

HALF-YEAR INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A

Name of entity

Oriental Technologies Investment Limited

ABN or equivalent reference #

13 060 266 248

Reporting period

Half-year ended 30 June 2004

Previous corresponding period

Half-year ended 30 June 2003

The information contained in this report should be read in conjunction with the most recent annual financial report.

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1. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities	up/down	14.9 %	to \$	16,321
Profit(Loss) from ordinary activities after income tax attributable to members	Profit up/down	104.7 %	to \$	(64)
Net profit (loss) for the period attributable to members	Profit-up/down	104.7 %	to \$	(64)

Dividends per Share

	Amount per share	Franked amount per share at ...% tax
Final	Nil cents	Nil cents
Interim	Nil cents	Nil cents

Record date for determining entitlements to dividends **N/A**

The Directors do not recommend the payment of a dividend for the six months ended 30 June 2004.

Current Period	Previous corresponding period
11.58 cents	10.04 cents

2. NET TANGIBLE ASSETS PER ORDINARY SHARE (NTA backing)

3. DETAILS OF CONTROLLED ENTITIES

3.1 Control Gained Over Entities During the Period

Nil

Name of entity

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Date control acquired, i.e. date from which profit(loss) has been calculated

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Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period *since the date on which control was acquired*

\$	\$	\$
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Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) for the *whole of the previous corresponding period*

\$	\$	\$
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3.2 Loss of Control of Entities During the Period

Nil

Name of entity

Date of loss of control, i.e. date until which profit(loss) has been calculated

Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period *to the date on which control was lost*

\$

\$

\$

Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) for the *whole of the previous corresponding period*

\$

\$

\$

Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

\$

\$

\$

4. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Nil

4.1 Equity Accounted Associates and Joint Venture Entities

	%Ownership Interest		Contribution to Net Profit	
	Current Period %	Previous Corresponding Period %	Current Period A\$ '000	Previous Corresponding Period A\$ '000

4.2 Aggregate Share of Profits(Losses) of Associates and Joint Venture Entities

Groups' Share of Associates' and Joint Venture Entities':

	Current Period A\$ '000	Previous Corresponding Period A\$ '000
Profit(Loss) from ordinary activities before tax	0	0
Income tax on ordinary activities	0	0
Profit(Loss) from ordinary activities after tax	0	0
Extraordinary items net of tax	0	0
Net profit(loss)	0	0
Adjustments	0	0
Share of net profit(loss) of associates and joint venture entities	0	0

5. DIVIDENDS

5.1 Dividends per Share

Final

- current period

- previous corresponding period

Interim

- current period

- previous corresponding period

Amount per share	Franked amount per share at ...% tax	Amount per share of foreign source dividend
<i>Nil</i> cents	<i>Nil</i> cents	<i>Nil</i> cents
<i>Nil</i> cents	<i>Nil</i> cents	<i>Nil</i> cents
<i>Nil</i> cents	<i>Nil</i> cents	<i>Nil</i> cents
<i>Nil</i> cents	<i>Nil</i> cents	<i>Nil</i> cents

5.2 Total Dividends

Interim - paid/payable on **[date]**

Final - paid/payable on **[date]**

Current Period A\$ '000	Previous Corresponding Period A\$ '000
0	0
0	0
0	0

All dividends reflected as distributions above were paid during the period.

5.3 Dividend Reinvestment Plans

Not applicable

The last date for receipt of election notices for participation in any dividend reinvestment plans

N/A

6. ACCOUNTING STANDARDS

AASB 1029 "Interim Financial Reporting" Accounting Standard have been used in compiling the information contained in this Appendix 4D.

7. AUDIT DISPUTES OR QUALIFICATIONS

No dispute or qualification

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities

**Statement of Financial Performance
for the Half-Year Ended 30 June 2004**

	Consolidated Entity		
	Note	Half Year	
		2004	2003
		\$'000	\$'000
Revenue from operating activities		16,241	14,122
Revenue from outside operating activities		80	77
Revenue from ordinary activities		<u>16,321</u>	<u>14,199</u>
Changes in inventories of finished goods		157	(502)
Raw materials and consumables used		(14,973)	(10,370)
Employee benefits expense		(611)	(625)
Depreciation and amortisation expenses		(528)	(541)
Borrowing cost expense		(90)	(54)
Other expenses		(273)	(138)
(Loss)/Profit from ordinary activities before income tax expense		3	1,969
Income tax expense		(27)	(183)
(Loss)/Profit from ordinary activities after income tax expense		(24)	1,786
Net profit attributable to outside equity interest		(40)	(433)
Net (loss)/profit attributable to members of Oriental Technologies Investment Limited		(64)	1,353
Net exchange difference on translation of financial report of foreign controlled entity		814	(1,459)
Provision for Profit Share		-	(271)
Total revenues, expenses and valuation adjustments attributable to members of Oriental Technologies Investment Limited recognised directly in equity		814	(1,730)
Total changes in equity other than those resulting from transactions with owners as owners		750	(377)
		Cents	Cents
Basic (loss)/earnings per share	9	(0.05)	1.16
Diluted (loss)/earnings per share	9	(0.05)	1.16

