000	Currency Translation Reserve $'000	Share Option Reserve $'000	Accumulated Losses $'000	Total Equity $'000
At 1 July 2008	131,650	120	1,327	(86,895)	46,202
Total comprehensive income for the period		1,426		(2,584)	(1,158)
					-
At 30 Sept 2008	131,650	1,546	1,327	(89,479)	45,044
At 1 July 2009	141,756	2,170	1,537	(112,802)	32,661
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 September 2009	142,547	1,793	1,851	(114,893)	31,298
Company					
At 1 July 2008	131,650	-	1,327	(89,147)	43,830
Total comprehensive income for the period	-	-	-	(1,337)	(1,337)
At 30 Sept 2008	131,650	-	1,327	(90,484)	42,493
At 1 July 2009	141,756	-	1,537	(104,990)	38,303
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 September 2009	142,547	-	1,851	(105,818)	38,580

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

Since the last financial period ended 30 June 2009, the issued and paid up capital of the Company increased by $791,000 to $142.5 million due to issuance of 44,252,997 ordinary shares as part of the Settlement Agreement entered into 2 July 2009 with certain Metech & GRX vendors.

The shares issued ranked pari passu in all respects with the existing issued ordinary shares in the capital of the Company.

As at 30 September 2009, there were unexercised options for 313,795,000 (30 September 2008: 13,830,000) unissued ordinary shares under the employee share option plan.

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

As at 30 September 2009, the number of ordinary shares issued were 6,255,741,466 (30 June 2009: 6,181,488,469).

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

There are no treasury shares during the quarter and as at 30 September 2009.

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

	GROUP	
	QUARTER ENDED 30/9/09	**QUARTER ENDED 30/9/08**
Loss per share for results from continuing operations attributable to equity holders of the company	Cents	Cents
- Basic	(0.03)	(0.05)
- Diluted	(0.03)	(0.05)

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 30 September 2009 are calculated based on the weighted average number of ordinary shares in issue during the quarter: 6,205,553,011 shares (2008: 4,983,088,469).

Note: For the quarters ended 30 September 2009 and 2008, 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.

7 ***NET ASSET VALUE***

	GROUP		COMPANY	
	30-Sep-09	**30-Jun-09**	**30-Sep-09**	**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	0.50	0.53	0.62	0.62

8 *REVIEW OF GROUP PERFORMANCE*

	GROUP		
	QUARTER ENDED 30/9/09 $'000	QUARTER ENDED 30/9/08 $'000	+ / (-) %
(a) **Revenue**			
US	8,673	26,461	(67.2)
Singapore	615	711	(13.5)
UK	580	559	3.8
China	2	12	(83.3)
Total	9,870	27,743	
(b) **(Loss)** / **Profit Before Income Tax**			
US	(525)	47	> (100)
Singapore	(826)	(1,636)	(49.5)
UK	(246)	(622)	(60.5)
China	(494)	(426)	16.0
Total	(2,091)	(2,637)	

US Operation

Revenue for current quarter ended was lower than that of the comparative quarter mainly due to the phasing out of precious metal recovery.

US operations had improved its gross margin by focusing more on End Of Life ("EOL") recycling business. Given its larger geographic coverage, it had also expanded its internal logistic fleet and thus reduced its over all logistic expenses. As it was commissioning its CRT plant, it had avoided incurred disposal cost that otherwise would have been outsourced.

As part of its plan to expand EOL recycling business, US Operation now operated a total of 8 plants as compared to 5 in the comparative quarter. It was also in the process of moving its Denver operation into a larger facility. Consequently, it incurred higher operating expenses from these additional facilities. These new facilities were at their initial stages of operation and accordingly had been processing materials at less than their optimal levels.

These higher expenses (S$0.5 million) for expanded capacities and additional employee share option cost of S$0.3 million resulted in US Operation recorded a operating loss instead of a profit.

Singapore Operation

Although Singapore operations were downsized and restructured subsequent to termination of JV, its revenue derived as a wholly owned business concern was not significantly lower than that of the comparative quarter. Revenue in comparative quarter included the Group's proportionate share of revenue from JV.

Following the downsizing, it had reduced its gross loss to approximately S$0.01 million as compared to S$0.3 million for the comparative quarter. It also reduced its distribution and admin expenses by approximately S$0.5 million over the comparative quarter.

UK Operation

UK revenue did not change significantly due to weaker GBP against SGD. If not for the weaker GBP, UK revenue grew more than 15% principally due to shipping a higher volume of recovered materials. Since discontinuance of its CRT recycling business, it had improved its margin by 10%.

Additionally, it had also avoided higher CRT logistic costs and lower staff costs totaling S$0.3 million. If not for the unrealised exchange losses of S$0.28 million arising from the weaker GBP against SGD, UK operations would have recorded a small profit of S$37,000.

China Operation

The loss in the China operation was largely due to pre-operational costs relating to project administrative costs, payroll and depreciation of non-operating assets.

9 ***SEGMENTED REVENUE AND RESULTS FOR GEOGRAPHICAL SEGMENTS***

See item 8.

10 ***VARIANCE FROM PROSPECT STATEMENT***

No variance from previous prospect statement made.

11 ***PROSPECT***

The Group may be impacted by continuous uncertainty in the global economy.

The Group shall focus to expand the recycling of End of Life electronics products as its primary source of business in the USA expecting it to improve in the coming quarters, capitalising on its geographic coverage, dismantling expertise and a potentially favourable environmental protection legislative framework under the new US Administration.

In respect of the emphasis of matter included in the auditors' report of the Company for the year ended 30 June 2009, one of the key factors considered by the Directors' analysis of the going concern position of the Company was a successful rights issue exercise. The Company has carried out the rights issue exercise and is the process of compiling the subscription results. The Company shall be announcing the subscription results in due course.

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

Tan San-Ju
Company Secretary
Date : 11 November 2009

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 30 September 2009 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 November 2009