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

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED ABN 13 060 266 248

Reporting period	**Previous corresponding period**
Half-year ended 30 June 2008	***Half-year ended 30 June 2007***

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~~	**76.7**	%	to	$000	**42,298**
Profit from ordinary activities after income tax attributable to members	up/~~down~~	**353.9**	%	to	$000	**1,069**
Net profit for the period attributable to members	up/~~down~~	**353.9**	%	to	$000	**1,069**

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**

Explanations **Refer Review of Operations attached**

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

Current Period	Previous corresponding period
16.3 cents	13.8 cents

3. DETAILS OF CONTROLLED ENTITIES

3.1 Control Gained Over Entities During the Period *NONE*

Name of entity			
Date control acquired, i.e. date from 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 *since the date on which control was acquired*	$	$	$
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*	$	$	$

3.2 Loss of Control of Entities During the Period ***NONE***

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

NONE

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 Income tax on ordinary activities		
Profit(Loss) from ordinary activities after tax		
Extraordinary items net of tax		
Net profit(loss) Adjustments		
Share of net profit(loss) of associates and joint venture entities		

5. DIVIDENDS

5.1 Dividends per Share	Amount per share	Franked amount per share at …% tax	Amount per share of foreign source dividend
Final			
- current period	***Nil*** cents	***Nil*** cents	***Nil*** cents
- previous corresponding period	***Nil*** cents	***Nil*** cents	***Nil*** cents
Interim			
- current period	***Nil*** cents	***Nil*** cents	***Nil*** cents
- previous corresponding period	***Nil*** cents	***Nil*** cents	***Nil*** cents

5.2 Total Dividends	**Current Period A$ '000**	**Previous Corresponding Period A$ '000**
Interim - paid/payable on	***Nil***	***Nil***
Final - paid/payable on	***Nil***	***Nil***

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

Dividend Reinvestment Plans

There is not a dividend reinvestment plan.

The last date for receipt of election notices for participation in any dividend reinvestment plans	***N/A***

6. ACCOUNTING STANDARDS

AASB 134 "Interim Financial Reporting" has been used in compiling the information contained in this Appendix 4D.

7. AUDIT DISPUTES OR QUALIFICATIONS

There is no audit dispute or qualification.

8. HALF-YEAR FINANCIAL STATEMENTS 30 JUNE 2008

8.1 DIRECTORS' REPORT

The Directors of Oriental Technologies Investment Limited present their report on the Company for the financial half-year ended 30 June 2008.

Directors

The names of the Directors of the Company during or since the end of the financial half-year are:

		Date Appointed
Gerard McMahon	Chairman	7 April 2000
Lawrence Luo-lin Xin	Non Executive Vice-Chairman	24 December 1999
Xinsheng Wang	Managing Director	31 August 2007
George Su Su	Non Executive Director	17 February 1995

All the Directors named above held office during and since the end of the financial half-year.

Review of Operations

Overview

The Company is pleased to report its results for the half-year ended 30 June 2008.

The net profit for the half-year ended 30 June 2008 was $1,069,000 (2007 $421,000 loss), a 354% increase. Revenue for the period was $42,298,000, a 77% increase over the previous half-year (2007 $23,933,000)

China Operations

For the half year ended on 30 June 2008 the Company's operation in China again endured challenges.

Since January 2008, the Chinese domestic price for lead (the main raw material for battery making) has continued to be volatile. Whilst this increased lead price adversely affects the business of all battery manufacturers competing with the Company, battery manufacturers still compete with other participants in the battery making value chain to protect their margins.

The battery manufacturing operation in China has performed very well despite continuing high lead prices. The factory has undergone considerable restructuring of its business operations under the guidance of Dr Wang Xinsheng who, besides having an indirect interest in the equity of the operation, is also General Manager as well as now being Managing Director of Oriental Technologies Investment Limited.

Under Dr Wang, OTI's China operation has been able to increase its end user prices considerably. It is anticipated that, by linking lead cost with battery selling prices; increasing domestic battery sales volumes; and controlling fixed overhead costs at present levels, profitability will be maintained during the current financial year.

