APPENDIX 4E

PRELIMINARY FINAL REPORT GIVEN TO THE ASX UNDER LISTING RULE 4.3A

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED ABN 13 060 266 248

Reporting Period: Year ended 31 December 2009
Previous Reporting Period: Year ended 31 December 2008

RESULTS FOR ANNOUNCEMENT TO THE MARKET

| Key Information | Year ended 31 December | | |
|---|---|---|---|
| | 2009 $000 | 2008 $000 | Movement |
| Revenue from ordinary activities | 43,379 | 76,838 | Down 43.5% |
| (Loss) / Profit from ordinary activities after income tax attributable to members | (790) | (291) | Up 171.5% |
| Net (loss) / profit for the period attributable to members | (790) | (291) | Up 171.5% |

| Dividends | Amount per security $ | Franked amount per security at 30% $ | Total $ |
|---|---|---|---|
| Final | | | |
| 2009 final dividend | Nil | Nil | Nil |
| 2008 final dividend | Nil | Nil | Nil |
| Interim | | | |
| 2009 interim dividend | Nil | Nil | Nil |
| 2008 interim dividend | Nil | Nil | Nil |

It is not proposed to pay dividends and there is no record date for determining entitlements to dividends.

Explanation

Refer to the Review of Operations in Note 14 to these financial statements.

PRELIMINARY FINAL REPORT

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED ABN 13 060 266 248

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

| | Note | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| Revenue | 4 | 42,560 | 76,707 |
| Other income | 5 | 819 | 131 |
| | | 43,379 | 76,838 |
| Changes in inventories of finished goods and work in progress | | 2,673 | (4,311) |
| Raw materials and consumables used | | (39,603) | (63,072) |
| Employee benefits expense | | (2,927) | (3,708) |
| Depreciation and amortisation expense | 6 | (2,729) | (2,253) |
| Borrowing costs | 6 | (901) | (1,196) |
| Other expenses | 6 | (827) | (1,674) |
| (Loss) / Profit before income tax | | (935) | 624 |
| Income tax expense | | (61) | (263) |
| (Loss) / Profit from continuing operations | | (996) | 361 |
| Other comprehensive (loss) / income | | | |
| Foreign currency translation (loss) / income | | (4,832) | 5,905 |
| Total comprehensive (loss) / income for the year | | (5,828) | 6,266 |
| (Loss) / Profit from continuing operations attributable to: | | | |
| Members of the parent | | (790) | (291) |
| Non-controlling interest | | (206) | 652 |
| | | (996) | 361 |
| Other comprehensive (loss) / income attributable to: | | | |
| Members of the parent | | (2,698) | 3,104 |
| Non-controlling interest | | (2,134) | 2,801 |
| | | (4,832) | 5,905 |
| | | Cents | Cents |
| Loss per share from continuing operations attributable to members of the parent | | | |
| Basic loss per share | | (0.6) | (0.2) |
| Diluted loss per share | | (0.6) | (0.2) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

| | Note | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 8 | 4,615 | 8,643 |
| Trade and other receivables | | 5,541 | 7,004 |
| Inventories | | 9,502 | 6,471 |
| Other investments, including derivatives | | 132 | - |
| Total current assets | | 19,790 | 22,118 |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 19,045 | 26,288 |
| Total assets | | 38,835 | 48,406 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables, including derivatives | | 4,142 | 5,387 |
| Short-term borrowings | | 16,934 | 19,433 |
| Total current liabilities | | 21,076 | 24,820 |
| Non-current liabilities | | - | - |
| Total liabilities | | 21,076 | 24,820 |
| Net assets | | 17,759 | 23,586 |
| EQUITY | | | |
| Issued capital | 10 | 28,556 | 28,556 |
| Reserves | | 880 | 3,595 |
| Accumulated Losses | | (19,230) | (18,458) |
| Total equity attributable to equity holders of the Company | | 10,206 | 13,693 |
| Non-controlling interest | | 7,553 | 9,893 |
| Total equity | | 17,759 | 23,586 |
| Net tangible assets per share (cents) | | 14.1 | 18.7 |