The above Consolidated Statement of Financial Performance should be read in conjunction with the accompanying notes.

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities

**Statement of Financial Position
as at 30 June 2004**

		Consolidated Entity	
	Note	30 June 2004 \$'000	31 Dec 2003 \$'000
CURRENT ASSETS			
Cash assets		7,547	7,012
Receivables		3,723	2,881
Inventories		1,781	1,488
Total Current Assets		<u>13,051</u>	<u>11,381</u>
NON-CURRENT ASSETS			
Property, plant and equipment		16,932	10,803
Deferred tax assets		5	-
Intangible assets		461	494
Other		-	8
Total Non-Current Assets		<u>17,398</u>	<u>11,305</u>
TOTAL ASSETS		<u>30,449</u>	<u>22,686</u>
CURRENT LIABILITIES			
Payables		3,205	1,732
Interest-bearing liabilities		12,221	6,762
Current tax liabilities		17	298
Provisions		1,057	1,057
Total Current Liabilities		<u>16,500</u>	<u>9,849</u>
TOTAL LIABILITIES		<u>16,500</u>	<u>9,849</u>
NET ASSETS		<u>13,949</u>	<u>12,837</u>
EQUITY			
Contributed equity	8	27,870	27,870
Reserves		(797)	(1,981)
Accumulated Losses		(15,964)	(15,608)
Total parent entity interest		11,109	10,281
Outside equity interest in controlled entities		2,840	2,556
TOTAL EQUITY		<u>13,949</u>	<u>12,837</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities**Statement of Cash Flows
for the Half-Year Ended 30 June 2004**

	Consolidated Entity	
	Half Year	
	2004	2003
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	15,633	13,436
Payments to suppliers and employees	(14,667)	(11,958)
Interest received	17	60
Interest and other costs of finance paid	(90)	(77)
Income taxes paid	(335)	(275)
Net cash inflow from operating activities	<u>558</u>	<u>1,186</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(5,502)	(481)
Proceeds from sale of equipment	18	5
Net cash outflow from operating activities	<u>(5,484)</u>	<u>(476)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	4,890	3
Dividends paid by controlled entities	-	(203)
Net cash inflow/(outflow) from financing activities	<u>4,890</u>	<u>(200)</u>
NET (DECREASE)/INCREASE IN CASH HELD	(36)	510
Net cash at beginning of period	7,012	4,731
Effects of exchange rate changes on the balances of cash held in foreign currencies at the beginning of the period	571	(483)
NET CASH AT END OF PERIOD	<u><u>7,547</u></u>	<u><u>4,758</u></u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities

Notes To The Financial Statements for the Half-Year Ended 30 June 2004

Note 1. Basis of Preparation of Half-Year Financial Statements

This general purpose financial report for the interim half-year reporting period ended 30 June 2004 has been prepared in accordance with Australian Accounting Standard 1029: Interim Financial Reporting, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The concept of accrual accounting has been adopted in the preparation of the interim financial report.

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2003 and any public announcements made by Oriental Technologies Investment Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Unless otherwise stated, the accounting policies adopted are consistent with those applied in the 31 December 2003 annual report

AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

For years ending on or after 31 December 2005, all general purpose financial reports prepared in accordance with the requirements of Chapter 2M of the Corporations Act will be required to comply with Australian equivalents to International Financial Reporting Standards (IFRSs) instead of Australian Accounting Standards presently on issue. Comparative financial statements must also be presented in accordance with Australian equivalents to IFRSs for the year ending 31 December 2005.

(a) Management of the Transition Process

In order to facilitate this transition process, the Audit Committee has reviewed the requirements of Oriental Technologies Investment Limited and controlled entities ("Group") implementing Australian equivalents to IFRSs for the year ending 31 December 2005.