Cancellation of Floating Notes

Two Redeemable Floating Notes, with a total face value of approximately $21 million, were created in 2000 to enable the Company to be re-listed with ASX Limited after a long period of suspension. These Redeemable Floating Notes were created to convert certain OTI shareholders' loans into the Redeemable Floating Notes.

The Redeemable Floating Notes entitled the holders to 20% of net profit after tax payable upon the declaration of a dividend by OTI. Although no dividend has been declared since the date the Redeemable Floating Notes were issued, the existence of these Redeemable Floating Notes had an adverse affect upon the Company's share price.

The Directors therefore decided to negotiate cancellation of these Redeemable Floating Notes in exchange for the issue of new OTI ordinary shares.

In February 2008, the Redeemable Floating Notes were cancelled and 9,477,082 new ordinary fully paid shares, representing 7 ½% of the total issued capital of the Company, were issued to the Redeemable Floating Note holders, who are associated with the New World Group, one of Hong Kong's leading publicly listed property developers.

Even though these new shares were issued for no consideration and do not require any cash payment, Australian Accounting Standards still require that the Company's financial statements for the half year ended 30 June 2008 include a non-recurring expense for the issue of these new shares.

This non-recurring expense, and corresponding increased issued capital, totalled $664,000 (2007 $Nil) and was calculated using the market value of the new shares at their issue date.

Yangzhou Apollo Battery Co Ltd ("YABC") Registered Capital Reduction

The application for reduction of YABC's registered capital has now been finally approved by the People's Republic of China's local government authority.

Final approval was received on 24 April 2008.

CITIC transaction

The Company has been seeking an investment from CITIC Australia Pty Ltd ("CITIC"), a subsidiary of China International Trust and Investment Corporation which is owned by the Chinese Government, to fund an expansion of the Company's business.

At the Company's annual general meeting held on 30 May 2008, the Company's members authorised re-structuring of the Company's business. Subject to internal and Chinese regulatory approvals and processes and acceptable legal documentation, CITIC would invest US$20 million in the Company's Business.

Since 30 May 2008, there has been further lengthy negotiations between the Company and CITIC. However, due to extensive Chinese tax liabilities (VAT, capital gains tax and stamp duty) that would be incurred by Yangzhou Apollo Battery Co Ltd, the Company has decided not to proceed with this CITIC transaction.

The Outlook

The lead price will continue to create pressure on the Company's margins.

International market competition has become more severe than in the past. When lead prices have been at reasonably lower levels, Korean battery producers were able to hedge these lower lead prices for large lead volumes. This hedging has allowed Korean battery producers to offer a more competitive market selling price and, in response, the Company had to adjust its own selling price for its major European customers. This competition will continue for the rest of this financial year and the

Company's result for the half year ended 30 June 2008 will be hard to match during the half year ended 31 December 2008.

Auditor's Independence Declaration

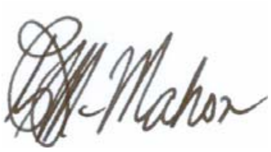
A copy of the independence declaration by the lead auditor under section 307C is included on page 25 to this half-year financial report.

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.

Sydney, 28 August 2008

Signed in accordance with a resolution of the Board of Directors



Gerard McMahon
Chairman

8.2 CONDENSED INCOME STATEMENT FOR THE HALF-YEAR ENDED 30 JUNE 2008

	Note	Consolidated Entity 2008 $'000	2007 $'000
Revenue		**42,084**	23,776
Other Income		**214**	157
	8.7	**42,298**	23,933
Changes in inventories of finished goods and work in progress		**(2,256)**	1,143
Raw materials and consumables used		**(33,481)**	(23,208)
Employee benefits expense		**(1,089)**	(844)
Depreciation and amortisation expense		**(903)**	(909)
Borrowing costs expense		**(488)**	(372)
Expense arising from share issue to remove profit share commitment	8.8	**(664)**	-
Other expenses		**(414)**	(314)
Profit / (Loss) before income tax expense		**3,003**	(571)
Income tax expense		**(376)**	-
Profit / (Loss) after tax from continuing operations		**2,627**	(571)
Profit / (Loss) for the half-year		**2,627**	(571)
(Profit) / Loss attributable to minority interest		**(1,558)**	150
Net profit / (loss) attributable to members of the parent		**1,069**	(421)
		Cents	Cents
Basic earnings / (loss) per share		**0.86**	(0.36)
Diluted earnings / (loss) per share		**0.80**	(0.36)

The above Condensed Income Statement should be read in conjunction with the accompanying notes.