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2009

| | Note | 2009 $'000 | 2008 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash receipts from customers | | 42,030 | 89,342 |
| Cash paid to suppliers and employees | | (45,211) | (73,089) |
| Interest received | | 85 | 85 |
| Finance costs | | (901) | (1,196) |
| Income taxes refund / (paid) | | 138 | (450) |
| **Net cash (outflow) / inflow from operating activities** | | (3,859) | 14,692 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | (1,303) | (6,733) |
| Proceeds from sale of property, plant and equipment | | 217 | 90 |
| **Net cash outflow from investing activities** | | (1,086) | (6,643) |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | 25,945 | 42,457 |
| Repayment of borrowings | | (24,077) | (42,457) |
| Dividend paid to non-controlling interest | | - | (1,657) |
| **Net cash inflow / (outflow) from financing activities** | | 1,868 | (1,657) |
| Net (decrease) / increase in cash and cash equivalents | | (3,077) | 6,392 |
| Net foreign exchange differences | | (951) | 74 |
| Cash and cash equivalents at beginning of year | | 8,643 | 2,177 |
| **Cash at the end of the financial year** | 8 | 4,615 | 8,643 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

| | Issued Capital | Accumulated Losses | Other Reserves | Total | Non-controlling Interest | Total Equity |
|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| CONSOLIDATED ENTITY | | | | | | |
| At 31 December 2007 | 27,892 | (17,914) | 237 | 10,215 | 8,097 | 18,312 |
| (Loss) / Profit for the year ended 31 December 2008 | - | (291) | - | (291) | 652 | 361 |
| Foreign currency translation differences | - | - | 3,104 | 3,104 | 2,801 | 5,905 |
| Transfer between reserves | - | (253) | 253 | - | - | - |
| Share issue | 664 | - | - | 664 | - | 664 |
| Dividend paid by controlled entity to outside equity interests | - | - | - | - | (1,657) | (1,657) |
| Other | - | - | 1 | 1 | - | 1 |
| Total income and expense for the year recognised directly in equity | 664 | (253) | 3,358 | 3,769 | 1,144 | 4,913 |
| At 31 December 2008 | 28,556 | (18,458) | 3,595 | 13,693 | 9,893 | 23,586 |
| (Loss) / Profit for the year ended 31 December 2009 | - | (790) | - | (790) | (206) | (996) |
| Foreign currency translation differences | | | (2,698) | (2,698) | (2,134) | (4,832) |
| Transfer between reserves | - | 17 | (17) | - | - | - |
| Other | - | 1 | - | 1 | - | 1 |
| Total income and expense for the year recognised directly in equity | - | 18 | (2,715) | (2,697) | (2,134) | (4,831) |
| At 31 December 2009 | 28,556 | (19,230) | 880 | 10,206 | 7,553 | 17,759 |

NOTES TO ASX APPENDIX 4E

## 1 ACCOUNTING POLICIES, ESTIMATION METHODS AND MEASUREMENT BASES

Accounting policies, estimation methods and measurement bases used in this Appendix 4E are the same as those used in the last annual report and the last half-year report.

## 2 DETAILS OF CONTROLLED ENTITIES

There are no entities over which control has been gained or lost during the period.

## 3 JOINT VENTURES

There are no associates or joint venture entities

## 4 REVENUE

| | Consolidated Entity | |
|---|---|---|
| | 2009 | 2008 |
| | $'000 | $'000 |
| Sale of goods | 41,616 | 76,622 |
| Sale of scrap | 859 | - |
| Interest income | 85 | 85 |
| | 42,560 | 76,707 |

## 5 OTHER INCOME

| | | |
|---|---|---|
| Foreign currency gain | 648 | - |
| Gain on disposal of Property, Plant and Equipment | 148 | - |
| Other | 23 | 131 |
| | 819 | 131 |

## 6 EXPENSES

| | | |
|---|---|---|
| Profit before income tax includes the following specific expenses: | | |
| *Depreciation expense* | | |
| Land use rights | 27 | 26 |
| Buildings | 330 | 306 |
| Plant and equipment | 2,372 | 1,921 |
| | 2,729 | 2,253 |
| Employee benefits (including defined contribution superannuation expense ) | 2,927 | 3,708 |
| Defined contribution superannuation expense | 12 | 5 |
| *Finance Costs* | | |
| Interest paid/payable | 901 | 1,196 |
| *Other Expenses:* | | |
| Technical and advisory fees | 205 | 135 |
| General & administrative costs | 622 | 475 |
| Net loss on financial liabilities at fair value | - | 273 |
| Foreign currency loss | - | 73 |
| Expense incurred to extinguish Redeemable Floating Notes | - | 664 |
| Other expenses | - | 54 |
| | 827 | 1,674 |

## 7 PRIOR PERIOD ADJUSTMENT

A prepayment in the previous financial year was overstated by $178,000. This overstatement has been adjusted by correcting the respective comparative balances for the year ended 31 December 2007 in accordance with AASB 108. This resulted in a decrease in trade and other receivables of $178,000 and reciprocal increases in losses attributable to members of the parent entity ($99,000) and non controlling interests ($79,000).