This transition process consists of 3 phases as follows:

• Planning Phase

The Planning Phase involves identifying differences in key accounting policies between current Australian Accounting Standards and the Australian equivalents to IFRSs to be adopted in future. It also involves an assessment of complex areas and assessing resources available to implement the process.

• Diagnosis Phase

The Diagnosis Phase involves a more detailed analysis (than merely of key accounting policy differences) of measurement and disclosure impacts and preparatory work on revised statutory reporting templates. To ensure that quantitative information is available for AASB 1047 disclosures required at 30 June 2005, decisions will be taken on exemptions and options provided in AASB 1 "First Time Adoption of Australian Equivalents to IFRSs" and detailed impairment testing will be performed on opening balance sheet carrying values of assets at 1 January 2004.

Business impacts (e.g. relationships with bankers and lenders and employees), accounting system changes, training and resource requirements will also be identified during this phase.

This phase is due for completion by 31 December 2004.

Conversion Phase

During the Conversion Phase, changes required to accounting and reporting systems will be finalised and tested. Agreements with lenders and contracts with employees will be reviewed to ensure that the Group is not prejudiced by the adoption of the new accounting framework. During this phase the Group will ensure that all employees, accounting personnel and others who are impacted by the adoption of Australian equivalents to IFRSs are confident with new processes. This phase is expected to be completed by 31 March 2005.

(b) Changes to Key Accounting Policies

The Group has identified the following key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRSs.

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities

Notes To The Financial Statements for the Half-Year Ended 30 June 2004

Share-Based Payments

The Group does not currently recognise an expense for Options issued to Directors and employees. On 24 November 2000, Oriental Technologies Investment Limited issued a total of 5,000,000 Options to Directors and employees, the terms of each Option are an option to purchase one ordinary at an exercise price of 5.7 cents per share. Each Option must be exercised within the five-year period ending 23 November 2005.

Adoption of IFRS's would normally recognise an expense for all share-based remuneration, including deferred shares and options, and amortise those expenses over the relevant vesting periods. (AASB 2 Share Based Payments)

However, AASB 1 ("First Time Adoption of Australian Equivalents to International Financial Reporting Standards") prohibits adoption of AASB 2 when the equity instruments are granted on or prior to 7 November 2002 and the fair value of those equity instruments has not been publicly disclosed.

On adoption of Australian equivalents to IFRSs, Oriental Technologies Investment Limited will not recognise an expense for these Options.

Intangibles

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition, and is amortised on a straight line basis over the period of 20 years. The balance is reviewed at each reporting date and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

Under Australian equivalents to IFRS's, goodwill will no longer be required to be amortised but instead be subject to an annual impairment test. This will result in lower amortisation expenses, and therefore higher earnings on an annual basis, but increased volatility in earnings during periods when impairment losses are recognised.

Impairment

The carrying amount of property, plant and equipment and goodwill is reviewed at each reporting date by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Under Australian equivalents to IFRSs, the Group will be required to determine the recoverable amount as the higher of fair value less costs to sell and value in use (which is determined using discounted cash flows).

Property, plant and equipment include usage rights, buildings and plant and equipment.

Land usage rights and Buildings

For land usage rights and buildings, it is unlikely that this change in policy and basis for calculation will lead to impairment losses. This is due to the fact that the fair values of the assets are higher than the carrying values of the assets.

Plant and Equipment and Goodwill

For plant and equipment and goodwill this change in policy, that is using discounted cash flows, may lead to impairment losses being recognised and therefore greater volatility in future earnings. It is also possible that when discounting is initially applied on transition at 1 January 2004, impairment losses may need to be recognised on some assets, resulting in a negative impact on opening balances of retained earnings at that date.

Taxation

A "balance sheet" approach will be adopted under Australian equivalents to IFRSs, replacing the "statement of financial performance" approach currently used by Australian companies. The "balance sheet" method recognises deferred tax balances when there is a difference between the carrying value of an asset or liability, and its tax base. Any initial adjustments to calculate deferred tax assets and liability balances on transition using the new basis will be made through opening balances of retained earnings at 1 January 2004. Deferred tax asset and liability balances at 1 January 2004 can only be calculated once all other opening balance sheet amounts have been finalised at that date.

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities

Notes To The Financial Statements for the Half-Year Ended 30 June 2004 Translation of Foreign Subsidiaries

The assets and liabilities of overseas controlled entities, which are self-sustaining, are translated at period end rates and operating results are translated at an average rate. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

Australian equivalents to IFRSs provide similar treatment to this Group's translation of overseas controlled entities, except that when a foreign controlled entity is disposed of, any balance in equity resulting from translation differences is transferred to profit or loss in the period of sale. As a result, net profit will increase or decrease during periods when disposals of foreign operations occur.

