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

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 30 SEPT 2008

1(a)(i) *STATEMENT OF PROFIT AND LOSS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2008*

	GROUP		
	1Q2009	**3Q2008**	**+ / (-)**
	$'000	$'000	%
Revenue	**27,743**	**1,944**	**1,327.1**
Cost of sales	(26,075)	(1,642)	1,488.0
Gross profit	**1,668**	**302**	**452.2**
Other income	142	328	(56.8)
Distribution expenses	(450)	(238)	89.1
Administrative expenses	(3,644)	(2,052)	77.6
Other expenses	(86)	(318)	(73.0)
Results from operating activities	(2,370)	(1,978)	19.8
Finance expense	(267)	(64)	317.6
(Loss) / Profit before income tax	**(2,637)**	**(2,042)**	**29.2**
Tax Benefit	53	170	(68.8)
(Loss) / Profit for the period	**(2,584)**	**(1,872)**	**38.0**

Note: The Company changed its financial year end from 31 December to 30 June on 16 November 2007.
Unaudited results are announced for the first quarter ended 30 September 2008 covering period from 1 July 2008 to 30 September 2008.
For comparative purpose, the results for the corresponding period from 1 July 2007 to 30 September 2007 are disclosed.

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

	GROUP		
	1Q2009	**3Q2008**	**+ / (-)**
	$'000	$'000	%
1.1 (Loss) / Profit before income tax is arrived at after charging the following:			
Depreciation and amortisation	418	321	30.1
Operating lease expense	584	126	363.7
Interest expenses on borrowing	258	54	378.4
Finance charges payable under finance lease	9	10	(10.3)
1.2 Other income comprises:			
Gain on disposal of property, plant and equipment	1	-	N.M.
Gain on reversal of finance lease liability	-	189	(100.0)
Rental income	128	128	(0.4)
Interest income	2	-	N.M.
Sundry income	11	11	2.4

1.3 In general, revenue and expenses of the current quarter are significantly higher as compared to that of the comparative quarter due to inclusion of our US operation arising from the acquisition of Metech International Inc ("Metech") in October 2007 & Guarantee Recycling Xpect ("GRX") in August 2008.

1.4 The gross margin is approximtaely 6% as compared to 15% in comparative quarter. The lower margin in current period was principally to lower volume being processed in UK and Singapore. Additionally, loss incurred on unhedged metal positions also contributed to lower margin in this quarter (also see 8 (b) below). Further, higher margin in comparative quarter was due to a much lower material purchase costs as significant portion of these materials were purchased in prior to 2005 when precious metal prices were generally much lower compared to when they were sold in 2007.

1.4 Increase in operating lease expenses were principally due to S$240K arising from sales and lease back of the Group's property since Nov 2007 and S$218K due to Metech and GRX.

1.5 Higher interest expenses were due to borrowings of Metech and GRX.

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1(b)(i) ***BALANCE SHEETS***

	GROUP		COMPANY	
	30-Sep-08	30-Jun-08	30-Sep-08	30-Jun-08
	$'000	$'000	$'000	$'000
Current assets				
Cash and cash equivalents	7,172	11,120	695	4,219
Trade receivables	4,944	3,667	808	332
Other receivables	2,242	4,516	1,098	2,750
Inventories	15,543	20,131	-	-
Amount due from related companies	1,287	1,134	28,589	29,098
	31,188	40,568	31,190	36,399
Non-current assets held for sale	-	-	-	-
	31,188	40,568	31,190	36,399
Non-current assets				
Property, plant and equipment	31,400	27,188	154	202
Subsidiaries	-	-	24,454	20,217
Joint venture	-	-	2,735	3,335
Land use right	2,636	2,562	-	-
Goodwill	20,485	16,032	-	-
Deferred tax assets	-	-	-	-
Restricted cash held in trust	624	589	-	-
	55,145	46,371	27,343	23,754
Total assets	**86,333**	**86,939**	**58,533**	**60,153**
Current liabilities				
Borrowings	9,110	12,748	-	-
Trade payables	6,288	4,613	5	280
Other payables	20,260	21,281	15,733	16,043
Current portion of finance lease liabilities	220	232	-	-
Income tax payable	269	749	-	-
Amount due to related companies	29	-	302	-
	36,176	39,623	16,040	16,323
Non-current liabilities				
Borrowings	5,027	966	-	-
Deferred payment	-	-	-	-
Finance lease liabilities	86	148	-	-
	5,113	1,114	-	-
Equity attributable to equity holders of the Company				
Share capital	131,650	131,650	131,650	131,650
Reserves	2,873	1,447	1,327	1,327
Accumulated losses	(89,479)	(86,895)	(90,484)	(89,147)
Total equity	45,044	46,202	42,493	43,830
Total liabilities and equity	**86,333**	**86,939**	**58,533**	**60,153**

