



Oriental Technologies Investment Limited

澳大利亚东方科技投资有限公司

For ASX Market Release: 2 October 2014

Equity Transfer Agreement

Oriental Technologies Investment Limited (**ASX: OTI**) refers to its earlier announcement made on 14 April 2014 and is pleased to announce that it has received in its Australian bank account A\$ 15,718,704 from Camel Group Co., Ltd (**Camel**).

The proceeds comprise OTI's share of part of the purchase price under the equity transfer agreement between Indeveno Industries Pty Ltd (**Indeveno**), the minority shareholder of Yangzhou Apollo Battery Co Limited (**Apollo**), OTI and Camel (the purchaser).

Under the terms of the equity transfer agreement, OTI and Indeveno have agreed to transfer 100% of Apollo's equity to Camel in consideration for a total cash payment of up to RMB 220,000,000, payable in instalments.

In accordance with its interest in Apollo, OTI is entitled to approximately 56% of the total cash consideration. The OTI Board reports that the final total consideration, after a number of adjustments, has been agreed at RMB 197,112,026.

Shareholder approval obtained

ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities, including the disposal of its main undertaking, it must first obtain the approval of its shareholders. At OTI's annual general meeting on 22 May 2014, OTI's members approved the transfer of OTI's equity interest in Apollo to Camel, which on completion of the equity transfer agreement will result in a disposal of OTI's main undertaking.

Completion of equity transfer agreement

Camel has now paid all instalments of the purchase price to OTI and Indeveno in China. OTI and Indeveno have paid local Chinese tax totaling RMB10,240,119. However, remittance of the remaining purchase price due to OTI in Australia, which is approximately 56% of RMB 30,475,652, cannot be made until certain receivables are collected and the product warranty period has expired. There may, therefore, need to be some further deductions from this amount.

Distribution

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.

OTI will convene a meeting of its shareholders to obtain the approvals required in order to conduct any capital distribution. As a provisional step, OTI's management has placed funds in a 60-day term deposit.



New Business Opportunities

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.

OTI's Board will update shareholders accordingly in due course.

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Background

On 23 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 owned approximately 56% of the entire issued capital of Apollo and Indeveno owned the remaining 44%.

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