The group has yet to determine whether they will use the exemption available under AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to reset balances of the translation differences in equity to zero at 1 January 2004.

If the balances of translation differences in equity are reset to zero at 1 January 2004, the initial adjustment will be processed via opening balances of retained earnings at that date, and this will impact the amount of profit and loss on the disposal of foreign operations in future periods.

Presentation Currency

The Group is currently required to present the financial statements in Australian currency. Under Australian equivalents to IFRSs the Group may select a presentation currency other than Australian currency.

Unless otherwise stated, the accounting policies adopted are consistent with those applied in the 31 December 2003 annual report.

Note 2. Segment Information

Primary reporting - business segments

The consolidated entity operates solely in China as a manufacturer, exporter and marketer in the lead acid battery industry. The costs of the holding company are in respect of the business in China and costs incurred in respect of that business

Note 3. Dividends

No interim dividend has been declared for the half year (2003: \$Nil)

Note 4. Revisions in Estimates

There has been no change to the estimation methods used.

Note 5. Contingent Liabilities

There have been no changes in contingent liabilities or contingent assets since the last annual reporting date, 31 December 2003.

Note 6. Acquisitions of Subsidiaries

There has been no acquisitions during the half-year.

Note 7. Discontinuing Operations

The entity has not discontinued any of its operations during the half-year.

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities

**Notes To The Financial Statements
for the Half-Year Ended 30 June 2004**

Note 8. Events Subsequent To Balance Date

No matters or circumstances have arisen since the end of the half year financial statements that significantly affected or may significantly affect the consolidated entity's operations and the results of those operations.

Note 9. Earnings per Share

	Half Year	
	2004	2003
	\$'000	\$'000
Basic (losses)/earnings per share	(0.05)	1.16
Diluted (losses)/earnings per share	<u>(0.05)</u>	<u>1.16</u>

	Half Year	
	2004	2003
	\$'000	\$'000
Reconciliation of earnings used in calculating earnings per share		
Basic and alternative basic earnings per share		
Net (loss)/profit	(24)	1,786
Net profit attributable to outside equity interest	<u>(40)</u>	<u>(433)</u>
(Losses)/Earnings used in calculating basic earnings per share	<u>(64)</u>	<u>1,353</u>

Diluted earnings per share		
Net (loss)/profit	(24)	1,786
Net profit attributable to outside equity interest	<u>(40)</u>	<u>(433)</u>
(Losses)/Earnings used in calculating basic earnings per share	<u>(64)</u>	<u>1,353</u>

	Number	Number
Weighted average number of options outstanding during the period used in the calculation of basic EPS	116,484,005	116,484,005
Potential ordinary shares assumed to have been issued for no consideration	3,228,714	375,628
Weighted average number of options outstanding during the period used in the calculation of basic EPS	<u>119,712,719</u>	<u>116,859,633</u>

Note 10. Rounding of Amounts

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Investments and Securities Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class Order.

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities

Declaration by Directors

The directors of the company declare that:

1. The financial statements, comprising the Statements of Financial Performance, Position and Cash Flows, and accompanying notes, are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards and the Corporations Regulations 2001; and

(b) give a true and fair view of the consolidated entity's financial position as at 30 June 2004 and of its performance for the half-year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



G MCMAHON
Chairman

SYDNEY
19 August 2004

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED and controlled entities
Directors' Report

Your directors present their report on the consolidated entity consisting of Oriental Technologies Investment Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2004.

Directors

The names of persons who were directors of eg Limited during the whole of the half-year and up to the date of this report are:

Gerard McMahon	Chairman	Appointed 7 April 2004
Lawrence Luo-lin Xin	Executive Vice	Appointed 24 December 1999
George Su Su	Managing Director	Appointed 17 February 1995
Chunyang Qiu		Appointed 14 July 1998
Patrick Ting Keung Ma		Appointed 24 December 1999
Steve Shuin Xin		Appointed 26 July 2000
Yong Bao		Appointed 26 July 2000

Review of Operations

Summary

The six months ended on 30 June 2004 has been a very challenging half year for the Company.

Turnover for the period increased to A\$16.3 million or a 15% increase from A\$14.2 million in previous corresponding period. However, due to unprecedented increases in raw materials cost, the Company suffered a loss of A\$64,000 compared with a net profit of A\$1.35 million for the previous corresponding period.