## 8 CASH AND CASH EQUIVALENTS

| | Consolidated Entity | |
|---|---|---|
| | 2009 | 2008 |
| | $'000 | $'000 |
| Cash at bank and in hand | 4,615 | 8,643 |
| | Per annum % | Per annum % |
| Interest rates on cash at bank and in hand | 1.3 | 1.6 |

## 9 SEGMENT REPORTING

### Chief Operating Decision Maker (CODM)

The CODM is Dr Xinsheng Wang, Managing Director.

### Description of segments

The Group's primary reporting format is geographical segments. Secondary reporting by business segment is not necessary, due to the nature of this operation.

Although managed globally, the Group operates in three principal geographical areas – China, Australia and Europe. The composition of each geographical segment is as follows:

1. China - Oriental Technologies Investment Limited operates a lead acid battery manufacturing plant in China and makes local sales.
2. Europe and Australia - Oriental Technologies Investment Limited exports a broad range of its products to Europe and Australia.

### Primary reporting format - Geographical segments

2009

| | Europe | Australia | China | Other | Total continuing operations | Inter-segment elimination/ Unallocated | Consolidated |
|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Revenue** | | | | | | | |
| Sales to external customers | 18,954 | 9,088 | 11,590 | 1,984 | 41,616 | 944 | 42,560 |
| Total sales revenue | 18,954 | 9,088 | 11,590 | 1,984 | 41,616 | 944 | 42,560 |
| Other revenue/income | - | - | - | - | - | 819 | 819 |
| Total segment revenue/income | 18,954 | 9,088 | 11,590 | 1,984 | 41,616 | 1,763 | 43,379 |
| **Result** | | | | | | | |
| Segment result | (363) | (174) | (222) | (38) | (797) | (138) | (935) |
| Loss before income tax | | | | | | | (935) |
| Income tax expense | | | | | | | (61) |
| Net loss for the year | | | | | | | (996) |

8 SEGMENT REPORTING (continued)

2008

| | Europe | Australia | China | Other | Total continuing operations | Inter-segment elimination/ Unallocated | Consolidated |
|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Revenue | | | | | | | |
| Sales to external customers | 47,738 | 19,498 | 7,627 | 1,759 | 76,622 | - | 76,622 |
| Total sales revenue | 47,738 | 19,498 | 7,627 | 1,759 | 76,622 | - | 76,622 |
| Other revenue/income | - | - | - | - | - | 85 | 85 |
| Total segment revenue/income | 47,738 | 19,498 | 7,627 | 1,759 | 76,622 | 85 | 76,707 |
| Result | | | | | | | |
| Segment result | 2,063 | 843 | 330 | 76 | 3,312 | (2,688) | 624 |
| Profit before income tax | | | | | | | 624 |
| Income tax expense | | | | | | | (263) |
| Net profit for the year | | | | | | | 361 |

The costs of the holding company, which are included above as unallocated, are in respect of the business in China and costs incurred in respect of that business.

Oriental Technologies Investment Limited only manufactures lead acid batteries in China, so:

i) A split between segmental depreciation, assets and liabilities is not deemed necessary as all the risks and returns arising from the carrying amounts of assets and liabilities only apply to this one geographic segment, China;
ii) Included within Note 9 to these financial statements is the following information relating to assets:
  a) The acquisition of Property, Plant & Equipment and Intangibles that is expected to be used over more than one period; and
  b) The depreciation expenses for the assets; and
iii) Secondary reporting by business segment is not necessary, due to the nature of this operation.

Assets and Liabilities by Country

| | China | | Australia | | Consolidated | |
|---|---|---|---|---|---|---|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Assets | 37,244 | 46,294 | 1,591 | 2,112 | 38,835 | 48,406 |
| Liabilities | (21,029) | (24,783) | (47) | (37) | (21,076) | (24,820) |
| Net Assets | 16,215 | 21,511 | 1,544 | 2,075 | 17,759 | 23,586 |

Other Disclosures

Segment accounting policies

Segment information is prepared in conformity with the accounting policies used as disclosed in Note 1 to these financial statements and accounting standard AASB 114 Segment Reporting.

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis.

