



Oriental Technologies Investment Limited

澳大利亚东方科技投资有限公司

FOR ASX MARKET RELEASE: 14TH APRIL 2014

Equity Transfer Agreement

- Transfer of 100% of Apollo's equity to Camel
- Cash purchase price totalling approximately Renminbi 220 million (AUD 38 million)
- Subject to Camel's further due diligence and OTI members' approval

Oriental Technologies Investment Limited (OTI) refers to previous Announcements made on 23rd July 2013, 8th October 2013, and 22nd November 2013 and is pleased to announce that it has with Indeveno Industries Pty Ltd (**Indeveno**), the minority shareholder of Yangzhou Apollo Battery Co Limited (**Apollo**), entered into an equity transfer agreement under the laws of the People's Republic of China (**China**) to transfer 100% of Apollo's equity (**Apollo Equity**) to Camel Group Co., Ltd (**Camel**).

Completion of the equity transfer agreement is subject to Camel's further limited due diligence on Apollo and approval by OTI's members.

Dr Xinsheng Wang, Managing Director of OTI, welcomed the equity transfer agreement "The transfer of 100% of Apollo's equity to Camel for 220 million Renminbi cash will represent a significant capital return for OTI."

Completion

Completion of the equity transfer agreement is subject, amongst other things, to the completion of further limited due diligence on Apollo by Camel and approval by OTI's shareholders.

Camel has completed most of its due diligence enquiries and the parties have entered into a full form equity transfer agreement that sets out the terms and conditions on which OTI and Indeveno would transfer their interests in Apollo to Camel.

Shareholder Approval

ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities, which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders. Accordingly, OTI will seek shareholder approval for the transfer of its equity interest in Apollo, which would result in a disposal of OTI's main undertaking.

Consideration

In accordance with the terms of the equity transfer agreement, the total consideration for the transfer of the Apollo Equity is approximately RMB 220,000,000 (AUD 37,921,881)ⁱ in cash, payable in three installments and subject to the satisfaction of certain conditions including completion of further limited due diligence on Apollo by Camel and approval by OTI's shareholders.



In accordance with its interest in Apollo, OTI is entitled to approximately 56% of the total cash consideration, being RMB 122,254,000 (AUD 21,073,189)ⁱ.

OTI anticipates that the satisfaction of the conditions under the equity transfer agreement will occur over an extended period of time. Accordingly, OTI anticipates that it will not receive its share of the final consideration for some months and the final total consideration may vary below RMB 220,000,000.

Distribution

While OTI intends to distribute its share of the consideration to its shareholders (less the amount of any taxation liability from the disposal, third party costs in relation to the disposal, and an amount reasonably required to maintain OTI while it pursues other business opportunities), it will only be able to determine the exact amount of the distribution subsequent to completion of the equity transfer agreement.

At that time, OTI will convene a meeting of its shareholders to obtain the approvals required in order to conduct the distribution.

New Business Opportunities

On completion of the transfer of Apollo's equity to Camel under the equity transfer agreement, OTI will have disposed of its main undertaking.

OTI's Board is currently considering the future of OTI, including whether to identify new business opportunities or to de-list OTI and distribute any proceeds from de-listing to its shareholders. The OTI Board will update shareholders accordingly in due course.

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Background

On 23rd July 2013, OTI announced to the market that it had entered into a preliminary agreement with Indeveno and Camel in accordance with which OTI and Indeveno agreed to assign 100% of the issued capital of Apollo to Camel.

Camel is a limited liability company established under the laws of the People's Republic of China and is listed on the Shanghai Stock Exchange. Apollo manufactures, exports and sells lead acid batteries.

OTI owns approximately 56% of the entire issued capital of Apollo and Indeveno owns the remaining 44%.

Indeveno is a company related to Dr Xinsheng Wang, OTI's Managing Director.

ⁱ Using the Reserve Bank exchange rate of 5.8014:1 on 9 April 2014