Increases in Raw Materials Costs

At the Company's annual general meeting held in early May this year, I discussed the impact of high lead price on the Company's profitability. Since then, the lead price has fluctuated wildly, moving between US\$700/tonne and US\$1040/tonne on the LME (cash settlement price) and averaging around US\$823/tonne. The average price for the previous corresponding period was US\$466/tonne.

The increase in lead price is believed to have been caused by an imbalance between the supply and demand of lead in the world as a result of rapid growth in demand for lead in China. As investment in power generation, telecom infrastructure and the motor vehicle manufacturing continued to grow in China albeit at a slower pace, the overall demand for lead grew strongly. Shortage of lead supply appears to be the main reason for lead price staying at its current high levels.

Another major raw material for battery making is plastic, which is highly sensitive to crude oil price movements. The recent record breaking oil prices have given yet more pressure to battery manufacturers around the world.

Many people in the lead acid industry have now accepted that the costs of these key raw materials will remain high for the foreseeable future. Therefore, it is anticipated that there will now be a trend towards general price rises in finished battery products.

The Company has now put through several rounds of price increases to re-build margins and will continue to work with its distributors/customer to restore profitability and stability.

Since our Chinese factory capacity is generally pre-sold, the lagging effect of price rises resulted in narrowed margins for the period under review.

Despite this difficult operating environment, the Company's customer market share in Europe and Australia was the same and cash flow from operations for the period remained positive.

The New Factory

Good progress have been made with the construction of the Company's brand new manufacturing facility, which is five minutes drive from the existing factory in Yangzhou, Jiangsu Province, China

The new manufacturing facility, when completed, will be among the most technologically advanced battery making facilities in China. Commissioning of the equipment has started earlier this month and is scheduled to finish before the end of September this year. Commercial production will progressively commence in October and reach full capacity within one year. When fully completed, the Company's total production capacity will be more than doubled, which will rank the Company among the top 3 lead acid battery manufacturers in China.

Strategic Partner

In May 2004, the Company signed a Letter of Intent with a major international battery company to obtain technical assistance and the right to use its brand in China. Contract negotiation is now in advanced stage. Once the cooperative relationship is formalized, the Company will be working together with its partner to tackle the rapidly growing China market.

There are now signs that the current difficult trading condition in the lead acid battery industry is accelerating the industry consolidation process in China. The management of the Company believes that OTI is well positioned to take advantage of this opportunity

The 20 % Profit Share

Despite increased liquidators' actions, CVIC remains enigmatic towards its 20% profit share in the Company. The Company's management is continuing to explore possibilities to restructure the existing profit share arrangement. The Company is seeking to negotiate a new profit share arrangement that supports the future growth of the Company.

Outlook for the rest of the year

The remainder of the year will continue to present challenges to the management of the Company. The problem of high raw material costs is not expected to change in the near future. Any further escalation in lead or oil prices will give further pressure to the Company's margins. The Company's production costs will be further reduced with the new and more efficient factory commencing commercial production later this year. Increased volume should help the Company to better service its customers and achieving better economies of scale.

Rounding of Amounts to the Nearest Thousand Dollars

The company satisfies the requirements of Class Order 98/0100 issued by the Australian Investments and Securities Commission relating to "rounding off" of amounts in the directors' report and the financial report to the nearest thousand dollars. Amounts have been rounded off in the directors' report and financial report in accordance with that Class Order.

This report is made in accordance with a resolution of the Board of Directors and is signed for and behalf of the directors by:



G. McMahon
Chairman

SYDNEY
19 August 2004

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF ORIENTAL TECHNOLOGIES INVESTMENT LIMITED**

Scope

We have reviewed the financial report comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying notes and Directors' Declaration of Oriental Technologies Investment Limited for the half-year ended 30 June 2004. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting, other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the disclosing entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the disclosing entity to lodge the financial report with the Australian Securities & Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an opinion.

Statement

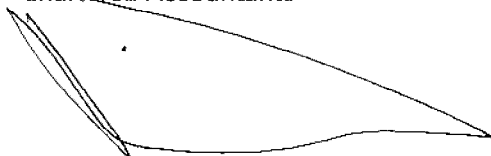
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Oriental Technologies Investment Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the disclosing entity's financial position as at 30 June 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

BDO

BDO

Chartered Accountants



K R Reid

Partner

Dated in Sydney this 19th day of August, 2004