## 9 PROPERTY, PLANT AND EQUIPMENT

| | Consolidated Entity | |
|---|---|---|
| | 2009 | 2008 |
| | $'000 | $'000 |
| *Land usage rights* | | |
| At cost | 1,133 | 1,461 |
| Accumulated depreciation | (161) | (164) |
| | 972 | 1,297 |
| *Buildings - Leasehold* | | |
| At cost | 6,467 | 8,202 |
| Accumulated depreciation | (1,229) | (1,209) |
| | 5,238 | 6,993 |
| Total land and buildings | 6,210 | 8,290 |
| *Plant and equipment* | | |
| At cost | 19,452 | 23,921 |
| Accumulated depreciation & impairment | (6,724) | (5,996) |
| | 12,728 | 17,925 |
| Plant and equipment under construction | 107 | 73 |
| Total plant and equipment | 12,835 | 17,998 |
| Total non-current property, plant and equipment | 19,045 | 26,288 |
| *Total land Usage Rights* | | |
| Carrying amount at beginning of financial year | 1,297 | 1,009 |
| Depreciation | (27) | (26) |
| Effect of movement in foreign exchange | (298) | 314 |
| Carrying amount at end of financial year | 972 | 1,297 |
| *Total Buildings - Leasehold* | | |
| Carrying amount at beginning of financial year | 6,993 | 4,883 |
| Additions | - | 6 |
| Disposals | (15) | - |
| Depreciation | (330) | (306) |
| Effect of movement in foreign exchange | (1,548) | 1,583 |
| Reclassification from construction in progress | 138 | 827 |
| Carrying amount at end of financial year | 5,238 | 6,993 |
| *Total Plant & Equipment* | | |
| Carrying amount at beginning of financial year | 17,925 | 9,790 |
| Additions | 1,109 | 1,360 |
| Disposals | (54) | (90) |
| Depreciation | (2,373) | (1,921) |
| Effect of movement in foreign exchange | (3,879) | 3,724 |
| Reclassification from construction in progress | - | 5,062 |
| Carrying amount at end of financial year | 12,728 | 17,925 |
| *Total Construction in Progress* | | |
| Carrying amount at beginning of financial year | 73 | 525 |
| Additions | 194 | 5,366 |
| Effect of movement in foreign exchange | (22) | 71 |
| Reclassification to buildings leasehold | (138) | (827) |
| Reclassification to plant & equipment | - | (5,062) |
| Carrying amount at end of financial year | 107 | 73 |

## 10 ISSUED CAPITAL

| | 2009 Shares | 2009 $'000 | 2008 Shares | 2008 $'000 |
|---|---|---|---|---|
| Share capital | | | | |
| Ordinary shares – no par value | | | | |
| Fully paid and authorised | 126,361,087 | 28,556 | 126,361,087 | 28,556 |
| | 126,361,087 | 28,556 | 126,361,087 | 28,556 |

Movements in ordinary share capital

| Date | Details | Number of shares | $'000 |
|---|---|---|---|
| 1-Jan-08 | Opening balance | 116,884,005 | 27,892 |
| 1-Feb-08 | Share Issue at 7 cents each fully paid share | 9,477,082 | 664 |
| 31-Dec-08 | Closing balance | 126,361,087 | 28,556 |
| 1-Jan-09 | Opening balance | 126,361,087 | 28,556 |
| 31 Dec -09 | Closing balance | 126,361,087 | 28,556 |

## 11 SHARE-BASED PAYMENTS

| | Consolidated Entity 2009 $ | Consolidated Entity 2008 $ | Parent Entity 2009 $ | Parent Entity 2008 $ |
|---|---|---|---|---|
| There were no share-based payment expenses recognised during the financial year (2008 $Nil) | | | | |
| Opening balance 1 Jan | 420,000 | 420,000 | 420,000 | 420,000 |
| Closing balance 31 Dec | 420,000 | 420,000 | 420,000 | 420,000 |

Details of options outstanding during the financial year are as follows:

| 2009 Grant date | Exercise date | Exercise price | Balance at beginning of year | Granted during the year | Forfeited during the year | Exercised during the year | Expired during the year | Balance at end of year | Exercisable at end of year |
|---|---|---|---|---|---|---|---|---|---|
| Series 2 Options 18-May-05 | 5 years ending 17 May 2010 | 9.9 cents per share | 200,000 | - | - | - | - | 200,000 | 200,000 |
| Series 3 Options 16-November-07 | 5 years ending 15 November 2012 | 7.0 cents per share | 10,500,000 | - | - | - | - | 10,500,000 | 10,500,000 |
| Total | | | 10,700,000 | - | - | - | - | 10,700,000 | 10,700,000 |
| Weighted average exercise price | | | 7.1 cents per share | | | | | 7.1 cents per share | 7.1 cents per share |