8.3 CONDENSED BALANCE SHEET AS AT 30 JUNE 2008

	Note	Consolidated Entity	
		2008	31 December 2007
		$'000	$'000
ASSETS			
Current Assets			
Cash and cash equivalents		**2,634**	2,177
Receivables		**11,599**	11,092
Inventories		**8,525**	10,781
Total Current Assets		**22,758**	24,050
Non-current Assets			
Property, plant and equipment		**19,799**	16,207
Total Non-current Assets		**19,799**	16,207
Total Assets		**42,557**	40,257
LIABILITIES			
Current Liabilities			
Payables		**6,911**	7,163
Short term borrowings		**13,925**	14,347
Short term provisions	8.8	**1,187**	125
Total Current Liabilities		**22,023**	21,635
Non current liabilities			
Trade and other payables		**-**	132
Total non current liabilities		**-**	132
Total Liabilities		**22,023**	21,767
Net Assets		**20,534**	18,490
Equity			
Issued capital		**28,556**	27,892
Reserves		**216**	237
Accumulated losses		**(16,746)**	(17,815)
Parent entity interest		**12,026**	10,314
Minority equity interest		**8,508**	8,176
Total Equity		**20,534**	18,490
Net tangible assets per share (cents)		**16.3**	15.8

The above Condensed Balance Sheet should be read in conjunction with the accompanying notes.

8.4 CONDENSED CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 30 JUNE 2008

	Consolidated Entity	
	2008	2007
	$'000	$'000
Cash flows from operating activities		
Receipts from customers	**41,301**	22,134
Payments to suppliers and employees	**(35,472)**	(23,042)
Interest received	**29**	31
Finance costs	**(488)**	(372)
Income tax paid	**(463)**	-
Net cash inflow/(outflow) from operating activities	**4,907**	(1,249)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(4,495)**	(908)
Proceeds from sale of property, plant and equipment	**-**	131
Net cash outflow from investing activities	**(4,495)**	(777)
Cash flows from financing activities		
Repayment of borrowings	**-**	2,549
Dividend paid by controlled entity to outside equity interests	**-**	(127)
Net cash inflow from financing activities	**-**	2,422
Net increase in cash and cash equivalents	**412**	396
Net foreign exchange differences	**45**	(116)
Cash and cash equivalents at the beginning of the year	**2,177**	4,101
Net cash at the end of the period	**2,634**	4,381

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

8.5 CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2008

	Issued capital $'000	Accumulated Losses $'000	Other Reserves $'000	Total $'000	Minority Interest $'000	**Total Equity $'000**
Balance 31 December 2006	27,892	(18,014)	(310)	9,568	7,608	**17,176**
Loss for the period	-	(421)	-	(421)	(146)	**(567)**
Transfer between reserves	-	(31)	31	-	-	**-**
Dividend paid by controlled entity to outside equity interests	-	-	-	-	(390)	**(390)**
Exchange Differences on translating foreign currency	-	-	(56)	(56)	-	**(56)**
Other	-	1	-	1	3	**4**
Balance 30 June 2007	27,892	(18,465)	(335)	9,092	7,075	**16,167**
Profit for period	-	773	-	773	1,144	**1,917**
Foreign currency translation differences	-	-	30	30	(40)	**(10)**
Transfer between reserves	-	(122)	122	-	-	**-**
Share based payments	-	-	420	420	-	**420**
Other	-	(1)	-	(1)	(3)	**(4)**
Balance 31 December 2007	27,892	(17,815)	237	10,314	8,176	**18,490**
Profit for period	-	1,069	-	1,069	1,534	**2,603**
Dividend payable by controlled entity to outside equity interests	-	-	-	-	(1,187)	**(1,187)**
Foreign currency translation differences	-	-	(21)	(21)	(16)	**(37)**
Share issue to remove profit share commitment	664	-	-	664	-	**664**
Other	-				1	**1**
Balance 30 June 2008	**28,556**	**(16,746)**	**216**	**12,026**	**8,508**	**20,534**

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.