Significant changes are discussed below:

(a) Decrease in cash balances of the Group are mainly due to investments in Wuxi plant under construction and acquisition of GRX by the Company on 15 Aug 2008.

(b) Increase in Property, Plant & Equipment were principally due to additions S$3.6 million in Wuxi plant under construction and unrealised translation foreign exchange gain of approximately S$0.95 million due to appreciation of RMB and USD from 30 June 2008.

(c) Decrease in the inventories were due to higher realisation of inventory held from 30 June 2008 and lower collection and generally lower metal prices of inventory subsequent to 30 June 2008.

(d) The Company recorded a total cost of investment in GRX of S$5.6 million comprising an initial cash payment of S$4.4 million (US$3 million) and an accrual for additional payment of S$1.4 million (US$1 million) payable before end of Dec 2008. The accrual has been included as part of Other Payables of the Company and the Group. Arising from this acquisition, the Group recognised a Goodwill of S$4.4 million.

(e) In July 2007, Metech successfully refinanced its secured subordinated note via a long term mortgage loan from a bank in USA. The mortgage loan has a principal amount of US$2.88 million (S$3.92 million) and mutures on 31 July 2018.

(f) Other Payables

(i) Included in Other Payable was an outstanding sum of S$12 million arising from a S$12.9 million (inclusive of GST of $0.8 million) settlement agreement entered into April 2008 with a professional service firm in respect of its assertion for outstanding fees and applicable GST. On 24 Sep 2008, the Shareholders of the Company had approved an issuance of 1.198 billion new shares as full settlement of the liabilities amounting to S$10.17 million (inclusive of GST of S$0.67 million). The shares were subsequently alloted and issued on 24 October 2008.

(ii) Reductions were main due to higher payments for fixed asset costs as compared to accruals.

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

	As at 30-Sep-08	As at 30-Jun-08
Amount repayable in one year	$'000	$'000
Secured	9,330	12,980
	9,330	**12,980**
Amount repayable after one year		
Secured	5,113	1,114
	5,113	**1,114**

Bank loans amounting to $14.1 million as at 30 September 2008 is secured on property, plant and equipments of US subsidiaries.
Finance lease liabilities of $0.3 million as at 30 September 2008 are secured mainly on certain plant and equipment belonging to the UK subsidiary.

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1(C) ***CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2008***

	GROUP	
	1Q2009	**3Q2008**
	$'000	$'000
Operating activities		
(Loss) before income tax	(2,637)	(2,042)
Adjustments:		
Depreciation and amortisation	418	321
(Gain) on disposal of property, plant and equipment	(1)	-
Plant and equipment written off	-	1
(Reversal of) impairment loss on doubtful receivables	(108)	-
(Reversal of) allowance for inventories	(50)	(28)
(Gain) on reversal of finance lease liability	-	(189)
Interest income	(2)	(9)
Interest expense	262	63
	(2,118)	(1,883)
Changes in working capital		
Trade and other receivables	1,705	(572)
Inventories	7,220	(50)
Trade and other payables	(2,056)	54
Cash (used in) / from operations	4,751	(2,451)
Interest received	2	1
Interest paid	(227)	(63)
Income tax paid	(427)	(18)
Cash flows (used in) / from operating activities	**4,099**	**(2,531)**
Investing activities		
Acquisition of a subsidiary, net of cash acquired (Note 1(c)(i))	(4,147)	-
Purchase of plant and equipment	(3,631)	(1,658)
Disposal of a subsidiary (Note 1(c)(ii))	-	-
Proceeds from sale of property, plant and equipment	5	6
Cash flows used in investing activities	**(7,773)**	**(1,652)**
Financing activities		
Repayment of borrowings	(531)	(155)
Payment of finance lease liabilities	(74)	(65)
Conversion of convertible notes to ordinary shares	-	4,787
Exercise of share options to ordinary shares	-	16,100
Cash flows from / (used in) financing activities	**(605)**	**20,667**
Net increase / (decrease) in cash and cash equivalents	(4,279)	16,484
Cash and cash equivalents at beginning of period	11,120	3,336
Effect of exchange rate fluctuation on cash held	331	4
Cash and cash equivalents at end of period	7,172	19,824

1(c)(i) The effect of acquisition of the subsidiary on the individual assets and

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	-
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 outflow	4,147	-

Analysis of Cash Flow

The Group generated positive cash flow of S$4 million from its operation principally from realising the value of its inventory and collection of outstanding debts from last quarter.