## 11 SHARE-BASED PAYMENTS (continued)

2008

| Grant date | Exercise date | Exercise price | Balance at beginning of year | Granted during the year | Forfeited during the year | Exercised during the year | Expired during the year | Balance at end of year | Exercisable at end of year |
|---|---|---|---|---|---|---|---|---|---|
| Series 2 Options | | | | | | | | | |
| 18-May-05 | 5 years ending 17 May 2010 | 9.9 cents per share | 200,000 | - | - | - | - | 200,000 | 200,000 |
| Series 3 Options | | | | | | | | | |
| 16-November-07 | 5 years ending 15 November 2012 | 7.0 cents per share | 10,500,000 | - | - | - | - | 10,500,000 | 10,500,000 |
| Total | | | 10,700,000 | - | - | - | - | 10,700,000 | 10,700,000 |
| Weighted average exercise price | | | 7.1 cents per share | | | | | 7.1 cents per share | 7.1 cents per share |

The weighted average share price at the date of exercise of the options was 7.1 cents for the year ended 31 December 2009 (2008: 7.1 cents).

The weighted average remaining contractual life of share options outstanding at 31 December 2009 was 2 years and 10 months (2008: 3 years 10 months).

### Fair value of options granted

The fair value of options at grant date was determined using a Black-Scholes option pricing model that takes into account the share price at grant date, exercise price, expected volatility, option life, expected dividends, the risk free rate, vesting and performance criteria, the impact of dilution, the fact that the options are not tradeable. The inputs used for the Black-Scholes option pricing model for options granted during the year ended 31 December 2007 were as follows:

| | Series 3 options |
|---|---|
| Weighted average fair value | 4.00 cents |
| Grant date | 16 November 2007 |
| Share price at grant date | 7.0 cents |
| Exercise price | 7.0 cents |
| Expected volatility | 60.0% |
| Expected dividend yield | Nil% |
| Risk free interest rate | 6.27% |

Series 3 options were granted for no consideration; have a 5 year life; and are exercisable commencing the grant date

Expected volatility was determined based on the historic volatility (based on the remaining life of the option), adjusted for any expected changes to future volatility based on publicly available information.

## 12 SUBSEQUENT EVENTS

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the Group's operations, the results of these operations or the Group's state of affairs in future financial years.

## 13 DETAILS OF DIVIDEND OR DISTRIBUTION REINVESTMENT PLANS IN OPERATION

There is not a dividend or distribution reinvestment plan in operation.

## 14 REVIEW OF OPERATIONS AND OUTLOOK

The Company is pleased to report its results for the 2009 year.

Consolidated net loss for the year ended 31 December 2009 attributable to the members of OTI was $790,000 (2008 $291,000).

Consolidated revenue for 2009 totalled $43.4 million, a decrease of 44 % under the previous year (2008 $76.8 million).

It was a tough year for Apollo's lead acid battery operations. Due to the ongoing global financial down turn carrying over from the second half of 2008, sales and profit are extremely low and less than targeted early in 2009.

The export market was very soft, particularly in first half of 2009. Domestic market sales growth could not reverse lost sales from our export business. This situation ended by July 2009, only as demands from the export market started to increase and, commencing June 2009, domestic market demands also increased significantly.

In spite of these difficulties, measures were implemented to reduce production costs. Product quality was upgraded, with technical design and product construction revised significantly. These improvements have resulted in a substantial reduction in lead consumption.

A new wage system to pay employees at a work piece rate was also implemented. This system significantly increased productivity. A special reward package was also applied to promote domestic market sales, resulting in a domestic sales volume increase of 132% over the previous year.

With a number of measurements applied to reduce product costs and increasing sales, Apollo's business started to improve during July 2009. Profits were made during the last four months of 2009. This stronger performance should continue into 2010.

2010 will be a challenging year. The export market is still volatile. As a number of domestic sales contracts have been locked in, the domestic market should improve. During 2010, Apollo expects to achieve a 100% increase over 2009 domestic sales.

Management is confident that Apollo will achieve budgeted results.

## 15 OTHER INFORMATION REGARDING THESE ACCOUNTS

These accounts are in the process of being audited.