8.6 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half-year reporting period ended 30 June 2008 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

The historical cost basis has been used, including land and buildings which have been measured at deemed cost.

This interim report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 31 December 2007 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.

The half-year financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards.

The same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report. AASB 134: Interim Financial Reporting generally only requires disclosure of accounting policies that have changed from those used in the prior annual reporting period. All applicable accounting policies have been noted below with reference to where these have changed from the prior annual period.

(a) Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal trading activities and the realisation of assets and settlement of liabilities in the normal course of business.

The on – going viability of the consolidated entity is dependent on its ability to generate profits from future operations, the continued availability of bank facilities and the ability of the consolidated entity to raise additional equity.

(b) Basis of Consolidation

Subsidiaries
The consolidated financial statements comprise of the financial statements of Oriental Technologies Investment Limited and its controlled entities at 30 June each half year ("the Group"). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All controlled entities have a December financial year end.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Subsidiaries are accounted for in the parent entity financial statements at cost, less impairment write downs.

Where controlled entities have entered or left the economic entity during the half year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(c) ***Business Combinations***

The purchase method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued, the value of the equity instruments is their published market price as at the date of exchange unless, in rare circumstances it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired, liabilities and contingent liabilities assumed in business combinations are initially measured at their fair values at acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the net assets acquired, the difference is recognised in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

(d) ***Property, Plant and Equipment***

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to the income statement during the half year in which they are incurred.

The gain or loss arising from the retirement or disposal of property, plant and equipment is determined as the difference between the estimated net sales proceeds and the carrying amount of the assets and is recognised as an income or expense in the income statement.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account of their estimated residual values of 10%, using the straight-line method.

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on reasonable basis and depreciated separately:

Buildings and plant	20 years
Machinery	10 years
Motor vehicles	5 years
Electronic equipment	5 years
Other equipment	5 years
Moulds	5 years

Construction in progress

Construction in progress is stated at cost less accumulated impairment losses. Cost includes all construction expenditure and other direct costs, including interest costs, attributable to such projects.

Costs on completed construction works are transferred to the appropriate asset category. No depreciation is provided in respect of construction in progress until it is completed and available for use.

Land use rights

Land use rights represent amounts paid for the acquisition of the rights to use land located in the Peoples Republic of China for periods of 50 years. Land use rights are carried at cost and amortised to income statement over the lease terms.

(e) ***Impairment***

In the previous published financial report, the carrying amount of property, plant and equipment was reviewed at the reporting date by Directors to ensure it was not in excess of the recoverable amount from these assets. The recoverable amount was 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 were not discounted to their present values in determining recoverable amounts.

Under AIFRS, the Group determined 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 are tested for impairment annually.

(f) ***Capitalisation of Borrowing Costs***

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset will be capitalised as part of the cost of that asset. The capitalisation of borrowing costs as part of the cost of a qualifying asset commence when:

- Expenditures for the assets are being incurred;
- Borrowing costs are being incurred; and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Borrowing costs include interest on short term borrowings.

(g) ***Leases***

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases and capitalised at inception of the lease at the fair value of the leased property, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(h) ***Inventories***

Raw Materials, Work in Progress and Finished Goods
Inventories are stated at the lower of cost and net realisable value. Cost comprises of all direct materials, direct labour and an appropriate portion of variable and fixed overheads. Fixed overheads are allocated on the basis of normal operating capacity. Costs are assigned to inventories using the weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling cost of completion and selling expenses.