The Group acquired GRX in Aug 2008 for US$4 million (S$5.6 million), the cash effect of which had been set out above. The Group further invested some S$3.6 million in capital equipment, particularly some S$3.4 million in its plant under construction in Wuxi, China. The Group had accrued for some S$1.16 million of process equipment purchased that yet to be settled as at 30 Sep 2008.

During the period, the Group had repaid some S$0.6 million in loans and hire purchase liabilities.

1(d)(i) ***STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 SEPTEMBER 2008***

Group	Share Capital $'000	Currency Translation Reserve $'000	Share Option Reserve $'000	Accumulated Losses $'000	Total Equity $'000
At 1 July 2007	91,716	(129)	1,327	(70,152)	22,762
Translation differences relating to financial statements of foreign subsidiaries	-	(157)	-	-	(157)
Net loss recognised directly in equity	-	(157)	-	-	(157)
Net loss for the period	-	-	-	(1,872)	(1,872)
Exercise of shares options to ordinary shares the year	16,100	-	-	-	16,100
Conversion of convertible notes to ordinary shares	4,787	-	-	-	4,787
At 30 September 2007	112,603	(286)	1,327	(72,024)	41,620
At 1 July 2008	131,650	120	1,327	(86,895)	46,202
Translation differences relating to financial statements of foreign subsidiaries	-	1,426	-	-	1,426
Net gain recognised directly in equity	-	1,426	-	-	1,426
Net loss for the period	-	-	-	(2,584)	(2,584)
At 30 September 2008	131,650	1,546	1,327	(89,479)	45,044
Company					
At 1 July 2007	91,716	-	1,327	(70,075)	22,968
Net loss for the period	-	-	-	(2,730)	(2,730)
Exercise of shares options to ordinary shares	16,100	-	-	-	16,100
Conversion of convertible notes to ordinary shares	4,787	-	-	-	4,787
At 30 September 2007	112,603	-	1,327	(72,805)	41,125
At 1 July 2008	131,650	-	1,327	(89,147)	43,830
Net loss for the period	-	-	-	(1,337)	(1,337)
At 30 September 2008	131,650	-	1,327	(90,484)	42,493

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

During 1Q2009, the company did not issue any ordinary shares.

As at 30 September 2008, there were unexercised options for 13,830,000 (30 June 2008: 15,280,000) unissued ordinary shares under the employee share option plan.

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

As at 30 September 2008, the number of ordinary shares issued were 4,983,088,469 (30 Jun 2008: 4,983,088,469).

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

Not applicable.

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 is 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:
• FRS 1 (revised 2008) Presentation of Financial Statements
• FRS 23 Borrowing Costs
• FRS 108 Operating Segments
• INT FRS 111 FRS 102 Group and Treasury Shares Transactions
• INT FRS 112 Service Concession Arrangements
• INT FRS 113 Customer Loyalty Programmes
• INT FRS 114 The Limit on a Defi ned Benefi t Asset, Minimum Funding Requirements and their Interaction

6 ***EARNINGS PER ORDINARY SHARE ("EPS")***

	GROUP	
	1Q2009	3Q2008
EPS based on net (loss) / profit of the financial period attributable to shareholders:	Cents	Cents
(i) Based on the weighted average number of ordinary shares on issue	(0.05)	(0.04)
(ii) On a fully diluted basis	(0.05)	(0.04)

7 ***NET ASSET VALUE***

	GROUP		COMPANY	
	30-Sep-08	30-Jun-08	30-Sep-08	30-Jun-08
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the period	0.90	0.93	0.85	0.88

8 ***REVIEW OF GROUP PERFORMANCE***

	GROUP		
	1Q2009	**3Q2008**	**+ / (-)**
(a) **Revenue (1Q2009 vs 3Q2008)**	$'000	$'000	%
US	26,461	-	N.M.
Singapore	711	961	-26
UK	559	983	-43.1
China	12	-	N.M.
Total	27,743	1,944	

During the current quarter, Metech (which was acquired with effect from 23 Oct 2007) and GRX (which was acquired with effect from 15 Aug 2008) contributed S$25.3 million and S$1.1 million in revenue respectively.