(i) ***Foreign Currency Transactions and Balances***

The functional currency of Oriental Technologies Investment Limited is Australian Dollars and that of its Chinese subsidiaries is Chinese Renminbi (RMB). The presentation currency is Australian Dollars (AUD).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in the income statement.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The functional currency of the overseas subsidiary is RMB. At reporting date, the assets and liabilities of the overseas subsidiary are translated into the presentation currency of Oriental Technologies Investment Limited at the closing rate at balance sheet date and income and expenses are translated at the average exchange rates for the half year. All resulting exchange differences are recognised as a separate component of equity (foreign currency translation reserve). On disposal of a foreign entity, the cumulative exchange difference recognised in the foreign currency translation reserve relating to that particular foreign operation is recognised in the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(j) ***Employee Benefit Provisions***

Provision is made for the Group's liabilities for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

(k) ***Provisions***

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) ***Revenue Recognition***

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue and costs, if applicable, can be measured reliably and on the following bases:

Sale of Goods
Revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to and title is passed to customers.

Interest
Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets.

Dividends
Dividends are recognised when the Group's right to receive payment is established.

(m) **Share-Based Payments**

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for options over shares ("equity-settled transactions"). The following plan is currently in place to provide these benefits:
- the Orientech Employee Share Option Plan (ESOP) which provides benefits to employees.

Share Options Granted Before 7 November 2002 and/or Vested Before 1 January 2005
No expense has been recognised in respect of options granted before 7 November 2002. Shares are recognised when options are exercised and the proceeds received are allocated to share capital.

Share Options Granted on or After 7 November 2002 and Vested After 1 January 2005
The fair value of options granted under the Orientech Employee Share Option Plan is recognised as an employee benefit expense with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Fair value is determined using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Oriental Technologies Investment Limited ("market conditions"). This expense is recognised at grant date, when these options also vest.

Where the terms of options are modified, a further expense is recognised for any increase in fair value of the transaction.

If new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(n) ***Earnings per Share***

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of Oriental Technologies Investment Limited (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the half year.

For the purpose of calculating diluted earnings per share, profit or loss attributable to ordinary equity holders of Oriental Technologies Investment Limited and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

Profit or loss attributable to ordinary equity holders of Oriental Technologies Investment Limited is adjusted, by the after-tax effect of:

(i) any dividends or other items related to dilutive potential ordinary shares deducted in arriving at profit or loss attributable to ordinary equity holders of Oriental Technologies Investment Limited;
(ii) any interest recognised in the period related to dilutive potential ordinary shares ; and
(iii) any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares;

(o) ***Income Tax***

The charge for current income tax expense is based on the profit for the half year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is possible that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(p) ***Trade Debtors***

The majority of sales are due upon presentation of an invoice. The remaining sales are with credit terms ranging from 30 to 90 days, as well as on letter of credit. Collection of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms.

(q) ***Trade and Other Payables***

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and payment terms are between 30 and 60 days.

(r) ***Segment Reporting***

The Company manufactures lead acid batteries in China. Revenue arises from local sales in China and exports, mainly to Europe and Australia.

The Company's risks and returns are affected predominantly by differences in the geographical areas in which it operates, not differences in the products and services it provides.

(s) ***Rounding of amounts***

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the Financial Report and Directors' Report have been rounded off to the nearest $1,000.
Unless otherwise stated, the accounting policies adopted are consistent with those applied in the 31 December 2007 annual report.

8.7 SEGMENT INFORMATION

	Consolidated Entity	
	2008	2007
	$'000	$'000
Primary reporting - geographical segment by location of customers		
Segment Revenues from External Customers		
Europe	**26,725**	11,914
Australia	**11,202**	7,436
China	**3,051**	1,941
Other Countries	**1,106**	2,485
	42,084	23,776
Unallocated revenue	**214**	157
Revenue from ordinary activities	**42,298**	23,933
Segment Result		
Europe	**2,513**	858
Australia	**1,054**	535
China	**287**	140
Other Countries	**104**	179
	3,958	1,712
Unallocated expenses net of unallocated revenue	**(955)**	(2,283)
Profit / (Loss) before income tax before minority interest	**3,003**	(571)

8.8 PROVISIONS

	Consolidated Entity	
	2008	31 December 2007
	$'000	$'000
Employee Benefits	**-**	24
Land Tax	**-**	101
Dividend payable to minority shareholders of subsidiary	**1,187**	-
	1,187	125

Movements in provisions		
Balance 1 January	**125**	15
Increase in provision for dividend payable to minority shareholders of subsidiary	**1,187**	-
(Decrease) / Increase in provision for employee benefits	**(24)**	9
(Decrease) / Increase in provision for land tax	**(101)**	101
Balance 30 June	**1,187**	125

PROVISIONS (continued)

Share Subscription Agreement

Redeemable Floating Notes

Under an arrangement entered into with China Venturetechno International Co. Limited ("CVIC") and Red Lion Resources Limited ("RLRL"), and in accordance with shareholders approval on 26 July 2000, the total indebtedness of $20,834,841 by the Company and its controlled entities to CVIC/RLRL was extinguished by the issue of two Redeemable Floating Notes. Terms of these Redeemable Floating Notes included the payment by the Company out of, and limited to, the Company's net profit after tax ("NPAT") (if any) in each year, of a profit share payment ("PSP") equal to 20% of each NPAT. In the opinion of Directors, at 31 December 2007 a PSP was payable only if a dividend is declared payable by the Company. The PSP would cease once the cumulative implied payment amount ("CIPA") reaches $20,834,841 or the expiration of 50 years, whichever is the sooner.

The CIPA would be equal to the sum of the Implied Payment Amount ("IPA") in each year.

The IPA in each year would be equal to the actual amount paid to Red Lion and CVIC / (1 + (discount) or (premium). The discount or premium is the discount or premium that the current year's NPAT represents relative to the pre-agreed breakeven NPAT of $4.0 million.

De recognition of provision

In 2006, the Company de-recognised the previous provision of $1,096,000 in respect of its cash liability for the PSP.

It is the Board's opinion, based upon a legal opinion received, that the 20% profit share right is only payable out of any dividends declared by Oriental Technologies Investment Limited. As no dividend has been declared by the Company since the commencement of the debt restructuring arrangement, no present obligation for payment exists and no provision for any profit share payment is required.

If a provision had continued to be included based on 20% of NPAT rather than dividends declared, net profit attributable to members of the parent company for the year ended 31 December 2007 would have decreased by $70,000 to $282,000 (2006: net profit decrease by $269,000 to $1,076,000); and the total provision recognised at 31 December 2007 would be $1,435,000 (31 December 2006 $1,365,000).

In December 2005, the liquidators of China Venturetechno International Co Limited (CVIC, holder of the 20% profit share right) sold CVIC together with the profit share right to a company in Hong Kong.

Share Subscription Agreement

On 31 January 2008, Oriental Technologies Investment Limited, CVIC and RLRL each entered into a Share Subscription Agreement.

The terms of this Share Subscription Agreement include that, conditional upon Oriental Technologies Investment Limited issuing and allotting a total of 9,477,082 ordinary fully paid shares to CVIC and RLRL or their nominees:

i). CVIC and RLRL each agreed that the Redeemable Floating Notes be extinguished; and
ii). CVIC and RLRL each acknowledge the full and final settlement of the Redeemable Floating Notes and interest and costs and all other claims in relation to the circumstances in which OTI issued the Redeemable Floating Notes to CVIC and RLRL.

On 1 February 2008, Oriental Technologies Investment Limited issued and allotted a total of 9,477,082 ordinary fully paid shares to CVIC and RLRL in accordance with the Share Subscription Agreement; and booked an expense and increased issued capital by $664,000 using Oriental Technologies Investment Limited's market value per share (7 cents each).