In 3Q2008, Singapore derived its revenues entirely from its inventory on hand. Its revenue for current period has decreased significantly as this inventory on hand had been depleting and realignment of supplies from Europe was not at the level as expected.

The UK's Waste of Electronic and Electrical Equipment Directive ("WEEE Directive") was implemented in July 2007. Higher revenue in prior period was mainly due to fee revenue relating a significant one-time collection of CRT from a failed recycler. Additionally, UK Operation subsequently lost two contracts that were signficant in the prior period due to exportation of CRTs by these supplying recyclers. It also experienced significant downward pressure on its treatment fees for CRTs as its competitors continue to lower to their fees to secure volume.

After successfully applied for restructuring of its share capital and regularised its corporate compliance obligations in Aug 2008, our China Operation re-activated its business with recycling of plastics and derived a small revenue of S$12K during the quarter.

	GROUP		
(b) **(Loss)** / **Profit Before Income Tax (1Q2009 vs 3Q2008)**	**1Q2009**	**3Q2008**	**+ / (-)**
	$'000	$'000	%
US	47	-	N.M.
Singapore	(1,636)	(1,467)	11.5
UK	(622)	(248)	150.6
China	(426)	(327)	30.3
Total	(2,637)	(2,042)	

US Operation

While the Group had set certain hedging policy to mitigate its exposures to commodity price risk, the Group continued to be exposed to unusual large price movements within a short period similar to that observed during the month of Aug 2008. Precious metal commodity prices had decreased significantly as much as 10% and 5% for gold and 15% and 51% platinum in the month of Aug 2008 and the current quarter respectively. Consequently, US Operation recorded some US$430K (S$604K) of losses related to unhedged net metal positions (approximately 10% of overall metal positions), including some US$250K relating to rhodium that does not have an active future market to offer an effective hedging opportunity.

Further, during the month of Aug, a small fire in our Gildroy facility resulted in a shutdown of its Thermal Recovery Unit for three weeks and a lower volume of precious metal bearing materials being processed. The fire did not resulted in significant loss other than a delay in revenue being earned,of which increased processing in September 2008 had partially recovered this delayed process volume.

The entrance into End of Life market via acquisition of GRX was timely as it contributed some US$208K or S$292K to US Operation subsequent to acquisition.

Singapore Operation

Higher losses in 1Q2008 was principally due to lower revenue from volume of materials processed.

UK Operation

Due to lower fee revenues and higher logistic costs, UK Operation recorded a higher loss before income tax as compared to prior year despite a reduction in operating expenses.

China Operation

The loss in the China operation is largely due to pre-operational costs relating to project administrative costs, payroll and depreciation of non-operating assets. Higher loss in current quarter was mainly due to increase pace and activitivities relating to land rent, property taxes and utilities expenses (that were not previously levied on our China Operation during construction period).

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***

Volatilities and generally downward trend of commodity prices, particularly precious metals, are expected to continue for coming quarters in the midst of a highly uncertain global economy. These volatilities and downward trend in prices will impact negatively the values of precious metal recovered by the Group but we expect the effect of which will be substantially cushioned by a lower return to customers for recovery of the same metals.

Recycling of end of life materials ("EOL"), via GRX and Metech, will provide certain level of support in profitibility as their business models are primarily fee-based. As the downward trend of commodity prices depresses the recovery returns from EOL industry-wide, we expect more competitors that adopted the commoditiy value based model to revise their "no-fee" services toward those of fee-based services. Given that both GRX and Metech have been competiting on environmental stewardships and internal efficiencies, the Group expects to maintain its competitiveness in the EOL market in US.

Barring unforseen circumstances and with GRX full contribution in the next quarter, the Group expects to narrow its losses in next quarter.

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 for the period ended 30 September 2008 is recommended.

BY ORDER OF THE BOARD

Tan San-Ju
Company Secretary
Date : 6 November 2008

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 2008 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 : 6 November 2008