8.9 EQUITY SECURITIES ISSUED AND GRANTED

Oriental Technologies Investment Limited has issued share options to employees in accordance with the Orientech Share Option Plan. Each option is for one ordinary share and may be exercised within the exercise period or if there is earlier termination of the option. An option cannot be exercised unless the option holder has provided not less than 24 months service to the Company (unless the Directors determined otherwise). Details of options granted are:

Series 2 Options
Issue Date: 18 May 2005
Exercise Period: Within the five-year period ending on 17 May 2010.
Exercise Price: 9.9 cents per share.
Total number issued: on issue date 200,000

Series 3 Options
Issue Date: 16 November 2007
Exercise Period: Within the five-year period ending on 15 November 2012.
Exercise Price: 7.0 cents per share.
Total number issued: on issue date 10,500,000

	Consolidated Entity	
	2008	2007
	Number	Number
Ordinary Shares		
Balance 1 January	116,884,005	116,884,005
Shares issued 1 February 2008	9,477,082	-
Balance 30 June	126,361,087	116,884,005
Series 2 Options		
Balance 1 January	**200,000**	200,000
Balance 30 June	**200,000**	200,000
Series 3 Options		
Balance 1 January	**10,500,000**	-
Balance 30 June	**10,500,000**	-
Total options and unissued ordinary shares subject to options 30 June	**10,700,000**	200,000

8.10 SEASONALITY AND IRREGULAR TRENDS

Refer to the Review of Operations included in the Directors' Report.

8.11 COMMITMENTS

	Consolidated Entity	
	2008	31 December 2007
	$'000	$'000
Contract not provided for office maintenance	**9**	-
Contract not provided for computer recharge machines	**13**	-
Contract not provided for production line construction	**23**	368
	45	368

8.12 YANGZHOU APOLLO BATTERY CO LTD PAID-UP CAPITAL

On 20 January 2006, one of the shareholders of Yangzhou Apollo Battery Co Ltd (“YABC”) injected capital of USD 4.0 million into YABC. Upon completion of this capital injection, the paid-up capital of YABC increased from USD 4.1 million to USD 8.1 million.

On 23 June 2006 and 20 September 2006, certain equity holders of YABC directly injected part of their share of distributions from fellow subsidiary Yangzhou Huayang Battery Co Ltd (“YHBC”) totalling USD 5.0 million to YABC as their capital contribution. The distributions were determined in accordance with YHBC’s statutory financial statements prepared under the generally accepted accounting principles in the People’s Republic of China (“PRC GAAP”).

According to YABC’s statutory financial statements prepared under PRC GAAP, only USD 13.1 million registered capital had been paid. According to the relevant Company Laws and Regulations of the People’s Republic of China, YABC’s registered capital of USD 20.0 million must be fully paid up within three years from the date of issuance of the operating licence. Since the registered capital had not been paid up on time, the People’s Republic of China local government authority issued a warning notice to YABC to take remedial action, otherwise YABC’s operating licence may be withdrawn.

On 20 October 2006, YABC’s directors resolved to apply to Yangzhou Foreign Trade and Economic Department to reduce the registered capital of YABC from USD 20.0 million to USD 13.1 million.

Final approval to reduce YABC’s registered capital was received on 24 April 2008.

8.13 EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance that has arisen since the end of the financial half-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.

8.14 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.

9 DECLARATION BY DIRECTORS

The Directors of the Company declare that:

1. The financial statements and notes comprising the Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Changes in Equity, and accompanying notes are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and

   (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2008 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.

Sydney, 28 August 2008

Signed in accordance with a resolution of the Board of Directors

Gerard McMahon
Chairman

RSM Bird Cameron Partners
Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Oriental Technologies Investment Limited for the half year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM Bird Cameron

RSM BIRD CAMERON PARTNERS
Chartered Accountants

W E BEAUMAN
Partner

Sydney, NSW
Dated: 28 August 2008

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Oriental Technologies Investment Limited ("the consolidated entity") which comprises the condensed balance sheet as at 30 June 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both Oriental Technologies Investment Limited (the company) and the entities it controlled during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and its performance for the half-year ended on that date; and

- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Oriental Technologies Investment Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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 the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM Bird Cameron

RSM BIRD CAMERON PARTNERS
Chartered Accountants

W E BEAUMAN
Partner

Sydney, NSW
Dated: 28 August 2008